

ANNUAL GOVERNANCE STATEMENT 2010/11

Scope of responsibility

Tunbridge Wells Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and correctly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Tunbridge Wells Borough Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE¹ Framework: '*Good Governance in Local Government*'. A copy of the code is available on our website or can be obtained from Paul Cummins, Monitoring Officer. This statement explains how Tunbridge Wells Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 in relation to the publication of a statement on internal control. It builds on last year's Annual Governance Statement; changes outlined within this statement have been made to enhance, not replace existing arrangements for governance.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Tunbridge Wells Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Tunbridge Wells Borough Council during the year ended 31 March 2011 and up to the date of approval of the statement of accounts.

The application of the governance framework

¹ CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives)

CIPFA and SOLACE have together undertaken extensive research and consultation to produce a Framework for delivering good governance in local government. The principles and standards set out in the Framework are aimed at helping local authorities improve their performance, give local people better local services and provide stronger leadership for communities. The Framework sets out six principles as follows:

- focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- members and officers working together to achieve a common purpose with clearly defined functions and roles
- promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- developing the capacity and capability of members and officers to be effective
- engaging with local people and other stakeholders to ensure robust public accountability.

The Framework also encourages local authorities to test their structures against these principles by:

- reviewing their existing governance arrangements against the Framework
- developing and maintaining an up-to-date local code of governance including arrangements for ensuring its ongoing application and effectiveness
- preparing a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.

This Statement takes each of these principles in turn and assesses the authority's compliance and performance together with any issues that need to be addressed.

Focus on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

The Council's Vision is clearly set out in its document: *Vision 2026 – Enhancing the Quality of Life for All*. In particular, the document states that the Borough “*will be characterised by stronger communities, who feel safer, well served, well housed and with access to excellent health services. Our residents will benefit from better education and skills development, leading to a thriving and diverse local economy. Tunbridge Wells will be a regional hub, attracting visitors and new business to the borough – both from elsewhere and from within the borough. Everyone will benefit from a range of cultural and leisure offers, in an attractive environment. Underpinning our ambitions is a key desire to ensure the borough remains sustainable in terms of our current and future prosperity and ensuring the benefits enhance the quality of life for all.*”

This Vision can be captured in four words ‘Prosperous’, ‘Green’, ‘Healthy’ and ‘Confident’ and the Council's Strategic Plan has been aligned to the vision and the key ambitions that it hopes to have achieved by 2026 have been identified under each of the four headings.

The Strategic Plan is reviewed on an annual basis and cross-cutting priorities are pursued through the Council's Local Strategic Partnership (supported by a local Public Service Board). Following a change in the Leader of the Council in early 2011 a new Strategic Plan has been agreed. The ‘Strategic Compass’ adopts a balanced scorecard approach and

encapsulates all priorities in relation to the community, customers, staff and the provision of value for money in just a five clear sheets.

The Council has developed an integrated approach to its strategic, financial and service planning. The Strategic Plan is put together in parallel with the Medium Term Financial Strategy, People Strategy and Asset Management Plan. The Strategic Plan makes clear what are priority and non-priority issues and this informs the allocation of resources. The Council devised a timetable for corporate and financial planning in 2006 which ensures that service plans are produced having regard to overall strategic priorities and financial plans and that these priorities and plans are informed by service-specific issues, developments and constraints. The timetable also provides considerable time for consultation, evaluation and options appraisal. The revenue budget, earmarked reserves and a four-year rolling capital programme are agreed annually and set out spending plans in line with the Council's priorities.

The Cabinet (and other committees of the Council) receive quarterly progress reports on key issues relating to the Council's vision and priorities, resources and governance arrangements.

Members and officers working together to achieve a common purpose with clearly defined functions and roles

The Council's Constitution, as approved by the full Council, clearly sets out the roles and responsibility of the executive, non-executive, scrutiny and officer functions with clear descriptions of delegations. It includes a Protocol on Member/Officer Relations, and a range of communication tools have been developed including staff and councillor conventions, monthly e-mail briefings, a scrutiny 'e-bulletin', regular Management Board/Cabinet meetings and Member briefing sessions (see below under training).

In addition to the role of the Constitution in defining the roles and responsibilities of members and officers, the Council has been working with the Leadership Centre for Local Government and agreed an 'Umbrella Framework' setting out the areas of responsibility of political leaders, senior officers and political and managerial leaders together. This Framework is reviewed and updated on a regular basis.

Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The Council has adopted a Code of Corporate Governance which has been prepared in accordance with the principles outlined in the CIPFA/SOLACE publication. The Council has also adopted codes of conduct for members and officers. Training has been provided on the various codes and this has been supplemented with written guidance and Member briefings. Officers and Members are required to declare interests that may impact on the Council's decision making process. These interests are held on a register and reviewed on a regular basis by the Monitoring Officer.

The Council's Constitution is kept under review by the Monitoring Officer and Standards Committee. A refresh of the Constitution has been undertaken by the Constitutional Review Working Party which concluded its work early in 2010, and the updated constitution was approved by Council on 28 April 2010. This included standing orders, financial and contract procedure rules and the scheme of delegation. The review was overseen by the active and effective Standards and Audit Committees (see below under 'effective scrutiny').

All Members and Officers are under a duty to ensure that they comply with the relevant laws, regulations, internal policies and procedures, and that expenditure is lawful. Mechanisms are in place to ensure compliance including a scheme of delegation, authorisations and an active Internal Audit function. Awareness is maintained through regular briefings and information posted on the intranet.

The Council operates a Confidential Reporting Code (also known as a Whistle-Blowing Charter) which is attached to the Council Constitution. The Council wants all its officers and members to be part of the drive towards exemplary standards in public life and the policy is designed to promote a culture of honesty and openness, and to reassure anyone who feels that their position might be threatened if they speak up. The policy includes a promise from senior officers to treat seriously claims made in good faith; that claims will be investigated; that the complainant will be informed of the outcome of the investigation; and that no one will suffer any disciplinary action if they make a complaint in good faith. The Code is available on the intranet and a briefing paper has been circulated to all staff as part of the Corporate Briefing process with links to relevant external agencies.

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

The Council's constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The Constitution is continually reviewed to ensure that it is fit for purpose. The most recent version of the Council's Constitution can be found on the Council's website at www.tunbridgewells.gov.uk. Under the terms of the Constitution, the whole Council is responsible for the determination of the policy and budget framework.

The Council has a proud and long record of being transparent of where public money is spent. For many years the Council has made public, details of senior officer salaries within the published Statement of Accounts and as part of the annual audit it has always been possible for the public to request to see further information on the various vouchers which support the figures. Indeed the press often come in and trail through the detailed documents.

The Council also places a notice every year in the local press so that the public can see the value of allowances and expenses paid to every member of the Council.

In the past year the Council made it even easier to see where the Council spends tax payers money with a dedicated transparency page. This fully embraces the transparency agenda of the coalition government and the Council and was one of the first to publish spend over £500 after teaming up with 'Spotlight on spend' which has been praised by the Secretary of State for Communities and Local Government as a way of making the information easier to interpret. The Council also immediately published details of all grants awarded to the voluntary and community sector when the Minister of State for Decentralisation became concerned that some Councils were reducing funding to these groups as way of making savings. This is just the start and further publication of financial information will follow where there is a public appetite.

It is hoped that such wide publication of information will turn the tide on the increasing number of bespoke and media freedom of information requests which continue to demand significant resources to administer.

The Council's Cabinet is responsible for shaping and ensuring the delivery of the Council's day-to-day services within the parameters of the Strategic Plan and Budget. A Forward Plan

of Key Decisions is published to enable consideration to be given by other elected members, stakeholders and the public. Cabinet meets regularly in public. Further details of individual cabinet members and Cabinet as a whole (including links to agendas and minutes) can be found on the website: <http://www2.tunbridgewells.gov.uk/default.aspx?page=617>

In addition to the Cabinet and other regulatory committees, the Council has an Audit Committee and a Standards Committee which assist the Council in assuring its overall governance framework. Both committees include independent members and have been very effective in providing challenge on a range of governance issues. Both committees have produced annual reports which provide further details of their work. Further details of the membership and work of the Audit Committee can be found on the website: <http://www2.tunbridgewells.gov.uk/Default.aspx?page=668>

In 2010 the Local Government Improvement and Development body undertook a review of the effectiveness of the Audit Committees across the Mid Kent Improvement Partnership. The Audit Committee and Tunbridge Wells were praised for its effectiveness and regard across the Council. Areas for improvement included Member Development which will be strengthened during 2011/12.

Further details of the work of the Standards Committee can be found on the Council's website: <http://www2.tunbridgewells.gov.uk/Default.aspx?page=667>

The Council's Overview and Scrutiny function is discharged by three 'Select Committees' The committees meet regularly and, between them undertake special policy reviews, and through the 'call-in' process challenge the decisions made by Cabinet. Further details of the work of the select committees can be found on the Council's website: <http://www2.tunbridgewells.gov.uk/Default.aspx?page=618>

The Council has developed a wide range of methods of consultation and communication which have been brought together in the Council's Consultation and Engagement Strategy. This incorporates policies on communication, 'hard to reach' groups and customer access. Particular examples include the use of social media, a consultation portal, borough magazine, website, surveys, focus groups, 'Ward Walks' initiative and traditional printer media. The Council also works closely with a wide range of partners and community groups including parish councils and the voluntary and community sector.

The Council has for many years carried out regular surveys of its residents. The 2010 survey reported that half of residents agree that Tunbridge Wells Borough Council provides value for money. A comparison to the proportion agreeing with this aspect in the Place Survey 2008, shows a significant improvement in attitudes (51% in 2010 compared to 30% in 2008).

The Council has a Risk Management Strategy which provides a comprehensive framework for identifying, evaluating and managing risk. The strategy sets out the role of Members and designates the Chief Executive as responsible for leading the management of risk in the Council and allocates responsibilities to corporate and service managers.

Following changes to the political and economical environment along with a restructure of the Council a new strategic risk register has been developed in association with Zurich. The review took the form of a workshop in April 2011 which was facilitated by professional risk managers from Zurich and attended by the Council's Management Board, Audit Managers and the Leader of the Council. The Cabinet and senior managers have reviewed the strategic risks, and action plans have been developed to manage those risks. The new

Strategic Risk Register has significantly fewer risks but is more focused on those areas which present the greatest risk to the Council not achieving its objectives.

In addition, each service manager is responsible for maintaining a risk register of operational risks which is reviewed on a regular basis and is incorporated into the service planning process.

Developing the capacity and capability of members and officers to be effective

The Council is committed to identifying and fulfilling the learning and development needs of Members and officers. Officer training needs are identified through the annual appraisal process, six-monthly review and on an ongoing basis. A corporate training budget has been established and a training calendar developed to meet training and development needs identified through the appraisal process.

In terms of Member Development, the Council achieved the South East Employers Elected Member Development Charter in November 2008 and has a Member Learning and Development Group.

Engaging with local people and other stakeholders to ensure robust public accountability.

The Council manages service quality and the use of resources in a number of ways: through rigorous performance management (with key performance indicators aligned to the Council's key priorities), through the gathering of customer satisfaction data through surveys, complaints and mystery shopping, through external and peer reviews, and through a process of business transformation. The Council also has a guide for engaging hard-to-reach groups.

Review of Effectiveness

Tunbridge Wells Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Partnership Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. The Council's Audit Committee, comprising both Councillors and co-opted Independent members also has an ongoing responsibility to seek assurances concerning the Council's governance framework, processes and controls.

The processes that we have applied in maintaining and reviewing the effectiveness of the system of internal control are set out below:

Internal Audit

The Council has in place arrangements for internal audit for which the Head of Finance and Governance has overall responsibility. Internal audit work is planned and undertaken on a risk based approach and complies with the standards set out in the Code of Practice for Internal Audit in Local Government in the UK. The Internal Audit Section undertakes work in accordance with the CIPFA Code of Practice for Internal Audit in the United Kingdom.

The Internal Audit Partnership Manager has carried out an independent review of the internal control environment, which is reported to the Audit Committee. He has concluded that the state of the internal control environment is satisfactory.

Other explicit review/assurance mechanisms

The Council has a range of other review/assurance mechanisms which, between them contribute to the overall effectiveness of the Council's control environment. These include:

- The Council, Cabinet and Committees are advised by the Council's Management Board
- A Corporate Governance Working Group which plays an important role in coordinating governance-related activity;
- An Income Management Group which provides a joined-up approach to income management and debt recovery;
- A Corporate Property Group which ensures that the Council adopts a holistic approach in the acquisition, maintenance, review and disposal of property and assets;
- Human Resources oversees the Council's overall approach to effective people management including regular appraisals and the provision of relevant training and development activity;
- A standardised approach to project management has been adopted by the Council and additional resources have been put into key projects to ensure that they are adequately managed and delivered to time, cost and quality.
- The Council works with Maidstone and Swale to look at opportunities for partnership working, but has an open attitude to work with anyone that can improve the value for money services. As part of this process, services are subjected to external review, satisfaction surveys and benchmarking as well as an examination of service processes to assess value for money.

A shared corporate approach is taken in order to compile the Annual Governance Statement, as it is the Council's view that it should be owned by all senior officers and Members of the Council, and any delegation to an individual or section would dilute the statement's significance and encourage others to distance themselves from their proper responsibilities.

To meet this requirement, this authority has required Heads of Service to complete an Annual Assurance statement which is used to inform the Annual Governance Statement. The detail of these statements has been expanded along with the provision supporting evidence provided for each area. Additionally, these statements have all been reviewed by the relevant directors and the Internal Audit Manager has provided the following summary of this review;

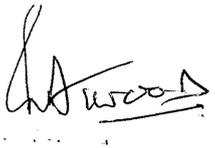
“As a result of my review of the Annual Assurance Statements, I can confirm that no significant control issues have been identified for inclusion in the Annual Governance Statement , however some action plans have been drawn up for specific service areas to address. “

We are satisfied that the steps set out in the action plan (available at <http://www2.tunbridgewells.gov.uk/Default.aspx?page=2774>) will address the issues identified in our review of effectiveness and we will monitor their implementation and operation as part of our next annual review.

Significant Governance Issues

There are no significant issues identified in this years Annual Governance Statement.

Signed:

A handwritten signature in black ink, appearing to read 'R Atwood', written over a faint rectangular stamp.

Cllr Robert Atwood
Leader of the Council

A handwritten signature in black ink, appearing to read 'William Benson', written over a faint rectangular stamp.

William Benson
Chief Executive

On behalf of Tunbridge Wells Borough Council