

South Northamptonshire Council Annual Governance Statement 2020/21

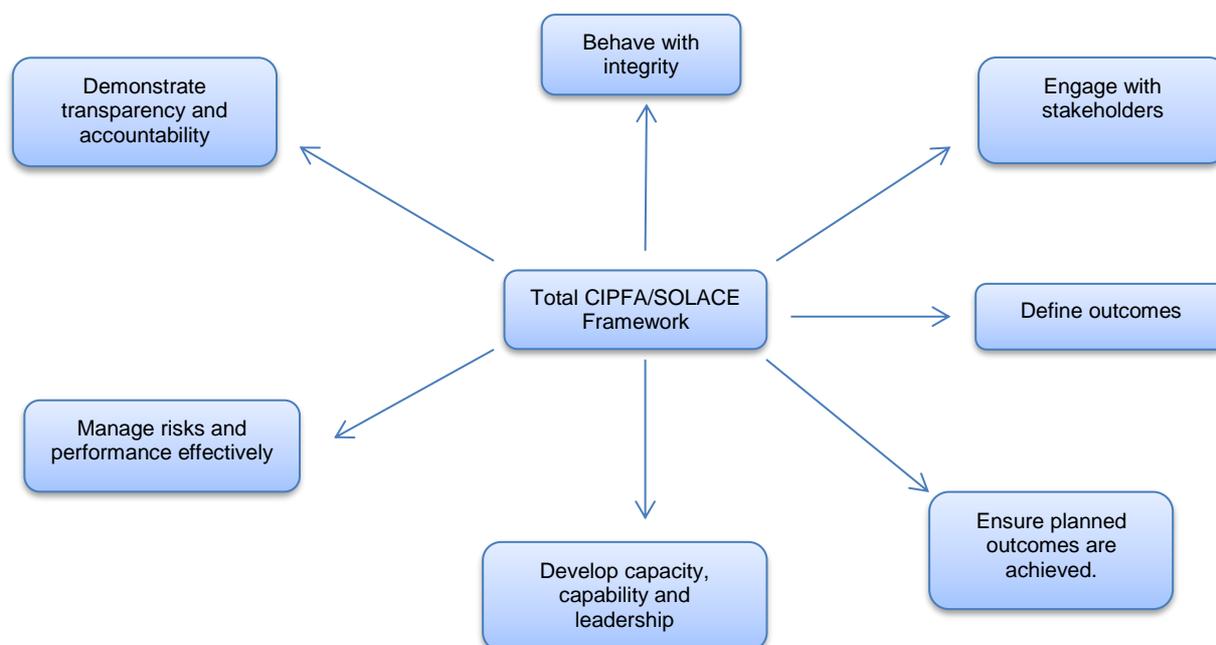
Introduction

2020/21 is the last year of South Northamptonshire Council's existence and from 1 April 2021 it will be replaced by West Northamptonshire Council, which incorporates the district and borough areas of South Northamptonshire, Daventry and Northampton councils.

South Northamptonshire 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. South Northamptonshire Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, South Northamptonshire Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

South Northamptonshire Council has approved and adopted a code of corporate governance, which is consistent with the principles of CIPFA/SOLACE Framework for Delivering Good Governance in Local Government. The table below details the seven requirements in practice: -



The CIPFA/SOLACE Framework

Principle 1 – Behaving with Integrity, Commitment to ethical values and respect for the rule of law

Chief Officers and Assistant Directors take responsibility for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

South Northamptonshire Council observes all specific legislative requirements and adheres to the general principles of good administrative law – rationality, legality and natural justice.

The Executive Director: Resources is designated as the Council's Monitoring Officer and it is his responsibility to ensure that the Council's business is conducted in a legal and proper fashion and in accordance with Council policies.

All reports that go before Council and Cabinet are reviewed by the Monitoring Officer to ensure the legality of the Council's actions. Specialist legal advice (either internal or external) is sought where appropriate.

South Northamptonshire Council actively recognises the limits of lawful activity implicit in the ultra vires doctrine and strives to employ its powers to the full benefit of its communities.

Principle 2- Ensuring openness and comprehensive stakeholder engagement

The Council sees effective consultation as a key part of its programme to provide services which meet the needs of the local residents, both now and in the future. The Council has a Consultation and Engagement strategy and Annual Action Plan which sets out the Council's aspirations and approach with regard to consulting with local residents across all Council objectives and services.

The Council is part of the Northamptonshire Residents Panel; members can expect to be consulted on a wide range of issues, both local and countywide. There is a dedicated consultation email address to make it easy for residents to contact the Council regarding consultations: consultation@southnorthants.gov.uk

Principle 3 – Defining outcomes in terms of sustainable economic, social, and environmental benefits

Mechanisms are in place to measure the quality of services for users, ensuring they are delivered in accordance with South Northamptonshire Council's objectives and that they represent the best use of resources. The Council has continued to improve performance management within the organisation. Service quality and best use of resources is ensured via:

- Quarterly review by Cabinet and Scrutiny Committee, and a monthly review by the Senior Management Team (SMT) as a standing agenda item.

- Performance Management - a performance management system for monitoring and recording performance indicator data and business plans is in place with monthly and quarterly performance reporting.
- Transformation Programme and Projects.

The Council recognises that to drive improvement it must closely monitor and review its performance. The Council routinely monitors its spend against budgets, and its performance against a suite of performance indicators; and also, against service plans and strategies. This is encapsulated in the Performance Management Framework.

Principle 4 – Determining the intervention necessary to achieve intended outcomes

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable, not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of South Northamptonshire 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 economically, efficiently and effectively.

Principle 5 – Developing capacity, including the capability of leadership and individuals within the Council

The Council's vision is to show strong leadership across South Northamptonshire to preserve what's special, to protect our quality of life, secure a prosperous and sustainable future and enhance the Council's performance.

The Council identifies and communicates the vision of its purpose and intended outcomes for citizens and service users through its five-year business strategy and annual Business Plan. This is a high level, strategic document which outlines the Council's ambitions and corporate priorities for five years and in more detail for the forthcoming year. The latest five-year Business Strategy and annual Business Plan of the Council is an adopted and published document and can be found on the Council's website.

The strategic priorities are used to structure the information and targets contained in individual service plans produced by each service. In turn the targets are used to set objectives for all employees of the Council through the Employee Performance and Appraisal Development Review.

The Appraisal process ensures that the Council's overall aims and objectives are translated into employee activities and that every employee understands clearly what their role is and what they are expected to achieve linking in to the "golden thread" of the Business Plan.

Principle 6 – Managing the risks and performance through strong internal control and financial management

The Leadership Risk Register is developed and managed by SMT and ensures that identification and consideration of risk corporately and across services is emphasised and highlighted. The Audit Committee receives regular risk management updates and reviews the Leadership Risk Register. This oversight of risk ensures there is senior officer level and political commitment to effective risk management.

Arrangements are in place, to ensure risk management is embedded across the Council, as follows: -

- A monthly review process, covering the Leadership Risk Register at SMT level.
- Quarterly monitoring reports are presented to relevant Council committees to ensure Councillors have good access to risk information.
- Risk management awareness training sessions have been facilitated for Councillors and employees. Members of the committees with specific responsibility for the management of risk will be offered dedicated training events. The potential of risk management awareness to be included on induction programmes will be explored.
- An internal audit of risk management takes place annually.

Principle 7 – Implementing good practices in transparency, reporting and audit to deliver effective accountability

The Council has strong practices in place to ensure the provision of clear and accurate information.

Minutes of all committee and Council meetings, decisions, all items of expenditure exceeding £500 and registers of interests are published on the Council's website. The governance framework has been in place at South Northamptonshire Council for the year ended 31st March 2021 and up to the date of the approval of the statement of accounts.

The review of the effectiveness of the system of internal control is underpinned by an Assurance Framework for internal control. The Framework is managed by the statutory officers, who seek to provide assurance by adopting a dual approach, assessing information from a service perspective provided by service managers and a more corporate overview from the SMT.

Roles and Responsibilities

A clear statement of the respective roles and responsibilities of the Cabinet, the members and the senior officers are held within the Constitution.

Key Elements of the Council's Governance Framework are summarised below:

The Cabinet

Exercises all of the Council's executive functions, receives reports, referrals and recommendations from other Committees and formulates recommendations in relation to the budget and policy framework.

Council

The Council Meeting is attended by all Councillors of the district. Council approves policies and strategies, approves budgets and determines Council Tax levels.

Section 151 Officer

The Section 151 officer, their deputy and Monitoring Officer meet informally as necessary to review the governance arrangements of the Council and provide input into this Annual Governance Statement.

Audit Committee

The Audit Committee comments on the scope and depth of external audit work, considers and approves the Council's arrangements for the internal audit service and monitors the effective development and operation of the Council's risk management.

Budget and Financial Strategy Committee

Provide strategic overview of matters that could significantly impact upon the Council's finances. Provide advice on the impact of business and housing growth. Support the budget setting strategy. West Northamptonshire Joint Committee
The Committee has been established between South Northamptonshire Council, Northampton Borough Council, Daventry District Council and Northamptonshire County Council in order to undertake the necessary preparatory work prior to the establishment of a West Northamptonshire Shadow Authority.

Scrutiny Committee

Has overall responsibility of all overview and scrutiny functions (under the Local Government Act 2000 and Local Government Involvement in Health Act 2007) on behalf of the Council. Conducts proceedings in accordance with the Scrutiny Procedure Rules set out in the Councils Constitution

Standards Committee

Promotion and maintenance of high standards of conduct by members and co-opted members of the Council along with Town and Parish Councils. Revision of the Code of Conduct. The approval and administration of arrangements under which allegations of breach of the code of conduct can be investigated and decisions on these can be made. The determination of items that must be entered in the Council's register of members interests over and above any that are legally required.

Review of Effectiveness

The key documents and techniques used to develop the code of conduct and high standards of behaviour that we achieve within South Northamptonshire Council comprise:

The Constitution	Complaints policy and procedure
Codes of conduct and associated protocols	Internal Audit work
HR policies and procedures	External Audit Reports
Internal / External Communications Policy	Staff briefings
Whistle blowing policy	Staff Times
Recruitment policy and Appraisal processes	Staff Induction Programme
Registers of Member interests	Intranet and Website Messages

The 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 SMT which has responsibility for the development and maintenance of the governance environment, Internal Audit's annual report, and also by comments made by the external auditors and any other review agencies and inspectorates. For 2020/21 the Council's internal auditors, CW Audit, concluded that the Council could place significant assurance on its governance and control environment.

The Council has a number of mechanisms it uses to review the effectiveness of its governance arrangements. These include the Annual Report and Independent Audit Opinion received from the Council's Internal Auditors.

Good Governance Arrangements in Respect of Partnerships

The Council currently leads and participates in a range of partnerships and ensures that all current and proposed partnerships support the objectives and priorities of the Council for the ultimate benefit of our communities, provide value for money and sustainable partnerships.

A Partnership Protocol has been adopted. The purpose of the policy statement and the protocol is to provide a framework for ensuring that the Council participates effectively in partnerships in pursuit of the Council's objectives. The protocol provides definitions and a framework, informed by good practice elsewhere, for managing and evaluating partnerships.

The following were identified as key partnerships:

- SNC Community Safety Partnerships, Police & Crime Commissioner (PCC Northamptonshire)
- Health & Wellbeing Partnership South Midlands
- West Northamptonshire Joint Planning Unit (JPU)
- South East Midlands Local Enterprise Partnership (SEMLEP)

Financial Management Arrangements, Performance and Value for Money

The Council has had a year like no other as it dealt with the pandemic, the separation from Cherwell District Council and preparing for unitary arrangements. This meant delivering the Council's objectives with fewer resources and through new mechanisms for delivery. This reinforced the need for strong governance throughout the organisation.

Financial performance is measured across a range of indicators that are reported quarterly. Budget monitoring is reported quarterly to the Budget and Financial Strategy Committee and to Cabinet.

The final financial statements have been prepared and will be signed off by the successor council, West Northamptonshire Council.

Declaration

We have been advised on the result of the review of effectiveness of the Council's governance framework. The overall assessment is that the arrangements continue to be regarded as fit for purpose.

This document has described our governance arrangements and assessed how closely we align with good practice. In overall terms this is a positive statement for 2020/21.

Richard Ellis
Chief Executive

Cllr Ian McCord
Leader of the Council