Agenda Item No 6

Executive Board

20 July 2022

**Report of the
Corporate Director - Resources**

**Annual Governance Statement
2021/22**

1   **Summary**

1.1   The Annual Governance Statement for 2021/22 sets out the arrangements the Council has put in place for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. These ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and accounted for and is used economically, efficiently and effectively.

Recommendation to the Council

That the Annual Governance Statement for 2021/22, attached as Appendix A, is approved.

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2   **Background**

2.1   The Council has an approved Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The 2021/22 code has been reviewed and is applicable for 2022/23. This is attached as Appendix B.

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2.2   The Annual Governance statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations.

2.3   The Council has also reviewed the Chartered Institute of Public Finance Association (CIPFA) Financial Management Code, to ensure its financial management arrangements conform to the governance requirements of the CIPFA Standard.

3   **Review of the Effectiveness of Internal Audit**

3.1   The Council has a system of Internal Control, to which the internal audit system contributes significantly. The internal audit section is responsible for the provision of much of the system, although some responsibilities are carried out by others. Fraud work is carried out within the Internal Audit section.   However, a specialist contractor is used for IT audits where necessary. All of these also contribute to internal audit within the authority.

3.2   Public Sector Internal Audit Standards require an external assessment of the internal audit service at least every five years. An external assessment was undertaken in November 2017, so a further assessment will be carried out later this year.

3.3   The ongoing pandemic impacted on all Council services and as a result some work had to be reprioritised. The continued increase in home working also meant that accessibility to information was restricted. In addition, there were changes in the Internal Audit Team during the year, which reduced the staff available to work on the audit programme. Whilst fewer audit reviews were completed than originally planned, the Corporate Director Resources was still able to conclude that the Council has a suitable range of strategies, policies and procedures to address the corporate governance agenda.

4   **2021/22 Annual Governance Statement**

4.1   The Statement (Appendix A) presented to Members this evening for approval provides some narrative around the governance arrangements in place during 2021/22.

4.2   Members are kept informed throughout the year about the various areas that make up the system of internal control. Much of this information comes through Board reports. All Boards receive progress reports on the service areas that come within their remit. Higher level reports include progress against the Corporate Plan and budgetary control reports. However, other more detailed reports are used to deal with specific areas, such as Leisure Services and Refuse and Recycling.

4.3   Responsibility of monitoring against corporate activity has also been assigned to individual Boards, for example, the Resources Board considers Risk Management and Treasury Management activity and the work of Internal Audit, whilst the Executive Board considers the outcomes of the work of the external auditors.

4.4   Where appropriate, all Members are involved in major reviews. Other means are also used to monitor the activity of the Council, such as the use of Task and Finish Groups. A Housing Task and Finish Group was set up during the year, so that housing activity could be reviewed in greater detail.

4.5   In reviewing the corporate governance arrangements, a number of areas have been highlighted for further action. These are included within the Annual Governance Statement.

4.6   Once approved by this Board, the Statement will need to be signed by the Leader of the Council and the Chief Executive.

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5   **Report Implications**

5.1   **Finance and Value for Money Implications**

5.1.1   The governance arrangements put in place by the Council ensure that its financial position is safeguarded and that only approved expenditure is incurred on behalf of the Council and income is only generated for goods and services it actually provides.

5.2   **Legal Data Protection and Human Rights Implications**

5.2.1   The governance arrangements put in place by the Council ensure that its legal position is safeguarded, that it complies with relevant laws and regulations and expenditure is lawful. These arrangements allow specific legal advice to be given in relation to functions which are discharged by officers and members.

5.2.2   There are revised requirements in the UK General Data Protection Regulation and the Data Protection Act 2018 for the processing of personal information. One of these is to appoint a Data Protection Officer whose responsibilities include advising the Council, monitoring compliance with its data protection obligations, and co-operating with the Information Commissioner under the relevant legislation. This role is being carried out by the Head of Legal Services.

5.2.3   The continued implementation of the steps set out in the Annual Governance Statement will assist the Council in complying with these requirements.

5.3   **Environment, Climate Change and Health Implications**

5.3.1   As part of the Council's governance arrangements, there is a requirement for officers and Members to consider the environmental impacts and sustainability of decisions taken.

5.4   **Human Resources Implications**

5.4.1   There are systems in place which ensure that health and safety considerations are taken into account, along with legal requirements. The Council also has a number of policies which set out expected standards of behaviour for both officers and Members.

5.5   **Risk Management Implications**

5.5.1   The Council manages its risks by having good internal control mechanisms in place. The improvements identified in the statement for the future will strengthen these mechanisms.

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5.6 **Equalities Implications**

5.6.1 As part of the Council's governance arrangements, there is a requirement for officers and Members to consider the equalities implications of decisions taken.

5.7 **Links to Council's Priorities**

5.7.1 The governance arrangements ensure that the achievement of the Council's priorities is monitored on a regular basis, and action taken where this is appropriate.

The Contact Officer for this report is Sue Garner (719374).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

NORTH WARWICKSHIRE BOROUGH COUNCIL

2021/22 Annual Governance Statement

Executive Summary

Responsibility for Governance

The 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. To do this, it puts arrangements in place for the governance of its affairs, which include arrangements for the management of risk.

The Council also has a duty 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.

This statement explains how the Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an Annual Governance Statement.

Commitment to Review Governance Arrangements

The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of its effectiveness is informed by:
- the work of the Senior Management Team and other managers within the Authority who have responsibility for the development and maintenance of the governance environment;
- work carried out by Internal Audit;
- comments made by the external auditors, Ernst & Young plc, in their annual audit letter and other reports. The external auditors also comment on the value for money achieved by the Council, as part of their opinion on the financial statements;
- feedback from other review agencies and inspectorates;
- the results of user surveys and feedback from residents; and
- feedback from Service Boards and Member Groups.

To ensure that the governance framework remains effective, senior officers and Members have reviewed individual elements of the framework. As part of that review, work has been undertaken by the Council's statutory officers.

Service Boards use Task and Finish Groups or Working Groups to review and scrutinise individual areas, such as Housing.

Overall Opinion on the Level of Assurance Provided by Governance Arrangements

The Annual Governance Statement has confirmed that the controls in place have largely continued to operate as intended. The Council continued to operate alternative controls introduced on a temporary basis as part of management arrangements during the pandemic for much of 2021/22. Where these have resulted in process improvements, they are now being incorporated into normal procedures. Otherwise, we are returning to previous controls and processes as we return to more normal conditions.

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Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within the Council to ensure an effective internal control environment is maintained.

Significant Governance Issues Identified

We propose over the coming year to address a number of matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

These include:
- A review of the Financial Regulations;
- Further work on compliance with the Financial Management Code;
- Continuing to progress workforce planning;
- The continued use of virtual meetings where appropriate and efficient;
- Increased reporting to Resources Board on risk management;
- A review of the revised corporate plan and performance indicators;
- Replacement of four key computer systems to improve functionality and also maintain security compliance.

Signed:………………………………………………………………………………………….
Leader of the Council

Signed:………………………………………………………………………………………….
Chief Executive

Introduction

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government.* A copy of the code is available on our website.

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 risks at 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 governance statement has been in place at North Warwickshire Borough Council for the year ended 31 March 2022 and up to the date of approval of the statement of accounts.

Council Structure and Corporate Governance

The Council operates using a Committee system. This involves a number of Service Boards/Committees, responsible for specific areas of activity, which report back to the full Council. This meeting cycle of Board and Council meetings normally runs five times throughout the year. The remit and responsibilities of the Boards and Committee are set out in the Constitution of the Council, and include:

- Executive Board
- Resources Board
- Community and Environment Board
- Planning and Development Board
- Licensing Committee.

We have a number of ways that concerns of any kind can be raised, by employees, Members of the Council or the public. These include Confidential Reporting arrangements and complaint procedures. Any concerns will be followed up by trained investigators and action will be taken in proven cases.

The Council has approved Anti-Fraud and Anti-Money Laundering Policies. We take fraud of any kind seriously, and our first aim is to prevent opportunities for fraud to occur, by building sufficient controls into systems and procedures. The Council also contributes to National and Regional Fraud Initiatives using data matching techniques.

Statutory Officers

All local authorities are required by law to have officers who fulfil three specific roles. At North Warwickshire Borough Council, these roles are carried out by the following post-holders within the Council:

- The Head of Paid Service – Chief Executive
- The Chief Financial Officer (CFO) – Corporate Director Resources
- The Monitoring Officer – Head of Legal Services

The Head of Paid Service leads and takes responsibility for the running of the local authority on a day to day basis. The role requires the Chief Executive to work closely with elected Members to ensure strong and visible leadership and direction, ensure staff adhere to the strategic aims of the Authority and follow the direction set by elected Members. The Chief Executive acts as the principal policy advisor to elected Members, delivers the political objectives set by elected Members, leads and develops strong partnerships across the local community to achieve improved outcomes and better public services for local people, and oversees service development and all aspects of management within the Council.

The Chief Financial Officer must be a member of a specified accountancy body. The CFO is responsible for the proper administration of the Council's financial affairs and has specific legislative responsibilities, as he/she has a fiduciary responsibility to the local taxpayer. The CFO's duties include a requirement to report to all the local authority's members, in consultation with the monitoring officer and head of paid service, if there is or is likely to be unlawful expenditure or an unbalanced budget.

The Monitoring Officer effectively acts as the guardian of the Council's constitution and the decision making process. He/she is responsible for advising the Council on the legality of its decisions and providing guidance to elected Members on the Council constitution and its powers. He/she has the specific duty to ensure that the Council, its Officers and its elected Members maintain the highest standards of conduct in all that they do. This includes: reporting to the Council if a decision is unlawful or amounts to maladministration, maintaining Registers of Interests, and arranging for investigations into any matters or complaints referred to the Standards Committee.

Management Team

Two of the statutory officers, the Head of Paid Service and CFO, are members of the Senior Management Team of the Council and the third statutory officer attends as required. The Corporate Director Streetscape is also a member of the Senior Management Team which meets on a weekly basis.

The Council also had two Service Directors during the year covering: Housing Services and Leisure and Community Development. These Directors, together with the Senior Management Team and the Head of Development Control, make up the Extended Management Team, who meet on a monthly basis. The Head of Legal Services attends meetings of the Extended Management Team.

Standards

The Council expects its Members and officers to maintain appropriate standards of conduct and behaviour. These are set down in codes of conduct, standing orders, financial regulations, policies and processes, which are regularly reviewed. Compliance is monitored on an ongoing basis, and is supplemented by information through the complaints and compliments procedure and confidential reporting policy.

Both Members and officers are required to declare gifts and hospitality received, for inclusion on the register of interests maintained by the Monitoring Officer throughout the year.

Performance Management

The Corporate Plan is approved before the start of each year and identifies the headline targets for the coming year, which are supported by greater detail within individual service plans. Services are monitored and discussed on a monthly basis at Extended Management Team meetings.

All members of the senior management team contribute actively to cross organisational issues and to corporate decision making to match resources to the authority's objectives. The CFO and Monitoring Officer provide financial and legal advice and support to elected representatives to inform their decision making.

Normally progress against Corporate Plan targets is reported regularly to senior managers, Management Team and to service boards, along with performance indicator information. A final position is collated at the end of the year, which is again reported to Members and is also published on the Council's website. Reduced reporting took place in some areas during 2021/22, partly due to the ongoing pandemic situation and partly due to the ongoing review of the format of the Corporate Plan which was introduced for 2021/22.

As well as monitoring achievement of identified outcomes, the Council wants to ensure that an excellent quality of service is provided. It ensures this in a number of ways: obtaining user feedback, through independent inspection and audit and through system reviews. The Council takes part in Peer Challenge reviews periodically. Peer challenges are improvement-focussed and tailored to meet individual councils' needs, to complement and add value to a council's own performance and improvement focus. As the Council had taken part in a virtual LGA facilitated Recovery Panel review in March 2021, further review was not undertaken in year.

Targeted feedback on Council activity was obtained in specific areas and general feedback on the Council was obtained on council services during calls to residents. Feedback through the complaints and compliments process was reviewed as normal.

Information Management

Information management is a key concern for the Council, with all Members and officers having responsibilities for its governance. To ensure compliance with the General Data Protection Regulations, the Council has a Data Protection Officer and a Senior Information Risk Owner.

The Council's Data Protection Officer provides policies, training and guidance to ensure compliance with legislation, and investigates any breaches or suspected breaches that may arise. It is mandatory for all employees to complete an e learning module on data protection issues. Employees are required and encouraged to report suspected breaches, so that processes can be improved.

The Senior Information Risk Owner is responsible for implementing a risk assessment programme and advising the Executive Board of the effectiveness of the Council's information risk management procedures. Requirements for information management are set out in the Council's Information Security Policy. The maintenance and updating of systems is key, and some preparatory work for updating key systems commenced during the year, which will both improve functionality and also maintain security compliance. Following these changes arrangements will be made to carry out testing to confirm compliance. The Council also continues to actively work with the Warwickshire LRF Cyber Resilience Working Group.

Financial Management

The Chief Financial Officer is responsible for the proper administration of the Council's financial affairs. In England, the CFO has a statutory duty to report to the authority at the time the budget is considered and the council tax set, on the robustness of the budget and the adequacy of financial reserves. With regard to capital spending, there is a statutory requirement to set and arrange the Council's affairs to remain within limits for borrowing and capital investment.

The CFO must also be proactive in the management of change and risk, be focussed on outcomes and help to resource the authority's plans for change and development in the public services it provides.

The Council has comprehensive forecasting and budgeting procedures. A medium term business and financial planning process is used to deliver the authority's strategic objectives, including:
- A 30 year Business Plan for the Council's housing stock to ensure ongoing viability, which is reviewed annually;
- A Medium Term Financial Strategy to ensure sustainable finances for all other Council services, which is updated twice a year, in February and September;
- A Capital Strategy which is updated annually;
- A 3 year capital programme and a 10 year capital projection, which are updated annually;
- A Treasury Management and Investment strategy, which is updated annually; and
- A monitoring process that enables this to be delivered.

Financial information is generally provided on a monthly basis to the Management Team, and three times during the year to each Service Board. Periodic and annual reviews of financial reports indicate financial performance against forecasts for all of the Council's spending. Summary information is also published. Whilst the revised format for reporting to Management continued during 2021/22, financial updates continued to be discussed regularly. Service Boards received financial monitoring reports, and the MTFS was updated in September in line with usual practice.

Financial Regulations and Contract Standing Orders are in place, for use by all Members and Officers. These ensure there is effective use and control of resources, and robust and transparent decision making. The Financial Regulations were not reviewed during the year, so this will be carried out during 2022/23.

The CFO ensures that the Council's financial management arrangements conform to the governance requirements of the CIPFA Standard. This includes ensuring that all members of the Senior Management Team have the financial capabilities necessary to perform their respective roles. The CFO also accesses expert advice on specific areas such as Treasury Management and VAT, as required.

Risk Management

There are risks involved with the provision of any services, so the Council uses a system of risk management to minimise and manage the risks it faces. It does this by identifying both strategic and operational risks, looking at existing controls in place to reduce these, and amending these or bringing in new controls were this is beneficial.

The system involves an annual review of strategic risks by the Senior Management Team and an annual review by senior managers of operational risks in their service areas. This

enables all Senior Managers to complete Annual Statements of Assurance, and to identify actions that are needed to manage risk in the coming year, including the identification of any new risks.

The annual report for 2020/21 was provided during the year, and included information on the strategic risks for 2021/22, as well as the more significant operational risks. Risks are reviewed corporately part way through the year, and specific checking is carried out during the year by the Internal Audit section, as part of their audit work. The Resources Board normally receive a mid year update on risk management activity, but this did not happen in 2021/22 due to the ongoing pressures of the pandemic. The requirement for increased oversight of risk management activity has been raised by the Resources Board.

As part of our risk management, the Council has insurance in place to cover the risk of loss. The levels of cover and the excess amounts are kept under continual review.

Internal Audit

A key feature of regulations the Council needs to comply with is the requirement for internal audit. A local authority must maintain an adequate and effective system of internal audit of its accounting records and its system of internal control. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the 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 Council's Internal Audit team has demonstrated compliance with the Public Sector Internal Audit standards. The team use a risk based approach to formulate audit plans and determine the scope of audit reviews.

The Council has a zero tolerance to all forms of fraud and corruption and employs a counter fraud officer who works closely with the Revenues, Benefits and Housing teams to identify, deter and prevent all forms of fraud. We also have a joint working agreement with the Department for Works and Pensions.

Responsibilities of Officers and Members

The Council ensures that it is operating efficiently by specifying the different roles and responsibilities of both Councillors and Officers. The remit of each decision making Board is set down in the constitution, along with the roles of individual Councillors. The Council does not have an Audit Committee, but instead divides the core functions between the Executive Board and the Resources Board. The constitution also outlines the responsibilities of senior officers, and areas where they have been given delegated powers. Employee contracts include job descriptions, and these give the detail of individual roles, for all employees.

The Council uses workforce planning to identify future staffing requirements. This projects future service needs and the workforce that would be needed for their delivery. Recruitment difficulties in some service areas have highlighted the need to review and update workforce plans. Work was undertaken in a number of areas, but this was not progressed fully across the Council due to capacity issues.

The Council uses an appraisal system to set specific targets for individual staff on an annual basis. These targets reflect their Division's targets in the Corporate Plan and the Divisional Service Plan and are subject to a six monthly review. The appraisal system is also used to assess the training and development needs of individual employees and ensure that they

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have the skills and abilities to carry out the tasks required. Appraisals were temporarily suspended during the pandemic but reinstated in 2021/22. In addition, team meetings continued to be used to monitor performance. The annual staff survey was used to assess the working arrangements and barriers to performance. Greater use of electronic mediums continued with regard to communication with employees, were this was appropriate.

Induction training is carried out whenever a new Member is elected. After that, Member training is generally identified by individuals, or in response to issues that arise. An exception to this is the area of planning, as increasing changes in planning laws and regulations have resulted in fairly regular sessions being arranged.

Impact of Covid on the Council and its Governance Arrangements

The Council continued with the revised working arrangements introduced in response to Covid. Office based staff continued to work from home where possible, and those staff who needed to attend the offices, worked in line with adapted office processes in order to comply with Covid guidance. Revised procedures were also maintained for front line services, to enable social distancing wherever possible and to ensure appropriate PPE was available and used. Arrangements were revised during the year for some front line services, in response to changes in Government guidance.

Alternative control measures continued to be used in many areas, for example, the electronic procedure for authorisation of documents and meetings of the Emergency Management Team in place of Health and Safety Group meetings. Whilst the majority of meetings continued to take place virtually, the ability to hold virtual Board and Council meetings did not extend beyond May 2021, and physical meetings resumed. All possible precautions were taken to ensure those attending could do so safely.

The Council continued to administer a variety of business grant schemes throughout the year, advised businesses on required Covid measures and assisted with the enforcement of business closures. The Council also supported the roll out of the vaccination programme by making part of its building available as a vaccination clinic when other premises were not available.

The Council's finances continued to be affected as a result of the pandemic. The increases in some service costs due to new working arrangements continued, together with a continued loss of income, particularly in leisure services. Compensation for lost income was received from the Government but only for the April to June 2021 period.

CIPFA brought out a Financial Management Code in October 2019. Local Authorities were required to comply with the Code from April 2021, with 2020/21 used to supplement any shortfalls against the Code. The difficulties posed by the pandemic were recognised and whilst CIPFA still required compliance with the Code, it was accepted that full compliance from 1 April may not be achievable. Instead, the requirement was for full compliance to be achieved during the year. An assessment against the Financial Management Code was considered by the Executive Board in July 2021, and identified a few areas where work was needed. These included:
- A review of consultation arrangements
- The consolidation of asset management planning information
- Use of the CIPFA resilience index in financial planning and a review to ensure that all key balance sheet items are included in budget monitoring

Evaluation of the Effectiveness of Governance Arrangements

Progress has been made with the implementation of the Corporate Governance Action Plan approved last year:

- The revised of the 2021/22 Corporate Plan has been reviewed by the Executive Board, who have also received progress reports against current priorities;
- Although Board and Council meetings went back to physical meetings, they continued to be broadcast virtually, so that the public benefits of broadcasting could be evaluated;
- The use of virtual meetings continued in most areas, to enable compliance with Government guidance and in the interests of efficiency;
- The staff appraisal process recommenced towards the end of the year;
- Workforce planning continued. Current economic conditions impacted on some areas of the workforce, and these were taken into account when looking at service requirements;
- Some internal working groups have been resumed where this is appropriate;
- Whilst an assessment was made of the work required under the Financial Management Code, only limited progress against the action plan was achieved. This will need to be completed in 2022/23.

Despite the ongoing challenges of the pandemic during the year, the governance arrangements of the Council largely returned to pre pandemic levels over the course of the year. Management Team continued to provide corporate monitoring across the organisation as an alternative to some officer working groups, but internal groups restarted covering areas such as transport.

Internal audit work continued to be affected due to both the restrictions of the pandemic and a reduction in staff resources. However, the Corporate Director considers that sufficient work was undertaken to provide an opinion on the Council's control environment. The work undertaken by Internal Audit has enabled the Corporate Director Resources to conclude that the Council has a range of appropriate strategies, policies, procedures and protocols to address the corporate governance agenda.

North Warwickshire Borough Council

CODE OF CORPORATE GOVERNANCE 2022/23

North Warwickshire Borough Council is committed to the principles of good governance. This local Code of Corporate Governance has been developed in accordance with and is consistent with the Delivering Good Governance in Local Government Framework (CIPFA/Solace).

What is Corporate Governance?

Governance is about how the Council ensures that it is doing the right things, in the right way, and for the right people, in a timely, open, inclusive, honest and accountable manner.

Corporate governance is made up of the systems, processes and values by which councils are directed and controlled and through which they are accountable to and engage with their communities. Good governance is crucial as it leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. It also enables an authority to pursue its aims effectively whilst controlling and managing risk. This code sets out that commitment and how we evidence it.

Principles of Good Governance

This code is based on guidance provided to all UK local authorities which are centred on seven core principles designed to underpin the governance arrangements of all public sector bodies.

The diagram below illustrates how the various principles for good governance in the public sector relate to each other. It also shows how principles A and B permeate the implementation of principles C to G, demonstrating that good governance is dynamic and that an entity as a whole should be committed to improving through a process of evaluation and review.
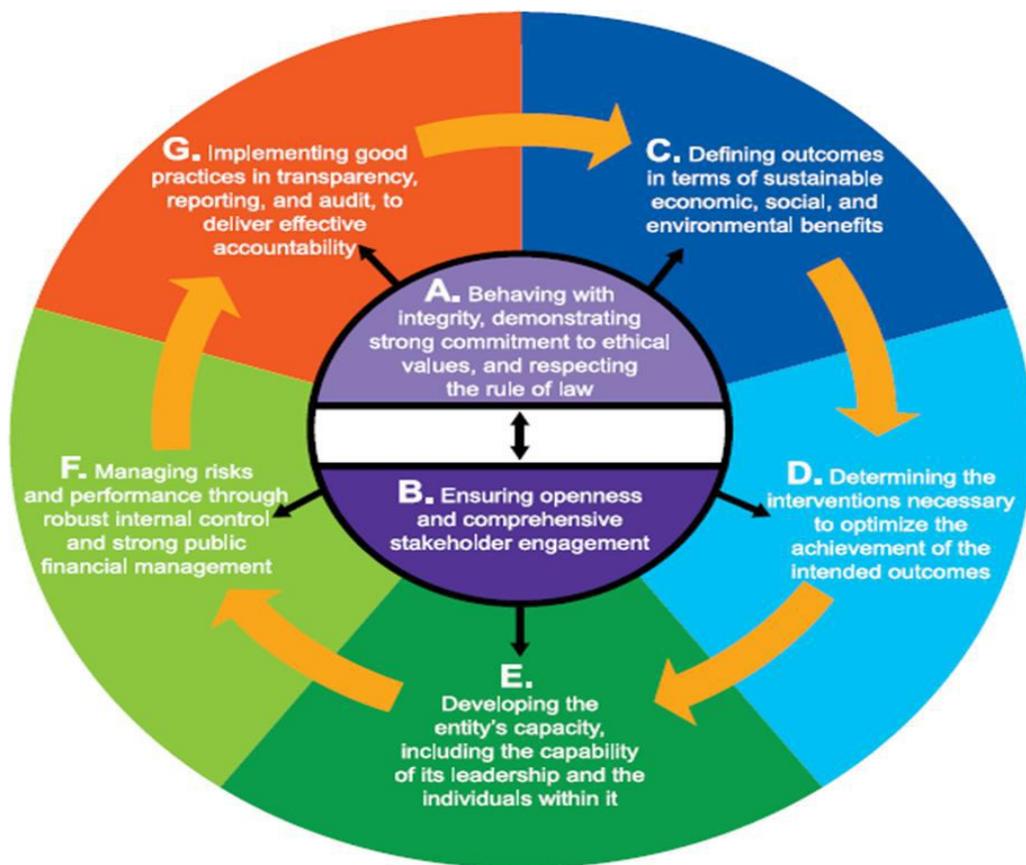
The diagram and principles are taken from the International Framework: Good Governance in the Public Sector: Good Governance in the Public Sector (CIPFA/International Federation of Accountants, 2014).

Responsibilities

Elected members are collectively responsible for the governance of North Warwickshire Borough Council. The responsibilities include:

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- Agreeing the Council's constitution, comprising the key governance documents including the democratic arrangements and making major changes to reflect best practice;
- Agreeing the policy framework including key strategies and agreeing the budget;
- Agreeing service arrangements and work plans, and reviewing audit matters;
- Appointing the Chief Officers; and
- Appointing committees responsible for regulatory matters and also appointing members to them.

The Council's Management Team and other Senior Managers are responsible for:

- Advising Boards and Committees on legislative, financial and other policy considerations to achieve the aims and objectives of North Warwickshire Borough Council;
- Implementing Councillors' decisions; and
- Service Performance.

Monitoring and Review

North Warwickshire Borough Council is required to prepare an annual governance statement in order to report publicly on the extent to which it complies with its code of governance. This includes how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should in itself add value to the effectiveness of the governance and internal control framework.

The annual governance statement includes:

- An acknowledgment of responsibility for ensuring that there is a sound system of governance, incorporating the system of internal control, and reference to the Council's code of governance;
- Reference to and assessment of the effectiveness of the key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment, such as the Management team, Internal Audit and others as appropriate;
- An opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework;
- An action plan showing actions taken, or proposed, to deal with significant governance issues; reference to how issues raised in the previous year's annual governance statement have been resolved; and
- A conclusion.

North Warwickshire Borough Council's annual governance statement shall be approved by the Council's Executive Board and shall be published with the statement of accounts. The approved statement shall be signed by the Leader and the Chef Executive.

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PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The council is accountable not only for how much we spend, but also how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Supporting Principles:	Examples of evidence demonstrating compliance
Behaving with integrity • Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of public Life (the Nolan Principles) • Leading by example and using the above standard operating principles or values as a framework for decision making and other actions • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	• Council Constitution – rules of procedure • Minutes of Meetings • Member and Employee Codes of Conduct • Planning Protocol for Members and Officers Dealing with Planning Matters • Members and Employees Registration of Gifts & Hospitality • Members and Employees Declaration of Interests • Whistleblowing Policy • Financial Regulations • Contract Standing Orders • Complaints and Complaints Procedure • Anti Fraud, Bribery and Corruption Policy • Anti Money Laundering Policy • Data Protection Policy • Guide on the Internal Audit Function

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Demonstrating strong commitment to ethical values:	
• Seeking to establish, monitor and maintain the organisation's ethical standards and performance • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values • Ensuring that external providers of services on behalf of the organisations are required to act with integrity and in compliance with ethical standards expected by the organisation	• Members and Employees Codes of Conduct • Financial Regulations • Contract Standing Orders • Procurement & Commissioning Strategy • Recruitment and Selection Policy and Procedure • Annual Staff Appraisals • Information Security Policy
Respecting the rule of law	
• Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations • Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Dealing with breaches of legal and regulatory provisions effectively • Ensuring corruption and misuse of power are dealt with effectively	• Council Constitution • Guidelines and training for the Mayor and Deputy Mayor • Members and Employees Codes of conduct • Statutory Officers responsibilities set out in the Constitution • Job descriptions for Officers and Members • Protocol on Member / Officer Relations • Anti Fraud & Corruption Policy • Whistleblowing Policy • Complaints Procedure • Data Protection Policy • Corporate Plan • Scrutiny included as a function of Resources Board • Disciplinary Policy

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PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

Supporting Principles:	Examples of evidence demonstrating compliance
Openness • Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action	• Data transparency web site page • Responses to Freedom of Information Act requests • Service and financial information published online • Board / council meetings open to the public, with an opportunity for public questions • Published agendas and minutes for Council meetings • Corporate Plan • Reason for exclusion of public from Council meetings required, and record kept • Public consultation on major projects and some small local projects • Local Plan inspection process open to the public, with the Inspectors notes published on the website • Staff appraisals and surveys • Recruitment & Selection procedures • Procurement Procedures

10b/20

Engaging comprehensively with institutional Stakeholders
 	
NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial suppliers and partners as well as other public or third sector organisations) or organisations to which they are accountable.
 	
• Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes are achieved successfully and sustainably
 	
• Developing formal and informal partnerships to allow for resources to be used efficiently and outcomes achieved more effectively
 	
• Ensuring that partnerships are based on:
   ➢ Trust;
   ➢ A shared commitment to change;
   ➢ A culture that promotes and accepts challenge among partners; and
   ➢ the added value of partnership working is explicit.
	• Borough Plan consultations
	• Regular meetings with other organisations, such as WCC and Warwickshire Police
	• Data sharing Protocols
	• Work with Housing Associations
	• Membership of the Central Building Control Partnership
	• Community Partnership work
	• Membership of the Heart Project
	• Membership of the Waste Management Boar
	• Member of the Material Recycling Facility Partnership

10b/21

Engaging with individual citizens and service users effectively	
• Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensuring that communication methods are effective and that Members and Officers are clear about their roles with regard to community engagement • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs • Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Taking account of the impact of decisions on future generations of tax payers and service users	• Local Plan Consultation • User Surveys • Complaints & Compliments Procedure • Housing Tenants Forum • Public participation in Board / Council meetings • Use of web site / social media • Elected Member surgeries / feedback • Staff surveys • Asset sales where appropriate

10b/22

PRINCIPLE C: Defining outcomes in terms of sustainable economic, social and environmental benefits

The long term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Supporting Principles:	Examples of evidence demonstrating compliance
Defining outcomes • Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to achievement of outcomes • Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available;	• Council Vision and Priorities • The Corporate Plan • The North Warwickshire Local Plan • North Warwickshire Community Safety Partnership (vision) • Affordable Housing Viability assessment • Medium Term Financial Strategy • Capital Strategy • HRA 30 Year Business Plan • Green Space Strategy • Risk Management Strategy • Treasury Management and Investment Strategy • Annual Strategic and Operational Risk Assessments

Sustainable economic, social and environmental benefits	
• Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • Taking a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short term factors such as the political cycle or financial constraints • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs • Ensuring fair access to services	• Board report template used for reporting, covering all implications • Record of decisions taken and reports considered • Deferrals/consultation utilised where more information is required • Corporate Vision and Plan • Use of Service Strategies • Risk Management Policy • Medium Term Financial Strategy • Capital Strategy and HRA Business Plan • Equal Opportunities and Equality Policy • Equality impact Assessments

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PRINCIPLE D: Determining the interventions necessary to optimise the achievement of intended outcomes.

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Supporting Principles:	Examples of evidence demonstrating compliance
Determining interventions • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided • Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	• Board report template used for reporting, with appropriate professional staff covering specific implications • Corporate Management Team / Extended Management team • Policies considered by both Service Boards and Executive Board • Medium Term financial Strategy • Risk Management Framework • Use of Tenants Forum, User Groups, feedback from partners • Internal / External Audit reviews • Complaint & Compliment procedure • Health & Safety Group • Annual staff surveys

10b/25

Planning interventions

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets

- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered

- Considering and monitoring risks facing each partner when working collaboratively, including shared risk

- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances

- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured;

- Ensuring capacity exists to generate the information required to review service quality regularly

- Preparing budgets in accordance with objectives, strategies and the medium term financial plan

- Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy

- Corporate Planning aligned with budget setting
- Medium Term Financial Strategy
- HRA Business Plan
- Capital strategy
- Treasury Management and Investment Strategy
- Performance and financial update reports throughout the year
- Strategies backed up by action plans
- Health & Safety Working Group
- User surveys
- Regular review of operational and strategic risks
- Business Continuity plans for all Service Areas
- Use of procurement frameworks

10b/26

Optimising achievement of intended outcomes • Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage • Ensuring the achievement of 'social value' through service planning and commissioning	• Budgets reviewed by Corporate Management Team • Medium Term Financial Strategy assessed by Service Boards, but need Council approval • Use of HRA Business Plan • Capital / Treasury Management Strategies • Corporate Planning aligned with budget setting • Divisional Service Plans • Regular divisional budget monitoring / review meetings with finance staff

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

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Supporting Principles:	Examples of evidence demonstrating compliance
Developing the entity's capacity • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	• Regular finance and performance reports • Benchmarking undertaken by services eg. HouseMark used by Housing • Use of a Procurement and Commissioning strategy • Involvement in Heart Shared Service, Central Building Control Partnership and Material Recycling Partnership • Workforce planning in service areas • Transformation projects to improve use of resources

Developing the capability of the entity's leadership and other individuals	
• Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	• Protocols included within the Constitution eg. Monitoring Officer Protocol • Job descriptions for Senior Officers are agreed by the Executive Board • Member appointment of Senior officers
• Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	• Annual Member appraisal of the Chief Executive • Decision making set out in the Constitution • Schemes of Delegation
• Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	• Regular meetings with Leaders Group and the Opposition Leadership • Board briefings for Leaders/ Deputy Leaders / Shadow Leaders • Democratic Services support
• Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:-	• Workforce policies • Induction training for both Members and employees • Training and development for employees, some mandatory • Training and development for Members • Annual appraisals for employees • HR policies and procedures
➢ Ensuring members and staff have access to appropriate induction tailored to their role and that on-going training and development matching individual and organisational requirements is available and encouraged ➢ Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ➢ Ensuring personal, organisational and system-wide development through shared learning, including lessons	

10b/29

learned from governance weaknesses both internal and external • Ensuring that there are structures in place to encourage public participation • Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections; • Holding staff to account through regular performance reviews which take account of training or development needs • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	• Public participation in Board / Council meetings • Housing Tenant Forum • User surveys • Half yearly Internal Audit reports to Resources Board • External audit reports to Executive Board • Involvement with peers / peer groups / local interest groups • Health and Safety Policies and Procedures • Health and Safety Group

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PRINCIPLE F: : Managing risks and performance through robust internal control and strong public financial management.

Local government needs to ensure that the organisations and governance structures that it oversees are implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting Principles:	Examples of evidence demonstrating compliance
Managing risk • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively • Ensuring that responsibilities for managing individual risks are clearly allocated	• Risk Management Framework • Strategic and Operational Risk Registers • Half yearly review of control measures carried out with Corporate Directors / Divisions by Financial Services • Risk management reports to Resources Board • Risk implications included on all reports
Managing performance • Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	• Corporate and Service Plans • Corporate Plan and financial updates • Risk Management Framework

• Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook • Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)	• Risk implications included on all reports • Annual Statement of Accounts • Annual summary of work accomplished / progress against targets • Progress reports to Service Boards • Financial Regulations and Standing Orders • Minority Report Procedure
Robust internal control • Aligning the risk management strategy and policies on internal control with achieving objectives • Evaluating and monitoring risk management and internal control on a regular basis • Ensuring effective counter fraud and anti-corruption arrangements are in place • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing	• Corporate management structure to allow officer challenge • Risk Management Framework • Strategic and Operational Risk Registers • Internal Audit Plans decided following a risk assessment of Council service areas • Internal Audit findings reported to Senior Management and Resources Board • Anti-fraud, Corruption & Bribery Policy • Anti-Money Laundering Policy • Annual review of the effectiveness of internal audit, who work to Public Sector Internal Audit standards • Corporate Governance reviewed by Internal Audit • Use of a Counter Fraud Officer • Use of RIPA and social media investigation guidelines • Resources Board receive and review the Council's risk

body: ➢ Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment ➢ That its recommendations are listened to and acted upon	management arrangements
Managing data • Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	• Designated Data Protection Officer and Senior Information Risk Owner • GDPR guidance and staff training • Data Protection Policy • Privacy Notices on the Council's website • Information Security Policy (some updating needed) • Adoption of the Warwickshire Information Sharing Protocol • Adherence to the Multi-Agency Public Protection Arrangements • Corporate administration of Freedom of Information requests, including reporting to Board
Strong public financial management • Ensuring financial management supports both long term achievement of outcomes and short-tern financial and operational performance • Ensuring well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	• Medium Term Financial strategy • 30 Year HRA Business Plan • Capital Strategy • Treasury Management and Investment Strategy • Monthly budgetary monitoring reports, including 'hotspot' reports to Management Team

PRINCIPLE G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting Principles:	Examples of evidence demonstrating compliance
Implementing good practice in transparency • Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	• Report template used, and adapted when appropriate • Agendas, reports and minutes available on the council's website • Transparency Information published • Information published on an 'A-Z' service basis • Links provided where greater detail is available
Implementing good practices in reporting • Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensuring members and senior management own the results reported • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and	• Annual financial statements, including narrative report • Annual Governance Statement • Annual Governance Action Plan • Code of Corporate Governance available on the website • External Auditor reports and Annual Audit letters available on the website • VFM Conclusion of the External Auditor

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publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations	
Assurance and effective accountability • Ensuring that recommendations for corrective action made by external audit are acted upon • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gaining assurance on risk associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	• Executive Board Terms of Reference (Constitution) • Compliance with the Public Sector Internal Audit standards • Annual review of the effectiveness of Internal Audit • Internal Audit work reported to Resources Board • Achievement of recognised standards eg. DSS PSI • Annual Governance Statement • Partnership agreements eg. North Warwickshire Community Safety Partnership, Warwickshire Information Sharing Protocol

Agenda Item 8

Executive Board

20 July 2022

Report of the Corporate Director - Resources	**Budgetary Control Report 2022/23 Period Ended 30 June 2022**

1 Summary

1.1 The report covers revenue expenditure and income for the period from 1 April 2022 to 30 June 2022. The 2022/23 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

Recommendation to Council

To consider if any further information is required.

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2 Introduction

2.1 Under the Service Reporting Code of Practice (SeRCOP), services should be charged with the total cost of providing the service, which not only includes costs and income directly incurred, but also support costs relating to such areas as finance, office accommodation, telephone costs and IT services. The figures contained within this report are calculated on this basis.

3 Overall Position

3.1 Net expenditure for those services that report to the Executive Board as at 30 June 2022 is £162,262 compared with a profiled budgetary position of £164,144; an underspend of £1,882. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

3.2 Where possible, the budget to date figure has been calculated with some allowance for seasonal variations, in order to enable a better comparison with actual figures.

4 Risks to the Budget

4.1 The key risks to the budgetary position of the Council from services under the control of this Board are:-

10c/1

	Likelihood	Potential impact on Budget
The Local Plan process is becoming more costly due to the Duty to Cooperate and also needs to be repeated more often as national guidance requires.	High	High
The Emergency Planning budget may be insufficient to cover the costs of any major local emergency.	Low	High

5   **Estimated Out-turn**

5.1   Members have requested that Budgetary Control Reports provide details on the likely out-turn position for each of the services reporting to this Board. The anticipated out-turn for this Board for 2022/23 is £772,480, the same as the Original Budget.

5.2   The figures provided above are based on information available at this time of the year and are the best available estimates for this Board and may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn.

6   **Report Implications**

6.1   **Finance and Value for Money Implications**

6.1.1   Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment at future meetings.

6.2   **Legal Implications**

6.2.1   The Council is legally obliged to comply with the duty to cooperate when forming and adopting its Local Plan, and in responding to consultations by neighbouring authorities regarding formation and adoption of their plans. This means that such expenditure can not be avoided when it arises.

6.2.2   Similarly, the Council has various statutory duties in relation to emergency planning, including assessing the risk or an emergency or the likely need to respond to an emergency, maintaining plans to ensure that it can respond to an emergency and, should an emergency occur, performing its functions to reduce or mitigate its effects. Those duties specifically apply to emergencies which would impact on the performance of the Council's functions, or where it would be necessary or desirable to take action to prevent the emergency, reduce or mitigate its effects, and the Council would not be able to do so without changing the deployment of its resources or acquiring additional resources. Again, although less predictable than the type of expenditure likely to be incurred in relation to the local plan, the Council could be faced with a situation requiring implementation of its emergency plan.

10c/2

6.3 **Environment, Climate Control and Health Implications**

6.3.1 The Council must ensure that it adopts and implements robust and comprehensive budgetary monitoring and control, to ensure not only the availability of services within the current financial year, but in future years.

The Contact Officer for this report is Nigel Lane (719371).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
Executive Board – Agenda item 9	Corporate Director - Resources	General Fund Revenue Estimates and Setting the Council 2022-23	14th Feb 2022

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North Warwickshire Borough Council

Executive Board

Budgetary Control Report 2022/23 as at 30 June 2022

Cost Centre	Description	Approved Budget 2022/23	Profiled Budget June 2022	Actual June 2022	Variance	Comments
		£	£	£	£	
2000	Housing Strategic Service Review	34,670	8,668	8,668	(0)	
2001	Outreach and Access to Services	121,710	32,142	32,402	260	
2002	Corporate Communications	72,120	14,338	13,686	(652)	
2003	Community Strategy	133,620	34,655	33,023	(1,633)	
2007	Emergency Planning	40,090	10,023	8,483	(1,541)	
2009	N.Warks Local Development Framework	367,220	63,555	62,794	(761)	
5050	Support to Parishes	3,050	763	3,208	2,445	
	Total Expenditure	**772,480**	**164,144**	**162,262**	**(1,882)**	