



# NORWICH City Council

**Committee Name:** Audit

**Committee Date:** 17/05/2022

**Report Title:** Annual Governance Statement 2020/21

**Portfolio:** Councillor Kendrick, cabinet member for resources

**Report from:** Executive director of corporate and commercial services

**Wards:** All Wards

## **OPEN PUBLIC ITEM**

### **Purpose**

This report presents the Annual Governance Statement (AGS) for 2020/21 for consideration by the audit committee prior to sign off by the leader of the council and the chief executive. The Committee is asked to consider if the AGS is consistent with their own perspective on internal control within the council, plus the governance issues and actions.

### **Recommendation:**

The Committee is asked to consider the AGS for 2020/21 and recommend it for signing by the Leader and Chief Executive.

### **Policy Framework**

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing, and environment
- Inclusive economy

This report meets all the corporate priorities

This report addresses the healthy organisation strategic action in the Corporate Plan

This report helps to meet the council's financial objective of the COVID-19 Recovery Plan

The Annual Governance Statement (AGS) enables stakeholders to understand how the Council's corporate governance arrangements support the delivery of the Council's corporate aims.

## **Report Details**

### **Background**

1. The Accounts and Audit Regulations 2015 requires the council to produce an Annual Governance Statement (AGS). It summarises the extent to which the council is complying with its Code of Corporate Governance and details, as appropriate, any significant actions needed to improve the governance arrangements in the year ahead.
2. The draft AGS is considered by the corporate leadership team, and then presented to the audit committee to ensure that it reasonably reflects the committee's knowledge and experience of the council's governance and controls. The final statement is signed by the chief executive and the Leader of the Council and approved by the audit committee.
3. At its meeting on 13 July 2021, the audit committee agreed that the draft Annual Governance Statement was consistent with the committee's own perspective on internal control within the council, plus the governance issues and actions. Members welcomed the inclusion of the action plan which showed the council's performance and direction of travel and noted that it would continue to be updated during the year. The committee also noted that it was a front facing document that showed the council's direction of travel.
4. Since the original AGS was considered by the committee two further issues have arisen: the decision to self-refer to the Regulator of Social Housing, and the subsequent publication of a Regulatory Notice; and the identification and inclusion of statutory equalities objectives. Both these issues have now been added to the AGS.
5. The Accounts and Audit Regulations 2015 require that the final version of the AGS is approved by the audit committee in advance of the Statement of Accounts.

### **The Annual Governance Statement**

6. The draft AGS has been compiled using sources of evidence, including:
  - A review of the extent to which the council has complied with each element of its Code of Corporate Governance;
  - Self-assurance statements prepared by Service Directors;
  - The Chief Internal Auditors opinion on the council's internal control environment.
  - A review by the corporate leadership team.
7. The Statement is prepared in accordance with guidance from the Chartered Institute of Public Finance (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The guidance states that the AGS should include:
  - The council's responsibilities for ensuring a sound system of governance;
  - An assessment of the effectiveness of key elements of the governance framework, and the role of those responsible for the development and maintenance of the governance environment;
  - An opinion on the level of assurance that the governance arrangements can provide and whether these continue to be regarded as fit for purpose;

- The identification of any significant governance issues, and agreed actions taken, or proposed, to deal with significant governance issues;
- A conclusion demonstrating a commitment to monitoring implementation through the next annual review.

8. 'Significant governance issues' are those that:

- seriously prejudice or prevent achievement of a principal objective of the authority;
- have resulted in the need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
- have led to a material impact on the accounts;
- the audit committee advises should be considered significant for this purpose;
- the internal auditor reports on as significant in the annual opinion on the internal control environment;
- have attracted significant public interest or have seriously damaged the reputation of the organisation; or
- have resulted in formal action being undertaken by the Chief Financial Officer and / or the Monitoring Officer.

## **Conclusions**

9. The AGS has been prepared, in accordance with professional guidance, and accompanies the Statement of Accounts and the final version will be signed by the Chief Executive and the Leader of the Council.
10. The process demonstrates good governance, it has been based on various sources of assurance, and the committee is asked to approve the final AGS.

## **Consultation**

11. Heads of Service are required to consider and identify any governance issues and include those within their annual assurance statements.

## **Implications**

### **Financial and Resources**

12. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan and Budget.
13. This report has no direct financial consequences however it does report on the governance arrangements of the council and the supports the Council's statutory statement of accounts.

## **Legal**

14. Production of an Annual Governance Statement (AGS) alongside the Statement of Accounts is a requirement of the Accounts and Audit Regulations 2015.

## Statutory Considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	No direct implications
Health, Social and Economic Impact	No direct implications
Crime and Disorder	No direct implications
Children and Adults Safeguarding	No direct implications
Environmental Impact	No direct implications

## Risk Management

Risk	Consequence	Controls Required
Failure to identify governance failures or implement remedial action.	A failure in governance could, amongst other things, lead to losses or poor value for money being achieved by the Council.	Action plan to address issues identified.  Annual assurance reviews and declarations.

## Other Options Considered

15. Production of an AGS is a statutory requirement and no alternative options have been considered for this report.

## Reasons for the decision/recommendation

16. To support the publication of the Statement of Accounts and meet statutory requirements the committee is asked to review the AGS and consider whether it matches their understanding of the main governance issues facing the Council.

## Background papers:

None

## Appendices

Appendix 1 – Annual Governance Statement

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# Annual Governance Statement 2020-21

## 1. Statement by Leader of the Council and Chief Executive

Strong internal assurance and corporate governance is at the heart of every high performing organisation. Despite a challenging year the council has continued to have in place good governance arrangements as well as driving forward additional improvements to further strengthen processes and ensure continued robust decision making.

The Covid-19 situation led to significant changes to the working practices for the council. As soon as the issue became apparent, the council put in place its business continuity/emergency planning procedures. These processes have worked well and been refined as the Covid-19 response has continued. The council developed a blueprint for recovery which was approved by Cabinet in June 2020, this has provided the framework for the council's response as well as looking at how to build on opportunities arising from the pandemic to modernise the organisation and increase flexibility. Throughout the pandemic the Council has worked in partnership with the Norfolk CEOs and Leaders groups to co-ordinate and deliver the Covid-19 response.

Alongside the Covid-19 response there has been a clear focus on enhancing the governance arrangements and internal assurance processes. A number of key changes have been instigated during the year, including:

- Development of a new senior management structure with the changes implemented in April 2021. A key principle is that the new team will be responsible for overseeing ongoing improvements to governance, scrutiny and assurance both in relation to their own areas of responsibility and in relation to cross-cutting issues.
- As part of the changes a new Senior Leadership team (SLT) has been formed, this new forum will bring together the Executive Directors and Heads of Service to oversee the development of cross-cutting issues across the council.
- Quarterly Corporate Leadership Team (CLT) assurance meetings to scrutinise on a regular basis the budget position, performance against key corporate indicators, risk register, audit actions and workforce data. The process has ensured that key issues are highlighted and responses to poor performance are explored. The corporate risk register is reported quarterly to Cabinet and is also reviewed by the Audit Committee twice a year.
- A review of the council's constitution to ensure it continues to meet good practice and provides a strong decision-making framework. The amended constitution was approved by Full Council in March 2021.
- Improvements to the internal board structure to provide a concise route for feeding recommendations and proposals through to CLT, allowing for a clear and transparent decision-making process. The board structure is also intended to help break down silos and lead to more collaborative working across the council. The structure includes a new Resources, Performance and Delivery Board to monitor performance across the council including budget development and monitoring, corporate KPIs and risk monitoring and mitigation.
- Development of a single corporate planning and budgeting process. This is designed to allow a more holistic approach to directorate & financial planning as well as governance.

- Development of a shareholder panel to manage the council's wholly owned companies as a group. The panel will provide strategic direction, strong oversight, monitor performance and provide each entity with the commercial freedom to maximize their chances of success.

These improvements will continue to embed during 2021/22 and we will monitor their implementation and operation not only as part of our next annual review, but also continuously throughout the year.

Signed:

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Alan Waters  
Leader of the Council

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Stephen Evans  
Chief Executive

Date:

Date:

## **2. Scope of responsibility**

- 2.1. Norwich City 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 properly accounted for, and used economically, efficiently and effectively. Norwich City 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.
- 2.2. In discharging this overall responsibility, Norwich City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 2.3. Norwich City Council has approved and adopted a code of governance which is consistent with the principles of the CIPFA/ SOLACE Framework Delivering Good Governance in Local Government. The code forms of the council's constitution which is on the council website at [www.norwich.gov.uk](http://www.norwich.gov.uk).
- 2.4. This statement explains how Norwich City Council has complied with the principles of the code and also meets the requirements of regulation 6 (1) of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.
- 2.5. During the year the role of Monitoring Officer has been carried out by a senior officer from NpLaw. Under change to the senior management structure, the new head of legal and procurement will take on this responsibility and continued to be supported by NpLaw. Recruitment has taken place for this role with the formal appointment to take place in July 2021.

## **3. The purpose of the governance framework**

- 3.1 The governance framework comprises the systems and processes, and culture and values, by which the council is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 3.2 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 Norwich City Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 3.3 The governance framework has been in place at Norwich City Council for the year ended 31 March 2021 and up to the date of the approval of this statement.

## 4. The governance framework

4.1 The council's Code of Governance recognises that effective governance is achieved through the following core principles:

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

## 5. Key elements of the Governance Framework

The following is a brief description of the key elements of the systems and processes that comprise the council's governance arrangements:

### **1. Developing codes of conduct which define standards of behaviour for members and staff, and policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively:**

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- Under the Localism Act 2011 the new standards regime was adopted by council on 19 June 2012, including the members' code of conduct as documented in the councils constitution. Changes relating to a new standards framework based on guidance from the LGA to all Local Authorities, are planned for later in 2021-22, with a draft report due to be presented to Standards Committee in July 2021.
- Training is provided to new members, any issues or failings are reported at Standard Committee meetings and advice is provided to members by the monitoring officer as identified, or as requested.
- There is a separate code of conduct for employees, which is supported by HR policies and procedures. New employees are given a copy of the code of conduct and other key policies, and there are regular reminders regarding compliance with the policies. Employees are required to confirm that they have read the code of conduct and other key policies.

### **2. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful:**

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- The chief finance officer is responsible for advising whether decisions of the cabinet and council are in accordance with the policy and budget framework.
- Budget managers have responsibility for ensuring that all proposals, decisions and actions incurring expenditure were lawful.



- Corporate policies and strategies, are available on the council intranet. Employees are required to confirm that they have read key policies relating to conduct, security and certain personnel matters.
- Managers within the council are responsible for putting in place systems of control to ensure compliance with policies, procedures, laws and regulations. This is a key control and as such each year heads of service are asked to conduct a self-assessment of the systems of internal control within their services and highlight actions intended to address any areas for improvement.

### **3. Documenting a commitment to openness and acting in the public interest:**

- Progress on delivering the Corporate Plan is communicated through a performance management framework. The Scrutiny Committee receives regular reports on performance against the Corporate Plan in addition to matters referred to it by Cabinet. In order to demonstrate its openness the authority also publishes:
  - Constitution
  - Council, Cabinet and Committee Reports
  - Scheme of delegation to officers
  - Various transparency reports, such as Pay Policy Statement and Payments over £500

### **4. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:**

- The council is part of Your Voice, a partnership of local organisations which enables anyone to sign up and have their say on services through consultations, surveys, focus groups and workshops, to name a few.
- The council's Customer First guidance for staff is intended to ensure that everything the council produces and sends out is easy for everyone to understand. It is supported by the communications strategy and communications handbook which helps staff to deal with communications issues.
- Residents are informed about the council's activities at all times. This is done through Citizen, the quarterly magazine for residents; work with the local media; the council website; social media and other channels. Council tenants also receive their own magazine, TLC, focusing on issues affecting them. Both of these publications are available on the council's internet.
- Tenants have a range of ways to be involved and these are detailed on the tenant involvement page of the council website. There is a clear framework with formal group structures for tenants and leaseholders, including seven active tenant and resident associations.
- In addition, a range of other options allows tenants to be involved at a level that suits them. These consist of the 1,200 tenant and leaseholder TalkBack panel used for surveys and focus groups, tenant inspectors, involvement in estate walkabouts and mystery shoppers. Proactive work by the tenant involvement team means that events and road shows are regularly held to encourage more tenants to be involved or simply give their views on services they receive.

- Information on current and closed consultations, including reports and minutes, is available on the council website.

## **5. Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning:**

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- The council has a clear vision of what it is trying to achieve, as set out in its corporate plan 2019-2022, which forms the council's overarching policy framework.
- The changing pace council blueprint (operating model) has been developed as a guide for how Norwich City Council designs services and structures to deliver the vision and priorities within its corporate plan in a way that proactively addresses the financial pressures and changing policy and legislative environment it faces.
- Details of all the above, together with any committee reports referred to in this statement, can be found on the council website at [www.norwich.gov.uk](http://www.norwich.gov.uk)
- The corporate plan sets out the city council's strategic direction including its vision, mission and priorities. The corporate plan 2019-2022 was approved by council on 26 February 2019.
- This has been developed in the light of the wider city vision work, which has been undertaken under the 'Norwich 2040' banner. This started with a significant piece of resident and stakeholder engagement to identify consensus about what the strengths and challenges of Norwich are. It then continued with analysis of the findings to shape a vision for Norwich in 2040 which provides a shared set of aspirations for Norwich
- The city vision is therefore the starting point for the corporate plan. This has been combined with information and analysis including:
  - Analysing information on levels of need in the city such as looking at demographics, economic, environmental and equalities data
  - Assessing the current environment the council operates in, including the national and local economic climate and policy and legislation for local government.
  - Understanding how other local authorities are responding to similar challenges
  - Looking at the potential future factors that may impact on Norwich and the council
  - Discussions with councillors and officers
  - Reflecting the Medium Term Financial Strategy and transformation programme which helps plan resource allocation
- The draft corporate plan was informed by consultation with members, residents, local organisations and other stakeholders.
- In June 2020, Cabinet agreed the Covid-19 Blueprint for Recovery, one of the first in the country to do so. This document provided an overview of the council's initial response to the virus, and identified a number of priority themes and actions to frame the council's – and the city's – recovery. The Blueprint made clear that the city's response to Covid 19 would require a partnership approach and over the last 12 months the city council has continued to work with City Vision partners

within business, the community and beyond, to make progress on key issues to steer the city through this challenging period. The council reports on progress in delivering the recovery blueprint to Cabinet on a six-monthly basis.

- Medium term financial plans are presented to council on an annual basis for the general fund and Housing Revenue Account along with capital, investment and treasury management strategies. The plans set out the level of general fund savings that need to be achieved in the coming and each of the following four years. An annual consultation on the budget is also undertaken. The delivery of the corporate priorities is managed through service plans for each service area and monitored through the council's performance management and reporting system.

## **6. Translating the vision into courses of action for the authority, its partnerships and collaborations:**

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- The council's vision and mission are:
  - The corporate vision – To make Norwich a fine city for all
  - The corporate mission – To put people and the city first
- The three corporate priorities are:
  - People living well
  - Great neighbourhoods, local environment and housing
  - Inclusive economy
- The corporate plan is underpinned by a range of strategic and operational plans, which set out in more detail how the council's vision and priorities will be delivered. These plans contain more specific targets, which are allocated to teams, contractors, partners and employees to deliver.
- Due to the fluid nature of 2020-21 with priority activities switched to deliver the Covid-19 response, service and team plans were not all completed. Following the senior management restructure in April 2021, new directorate plans will be developed and cascaded through the services and teams. These will be designed to encourage a more joined up way of working, with clear links to corporate priorities. Thematic service reviews are also currently in progress, looking at the development of cross-cutting services.

## **7. Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality:**

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- The council's decision-making framework is set out in the council's constitution including an effective scheme of delegation. An updated constitution has recently been prepared by the monitoring officer, with input from corporate leadership team and the cross-party constitution working party. This was approved by Council in March 2021. The Monitoring Officer has delegated authority to make changes to factual references or changes required by law to the constitution or appendices.
- The review of the constitution did not include updating the codes and protocols contained within the constitution. Many of these, such as the members' code of conduct and the officer employment rules, will be reviewed by lead officers and

presented to Council for approval and inclusion in the new constitution in due course.

- Key partnerships have been identified and are included in the council's partnership register.
- During 2020/21 the Council entered into a number of new partnerships. The most significant of these is the Town Deal Board that is in place to oversee the delivery of the £25m that the City Council was awarded by the Ministry of Housing, Communities and Local Government to deliver eight key projects. Details of the Board membership, terms of reference and meetings can all be seen on it's webpage at: [Norwich Town Deal | Norwich City Council](#)
- One of the projects funded through the Towns Deal is the East Norwich Regeneration Project. This project will develop a comprehensive Masterplan for this important growth area of the city, enabling the City Council and partners to ensure that the new urban quarter becomes a high-quality addition to the city, providing a base for the long-term growth of Norwich. To oversee the development of this project the City Council formed a new public private partnership in 2020 to provide input from a wider range of stakeholder to guide the masterplan. Details of the Board membership, terms of reference and meetings can all be seen on it's webpage at: [East Norwich regeneration | Norwich City Council](#)

#### **8. Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money:**

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- Performance management in the council is based on corporate plan priorities supported by a strategic management framework. The plan has a number of priorities and key performance measures. Key priorities have been identified and are being monitored alongside the Covid Recovery Plan, which was agreed by Council in June 2020.

The annual review of the corporate plan was agreed at Council in February 2021 and notes that the Covid recovery blueprint continues to serve as the key document setting out the council's key themes and activities over 2021-22.

Following the senior management restructure of the council in April 2021, directorate plans will be developed to reflect the council's priorities and manage resources.

- The council uses an electronic performance management system which supports the performance management regime by holding high level indicators, risks and actions used to deliver the corporate plan. Performance is reported monthly to portfolio holders, quarterly to cabinet and twice-yearly to scrutiny. Latest quarterly results are published on the website [here](#).
- The council is a member of HouseMark, which is the main benchmarking organisation for social housing. Norwich is a major subscriber and also a member of HouseMark clubs dealing with welfare reform and ASB issues comparing and shaping good practice. The council is a founder / board member of ARCH (Association of Retained Council Housing) which promotes council housing and shares good practice through the exchange of ideas and seminars. The council also has active tenancy scrutiny and involvement panels, which enable tenants to be involved with contract monitoring and procurement.

- A summary of the overall performance of the council in 2020-21 is included in the narrative report to the statement of accounts for the year ending 31 March 2021.
- A key component of the council's performance framework and its drive for quality improvement is the work of internal audit. Their work assists management in an advisory and proactive capacity in addition to providing traditional assurance on systems and the control environment. As part of the senior management re-evaluation of performance and risk the council has moved to a risk-based approach for the audit function aligned to the corporate risk register and corporate priorities. Going forward, internal audit will be a tool for improvement acting in the role of critical friend and taking a pro-active role in assisting with the governance of corporate programs.
- Change and transformation within the council is underpinned by its changing pace blueprint (operating model) to ensure the council meets its savings targets while continuing to improve services and delivery models wherever possible. This approach is supported by a range of tools such as the council's organisational change toolkit to ensure staffing changes are carried out effectively, and its project management toolkit to ensure the effective delivery of projects.
- The ongoing process of transformation is driven by the corporate leadership team and senior management team (including all the heads of service) with regular briefings for the leader and portfolio holders and major change proposals being formally approved by Cabinet and Council as appropriate.
- The corporate leadership team's assurance group provides a regular and systematic forum for reviewing performance, finance, HR and audit reporting.
- During the year the council has continued to strengthen its internal board structure to provide a concise route for feeding recommendations and proposals through to CLT, allowing for a clear and transparent decision-making process.
- The structure includes a new Resources, Performance and Delivery Board to monitor performance across the council including budget development and monitoring, corporate KPIs and risk monitoring and mitigation. The Customer, Information and Digital board oversees the delivery of the IT service, driving council efficiencies and digital transformation as well as ensuring customer facing interaction meets the council's customer model. The Housing Commissioning and Asset and Investment boards have also continued to support the effective delivery of services during the year.

#### **9. Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements:**

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- The council's constitution sets out how the council operates, and includes the council's procedure rules, details of member responsibilities, executive and non-executive functions, officers with statutory functions, employee and members codes of conduct, protocol for member / officer working arrangements, financial regulations, contract procedure rules, officer scheme of delegation and various joint arrangements.
- The council has a corporate governance framework for working in partnerships, with significant partnerships and joint ventures. During 2020/21 these were:

- NpLaw - delegation agreement and a joint management board with 2 out of 8 places for the council.
- NPS Norwich Limited, Norwich Norse Building Limited and Norwich Norse Environmental Limited (NNE) - shareholders' agreement, 2 places out of 5 on each of the company boards, articles of association of the companies, company business plans and contracts for services.

Since 1 April 2021 the work of NNE has transferred to Norwich Commercial Services Limited (NCSL).

- For the two companies, which are wholly owned by the council, Norwich Regeneration Limited (NRL) and NCSL, decision-making boards are in place, as detailed in section 20 below.

**10. Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) and, where they do not, explain why and how they deliver the same impact.):**

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- The governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) are regularly monitored to ensure compliance. The council continually seeks to improve financial management practices and processes to deliver sound financial governance.
- The CIPFA Financial Management (FM) Code is intended to provide guidance about good and sustainable financial management, along with assurance that resources are being managed effectively. As such, the code requires authorities to demonstrate that processes are in place which satisfy the principles of good financial management. An initial self-assessment against the principles of the code has been conducted. Many of the requirements of the FM Code represent good practice and are already reflected in the council's planning, policies and systems, however there are areas for continuous improvement and an action plan will be developed to monitor and track the planned improvements.

**11. Ensuring effective arrangements are in place for the discharge of the monitoring officer function:**

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- The monitoring officer is a statutory appointment under section 5 of the Local Government and Housing Act 1989. During 2020/21 the responsibilities of the monitoring officer rest with a senior officer at Nplaw, the council's shared legal service. Following the senior management restructure this role will sit with the head of legal and procurement. Following a recruitment exercise, formal appointment to the post is expected in July 2021. The Monitoring Officer undertakes to discharge their statutory responsibilities with a positive determination and in a manner that enhances the overall reputation of the council. In doing so they will also safeguard, so far as is possible, members and officers whilst acting in their official capacities, from legal difficulties and/or criminal sanctions.
- It is important that members and officers work together to promote good governance within the council. The monitoring officer plays a key role in this and therefore it is vital that members and officers work with the monitoring officer to discharge the statutory responsibilities and other duties (as set out in the constitution).

- There are working arrangements and understandings in place between the monitoring officer, members and the corporate leadership team, which are designed to ensure the effective discharge of the council's business and functions. These arrangements are detailed in the monitoring officer protocol.
- The Council has appointed the executive director of development and city services as deputy monitoring officer to cover a conflict of interest if the monitoring officer or NpLaw cannot advise.

## **12. Ensuring effective arrangements are in place for the discharge of the head of paid service function:**

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- The role of head of paid service is defined in the Local Government and Housing Act 1989. In Norwich City Council it is assigned to the chief executive as set out in the constitution and all necessary powers are delegated to him/her to fulfil the statutory role. The constitution requires the head of paid service to determine and publicise a description of the overall service structure of the Council showing the management structure and deployment of officers.
- The head of paid service, despite having all the necessary authority to take delegated staffing decisions, has chosen to report to cabinet on changes to the senior management structure and on any significant changes to the organisation's structure as an aid to transparency. These proposals are discussed at the corporate leadership team and proposed to cabinet. All cabinet papers are circulated to all members. The council's senior management structure is set out in the constitution and publicised on the council's web site.
- The council is also required to provide the head of paid service with staff, accommodation and other resources sufficient to enable the performance of the function. In Norwich City Council, the annual budget proposed to council by cabinet, prepared by officers, seeks to align the provision of council resources with the delivery of the corporate plan. In this manner, the head of paid service is ensuring that the council is fulfilling its duty. During the year, any proposals that are made to significantly alter the manner of service delivery, to reduce or enhance a service, sets out the staffing and resource implications for that proposal. This is standardised in committee report formats to ensure that all relevant matters are considered when proposals are made. All cabinet papers are subject to scrutiny.
- A review (or appraisal) of the chief executive's performance is undertaken each year. The process is managed by an independent individual and takes account of the views of the Leader, cabinet and each opposition leader about how the chief executive has discharged all of his functions in relation to the role. There are also informal opportunities throughout the year for the adequacy of the chief executive's performance to be discussed e.g. at weekly leader meetings and monthly meetings of group leaders.

## **13. Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training:**

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- The cross-party councillors' development group sets the strategic and policy direction for all aspects of councillor development which includes:
  - promoting the development of members

- developing, monitoring and evaluating the councillors training and development programme
- A full programme of training and development has been agreed by the group including a monthly schedule of both training sessions and briefings.
- Managers have a portfolio of learning and development available to them which is designed to develop their skills and to support achievement of the organisation's priorities. The Changing PACE values provide the overarching framework for development and include behaviours expected from all employees. There is an employee performance review which provides individual and team objectives and through which learning and development needs for all employees and managers are identified. A corporate learning and development plan is created to support employees in line with current and future needs.

#### **14. Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability:**

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- The council has a risk management policy and a risk management strategy, which have been approved by cabinet and are published on the council website.
- Individual projects and partnerships are also subject to risk assessments.
- The council's risk management policy was last updated in 2019/20. A revised combined risk management strategy and policy is being prepared, for presentation to a future audit committee.
- Corporate and directorate risk management arrangements were refreshed during the year and regular reports are now reviewed by the corporate leadership team assurance group and cabinet.
- The council has a corporate business continuity plan for the effective management of business continuity issues, in order to ensure the continued delivery of services. Both business continuity and the management of major contracts are included in the corporate risk register. A business continuity policy and framework was approved by Cabinet on 25 June 2014.
- Due to Covid 19 the council has effectively been practising business continuity since February 2020. It was agreed that a review of the business continuity plan would be delayed until later in 2021 due to continued Covid response work, the rollout of new IT equipment, and the implementation of the new management structure. The business continuity framework will also be updated and reflect changes in how this activity will be managed going forward.

#### **15. Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014):**

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- The council has reviewed its counter fraud arrangements, reflecting professional guidance and good practice. Anti-fraud and corruption, whistleblowing and anti-money laundering policies are published on the website and intranet.
- The policies are promoted to employees, who are required to confirm that they have read these.
- For the public there is also a complaints procedure, which can be accessed via the council website, plus an online form for reporting all types of suspected fraud.



- The council participates in the Cabinet Office's national fraud initiatives (NFI) and regularly reports the results to audit committee.
- The Anglia Revenues Partnership Fraud Team investigate Housing Benefit and Council Tax discounts and exemptions where cases of potential fraud or error exist
- As part of the Covid-19 response, the council has paid out grants to businesses in line with the government schemes. During the year the council has complied with the reporting, risk assessment and payment assurance process requirements.

#### **16. Ensuring an effective scrutiny function is in place:**

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- The council's scrutiny committee through its work programme regularly carries out work that involves reviewing the performance and effectiveness of other public service providers as well as the council. A member of the council's scrutiny committee is a member of the Norfolk Health Overview and Scrutiny committee and provides regular updates on their work to the council's scrutiny committee.
- A member of the council is also a member of the Norfolk Health and Wellbeing Board and inputs into the progression of the Norfolk Health and Wellbeing Strategy.
- A member of the council is also a member of the police and crime panel, and a member of the council's scrutiny committee is a member of the Norfolk Countywide Community Safety Partnership Scrutiny sub panel to provide regular updates on their work to the council's scrutiny committee.

The council's early intervention and community safety manager represents the council on the Norfolk County Community Safety Partnership.

#### **17. Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact:**

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- During 2020-21 internal audit was led by a professionally qualified interim internal audit manager in accordance with the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations, Public Sector Internal Audit Standards and the Local Government Application.
- From April 2021 best practice standards have continued to be adhered to, with internal audit being managed by the head of finance audit and risk.
- In April 2021 Cabinet approved the decision to enter into a partnership arrangement for the delivery of internal audit services. The head of internal audit role will be provided by South Norfolk Council from July 2021, with outsourced provision of the internal audit reviews expected from April 2022. Agreement of the Internal Audit plan and monitoring of the agency agreement remains the responsibility of the corporate leadership team and the head of finance, audit and risk, with oversight by the Audit Committee. This ensures the council maintains sufficient council control over the direction and delivery of internal audit services.

**18.Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013):**

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- The council has an audit committee with terms of reference and supporting procedure rules covering internal and external audit, risk management, annual statement of accounts, corporate governance and internal control arrangements, and anti-fraud and corruption arrangements. The terms of reference were reviewed in October 2017 in line with the latest CIPFA guidance and can be found in the council's constitution.

**19.Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations:**

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- The council provides support and information to the externally appointed auditors (Ernst & Young). Audit findings and recommendations are reported through the Audit Committee.

**20.Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures:**

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- The council demonstrates a strong commitment to working in partnership with other agencies to deliver priority outcomes and ensure that this partnership activity provides value for money and added value.
- All key partnerships have been identified and are included in the partnership register. A corporate governance framework and toolkit has been developed for use by all key partnerships, to ensure that effective governance and risk management arrangements are in place.
- Norwich Regeneration Limited (NRL) has a board consisting of two councillors, two non-executive directors, who were appointed during 2020-21, the NRL managing director and with an ongoing invitation for two directors to attend meetings. The board combines a broad range of experience including finance, business case development, procurement, risk management as well as general management. NpLaw provide company secretary support to the board. The board is able to call on additional expertise as required including officers of the council, a financial advisor, a project manager, estate agents, architects and legal.
- The board has put in place a scheme of delegation to allow day to day decisions to be taken without the need for a full board meeting but major decisions are reserved for the board.
- NRL has a business plan in place, which goes through rigorous scrutiny requiring the approval of the council as shareholder as well as the NRL board. The business plan for 2021-22 was presented to Cabinet in March 2021 and is currently undergoing an external review to provide the council with independent advice, scrutiny and assurance over its underlying assumptions prior to any detailed business cases being considered.

Risks are managed at a company level through the business plan and board meetings while project risks are managed through the project process for each project.

- Norwich Commercial Services Limited (NCSL) was set up in September 2020. It has a board consisting of an independent chair and director, three non executive directors (one independent, two council members) and the managing director as executive director.

NCSL has a business plan in place, which was approved by the council as shareholder as well as the NCSL board. The business plan for 2021-24 was presented to Cabinet in April 2021.

Risks are managed at a company level through the business plan and board meetings. In line with the shareholder agreement, updating reports are taken to the councils Cabinet twice per year.

- To further strengthen the governance arrangements, a shareholder panel is being developed to manage the council's wholly-owned companies as a group. The panel will provide strategic direction, strong oversight, monitor performance and provide each entity with the commercial freedom to maximise their chances of success.

## **6. Current & Emerging Issues**

### **Covid 19 update**

The Covid 19 pandemic that commenced in March 2020 led to significant changes to the working practices of the council.

The majority of staff were enabled to work from home, committee meetings were initially only held where necessary, with those that occurred held remotely, and meetings open to the public were live-streamed on the council's You Tube channel. From May 2021 meetings returned to face to face meetings, in line with statutory requirements.

Covid is managed at officer level by the county wide Health Protection Board and Norfolk CEOs group. The council's chief executive officer is a member of both. At a political level This is through public sector leaders board, attended by the chief executive and leader of the council.

The council has effectively been practising business continuity since February 2020. An evaluation of the effectiveness, across all service areas, of the business continuity and emergency planning arrangements that were put in place will be carried out later in 2021 to identify any improvements that can be made for the future. Updates to directorate and service business continuity plans will be completed, to take into account the restructure of the council, and then feed into the update of the corporate business continuity plan.

The council developed a blueprint for recovery, which was approved by Cabinet in June 2020. This Covid Recovery Plan includes the key strategic areas for the council to focus on, including building on opportunities arising from the pandemic to modernise the organisation and increase flexibility. This continues to serve as the key document setting out the council's key themes and activities over 2021-22, as detailed in the report, relating to the corporate plan, presented to Council in February 2021.

Covid-19 has had significant impacts on the council finances, in particular areas including car parking revenue, rental income, planning application fees, and council tax and business rates. This was closely monitored by finance and corporate leadership team, and Cabinet councillors were regularly briefed.

The Council took taken positive short term action to secure the sustainability of the council's finances whilst managing the significant financial impacts of Covid-19. Proactive mitigations were put in place over the summer to recover the projected deficit and through managers continuing these actions the Council has managed to control spending to support the positive investments approved in the budget. Government funding was received towards the costs of the pandemic which, when combined with the positive short-term saving decisions taken by the council, has meant that no general reserves are needed to balance the outturn position in 2020/21.

The medium term financial challenge to the council remains uncertain with many new grants only awarded for 1 year, whilst the impact from Covid-19 will be seen for years to come. As part of the 2021/22 Budget it was agreed that the underspend is used to fund two new earmarked reserves: one to manage future budget risks and the other to fund support costs for the transformation change programme. These reserves will be key in managing the financial risk and uncertainty over the short term as the Covid recovery continues and wider government support to the economy and taxpayers is reduced.

The medium-term finance strategy (MTFS) was reviewed during the year to take these factors into account and was presented to the 2021-22 budget Council meeting in February 2021. Delivery of saving proposals (2021/22 and future year planning) in the context of the council still being impacted by the Covid-19 recovery continues to be a risk to the council.

### **Housing Compliance**

NCC is responsible for ensuring all statutory requirements for health, safety, and compliance in relation to its homes and its operation as a business undertaking are met. This includes making sure that regular inspections take place within required timescales and that any remedial works arising as a result of those inspections, are completed in a timescale consistent with the level of risk.

In June 2021, following an internal high-level review of health, safety and compliance management it was identified that some compliance inspections were not being carried out as required and that remedial actions arising from inspections were not always being completed in a timely manner. The decision was taken to self-refer to the Regulator of Social Housing (RSH) on 28 July 2021 setting out the position as understood at the date of writing. In October 2021 the RSH found that NCC had breached the Homes Standard and published a Regulatory Notice.

Since then steps have been taken to address the issues. A Health and Safety Compliance Board has been established to oversee actions that are set out in a compliance improvement plan with performance being tracked and reported quarterly to Cabinet, with the objective of making significant progress by September 2022 and changes in management of compliance being completed by March 2023.

### **New and emerging legislation**

- The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020, came into force 4 May 2021, and gives those in problem debt the right to legal protections from their creditors, and a minimum of 60 days breathing space (some different regulations for mental health crisis cases). In anticipation of this, and linked to debt recovery during the Covid pandemic, the council developed a new corporate non-commercial debt policy, which consolidated all recovery for non-commercial

debts into one policy. Therefore it covers recovery of arrears of housing rents, council tax, overpayments of housing benefits and council tax reduction, and other invoiced sundry debts. The policy was approved by Cabinet in September 2020, and immediately put into place. It is published on the councils' website.

- The CIPFA Financial Management Code 2019 took full effect from April 2021. By complying with the principles and standards within this code authorities are able to demonstrate their financial sustainability.
- Environmental bill; domestic abuse bill; changes to homelessness / rough sleeping requirements
- Environmental legislation could have an impact on the council as landlord of commercial properties.
- Government White Paper Social Charter for Social Tenants and Building safety bill.
- Revision to Public Contract Procedures 2015 based on the governments green paper on transforming public procurement.
- Voter ID legislation affecting processes and preparations for the elections in 2022.
- New planning bill will be introduced during this parliament - this could significantly affect fee income. Further details awaited but expected to be heavily influenced by 'Planning for the Future' 2020.

## **7. Review of effectiveness**

- 7.1. Norwich City 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 directors within the council, who have responsibility for the development and maintenance of the governance environment; the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 7.2. The following is a brief description of the roles and processes that have been applied in evaluating the effectiveness of the governance framework:

### **1. The council and cabinet**

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- In February 2019 the council approved the new corporate plan 2019-2022, which is reviewed each year in line with the medium term financial strategy and in parallel to the development of the budget for the following year to ensure the necessary resources are in place for its delivery. This was updated in 2019 with changes to the key performance measures, which had been agreed by cabinet and the scrutiny committee. The council will continue to engage with stakeholders to inform the setting of corporate priorities beyond 2021-22, reflecting the changing landscape of local government finance and emerging opportunities and challenges for Norwich.
- The council approves medium term financial plans for the general fund and housing revenue account along with capital, investment and treasury management strategies. These provide the financial structure for the policy and

budget framework, corporate planning, annual service planning and budget setting.

- During 2020-21 the cabinet continued with its approach to developing the future priorities and shape of the organisation to meet the council's savings requirements, alongside the Covid Recovery Plan, which was agreed by Cabinet in June 2020.
- Section 151 of the Local Government Act 1972 requires that every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs. Council considered and delegated the decision to appoint a S151 & Chief Finance Officer to the Chief Executive and the Leader.
- Council considered the appointment of Independent Persons for the Council as per the standards framework to be compliant with the Localism act 2011.
- Cabinet approved key strategies and policies such as the Procurement Strategy 2021-2024, and the Risk Management Policy.
- Cabinet has continued to be involved with the progress of risk management, and for approving mitigations taken for risks that exceeded the councils risk appetite. The corporate risk register was last presented to Cabinet in March 2021.
- Cabinet approved business plans, including NPS Norwich Limited, and the councils wholly owned companies Norwich Regeneration Ltd and Norwich Commercial Services Ltd.
- In June 2020 Cabinet approved the terms of reference for the East Norwich Partnership, a new public-private sector partnership to steer preparation of a masterplan to deliver a new residential-led mixed-use quarter that will support the future growth of the city.
- Quarterly performance monitoring reports are presented to scrutiny committee and cabinet – cabinet also receives budget monitoring reports. Performance monitoring reports during 2020-21 covered achievement against the council's detailed priority actions and performance measures detailed in the corporate plan 2019-22.
- The council's constitution working party recommends to cabinet and council any changes to the constitution. As detailed elsewhere in this report, a revised constitution was approved by council in March 2021.

## **2. The scrutiny committee**

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- The overview and scrutiny function is exercised by the scrutiny committee. Procedure rules and terms of reference include the general remit to maintain an overview of the discharge of the council's executive functions and the right to review council policies. Reviews also include delivery of the corporate plan, through performance reports.
- The statutory annual report on the work of scrutiny committee in 2019-20 was presented to scrutiny committee on 16 July 2020 and to Council on 21 July 2020.

### **3. The audit committee**

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- The council has an audit committee with terms of reference which cover internal and external audit matters, risk management arrangements, corporate governance including internal control arrangements and the annual governance statement, anti-fraud and corruption arrangements, and the statement of accounts.
- The committee receives reports on corporate risks, the work of internal audit, including the head of internal audit's annual report, and external audit reports, letters and briefings. It also reviews and approves the annual governance statement.
- The Local Audit and Accountability Act 2014 introduced changes to the appointment process for external auditors. The committee reviewed options for appointing external auditors, and endorsed a recommendation to use PSAA Ltd, who was specified as the sector-led appointing body under the Local Audit (Appointing Person) Regulations 2015. This was recommended to cabinet and approved by full council.
- The committee reviewed counter fraud policies including anti-fraud and corruption, anti-money laundering, and whistleblowing. These were recommended and approved by cabinet.
- In line with good practice, the annual report on the work of the audit committee in 2019-20 was discussed by the audit committee on 14 July 2020 and presented to council on 21 July 2020.

### **4. The standards committee and monitoring officer**

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- The council has a standards committee with terms of reference to promote and maintain high standards of conduct by members and co-opted members of the council and to assist members and co-opted members to observe the council's code of conduct.
- The standards committee is supported by the monitoring officer, whose duties include the promotion of ethics and standards across the council, maintaining the constitution, and ensuring compliance with relevant laws, regulations and policies. The monitoring officer is a statutory appointment, and the current responsibilities of this role rest with the nominated officer from NpLaw.

### **5. Chief finance officer**

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- The chief finance officer is a statutory appointment. Duties include the proper administration of the financial affairs of the council, contributing to the effective leadership of the council as member of the corporate leadership team, ensuring that expenditure is lawful and within resources, advising on systems of internal financial control, and supporting the audit committee.
- The council continues to strive to improve financial management practices and processes, and to deliver sound financial governance. This is evidenced by the fact that the external auditors issued unqualified audit opinions on the financial statements and value for money conclusion each year from 2012-13 to 2019-20.

## **6. Internal audit**

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- The Council takes assurance about the effectiveness of the governance environment from the work of Internal Audit, which provides independent and objective assurance across the whole range of the Council's activities. It is the duty of the head of internal audit to give an opinion on the adequacy and effectiveness of internal control within the Council. This opinion has been used to inform the Annual Governance Statement.
- The annual report, from the head of finance, internal audit and risk, will be presented to the Audit Committee in July 2021. This report will outline the key findings of the audit work undertaken during 2020-21, including any areas of significant weakness in the internal control environment.
- From the audit reviews undertaken during 2020-21, no areas were identified where it was considered that, if the risks highlighted materialised, it would have a major impact on the organisation as a whole. The report on contract management of waste services highlighted the need to improve the setting and reporting of performance measures as well as completing annual contract performance reviews. The need to improve risk management and some aspects of contract management were identified and audit reviews will continue to focus in this area.
- Audit work identified that the council hadn't fully complied with the statutory duty of setting and publishing specific, measurable equality objectives at least every four years. The high importance recommendation regarding the statutory duty was immediately addressed and an Equality, Diversity and Inclusion policy 2021/22 was agreed by cabinet in June 2021. The policy includes four objectives and how they will be achieved. An action plan for these is currently being developed.
- In line with the Chief Executive's vision, future audit coverage will provide increasing focus on value added and proactive advisory work in addition to traditional opinion based reviews.
- In each instance where it has been identified that the control environment was not strong enough, or was not complied with sufficiently to prevent risks to the organisation, internal audit has issued recommendations to further improve the system of control and compliance. Where these recommendations are considered to have significant impact on the system of internal control, the implementation of actions is followed-up by internal audit and is reported to the corporate leadership team and audit committee.
- It is the opinion of the head of finance, internal audit and risk, taking into account all available evidence, and the opinion of the interim internal audit manager before he left, that **reasonable assurance** may be awarded over the adequacy and effectiveness of the Council's overall internal control environment, during the financial year 2020/21. The detail to support this assessment is provided in the annual internal audit report.

## **7. Corporate governance group / resources, performance and delivery board**

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- The corporate governance group was an internal officer group meeting every four months, responsible for reviewing all aspects of the council's governance



arrangements. The group consisted of chief finance officer, monitoring officer, head of HR and learning, internal audit representative and two directors.

- The resources, performance and delivery board was set up in January 2021 and has taken over the functions of the corporate governance group. This board includes the executive director of corporate and commercial services, head of finance, internal audit and risk, head of strategy engagement and culture, and monitoring officer.
- The embedding of the new resources, performance and delivery board and combined reporting to corporate leadership team and Cabinet will be key in driving strong financial and performance management across the council.

## **8. Other explicit review / assurance mechanisms**

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### External audit

- Under the government's local public audit regime the Audit Commission awarded contracts for work previously carried out by the Commission's own audit practice. As a result Ernst & Young (now EY) became the appointed external auditor from 1 September 2012.
- EY's audit results report (ISA260) for 2019-20 was presented to audit committee on 24 November 2020. The annual audit letter 2019-20 was presented to audit committee on 9 March 2021.
- For 2019-20 EY issued unqualified audit opinions on the financial statements, value for money conclusion and whole of government accounts. There were no significant risks identified.

### Improvement and efficiency.

- The council has been on a significant journey of improvement over recent years which has been recognised by a number of awards including
  - Gold award winner in the 'Climate Action of the Year' category, Global Good Awards 2020.
  - Achieved silver standard status for the Council's Home Options service by the peer led, National Practitioner Support Service.
  - The city council's housing development on Goldsmith Street won the RIBA Sterling Prize 2019.

## **8. Governance issues and actions**

### **Internal Audit Reviews**

- 8.1. There were no significant control issues identified from audit reviews during 2020-21. However, there were areas where updated corporate management controls need to be embedded going forward. These are included in the action plan at appendix 1 below.
- 8.2. The annual governance statement 2019-20 reported significant control issues relating to the contract management for the housing repairs and maintenance contract. Actions to address these tissues, has been monitored throughout the year. Details are included in appendix 2 below.

- 8.3. Internal audit completed a review of a different large contract during 2020-21. Although this did not identify significant control issues, a number of recommended actions were reported, indicating a need to generally continue to improve the control environment for contract management.
- 8.4. Actions to address audit findings are monitored by the new resources, performance and delivery board, the corporate leadership team and the councils audit committee where appropriate.

### **Embedding of Improvements to Governance Arrangements**

- 8.5. Alongside the Covid-19 response there has been a clear focus on enhancing the governance arrangements and internal assurance processes. A number of key changes have been instigated during the year, including: launch of a new senior management structure; quarterly Corporate Leadership Team (CLT) assurance meetings including risk management; improvements to the internal board structure; development of a single corporate planning and budgeting process; and development of a shareholder panel to oversee the council's wholly owned companies.
- 8.6. These improvements will continue to embed during 2021/22 and we will monitor their implementation and operation not only as part of our next annual review, but also continuously throughout the year.

### **Action Plans**

- 8.7. Key actions to address the governance issues and developments have been included in Appendix 1. These will be delivered over the course of the year and monitored by the corporate leadership team and the council's audit committee.
- 8.8. The progress and updates on the actions identified in the 2019/20 Annual Governance Statement are included in Appendix 2.

## **9. Conclusion**

Based on the work that has been completed, assurance can be taken that the governance arrangements at Norwich City Council are fit for purpose.

Norwich City Council is committed to ensuring the implementation of all actions that are designed to strengthen the organisation's governance arrangements. Implementation of these actions will be monitored through the next annual review.

## APPENDIX 1

### 2021/22 ACTION PLAN

Issues & actions identified	Lead officer	Target implementation date
<b>Risk management:</b> Risk management needs to be embedded across directorates and service planning to support progress made on corporate risk register (see Appendix 2).	Executive Directors	December 2021
<b>Information governance</b> <ul style="list-style-type: none"> <li>Strengthening resilience and capacity in the area of information governance.</li> <li>Action is in the process of being taken – Corporate Information Assurance Group (CIAG) in place and will meet monthly, reviewing of appropriate policies, procedures and practices, and the preparation of a business case for recruiting a specialist IG co-ordinator. However, as this will take some time to implement and take effect, so consideration required to mitigating the risks in this area in the meantime.</li> </ul>	Executive director, community services	December 2021
<b>Review of business continuity plans</b> Full review of the service and corporate business continuity plans, and the BCM framework, to update in line with the restructure and take into account lessons learned from using the BCPs during the Covid 19 pandemic.	Executive Director, regeneration and city services	December 2021
<b>New board structures</b> Embedding the responsibilities of the three new boards: <ul style="list-style-type: none"> <li>Resources, performance and delivery board</li> <li>Customers, IT and digital board</li> <li>Health &amp; safety board</li> </ul>	Chief Executive	December 2021
<b>Project Place – phase 2</b> Delivery of second phase of project place, including the transfer of repairs and maintenance services to NCSL and asset services to the council, is underway. Project team with relevant technical skills established, key activities and milestones mapped and progressing. Risks and issues with appropriate mitigation actions identified.	Executive director, community services	April 2022

Issues & actions identified	Lead officer	Target implementation date
<b>Housing tenancy management system implementation</b> The implementation of Northgate Housing Tenancy and Estate Management System to provide improved housing services and support the transfer of repairs and maintenance and asset management services to NCSL and the council.	Executive director, community services	December 2022
<b>Housing Board</b> Reviewing the terms of reference and embedding the responsibilities of the Housing Commissioning Board to drive improvements in housing services through review of the Housing Revenue Account Business Plan	Executive director, community services	September 2021
<b>Housing Compliance</b> Implementation of the housing compliance improvement plan to deliver improvement in the performance of compliance inspections.	Executive director, community services	September 2022

## APPENDIX 2

### 2020/21 ACTION PLAN UPDATE

Issues & challenges identified	Lead officer	Target implementation date	Progress
<b>Joint venture insourcing (Project Place)</b> <ul style="list-style-type: none"> <li>Delivery of first phase of project including setting up of new company and associated governance arrangements</li> </ul>	Executive director of community services.	April 2021	<b>Complete</b> <ul style="list-style-type: none"> <li>Phase 1 of project completed.</li> <li>Wholly owned company, NCSL, set up and governance arrangements in place – see notes in AGS above.</li> <li>Work from Norwich Norse Environmental satisfactorily moved to NCSL from 1 April 2021.</li> <li>Phase 2 of project progressing to in-source the work of NNBL to NCSL and NPSN to City Council.</li> <li>Project risk register in place.</li> </ul>
<b>Risk management:</b> <ul style="list-style-type: none"> <li>Overhaul and develop a new Corporate risk register</li> <li>Develop new Directorate risk registers</li> </ul>	Corporate Leadership Team	November 2020	<b>Complete – with development of Directorate risk registers added to the 2021/22 Action Plan</b> <ul style="list-style-type: none"> <li>Revised corporate risk register (CRR) in place and has been updated in line with the new management structure.</li> <li>Procedures for reviewing and updating CRR set up.</li> <li>Two of three directorate risk registers in place, support being provided for completion of the remaining one.</li> <li>Review of risk management strategy and policy carried out. A few updates to be completed, then this will be presented to a future audit committee during 2021, along with the updated CRR.</li> </ul>
<b>Address internal audit findings:</b> <ul style="list-style-type: none"> <li>Housing repairs and responsive maintenance contract management.</li> </ul>	Executive director of community services.	March 2021	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Progress has been made with the actions identified in the Audit.</li> <li>The one high priority audit recommendation (with numerous actions) continues to progress.</li> </ul>

Issues & challenges identified	Lead officer	Target implementation date	Progress
			<ul style="list-style-type: none"> <li>For the medium priority recommendations, nine actions were agreed. Two have been completed, three are awaiting confirmation from NNBL and five ongoing.</li> </ul>

## APPENDIX 3

### KEY STRATEGIES AND POLICIES RELATING TO GOVERNANCE

Strategy / policy	Owner	Last updated	Next review due	Comment
Risk management strategy and policy	Head of finance, audit and risk	January 2018	September 2021	New policy has been drafted but needs updating for any changes in risk management responsibility moving away from audit, and then signing off by executive director of corporate and commercial services and CLT. Expected to go to Audit Committee in September
Whistleblowing	Head of HR	May 2020	July 2021	Overall policy wording remains appropriate but needs updating for new contacts and corporate restructure.
Anti-fraud and corruption	Head of finance, audit and risk	February 2021	July 2021	Overall policy wording remains appropriate but needs updating for new contacts and corporate restructure and changes associated with audit responsibilities.
Anti-money laundering	Head of finance, audit and risk	December 2020	July 2021	Overall policy wording remains appropriate but needs updating for new contacts and corporate restructure.
NCC complaints policy	Customer contact manager	2021	None	Statutory. Needs review. Will commence July 2021.
Communications strategy	Communications Manager	2013	None	New comms strategy being worked up ready for June 2021
Corporate plan	Strategy Manager	2019	2022	Statutory.
Equality, inclusion and diversity policy	Strategy Officer	None. Start date 2022.	None	Statutory. Strategy development will commence September 2021
Contract procedure rules	Business relationship & procurement manager	March 2021	March 2024	Updated as part of constitution.

Strategy / policy	Owner	Last updated	Next review due	Comment
Procurement and contract management strategy	Business relationship & procurement manager	April 2021	April 2022	Period 2021 to 2024 review on annual basis.
Financial regulations	Head of finance, audit & risk	March 2021	March 2024	Updated as part of constitution
Financial procedures	Head of finance, audit & risk	November 2013	September 2021	Linked to Enabling Services Review
Charging policy	Head of finance, audit & risk	July 2010	November 2021	Link to income review as part of the corporate planning process 2022/23.
Commercial property investment strategy	Head of property & economic development	2018	2021	This needs an update post adoption of the strategic asset management framework (see below).
Strategic asset management framework	Head of property & economic development	In progress.		To replace the asset management strategy, which is out of date. In progress – expected to be complete by Sept 2021. An interim version may be adopted before a full version later in 2022-23
IT user security policy	Data protection and systems team leader	March 2021	Oct 2021	Full review of the policy in progress.
Data protection policy	Data protection and systems team leader.	Feb 2020	July 2021	Statutory. To be updated every 2 years, needs review. Will be commenced July 2021.
Safeguarding children and vulnerable adults policy	Early intervention and community safety manager.	2019	July 2021	Review to be commenced July 2021.
Health and safety policy	Environmental health & public protection manager	June 2019	Aug 2021	Health and safety policy and performance standards reviewed and updated in 2021



Strategy / policy	Owner	Last updated	Next review due	Comment
Business continuity management policy & framework	Emergency planning manager	2014	Review due 2021	A review of the BCP will take place later in 2021 due to continued Covid response work, the rollout of new IT equipment, and new management structure. The business continuity framework will also be updated and reflect changes in how BCM will be managed going forward
Environmental strategy 2020-25	Environmental strategy manager	July 2020		Adopted July 2020. Refresh currently ongoing, alongside refresh of carbon management programme.