



**West
Northamptonshire
Council**

Annual Governance

Statement

2021-22



Context

This is the first Annual Governance Statement (AGS) for West Northamptonshire Council (the Council) following the closure of Northamptonshire County Council, Daventry District Council, South Northamptonshire Council and Northampton Borough Council.

The AGS is a review of our activities to ensure the Council is carrying out its functions effectively. There is a strong link between effective governance and effective service commissioning and delivery. To deliver the Council's ambitions, Cabinet approved the Council Plan on 8 June 2021.

Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment in operation within the Council for 2021-22. The journey of improvement will continue through 2022-23 and further, towards a sustainable basis for the organisation as a new Unitary Council.

Councillor Jonathan Nunn
Leader of West Northamptonshire Council

Anna Earnshaw
Chief Executive

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The Purpose of the Governance Framework

West Northamptonshire Council (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.

The Council also has a duty under the Local Government Act 1999 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, the 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.

The Council approved a Local Code of Corporate Governance on 29 Sept 2021 ([WNC Code of Corp Governance](#)), which is underpinned by the CIPFA / SOLACE Delivering Good Governance in Local Government; Framework and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed. The Council recognises that good governance leads to good management, good performance, good stewardship of public funds, good public engagement and to good outcomes for citizens and service users. Failure to deliver this undermines the confidence of the public in our ability to deliver services and lead fairly and effectively in community matters. Good corporate governance requires the Council to be open, transparent, effective, inclusive of all sectors of the community, accountable to the public it serves and to demonstrate integrity.

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

The Council's Code sets out 7 key principles:

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

The Governance Framework

The Governance Framework was in place at the Council for the year ended 31 March 2022 and up to the date of publication of the Annual Report and Statement of Accounts.

In the light of the Northamptonshire County Council's Best Value Report, the County Council s114 Notices and creation of the new Unitary Councils, the Code of Corporate Governance ensured the 'policy or framework' issues that remained throughout the challenging change agenda to March 2021 were reviewed and consolidated within the new Unitary Councils from 1 April 2021.

The creation of the Council included consultation with its communities to inform the production of the 2021-25 Council Plan approved by Cabinet on 8 June 2021 ([WNC Corporate Plan FINAL](#)). The Plan identified 6 priorities:

- 1) Green and Clean
- 2) Improved Life Chances
- 3) Connected Communities
- 4) Thriving Villages and Towns
- 5) Economic Development
- 6) Robust Resource Management

Roles and Responsibilities of Members and Officers

The Council is composed of 93 members elected every four years. Since May 2021 the Council has had the following political breakdown:

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| Conservative | 65 |
| Labour | 20 |
| Liberal Democrats | 5 |
| Independent Group | 2 |
| Independent | 1 |
| | 93 |

The Council operated a Cabinet and elected Leader model of decision making, supported by open and accountable working relationships between members and officers. The Council had an agreed Constitution which sets out how it operates, how decisions are made and the procedures which are to be followed to ensure that these are efficient, transparent, and accountable to local people. This includes the defined responsibility for functions including the scheme of delegation, rules of procedure including financial regulations and contract procedure rules and Member and Officer Codes of conduct.

The Council's Committee structure is:

- Full Council
- Executive
 - Cabinet
 - Planning Policy Committee
- Scrutiny
 - Coordinating Overview and Scrutiny Group
 - Corporate Overview and Scrutiny Committee
 - People Overview and Scrutiny Committee
 - Place Overview and Scrutiny Committee
- Joint Arrangements
 - Children's Trust Joint Committee
 - Northamptonshire Police, Fire and Crime Panel
 - PATROL Adjudication Joint Committee
 - West and North Shared Services Joint Committee
- Non-Executive – Governance Committees
 - Audit & Governance Committee
 - Democracy and Standards Committee
 - Democracy and Standards Hearing Sub-Committee
 - Investment Sub-Committee
 - Pensions Committee
 - Senior Appointments Committee
- Non-Executive Regulatory Committees
 - Daventry Local Area Planning Committee
 - Licensing Committee
 - Licensing Sub-Committee
 - Northampton Local Area Planning Committee
 - South Northamptonshire Local Area Planning Committee
 - Strategic Planning Committee
- Non-Executive Community Committees
 - Local Pension Board
- Non-Executive People Committees

- West Northamptonshire Health and Wellbeing Board
- West Northamptonshire Schools Forum
- Community Forums
 - Disabled People's Forum
 - Diverse Communities Forum
 - LGBTQ People and Allies Forum
 - Pensioners Forum
 - Women's Forum
 - Youth Forum

The Council's Executive Leadership Team for the financial year 2021-22 is set out below:

- Chief Executive. Statutory role: the Council's Head of Paid Service. To ensure that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management (Local Government and Housing Act 1989)
- Deputy Chief Executive and Executive Director for Adults, Communities and Wellbeing
- Transformation Director
- Executive Director Finance. Statutory role: the Council's section 151 Officer. To make arrangements for the proper administration of the Council's financial affairs, also known as a Chief Financial Officer (CFO) and to have responsibility for those arrangements. As such, the CFO must lead on a local authority's financial functions and ensure they are fit for purpose. CFOs must be professionally qualified and suitably experienced (Local Government Act 1972 / Local Government Finance Act 1988)
- Executive Director Corporate
- Executive Director Place and Economy
- Director Children's Services
- Director of Legal and Democratic (the Council's Monitoring Officer)
- Director of Public Health

In addition to the statutory roles above, the Council's Monitoring Officer has a responsibility to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of councillors and officers and, to be responsible for the operation of the council's constitution (Local Government and Housing Act 1989)

Review of effectiveness

The review of effectiveness is informed by the work of the Executive Leadership Team in maintaining the effectiveness of the governance framework and by the work of Internal Audit. The table below sets out the results of the annual review of effectiveness and demonstrate how the Council has complied with the CIPFA / SOLACE framework principles.

| Principle | Assessment of effectiveness 2021/22 |
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| <p>Core principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p> | <p>Arrangements are in place to provide assurance that our values are upheld, and that members and officers demonstrate high standards of conduct and behaviour. These include:</p> <ul style="list-style-type: none"> • Officer code of conduct <ul style="list-style-type: none"> ○ The Employee Code of Conduct sets out managers' responsibilities to bring the Code to the attention of their staff (through induction, training, and instruction) and their responsibility to take appropriate action if an employee fails to follow the Code. The Code includes a requirement for officers of the Council to declare any conflicts of interest and/or gifts or hospitality, which should be formally registered. • Councillor code of conduct. <ul style="list-style-type: none"> ○ The Councillor Code of Conduct defines the standards of conduct expected of elected representatives including a requirement for members to declare any interests at the start of every meeting, which are recorded in a public register. ○ A Democracy and Standards Committee and a Democracy and Standards Hearing Sub-Committee was in in place to review any complaints regarding members and to promote high standards of conduct and observance of the Members' Code of Conduct. ○ The process for dealing with Complaints against members is set out in the Council's Constitution and Independent Members have been appointed in accordance with the process. • Whistleblowing policy <ul style="list-style-type: none"> ○ This policy outlines how issues can be raised internally, and if necessary, outside the management structure. It documents our assurance that concerns will be seriously considered, and appropriate action taken. • New member and employee induction <ul style="list-style-type: none"> ○ A member induction for new members and for new members to the West Northamptonshire Council took place in May 2021. Member development sits within the remit of the Democracy and Standards Committee which reviews the need for training, identifies any mandatory training and reviews attendance at mandatory training events. ○ The employee induction programme provides relevant information which focuses on knowledge, skills, and behaviours • Equality, diversity, and inclusion |

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| | <ul style="list-style-type: none"> ○ Values and procedures to empower our Council and to build a culture of trust and respect for all |
| <p>Core principle B Ensuring openness and comprehensive stakeholder engagement</p> | <ul style="list-style-type: none"> ● Employee engagement <ul style="list-style-type: none"> ○ An employee survey was undertaken to enable staff to help to shape the Council ○ All employees have regular VIP (Valuing Individual Performance) conversations to deliver a continuous appraisal process ● Document availability <ul style="list-style-type: none"> ○ The Council has a Code of Corporate Governance which sets out the key documents of the Council. There is also a web page which provides key documents in relation to our openness and transparency. ○ All Committee papers are publicly accessible other than those which are exempt under the relevant legislation. The Council also webcasts all Council and Cabinet meetings so they can be live viewed by publicly. ● Partnership arrangements <ul style="list-style-type: none"> ○ The Council (Constitution section 6) maintains joint / partnership arrangements designed to ensure effective governance arrangements operate in partnerships in which the Council was engaged and their risk effectively managed. The Council also operated a Protocol for the Appointment of Councillors and Officers to Outside Bodies ● Requests for Information <ul style="list-style-type: none"> ○ The Council had a dedicated Information Governance team which deals with requests for information under the Freedom of Information Act; the Environmental Information Regulations and Subject Access Requests which ensured compliance with requests for information. ● Complaints procedure <ul style="list-style-type: none"> ○ The Council has arrangements in place for complaints to be made and investigated |
| <p>Core principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits</p> | <ul style="list-style-type: none"> ● Corporate Plan 2021 to 2025 <ul style="list-style-type: none"> ○ A strategy to ensure West Northamptonshire is a great place to live, work, visit and thrive ○ Providing a clear framework for the Council to determine priorities and actions ● Sustainability <ul style="list-style-type: none"> ○ The Council's sustainability intentions cover environmental, social, and economic issues ○ Alongside the Council's Net Zero by 2030 commitment, residents and businesses are invited to make a sustainability pledge and given help to achieve this ● Budget 2021/22 <ul style="list-style-type: none"> ○ The Council is committed to delivering a robust and achievable financial plan, which enables services to deliver |

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| <p>Core principle D Determining the interventions necessary to optimise the achievement of intended outcomes</p> | <ul style="list-style-type: none"> • Executive Leadership Team (ELT) <ul style="list-style-type: none"> ○ ELT met weekly as the main officer decision-making body and works alongside the councillors. ELT was responsible amongst other things for: <ul style="list-style-type: none"> ○ Managerial leadership and direction of the Council. ○ Providing the formal response to Cabinet policy direction and the development of corporate policy and initiatives for Cabinet consideration; and ○ Co-ordination and commissioning of council-wide activity, planning, programme management. • Transformation monitoring <ul style="list-style-type: none"> ○ Quarterly monitoring of transformation plans enables the Council to consider progress and actions required • Progress monitored against corporate plan <ul style="list-style-type: none"> ○ Quarterly corporate performance report, reflective of the range of services that the Council provides and progress against delivery of our major change programmes. ○ Considered by the Executive Leadership Team to enable corrective action to be taken ○ These reports were also presented to Cabinet which gives both Cabinet and the public an insight into the Council's overall performance. • Risk management <ul style="list-style-type: none"> ○ The Council's risk management process is monitored by the Audit and Governance Committee, with regular updates on corporate risks ○ Deep dive reports are provided to ensure that suitable rigour is applied • Financial management <ul style="list-style-type: none"> ○ Monthly budget monitoring with a requirement for all managers to return forecasts ○ Management reports to ELT and Cabinet |
| <p>Core principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it</p> | <ul style="list-style-type: none"> • Formal performance appraisal and development programme <ul style="list-style-type: none"> ○ Regular VIP conversations through which the development needs of staff are identified and met as appropriate. • Induction programme <ul style="list-style-type: none"> ○ Induction programme for new staff, including guidance for managers • Councillor training <ul style="list-style-type: none"> ○ Councillors' right to training and development is specified in the Constitution. A formal induction programme was arranged for new councillors and councillors new to the Council. The Democracy and Standards Committee is responsible for reviewing the need for Member development. ○ In-house training and development activities are organised for Councillors to meet identified needs. Councillors also had access to external training and development opportunities. |

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| | <ul style="list-style-type: none"> ○ Online guidance is provided ● Learning and Development A range of courses and opportunities to support continuous development; these include Mandatory Learning, Leadership, Management, IT Business Systems, Social Care and Social Work training. |
| <p>Core principle F Managing risks and performance through robust internal control and strong public financial management</p> | <ul style="list-style-type: none"> ● Internal control <ul style="list-style-type: none"> ○ All Directors and Assistant Directors had responsibility for maintaining a sound system of internal control within their area of responsibility and provide an Annual Assurance Statement confirming the adequacy of the governance arrangements in their area. ● Budget and Financial Management <ul style="list-style-type: none"> ○ The Council approved a formal budget and medium-term financial plan on 23 February 2021 via the Shadow Executive Authority. ○ During the year, financial management information is reported to Directorate Management Teams, Executive Leadership Team, Cabinet and Scrutiny. ● Risk management <ul style="list-style-type: none"> ○ The Council had an approved risk management strategy that set out a corporate risk appetite that is not risk averse but seeks to support decision making that consider threats and identifies mitigations to ensure opportunities are seized and delivered. ○ Risk reports were submitted and reviewed by the Executive Leadership Team meeting throughout the year and the Audit & Governance Committee review that information including the detailed examination of some specific risks. |
| <p>Core principle G Implementing good practices in transparency, reporting and audit to deliver effective accountability</p> | <ul style="list-style-type: none"> ● The Council's Constitution sets out the governance, controls, and processes applicable across the Council. ● The Leader and Cabinet (Constitution section 5) were responsible for all executive decisions other than those delegated to Officers. The Cabinet exercises the Council's executive functions, receives reports and recommendations from other Overview and Scrutiny Committees and formulates recommendations in relation to the budget and policy framework to Council ● Forthcoming key decisions by the Cabinet were published in the Cabinet's Forward Plan. The Forward Plan is reviewed regularly by the Executive Leadership Team and Co-ordinating Overview and Scrutiny Group. ● The Council / Cabinet also delegates executive decisions and operational delivery via a formal scheme of delegation to officers as defined within section 9.2 of the Constitution. ● The Council maintained an Overview and Scrutiny function as defined within section 7 of the Constitution. |

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| | <ul style="list-style-type: none">• The Council maintained a Democracy and Standards Committee to review the Council's governance arrangements and recommend changes to the Council's Constitution to Council.• The Council maintained an Audit & Governance Committee whose purpose is to:<ul style="list-style-type: none">- Provide independent assurance as to the Council's governance, risk management framework and associated control environment.- Provide independent scrutiny of the Council's financial and non-financial performance and oversee the Council's financial reporting process.- Act as an advisory committee to the Council and the Cabinet on audit and governance issues.• The Council maintained an Internal Audit Service via the Shared Service agreement between WNC, North Northamptonshire Council, Cambridgeshire County Council and Milton Keynes Council, that operated in accordance with the Public Sector Internal Audit Standards. The Chief Internal Auditor had direct access to the Chief Executive, the S151 Officer, Directors, the Executive Leadership Team, Members, and the Chair of the Audit & Governance Committee.• The Council maintained a Risk Management function and developed the Council's Risk Strategy (approved on 1 June 2021 by the Executive Leadership Team). The Strategic Risk Register was developed and has been reviewed by the Audit & Governance Committee throughout 2021-22. |
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Audit and Inspection Assurances

Internal Audit

The Council takes assurance about the effectiveness of the governance environment from various sources including the work of Internal Audit, which provided independent and objective assurance across the whole range of the Council's activities. The Chief Internal Auditor gives an opinion, at least annually, on the adequacy and effectiveness of internal control within the Council as required by the Public Sector Internal Audit Standards that provide adherence to the Accounts and Audit Regulations 2015.

The 2021-22 opinion is that the internal control environment of the Council is satisfactory and has been used to inform the Annual Governance Statement. Strong assurance relies upon stable systems operating over a sustained period. The satisfactory opinion reflects the context that the Council commenced operation on 1 April 2021 and should give confidence that assurance levels could increase as good control is evidenced through 2022-23 and 2023-24.

The following key factors identified from Internal audit work and discussions with management were deemed to have impacted the effectiveness of controls and risk management during 2021-22:

- Some systems / services continued to operate throughout 2021-22 as individual, localised systems (rather than single, consistent WNC wide systems).
Operating local controls increases both the possibility that different standards of control are applied / required and variable compliance levels. The consolidation of localised processes under a single Council approach is planned over a multi-year programme.
- Control weaknesses highlighted from previous Internal Audit reviews continue to be addressed.

External Reviews

External Audit

As well as an examination of the Council's financial statements, the work of the Council's External Auditor includes an assessment of the degree to which the Council delivers value for money in its use of its resources. These will be received as part of the audit of the 2021-22 Accounts.

Local Government and Social Care Ombudsman

The 2021-22 Local Government & Social Care Ombudsman's Annual Review letter is expected to be received in July 2023.

2021-22 Governance Issues and how they were managed

It is important to draw a distinction between an issue or incident that highlights governance issues and systemic governance weaknesses, for example, contract management found to be unsatisfactory in one area does not necessarily identify poor contract management across all the Council.

Issues are generally considered to have significant governance implications where:

- a) They will seriously prejudice/prevent achievement of a key Council objective
- b) Have a material impact on the Financial Statements
- c) Require formal action to be taken by the S151 or Monitoring officer
- d) Affect the opinion of the Chief Internal Auditor

Key issues raised in the 2020-21 Annual Governance Statements for predecessor Councils were reviewed by the Audit & Governance Committee during 2021-22 and these are reported below to provide assurance that those issues were properly considered.

The Council considered the 2020-21 AGS for Daventry District Council and South Northamptonshire Council and both the 2019/20 and 2020-21 AGS for Northampton Borough Council and Northamptonshire County Council.

A summary of these are reported below.

South Northamptonshire Council

The AGC considered the 2020-21 AGS on 29 September 2021. The AGS did not highlight any significant governance issues and reported *“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.”*

“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”

No significant governance issues were carried forward to West Northamptonshire Council.

Daventry District Council

The AGC considered the 2020-21 AGS on 29 September 2021. The AGS did not highlight any significant governance issues and reported *“This is the final Annual Governance Statement for Daventry District Council as it ceased to exist on 31 March 2021. West Northamptonshire Council, from its vesting day on 1 April 2021 will have significant challenges in complying with its newly formed governance arrangements.”*

The AGS did report on progress against those governance issues identified in the 2019/20 AGS and, in summary:

Covid 19 – the AGS describes how governance was maintained in respect of C19 limitations and challenges throughout the year.

Local Government Reform – *“It has been a significant challenge to make up for lost time whilst still delivering business as usual services. The Programme has been a success with ‘safe and legal’ services in place for vesting day of West Northamptonshire Council on 1 April 2021.”*

Responsive Behaviours – *“Despite the pressures of Covid-19 response and the LGR Programme Members and Officers have been able to retain significant focus on delivering the Council’s strategic objectives. Although not all the targets in the Corporate Strategic Plan have been achieved for 2020-21 significant progress has been made. Where targets have been missed this is largely down to national restrictions imposed by Government as part of its Covid-19 response. Portfolio Holders have been kept informed during the year through the quarterly Portfolio Holder/Senior management Team meetings.”*

No significant governance issues were carried forward to WNC.

Northampton Borough Council

The AGC considered the 2019/20 and 2020-21 AGS on 29 September 2021.

2019/20 – *“there has been an improvement in the governance arrangements with more engagement by senior management on control issues. Governance arrangements have been improved during the period and have provided a firm foundation for the Council’s financial planning and management to move forward and to better support the Council’s corporate objectives. Other governance arrangements are generally fit for purpose in most other areas in accordance with the governance framework.”*

Covid 19 was recognised as a key issue and *“NBC management feel that this should be reflected in the 2019-2020 Annual Governance Statement with regards to the following areas:*

- *Risk Registers – Covid-19 response was initially included in the Corporate Risk register and latterly specific risk registers were created through the Strategic Command Group (SCG) and the Tactical Command Group (TCG) when they were formed in March 2020 in in line with the emergency planning procedures in place.*
- *Emergency Planning – Gold/Silver activated to ‘assess and control’ from an emergency plan perspective (Friday 13th March 2020).*
- *Council Meetings continued in virtual form.*
- *Rules were agreed, reviewed and understood around ‘single member decisions’.*
- *Mobilisation of BDO (internal auditors) support in respect of formulating processes/protocols for Business Grants (BEIS letters instigated 23rd March 2020).*
- *Business Continuity Plans were updated and activated in March 2020.*
- *Staff were re-deployed from various areas to assist the Northamptonshire County response.*
- *Processes were developed to manage Covid-19 costs incurred.”*

2020-21 – Covid19 impacts continued as described in the 2019/20 AGS and the AGS concluded:

“The 2020-21 financial year was challenging for NBC, as it was for all local authorities, with the added significant workload required to prepare for the move to unitary.

The involvement by senior management and service area managers in the unitary workstreams ensured that NBC had input into what actions were taken forward to ensure policies and procedures were defined and adopted by the new unitary authority. Handovers by the various Directors and Heads of Service at NBC were produced and transferred to the West Northamptonshire Executive Directors during March 2021.

The limited audit opinion received from the internal auditors whilst disappointing was reflective of the work completed by BDO in several high-risk areas, at the direction of senior management, who were committed to ensuring that any key issues were identified and rectified prior to the move to unitary.”

In respect of the Limited opinion from BDO they reported *“We have seen an increase in the number of high-risk findings issued in 2020-21 and in the number of Limited Opinions in both the Design of Controls and the Effectiveness of Controls despite conducting fewer reviews this year.”*

The Limited opinion audits were:

- Northampton Partnership Homes

- Service Level Agreement
- Health and Safety
- Climate Emergency
- Capital projects
- Social Lettings Agency
- Safeguarding

None of the above Limited audits obviously meet the definition of 'significant governance implications' as explained above and therefore did not require specific actions to be carried forward to the 2021-22 West Northamptonshire Council AGS.

The Limited controls in respect of NPH and the Social Lettings Agency are specific areas involving the oversight of separate organisations and were highlighted to the West Northamptonshire Council Internal Audit service by BDO. An action is included within the WNC 21-22 AGS (at Annex A below) in respect of those issues to ensure WNC AGC can be assured the weaknesses identified by BDO have been properly addressed.

A Public Interest Report was published in relation to NBC in January 2021 and the Action Plan was referred to the Shadow Executive for consultation. WNC have taken over the action plan arising from the report.

Northamptonshire County Council

The AGC considered the 2019/20 AGS on 29 September 2021 and the 2020-21 AGS on 26 January 2022. Due to the need for the AGS to reflect current issues until its finalisation (when the Accounts have been audited) the 2020-21 AGS is very similar to the 2019/20 AGS.

The 2020-21 AGS reported:

“Significant weaknesses were recognised in 2017/18 and robust action taken through 2018/19, 2019/20 and into 2020-21 to honestly and publicly acknowledge those weaknesses, together with robust action to address them. This transparency demonstrates the unwavering commitment to resolve the issues, but it is not a ‘quick fix’ and the Council is realistic that it faces continuing challenges with a determination to meet and resolve these in the best interests of its customers and all residents across the County.”

“In light of the poor Ofsted inspection in 2018/19, the Secretary of State for Education approved the establishment of a Children’s Trust.”
The Trust was incorporated on the 1 November 2020 and operated throughout 21-22 financial period.

“Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment in operation within Northamptonshire County Council in that the assessment has concluded that, 2019/20 provided demonstrable improvement and that journey of improvement has continued through 2020-21 towards a sustainable basis for the new Northamptonshire Unitary Councils. We are satisfied that there are appropriate plans in place to demonstrably address the weaknesses and ensure continuous improvement in the system of internal control, together with monitoring arrangements to ensure delivery and transparency.”

Significant Governance Issues were highlighted in both statements as:

- *Local Government Reorganisation*
- *LGSS / Shared Services*
- *Contract Management (including commissioning/procurement).*
- *Risk Management.*
- *Business Continuity.*

Forward Looking Issues were identified as:

- *“Brexit: no significant governance issues arise in respect of Brexit as these are documented and reviewed within individual Risk Register areas. The wider issues remain under review/observation.*
- *LGR Review - Outcomes from the various work streams set up in preparing for the transition to 2 unitary Authorities and a Children’s Trust.*
- *Covid 19 Pandemic – Going concern considerations, following the lock down. Significant reduction in income and spike in outgoings under guidance from Government will have a marked impact on the Council’s finances going forward into 21/22. Robustness of decision- making framework during the lockdown period”*

Most of the issues highlighted by the County Council are addressed via the new systems of control and governance introduced by West Northamptonshire Council from 1 April 2021 and therefore did not require specific actions to be carried forward. Some items are specific and meet the definition of significant governance issues that benefit from specific assurance and are included within the actions listed in Annex A below.

West Northamptonshire Council 2021-22 Significant Governance and Forward-Looking Issues

Consistent with best practice all Council Directors completed a Directors Assurance Statement in respect of 2021-22 governance. These provide a process for Directors to confirm the operation of governance within their areas of responsibility and highlight, if needed, any significant weaknesses.

Issues highlighted within Directors Statements are set out in full below:

Executive Director Finance highlighted two issues:

“Some budgets still settling down and issues from predecessor authorities continue to emerge. It is anticipated that these will reduce over time. Further detailed budget work taking place to ensure all issues are uncovered as far as possible”

Separate action(s) are NOT considered required as the work stated above can be considered business as usual.

“Concerns about issues inherited in respect of practices and subsidy issues within Revenues and Benefits from predecessor authorities (particularly under the previous lead authority model) Issues currently being investigated to understand the scale and impact of the situation”

An action is included in the Action Plan below (Annex A) to report to AGC when the implications of this are quantified / fully understood.

Deputy Chief Executive and Executive Director for Adults, Communities and Wellbeing highlighted 4 issues:

“Government Grants relating to COVID identified as requiring additional assurance Current reviewing residual balances of grants in order to transfer unspent money back to DHSC. Sample checking of additional care provider returns to validate spend.”

Separate action(s) are NOT considered required as the work stated above can be considered business as usual.

“Billing Interfaces do not match between ERP Gold and Abacus. Business systems are currently investigating as ERP Gold does not align with BAM Portal either.”

An action is included in the Action Plan below (Annex A) to report to AGC when the implications of this are quantified / fully understood.

“There is a large volume of queries relating to invoices raised where current resources cannot commit to supporting debt recovery action. Additional resource has been agreed to support with debt queries from April 2022 for 6 months.”

An action is included in the Action Plan below (Annex A) to report to AGC when the implications of this are quantified / fully understood.

“Debt hosted in the West but relates to North funded customers is not being progressed efficiently. Debt team are trying to resolve debt queries with WNC but staff do not have access to customer information. This is being addressed by debt team with NNC but is halting progress on reducing legacy debt.”

Separate action(s) are NOT considered required as the work stated above can be considered business as usual.

Executive Director, Corporate highlighted 1 issue:

“Transformation governance Recent restructure (March 2022) and review of service – have now moved from centralized to directorate approach with overarching PMO”

Separate action(s) are NOT considered required as the work stated above can be considered business as usual.

Director of Public Health highlighted 2 issues:

“Disparity between revenue budget disaggregation and main PH grant disaggregation. Resulted in an overall deficit for WNC of £620,407. It was agreed for 2021-22 that the deficit would be drawn down from the PH reserve.”

Separate action(s) are NOT considered required as the work stated above can be considered business as usual.

“Adult Learning budget was disaggregated based on where courses were held but not an accurate reflection on service delivery according to the Head of Service. ESFA will only pay the grant to the lead authority (NNC). Ongoing discussions between WNC, NNC & ESFA.”

Separate action(s) are NOT considered required as the work stated above can be considered business as usual.

The purpose of this AGS is to reflect on the governance arrangements for the 2021-22 financial year and consider issues that are likely to impact on governance for 2022-23 and onwards.

- **Local Government Review** – The various work streams to consolidate within a single WNC approach remain challenging through 2022-23 and 2023/24.
- **Children’s Trust** – The Council’s support to and oversight of service delivery by the Children’s Trust will continue to evolve and embed through 2022-23.
- **Covid 19 Pandemic** – The Council recognises that the pandemic will continue to have implications across the Council both in respect of service delivery and its staff.

- **Partnership with North Northamptonshire Council and other Councils via the shared service (previously LGSS) arrangements** – Both Councils work in partnership on several issues and West Northamptonshire Council provides several support services to NNC. The management of their delivery and the need for continued positive relationships with NNC will be an area needed assurance during 2022-23 and onwards.

Whilst these are relevant governance issues, they are recognised within the Council priorities and processes for 2022-23 and no specific actions are required.

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ANNEX A

| Issue | Lead officer/Date | Action, Update |
|--|----------------------------|--|
| 1 The Limited Internal Audit opinions in relation to NPH and the Social Lettings Agency highlighted within the NBC AGS 2020-21 be updated with progress during 2021-22 and reported to AGC | Chief Internal Auditor | Update: March 2022 - Follow up information to be reported to AGC in 2022-23 to allow the closure of these issues or further work to be agreed. |
| 2 Shared Services - The change agenda continues for LGSS in providing key back-office services to WNC and partner Councils. Assurance regarding those controls is essential as the Councils move from initial set up priorities to business as usual. | Executive Director Finance | Update: March 2022 - The shared service delivery has implemented changes (e.g., the closure of the shared IA service) on 1 April 2022. 2022-23 will give assurance that those remaining shared services continue to provide good levels of governance. |
| 3 Contract Management - various issues were previously highlighted within the County Council around the robust management of contracts. The predecessor novation of contracts to the Council and the Children's Trust. Assurance regarding those controls is essential as the Councils move from initial set up priorities to business as usual. | Transformation Director | Update: March 2022 Internal Audit have scheduled work in this area into the 2022-23 Plan. |
| 4 Predecessor Council Revenues & Benefits practices and subsidy issues being investigated by Finance to understand the scale and impact. | Executive Director Finance | The AGC will be updated when that analysis is completed. |
| 5 Billing Interfaces do not match between ERP Gold and Abacus. Business systems are currently investigating as ERP Gold does not align with BAM Portal either. | Deputy Chief Executive | The AGC will be updated when that analysis is completed. |
| 6 Debt Recovery: A large volume of queries relating to invoices raised where current resources cannot commit to supporting debt recovery action. Additional resource has been agreed to support with debt queries from April 2022 for 6 months. | Deputy Chief Executive | Additional resource has been agreed to support with debt queries from April 2022 for 6 months and the AGC will be informed on progress / improvement after 6 months. |
| 7 Debt Recovery: Debt hosted in the West but relates to North funded customers is not being progressed efficiently. Debt team are trying to | Deputy Chief Executive | The AGC will be updated when that analysis is completed. |

| Issue | Lead officer/Date | Action, Update |
|--|-------------------|----------------|
| resolve debt queries but staff do not have access to customer information. | | |

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