

Annual Governance Statement

2017/18

Stoke-on-Trent City Council Annual Governance Statement 2017/18

1. Introduction

1.1 Each year the City Council produces a governance statement that explains how it makes decisions, manages its resources and promotes values and high standards of conduct and behaviour. This statement complies with regulation 6(2) of the Accounts and Audit Regulations 2015.

1.2 Stoke-on-Trent City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, correctly accounted for, used economically, efficiently and effectively to deliver quality services to the community it serves.

1.3 The council is committed to embedding and achieving a robust set of corporate governance arrangements. The council is managed within a robust framework as set out in the City Council Constitution, which clearly outlines how the council operates, how decisions are made and what procedures need to be followed to ensure the council is efficient, transparent and accountable to its local residents and stakeholders.

1.4 The Annual Governance Statement reports on:

- i. how the council complies with its own governance arrangements;
- ii. how the council monitors the effectiveness of the governance arrangements and;
- iii. what improvements or changes in governance arrangements are proposed during the forthcoming year.

1.5 The footnotes provided are internet links which will take you to the specific supporting documents and appropriate web pages.

2. Scope of Responsibility

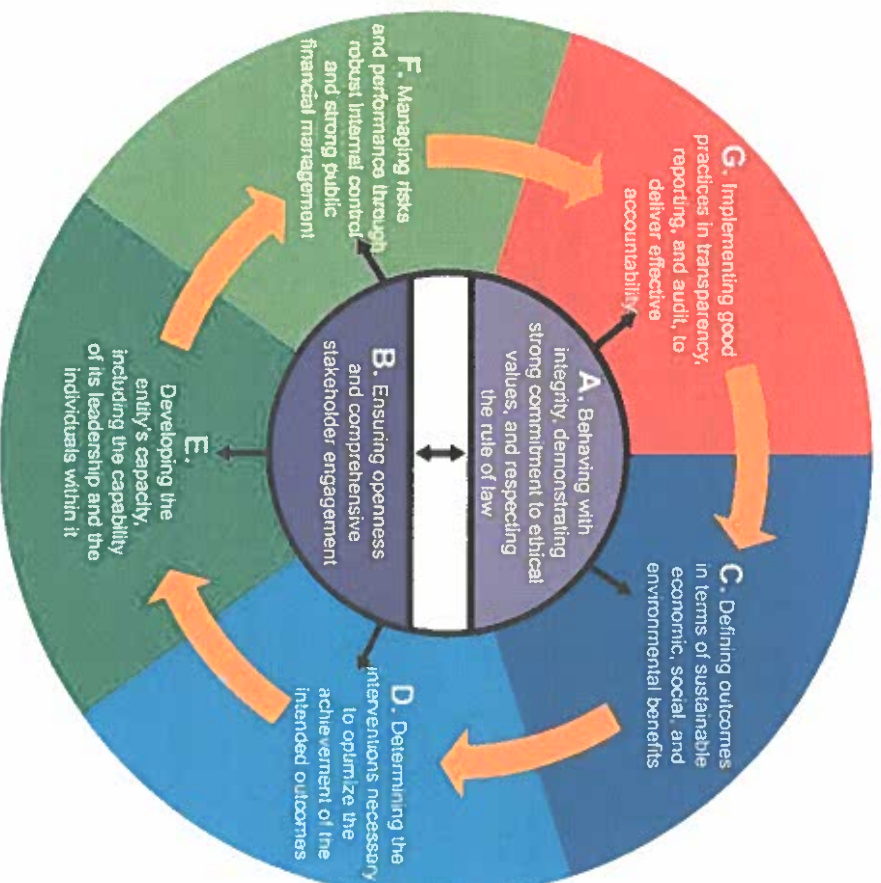
2.1 Stoke-on-Trent City Council is responsible for ensuring that its services are provided and conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Local Government Act 1999 also places a duty on all councils to secure continuous improvement and to demonstrate economy, efficiency and effectiveness.

2.2 In discharging this overall responsibility, the City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.

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2.3

The Chartered Institute of Public Finance and Accountancy (CIPFA) and The International Federation of Accountants (IFAC) identified seven key principles relating to governance in their document *International Framework: Good Governance in the Public Sector* (CIPFA/IFAC, 2014). A summary of the Seven Principles of Good Governance in the public sector and how they relate to each other is shown below:



International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework')

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The Purpose of the Governance Framework

2.4 The Governance Framework comprises the systems and processes, culture and values by which Stoke-on-Trent City Council is directed and controlled. This, together with its activities and leadership, enables it to monitor and manage its performance for delivering cost effective services.

2.5 Effective performance and risk management allows the council to have increased confidence in achieving its objectives and also allows the citizens of Stoke-on-Trent to have increased assurance in the council's governance arrangements and its ability to deliver.

2.6 The system of internal control is a significant part of the governance framework and is designed to manage risk to an acceptable level. Risk cannot be eliminated and therefore controls can only provide reasonable and not absolute assurance of effectiveness. Internal Control is based on a process to:

- Identify and prioritise risks that prevent the achievement of the council aims and objectives;
- Evaluate the likelihood that risks are realised and the impact should they realise;
- The appropriate management of those risks.

2.7 The council has a number of committees that challenge and review the options considered and actions taken by the council with the aim to ensure that robust decisions are made that focus on achieving the best strategic outcomes for local residents within the available level of resources.

2.8 The council has an Audit Committee¹ which has as part of its function, the responsibility to consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements, and seek assurance that action is being taken on issues identified by auditors and inspectors. In discharging this function, the Audit Committee will ensure compliance with such codes, protocols, statements and policies as are necessary to meet its responsibilities, which includes the appropriate arrangements for the management of risk.

¹ <http://www.moderngov.stoke.gov.uk/mg/CommitteeDetails.aspx?ID=406>

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3. The 2017/18 Governance Framework

3.1 The CIPFA/IFAC framework (Good Governance in the Public Sector), provides advice and indicators to good governance which affords the council the opportunity to review and test its governance and structures in delivering best practice.

3.2 The CIPFA/IFAC framework identifies the seven core principles of good governance as:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimize the achievement of the intended outcomes.
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

3.3 The governance framework covered by this statement has been in place at Stoke-on-Trent City Council for the year ended 31 March 2018 and is considered up to May 2018. An assessment of the council's governance arrangements against each core principle is attached at Appendix 1.

3.4 In 2017/18 whilst no significant governance issues were identified; the council acknowledges the governance challenges presented through reduced funding and continuing high demand in both Adult Social Care and Children and Family Services. In responding to such challenges the council aims to grow its own income streams to support service delivery, reduce the city's reliance upon Revenue Support Grant and attract new businesses, create new jobs and provide new homes. This will involve working closely with partners, other authorities and organisations and exploring different ways of delivering services. There will be a focus on housing and business growth and the infrastructure that supports it, to deliver the future income streams (including council tax and business rates) needed to support and maintain the services of the council.

3.5 In February 2018 the council officially launched its new housing repairs and maintenance company which aims to improve services for tenants and raise housing standards in the city. Unitas is a wholly-owned subsidiary of the city council and will deliver repairs and maintenance services to Stoke-on-Trent's 18,500 council homes and 600 public buildings. It was established to take over the work of the joint venture partnership between the authority and Kier Stoke. Around 450 Kier Stoke staff have transferred to the new company and have been joined by a further 30 city council workers. They will be carrying out an average 600 responsive repair jobs a day, with plans to refurbish 1,500 void properties a year. Unitas Stoke-on-Trent Limited will also be working with local businesses to support the city's economy.

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3.6 The council has supported the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SLEP) on a review to ensure its governance and processes meet the requirements of best practice guidance and the DCLG paper "Review of Local Enterprise Partnership Governance and Transparency". This work has been undertaken with the "Cities and Local Growth Unit" who are a joint team between the Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government. SLEP policies had to be compliant with national standards by the 28th February 2018 to receive grant funding. This was achieved and the Local Growth Fund capital and revenue grants were received in April 2018. In addition, improvements have been made to the governance arrangements for the Ceramic Valley Enterprise Zone. The Zone is managed by the city council on behalf of the SLEP working with all partners. The amendments to the constitution have been made and SSLEP will be signing off an improved Implementation Plan and supporting business cases.

3.7 As part of internal processes where procedural/control issues have been identified through routine audits, inspections or review, recommendations have been reported to management and are monitored and regularly reviewed by managers and senior officers through to completion. Despite increasingly difficult financial challenges work continues on delivering a council wide savings programme and corporate restructure whilst continuing to meet its statutory obligations. Maximising opportunities through further development of a commercial approach and exploring the options for income generation form a key part of the council's strategy.

4. Review of Effectiveness

4.1 A review of the council's governance arrangements draws on several sources including:

- Service updates from individual service managers
- Reviews of partnership governance arrangements
- External inspections by government agencies
- Internal Audit reviews which consider and report upon compliance with corporate policies and procedures
- External audit reports

4.2 The Audit Committee plays a key role in the Council's review of the effectiveness of its governance framework. It seeks assurance on the adequacy of the Council's risk management, control and governance arrangements.

4.3 The Audit Committee's self-assessment against updated CIPFA guidance was updated in April 2018. The Committee was assessed as substantially compliant in 3 of the 4 areas. Actions to ensure the Committee becomes fully compliant continue to be addressed and regular updates have been reported to Committee meetings.

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Internal Audit and Review

4.4 The City Council has a strong Internal Audit function and well-established protocols for working with External Audit. The arrangements for the provision of Internal Audit are contained within the Council's Financial Regulations which are included within the Constitution. The Assistant Director, Finance, as Section 151 Officer is responsible for ensuring that there is an adequate and effective system of Internal Audit of the Council's accounting and other systems of internal control, as required by the Accounts and Audit Regulations 2015.

4.5 In 2017 CIPFA published revised Public Sector Internal Audit Standards to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. The City Council has adopted these standards and Internal Audit has carried out self-assessments with areas for improvement being addressed. An external review was undertaken in February 2018. This gave the council's internal audit service the highest category of "Generally Conforms" to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note. An action plan is in place to implement the three recommendations and ten suggestions from the review.

4.6 Internal Audit's Annual Plan is prioritised by a combination of key and statutory systems' assessments and reviews on the basis of risk, and the Council's corporate governance arrangements. The work incorporates reviews of the main financial systems, other systems identified as high risk, grant certification work and the continued development of proactive fraud work. The resulting work plan is discussed and agreed with Directors, the Audit Committee and shared with the Council's external auditor. Regular meetings between internal and external audit ensure that duplication of effort is avoided. All planned audit reports include an assessment of the adequacy of internal control and a prioritised action plan to address any areas needing improvement where for example, controls need to be improved or the overall control environment strengthened. These are provided to Directors, and other officers as appropriate, and a summary is provided to Members on a quarterly basis.

4.7 The Internal Audit review of the council's control environment is set out in the annual report to Audit Committee which concluded that from the work carried out during 2017/18, the level of assurance on the adequacy and effectiveness of the City Council's control environment is Satisfactory.

External Audit and Review

4.8 KPMG LLP has been appointed by the Public Sector Auditor Appointments (PSAA²) as the council's external auditor for 2017/18. Their annual work programme is set in accordance with the Code of Audit Practice issued by the National Audit Office and includes nationally prescribed and locally determined activities. During 2017/18 the scope of that work was to support a conclusion and view on and audit of the council's financial statements, its Whole of Government Accounts return and Value for Money assessment; this assessment asks whether in all significant respects, the city council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. City Council officers work closely with external audit to provide information and assurance in support of those conclusions and acts on any recommendations made as a result.

² PSAA website provides information regarding the National Audit Office Code of Practice in relation to audits of local authorities

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- 4.9 The Council received an unqualified Value for Money (VFM) conclusion for 2016/17 from its External Auditors³. The Council noted the recommendation resulting from the report and took steps to improve areas further. This has now been successfully completed and reported to the Audit Committee. In addition the Council received an unqualified opinion on the financial statements for the previous three years.

- 4.10 From April 2018 the Council's External Auditor changed following a procurement undertaken by the Public Sector Audit Appointments Ltd (PSAA). It was reported to Cabinet in March 2018 that the council's external auditors for the five year period from 2018/19 will be Ernst and Young LLP.

External Inspections

- 4.11 The Council is subject to a number of inspections by regulatory bodies on many of the services that it provides. During 2017/18 several external reviews were completed:

- 4.12 In July 2017 a West Midlands Adults Social Care Peer Challenge took place with the focus on Care Markets, Sustainability and Partnerships. The peer challenge group identified a number of strengths within the council's Adult Social Care practice including strong political and corporate visions, enthusiastic and committed front line staff and a commitment to a partnership approach. The review also identified some areas for improvement including having a clear Adult Social Care offer and the need to clear the backlog of reviews. The review made five recommendations and an action plan is currently being implemented to address the recommendations. Many of the recommendations were already underway during or shortly after the Peer Challenge and all actions are expected to be completed by March 2019.

- 4.13 In September 2017 the Care Quality Commission (CQC) undertook a Local System Review of the Stoke-on-Trent health and care system. The review considered system performance along a number of 'pressure points' on a typical pathway of care with a focus on older people aged over 65. The review was carried out following a request from the Secretaries of State for Health and for Communities and Local Government to undertake a programme of twenty targeted reviews of local authority areas. The CQC will produce a national report for government to bring together key findings from across the twenty local system reviews. A Local Summit was held in November 2017 with the council and other partners to work together to develop an improvement plan in response to the review report with co-ordination of the plan being led by North Staffordshire Combined Healthcare NHS Trust. The action plan has six key themes and seven service improvement areas. The improvement plan was submitted to the CQC in December 2017. The council has introduced internal processes to support the delivery of the local authority's actions.

- 4.14 The Special Educational Needs and Disabilities (SEND) service was jointly inspected by the Care Quality Commission (CQC) and the Office for Standards in Education, Children's Services and Skills (Ofsted) in July 2016. This looked at the council's effectiveness in implementing the disability and special educational needs reforms as set out in the Children and Families Act 2014. In March 2018 Cabinet approved a city wide

³ External Audit Findings 2016/2017

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SEND approach including the expansion of current maintained special schools and additional specialist provision based in Stoke-on-Trent. This will enable the council to deliver an educationally and financially sustainable approach to SEND provision across the city

- 4.15 In October 2017 Office for Standards in Education, Children's Services and Skills (Ofsted) conducted an inspection of further education and skills. The inspection team took account of the council's most recent self-assessment report and development plans. Inspectors used group and individual interviews, telephone calls and online questionnaires to gather the views of learners and employers and observed learning sessions, assessments and progress reviews. The council has an action plan in place to develop the areas identified as requiring improvement. Ofsted is providing monitoring and support visits and the council's progress is acknowledged.

- 4.16 Stoke-on-Trent City Council currently has ten small group homes, all of which are regulated by Ofsted under the Care Standards Act 2000 which underpins the Children's Homes Regulations, including the Quality Standards April 2015. Each setting undergoes an annual inspection which gives an overall judgement on the home. Nine homes are currently rated as Good and one is rated as Outstanding

- 4.17 In November 2016 the council took part in the LGA Corporate Peer Challenge. A six member peer review team visited the City Council and published a detailed report on its findings in January 2017. The review focused on five generic themes: understanding of the local place and priority setting; leadership of place; financial planning and viability; organisational leadership and governance and capacity to deliver. In addition, the City Council asked the peer team to provide an objective assessment of its approaches to commercialisation, the use of data in service design and decision-making and the mobilisation of community resources to help achieve the City Council's strategic objectives. The peer team's report stated that the overall direction of travel was positive, and cited the development and adoption of the Stronger Together vision, as well as "impressive" regeneration projects and improved strategic leadership as examples of progress since the previous visit in 2012. The report set out nine recommendations, which focused on financial planning, reputational enhancement, organisational transformation, place-shaping, strategic prioritisation, governance and staff recognition. These formed the basis of a formal response and action plan which was approved by Cabinet in June 2017. The action plan is subject to monitoring, highlighting the progress to date against the recommendations and next steps for further improvement.

- 4.18 In Autumn 2016 the Director of Housing and Customer Services commissioned an external health check of our housing services to help us to objectively identify areas that are strong and areas that need improvement. This assessment acted as a baseline for us on how we are performing and a direction of travel as we strive to improve services. A further review was undertaken in February 2018 to review progress and this provided further areas for improvement. An action plan to address these will be drafted following receipt of the final report.

- 4.19 The outcome of the Council's assessment of its governance arrangements in 2017/18 is summarised below. A more detailed assessment against the seven CIPFA/FAC principles is set out in **Appendix 1**.

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5. Framework – key improvement areas

- 5.1 The following paragraphs detail key elements of the framework which have undergone significant improvements.

Procurement

- 5.1.1 The City Council has continued to develop robust governance procedures for procurement activity across the authority. These are contained in the Contract Procedure Rules (which form part of the Constitution) and also in a more detailed Procurement Process Guide which sets out the Council's standard procurement process. The Council is currently updating its previous Procurement Strategy (which was adopted in 2014) to address the issues of: (a) driving best value from the goods and services we buy; (b) ensuring that processes are clearer and simpler than previously; (c) increasing social value from what we buy, thus ensuring compliance with the Public Services (Social Value) Act 2012; (d) modernising the way in which we advertise our opportunities (including the use of social media); and ensuring that SMEs and third sector organisations can compete for opportunities on a level playing field.

- 5.1.2 The Council has a standard procurement process which is detailed in the Procurement Process Guide to ensure consistency of approach across the authority. This complements the high level Contract Procedure Rules which are reviewed on an annual basis. A Council-led Procurement Task & Finish Group was established to examine procurement topics such as changes to the Contract Procedure Rules, advertising of opportunities, local procurement, and risk.

Information Governance

- 5.1.3 To further strengthen the risk based approach to information security the Senior Information Risk Owner (SIRO) role has been developed. All officers who handle personal data are required to undertake data protection training which has recently been updated in line with the General Data Protection Regulation (GDPR). Specific GDPR training has also been provided for all managers.

The operation of the SIRO Board is now fully embedded and is actively managing security policies and practice.

- 5.1.4 The council ensures staff are aware of information governance standards by using a range of awareness tools including staff training, manager training, policy awareness software, staff guidance documents and targeted staff communications.

- 5.1.5 Managers have received training in what they must do to prepare for the introduction of the GDPR. The council is engaged in a number of compliance activities, including developing new and updated policies and guidance, producing new notices to tell people how we use their data, ensuring full details of our information assets are recorded centrally, reviewing the way consent is obtained and ensuring all new and enhanced rights are being upheld.

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- 5.2 The governance framework is under continuous review and the developments initiated in previous years continue to be embedded during 2017/18, including the stream-lining of the forward planning and reporting process and a review of the Constitution and governance arrangements. The guidance on conflicts of interest has also been updated and the requirement for declarations to be completed has been expanded to include strategic managers.

6. Future Developments

- 6.1 The council recognises that the need for change, driven by unprecedented budget reductions and a desire to improve the quality of life for our citizens continues to present the council with immense challenges. It is crucial as the council aligns itself with new operating models and implements new and demanding strategies it considers the risks associated with these and alongside these considerations it recognises and balances the risks associated with the service demands that are driven by social and economic change. It is therefore important that risk continues to be acknowledged and managed in a transparent way and every effort is made to ensure effective risk management is embedded within the council's organisational structure and across its business activities.

- 6.2 In light of the financial challenges faced by the authority, the council has an on-going action plan to maintain and strengthen financial control across the authority. Key areas of focus will include:

- Reviewing budget allocation to match services spending priorities.
- Ensuring all appropriate goods and services are acquired via the use of an official purchase order.
- Reviewing the processes for the collection of cash and reviewing payment options.
- Reviewing and re-negotiating our contractual responsibilities.
- Reviewing financial regulations to ensure they remain fit for purpose.
- Strengthening financial management through training, improved processes, systems, tools and support for all staff across the council.

7. Significant Governance Issues


- 7.1 In 2017/18 no further significant governance issues were identified, however all findings of regulatory inspections received during the period covered by this statement are being addressed and progress will be reported at regular intervals through the appropriate committee.


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8. Declaration by Council


- 8.1 We have been advised on the results of the review of the effectiveness of the governance framework by the Audit Committee. The City Council continues to develop plans to ensure continuous improvement of the arrangements are in place and these will continue to be enhanced.
- 8.2 Over the coming year, we will continue to strengthen the Council's governance arrangements and will monitor the implementation of recommendations to improve and enhance the arrangements as part of our next annual review.

Signed:

Date:  Leader of the Council: Councillor James

Date:  City Director: David Sidaway

Date:  Section 151 Officer: Nick Edmonds

Date:  Monitoring Officer (Interim): Gerry Clarke

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APPENDIX 1

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

How we can demonstrate that the Council meets this principle		Evidence
PA.1	<p>The Council promotes high standards of ethical behaviour by developing, maintaining and monitoring a Code of Conduct for Members of the Council. The Code of Conduct clearly sets out the standards expected for elected Councillors to ensure they operate in a clear, transparent manner and treat each other, and members of the public, with respect and courtesy. The Code and the council's policies and procedures are communicated via corporate induction sessions and are available on the council's intranet site.</p>	<p>Members Code of Conduct & Staff Code of Conduct are included in the Council's Constitution</p>
PA.2	<p>The Codes of Conduct for Members and council employees include the requirement to disclose interests (including statutory Disclosable Pecuniary Interests) and to declare gifts and hospitality. The Members Gifts and Hospitality Register is available on the council's website on the Transparency pages.</p>	<p>Councillor's Register of Interests</p>
PA.3	<p>Comprising of nine councillors, allocated on the basis of the political composition of the council, the City Council's Standards Committee is responsible for helping Members to adhere to the Members Code of Conduct and promoting other elements of sound ethical behaviour.</p> <p>The Committee, in conjunction with the Monitoring Officer, deals with complaints against Members and this may involve the undertaking of investigations or some other form of action being taken, such as additional training. The Committee also issues (and updates) local codes of guidance from time to time, such as a Code on Criminal Records Bureau checks and guidance on dealing with planning and licensing determinations.</p>	<p>Standards Committee</p>

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Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

PA.4	<p>The City Council has an established Procurement Strategy and Procurement Process Guide in place to ensure an ethical and robust process. This enables a clear and documented end to end procurement process that supports probity, provides effective stewardship of public funds and meets the needs of the business.</p>	<p>Procurement Strategy</p> <p>Procurement Process Guide</p>
PA.5	<p>The Council has an established corporate compliments, comments and complaints process. In the event that the procedure is exhausted, the Ombudsman is required to carry out an investigation into a complaint.</p> <p>The Ombudsman's Annual letter is published on the LGO's own website.</p>	<p>Compliments, Comments and Complaints Process</p> <p>Local Government Ombudsman's Report</p>
PA.6	<p>The Council has a Counter-Fraud & Error Strategy (NB to be approved at the May Audit Committee meeting) as well as a Confidential Reporting (Whistleblowing) Policy to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. The Audit Committee receives regular update reports outlining progress in implementing key anti-fraud actions to protect the Council's interests.</p>	<p>Whistleblowing Procedure</p> <p>Counter-Fraud, Corruption & Error Strategy</p>

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Principle B – Ensuring openness and comprehensive stakeholder engagement		
How we can demonstrate that the Council meets this principle		Evidence
P.B.1	The council publishes its decisions on its website; on this page you can find a record of executive decisions made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	Notice of Decisions
P.B.2	The council is committed to openness and transparency. Meeting items are only discussed in private if they absolutely cannot be discussed in any other way ⁴ . City Council and Cabinet Meetings are broadcast live on the internet, and are available online to be watched after the event.	Council Meeting Webcasts Cabinet & Council Meetings
P.B.3	The city council places communications at the centre of all that it does. The communications strategy which is underpinned by the council's Stronger Together vision sets out an approach until 2019 which aims to improve communications with local people as well as a number of key stakeholders across the city through a series of pre-agreed campaigns. This approach proactively supports engaging local people and stakeholders in democracy and council services in a number of ways across a number of digital and more traditional channels. The city council's Community Cohesion Strategy has been developed taking into account the views of young people and consultation with statutory, voluntary and community partners.	Communications Strategy 2017-19 Community Cohesion Strategy
P.B.4	The City Council has an established customer feedback procedure which enables those in the City to engage with the organisation and offer ideas, suggestions, compliments and complaints. The Annual Customer Feedback Report for 2016/17 was published in September 2017 and shows an increase in the number of complaints received though not to the same levels seen in previous years. Compliments have reduced for the first time in a number of years.	Customer Feedback Procedure Annual Customer Feedback Report

⁴ Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

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Principle B – Ensuring openness and comprehensive stakeholder engagement

PB.5	<p>In May 2018 the council published its Annual Progress Report on the Stronger Together Annual Delivery Plan 2017/18.</p>	<p><i>Stronger Together Priorities</i> Annual Delivery Plan: Final Progress Report</p>
PB.6	<p>The council communicates through its website regarding the Council's vision, achievements, financial position and performance. The website has recently been redeveloped to provide the public with easier access to information and services. The Council also publishes its "City News" newsletter three times a year which is distributed to 119,000 households. Various parts of the organisation also use other forms of social media, including Twitter, Facebook, YouTube, google+, Pinterest and Flickr to engage and inform communities and stakeholders. The Communications Team also provides related media releases, where appropriate.</p> <p>Employees receive a regular corporate newsletter in addition to service specific communication and bulletins. Information is cascaded from Senior Management Team and Leadership Boards to staff via Departmental Team meetings as necessary.</p>	<p>Stoke-on-Trent City Council Website</p> <p>City News</p> <p>Main News Page</p> <p>Staff Newsletter</p>
PB.7	<p>Engaging with our communities is essential to ensure that we are a resident led authority. Consultation exercises are carried out as required; for example, consultation on the Budget has become a regular component of the budget setting process. Consultation meetings were held across the Medium Term Financial Strategy period to consult on the budget proposals.</p> <p>The council also conducted a number of online consultations in the year including the rights of way improvement plan; how do you use your chemist; elective home education policy, social workers survey to support carers and when would you like to shop at our markets.</p>	<p>Budget Consultation 2018/19 – 2019/20</p>

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Principle B – Ensuring openness and comprehensive stakeholder engagement

PB.8

Enhancing the accountability for service delivery and effectiveness of other public service providers is demonstrated through the reporting mechanisms for joint arrangements, such as the Health and Well Being Board, Adult Strategic Partnership, CYS Partnership, Responsible Authorities Group and the Youth Offending Service Board, - all of whom deliver services in partnership with Staffordshire PCT, Staffordshire Police, Probation Services and the City Council.

The City Council works in close partnership with the Stoke and Staffordshire Local Enterprise Partnership to develop investment and business growth across the region.

[Health and Wellbeing Board](#)

[Stoke-on-Trent Adults' Strategic Partnership](#)

[Stoke-on-Trent Safeguarding Children Board](#)

[Children and Young People's Strategic Partnership Board](#)

[Stoke and Staffs LEP Partnership](#)

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Principle C – Defining Outcomes in terms of sustainable economic, social, and environmental benefits.		
How we can demonstrate that the Council meets this principle		Evidence
PC.1	<p>In 2017/18 the City Council continued to embed its Stronger Together Priorities as part of its long term Strategic Vision for 2016-2020. These priorities set out what the council will strive to achieve for the city over the coming years, working with the citizens of Stoke-on-Trent as well as partner organisations to deliver improvements to our great city.</p>	<p>Stronger Together Priorities</p> <p>Stronger Together Annual Delivery Plan: 2017-18</p>
PC.2	<p>The Stronger Together Strategic Plan provides a clear vision for Stoke-on-Trent, to create a city we can all be proud of. This vision is underpinned by five priorities which guide everything the Council does:</p> <ul style="list-style-type: none"> • Support our residents to fulfil their potential; • Support our businesses to thrive, delivering investment in our towns and communities; • Work with residents to make out towns and communities great places to live; • A commercial council, well governed and fit for purpose, driving efficiency in everything we do; • Support vulnerable people in our communities to live their lives well. <p>Sitting underneath the five priorities are 29 strategic objectives which describe the areas where the organisation will drive change over the next four years. To guide the delivery of our priorities and objectives there are five cross cutting values. They describe how we will work and how we would like to work with others, across organisational and geographical boundaries.</p> <p>The council's Medium Term Financial Strategy has been aligned to support the delivery of the above strategic priorities.</p>	<p>Medium Term Financial Strategy</p>

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Principle C – Defining Outcomes in terms of sustainable economic, social, and environmental benefits.

<p>PC.3</p> <p>The Council has adopted in full CIPFA's Prudential Code for Capital Finance in Local Authorities and their Treasury Management Code of Practice. The Council receives specialist support from Ailingclose on all aspects of borrowing, lending and investments.</p> <p>Reserves strategy and forecasts are clearly set out in the Medium Term Financial Strategy and are monitored through the quarterly Finance updates. Opportunities for strengthening the reserves position are routinely considered as part of the account closure exercise. The revenue budget is set and will be reviewed on a regular basis.</p>	<p>Capital Investment Programme</p> <p>Medium Term Financial Strategy & Council Tax Setting</p> <p>CIPFA Treasury Management Code</p>
<p>PC.4</p> <p>The annual report on the Treasury Management Strategy for 2017/18, incorporating the Minimum Revenue Provision Policy Statement, Investment Strategy and Prudential and Treasury Indicators 2017/18 required under Part 1 of the Local Government Act 2003 was approved by Council in February 2017 (having been considered by the Audit Committee).</p> <p>Member awareness and engagement on Treasury Management issues is progressed through development events and regular updates.</p>	<p>Treasury Management Annual Borrowing & Investment Strategy & Minimum Provision Policy</p>

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Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes.

How we can demonstrate that the Council meets this principle	Evidence
<p>PD.1</p> <p>Financial and non-financial performance reports are presented on a monthly basis at Senior Management Team Meetings (SMT) and taken to Cabinet each quarter. The content of the reports demonstrate the Council's progress in achieving against the performance measures and budgets across council activities and are used to highlight examples of excellence in service delivery, as well as monitoring areas requiring improvement. Reports are also provided to Overview and Scrutiny Committees for each respective service area.</p> <p>During 2016/17 the City Council implemented new arrangements for both strategic and operational performance management. A set of strategic measures were developed which were aligned to the Stronger Together Priorities and considered on a quarterly basis. In 2017/18 the performance management arrangements were further strengthened with an annual refresh of the strategic measures to ensure they were still up to date and relevant. In addition a new performance report was developed for the Senior Management Team (SMT) to review on a monthly basis using a balanced scorecard approach to strengthen arrangements for both strategic and operational performance management.</p>	<p>Financial Performance Reports Q1, Q2, Q3 Strategic Measures Performance Q1, Q2, Q3 Treasury Management: Three Quarter Performance Review Overview & Scrutiny Committees</p> <p>Stronger Together: Strategic Performance Framework</p>
<p>PD.2</p> <p>In determining the courses of action to take decisions are informed by the council's strategic priorities and objectives (its strategy and key performance indicators) which subsequently inform a clear planning methodology and long term direction for its business activities. To support this, the council ensures it has an adequate and all-inclusive budget process.</p>	<p>Medium Term Financial Strategy Budget Consultation & Proposal</p>
<p>PD.3</p> <p>A new Housing Strategy has been created to enhance Stoke-on-Trent's housing offer so that people at all stages of life can find and live in a quality home they want at a price they can afford.</p>	<p>Housing Strategy 2017-22</p>

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Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes.

PD.4	<p>"Making Stoke-on-Trent a digitally inclusive city". Enabling more people to access the internet has the potential to transform the way in which citizens access local services and make choices about aspects of their own lives, while simultaneously reducing demand for key services.</p>	<p>Digital Inclusion Strategy 2016-20</p>
PD.5	<p>Our vision is for Stoke-on-Trent to be a vibrant, healthy and caring city which supports its citizens to live more fulfilling, independent and healthy lives. Our objective is to promote personal responsibility, early intervention and independence by involving communities in the way our services are shaped. We will encourage community leadership, a strong focus on efficiency, value for money and ease of access to services.</p>	<p>Joint Health and Wellbeing Strategy 2016-20</p>
PD.6	<p>A new set of Equality Objectives for the Council for the period 2017-2020 have been developed. Objectives were last adopted in 2012 and legislation requires that these are reviewed every four years.</p>	<p>Equality Objectives 2017-20</p>

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Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it.

How we can demonstrate that the Council meets this principle		Evidence	
PE.1	The City Council participates in multiple benchmarking exercises and uses the information for financial and service quality comparisons. Learning from other entities enables the City Council to achieve value for money and best practice service delivery.	Benchmarking	
PE.2	The Council has four statutory ⁵ posts with responsibility for governance.	Statutory / Mandatory posts	Post within current structure
		Head of Paid Service	City Director
		Chief Financial Officer and s151 Officer	Assistant Director Finance and s151 Officer
		Monitoring Officer	Assistant Director Governance
		Senior Information Risk Owner	Assistant Director ICT, Libraries and Customer Services

⁵ There are other statutory roles, including the Director of Children's Services and the Caldicott Guardian, currently held by the Assistant Director – Commissioning, Health and Social Care

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Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it.

PE:3	<p>The Constitution sets out a Scheme of Delegation, Financial Regulations and Contract Procedure Rules.</p> <p>The Scheme of Delegation gives officers authority to act within the policies and objectives defined by the executive and the council as a whole. The scheme has been extended to Assistant Directors and work continues to extend further to Strategic Managers. The Financial Regulations underpin the effective management of the City Council's financial arrangements and the Contract Procedure Rules govern the making of contracts for and on behalf of the City Council.</p> <p>The Council's Constitution sets out the framework for decision making and the formal reporting of those decisions. Decision making is underpinned by a framework of policies, plans and strategies. These are referred to as the Budget and Policy Framework and are identified within the Constitution. The Constitution is kept under review by the Assistant Director - Governance, (the Council's Monitoring Officer).</p> <p>These documents are comprehensively reviewed on a regular basis by the Constitution Working Group with amendments being approved by full Council.</p>	<p>Constitution</p> <p>Constitution Working Group</p>
PE:4	<p>For our elected Members, the Council produces an annual Learning and Development Plan supported by a calendar of training events and workshops. These continued to adhere to the best practice guidelines given in the Local Government Association's Member Development Charter.</p>	<p>Councillor Induction Process (example)</p> <p>Role of a Councillor</p>

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Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it.

<p>PE.5</p> <p>In compliance with the data transparency code, the council has published its senior management structure and pay structure. A review of the management structure was undertaken in 2017/18. This has generated savings and aligned service areas to the strategic priorities.</p> <p>The Council publishes an annual pay policy, last approved by City Council in February 2018.</p> <p>Information is also provided about member's remuneration.</p>	<p>Pay Policy Statement 2018/19 (including Senior Management Information)</p> <p>Members Allowances 2017/18</p>
<p>PE.6</p> <p>The Council recognises that its employees are central to its success. Training for staff is developed via information from annual Performance Appraisal Reviews (PAR's). The employee performance framework exists to promote performance and identify development needs.</p> <p>A programme of workshops designed to support the delivery of the council's Stronger Together Priorities was delivered to senior managers during 2016/17 and a further training programme has been introduced for tier 4 managers during 2017/18. In addition, the council also supports a wider programme of professional training for relevant employees.</p>	<p>Training & Performance Appraisal Reviews (PAR's)</p> <p>Stronger Together Management Programme</p>

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APPENDIX 1

Principle F – Managing risks and performance through robust internal control and strong public financial management

How we can demonstrate that the Council meets this principle	Evidence
<p>PF.1</p> <p>The Management of Risk Policy sets out the council's strategy for ensuring that effective risk management is embedded within all areas of the Council's operations. It also requires that all managers and Councillors address the issue of associated risk whilst making any and all policy decisions. The Audit Committee reviews the Strategic Risk Register annually.</p> <p>The system of internal control is designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.</p>	<p>Strategic Risk Register</p> <p>Management of Risk Protocol</p> <p>Annual Review on Management of Risk</p>
<p>PF.2</p> <p>The City Council's Financial Management arrangements conform to the governance requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2016). Information on the financial performance of the Council provided to budget managers and senior officers is well presented, timely, complete and accurate. Real time desk top budget information is available to budget holders across the City Council.</p>	<p>Financial Performance Reports Q1, Q2, Q3</p> <p>Strategic Measures Performance Q1, Q2, Q3</p> <p>Treasury Management Annual Report and Q1 Review</p>

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Principle F – Managing risks and performance through robust internal control and strong public financial management

<p>PF.3</p> <p>The City Council's policies and staff training programme promote compliance with information legislation. Training for senior managers has been undertaken and work is continuing to review policies for the new General Data Protection Regulation. We comply with standards for public sector data handling and security and have achieved Public Services Network certification every year since its launch. The council has received a "satisfactory" rating on the NHS Information Governance Toolkit.</p> <p>The City Council is a signatory to the One Staffordshire county-wide information sharing protocol to ensure that when data is shared with our partners it is done in a transparent, compliant and consistent way.</p>	<p>Data Protection Policy</p> <p>Data Sharing Policy</p> <p>Information Governance Policy</p>
<p>PF.4</p> <p>The City Council's review of the effectiveness of the system of internal control is informed by:</p> <ul style="list-style-type: none"> • Directorate assurance based on management information, performance information, officer assurance statements and Scrutiny reports • The work undertaken by Internal Audit during the year. • The work undertaken by the External Auditor reported in their annual audit and inspection letter. • Other work undertaken by independent inspection bodies. <p>In February 2018 an external review of the internal audit function was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA). The review gave the council's internal audit service the highest category of "Generally Conforms" to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note.</p>	<p>Internal Audit Monitoring Reports Q1, Q2, Q3, Q4</p> <p>Update on External Audit Recommendations</p> <p>External Review of Internal Audit</p>

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Principle F – Managing risks and performance through robust internal control and strong public financial management

<p>PF.5</p> <p>The Council has a Corporate Strategy for the prevention and detection of fraud and corruption. A key area of work during 2017/18 has been Housing Tenancy Fraud in particular Right to Buy where the implementation of enhanced due diligence checks and robust anti-money laundering controls have been hugely successful in preventing non bona fide Right to Buy applications thereby protecting the public purse. Results of fraud investigations are publicised on the internet using the council's social media presence and also in the local media to promote the council's 'Zero Tolerance Against Fraud' approach.</p> <p>The City Council participates in the National Fraud Initiative (NFI), this is a range of annual and biennial data matching exercises led by the Cabinet Office that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Regular updates on these exercises are provided to the Audit Committee.</p>	<p>Counter-Fraud, Corruption & Error Strategy</p> <p>National Fraud Initiative</p>
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APPENDIX 1

Principle G – Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

How we can demonstrate that the Council meets this principle	Evidence
<p>PG.1</p> <p>In line with the Local Government Transparency Code 2015, the City Council is required to publish certain types of information for transparency purposes. This information can be found on the City Council's website along with monthly Transparency Reports.</p> <p>A record of executive decisions made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 are published on the City Councils website. Information is also provided about member's remuneration.</p>	<p>Transparency Report March 2018</p> <p>Members Allowances 2017/18</p> <p>Notice of Decisions</p>
<p>PG.2</p> <p>The Council operates a number of Overview and Scrutiny Committees that consist of Elected Members who undertake annual work programmes. The Overview and Scrutiny Committees are aligned to the directorates within the City Council. Their two main functions are to hold decision makers to account and to also develop and review policy.</p>	<p>Overview & Scrutiny</p>
<p>PG.3</p> <p>The Statement of Accounts is published and produced in compliance with the Accounts and Audit Regulations 2015 presenting a true and fair view of the financial performance of the City Council in the delivery of services to the citizens of Stoke-on-Trent. The accounts are subject to independent external audit and are made available via the City Council's website. This is seen as an essential feature of public accountability and stewardship as it provides an annual report on how the City Council has used the public funds for which it is responsible.</p>	<p>Published Accounts</p>

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APPENDIX 1

Principle G – Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

PG.4	<p>The Audit Committee has responsibility for conducting an annual review of the effectiveness of the governance framework, including the system of internal control. The review of effectiveness will be informed by:</p> <ul style="list-style-type: none"> • Council officers, responsible for the development and maintenance of the governance environment • The Strategic Manager, Audit and Fraud's annual report • Comments and observations made by external auditors and external review agencies and inspectors. <p>The Committee also report on their activities to Full Council.</p>	<p>Roles & Responsibilities Report</p> <p>Audit Committee Annual Report</p>
PG.5	<p>The City Council's assurance arrangements conform to the governance requirements of the CIPFA Statement on the role of the Head of Internal Audit (2010). Information on the work of Internal Audit is provided to managers and senior officers and is well presented, complete and accurate. Summary reports are provided to the Audit Committee on a quarterly basis.</p> <p>The annual report of the Strategic Manager, Audit and Fraud summarises the audit work undertaken during 2017/18. Where recommendations have been made to improve processes these are being addressed by appropriate officers. From the work undertaken in 2017/18 by Internal Audit, the Strategic Manager, Audit and Fraud was able to give the following assurance:</p> <p><i>"From the work carried out by Internal Audit during 2017/18, it has been concluded that the level of assurance on the adequacy and effectiveness of the City Council's control environment is Satisfactory."</i></p>	<p>Internal Audit Charter</p> <p>Internal Audit - Annual Report</p>

