



TRAFFORD
COUNCIL

**AGENDA PAPERS MARKED 'TO FOLLOW' FOR
ACCOUNTS AND AUDIT COMMITTEE**

Date: Thursday, 26 June 2014

Time: 6.30 pm

**Place: Committee Rooms 2 and 3, Trafford Town Hall,
Talbot Road, Stretford, M32 0TH**

A G E N D A	PART I	Pages
5.	PRE-AUDITED ACCOUNTS 2014	
	To consider the following reports of the Executive Member for Finance and the Director of Finance:	
	(a) Accounts 2014 - Statutory Financial Accounts for the Year 2013/14 (Pre-Audit)	To be circulated separately
	(b) Revenue Budget Monitoring 2013/14 - Period 12 Pre-Audit Outturn (April 2013 to March 2014 Inclusive)	To be circulated separately
	(c) Capital Investment Programme 2013/14 Outturn	1 - 16
10.	2013/14 DRAFT ANNUAL GOVERNANCE STATEMENT	
	To consider a report of the Audit and Assurance Manager.	17 - 62

THERESA GRANT
Chief Executive

Accounts and Audit Committee - Thursday, 26 June 2014

Membership of the Committee

Councillors M. Whetton (Chairman), Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, B Brotherton, D. Butt and T. Ross.

Further Information

For help, advice and information about this meeting please contact:

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This Supplementary agenda was issued on **Thursday, 19 June 2014** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall; Talbot Road, Stretford, Manchester, M32 0TH

TRAFFORD BOROUGH COUNCIL

Report to: Accounts & Audit Committee – 26 June 2014
Executive - 28 July 2014
Report for: Decision
Report of: The Executive Member for Finance and the Director of Finance

Report Title

CAPITAL INVESTMENT PROGRAMME 2013/14 OUTTURN

Summary

The report summarises the outturn position for 2013/14 and the consequential impact on the Medium Term Financial Plan 2014/17.

Capital expenditure for 2013/14 amounted to £33.5m, equivalent to 81% of revised budget of £41.4m. This performance includes budgets that the Council has no direct control over (See Paragraph 5). The variance of £7.9m can be explained by a number of factors that are detailed in the report (Paragraph 6).

Net re-profiling of £8.0m will increase the Capital Investment Programme in later years.

Recommendation(s)

The Executive is requested to

Note this summary report
Approve the changes to the 2014/17 Programme
Approve the additional expenditure, listed in Appendix B, in accordance with Financial Procedure Rule No. 4
Note the outturn of the prudential indicators for 2013/14 as set out in paragraph 13 and Appendix C.

Contact person for access to background papers and further information:

Name: Graeme Bentley
Extension: 4336

Background Papers - None

Capital Expenditure 2013/14

1. The original budget for 2013/14 was approved at £38.7m in February 2013. During the year minimal re-phasing has been reported with the majority of schemes being delivered on programme. The main changes to the budget are additions, for example Local Authority Mortgage Scheme at £1m and new grant awards giving a projected budget of £41.4m as referred to in section 4.
2. Capital expenditure of £33.5m was incurred in 2013/14 and some of the main highlights include:

School Improvements - £18.6m:-

- § Kings Road Primary School refurbishment- £3.3m
- § Lime Tree Primary School rebuild - £4.1m
- § Springfield Primary School refurbishment - £2.9m
- § Worthington Primary School rebuild - £2.6m
- § Expansion & Basic Need Works - £2.2m
- § Improvements via Devolved Formula Capital - £0.8m
- § Capital Maintenance works - £2.4m

Major building works on Public & Operational Buildings - £1.1m (incl long term accommodation)

Regeneration Projects - £3.0m (Incl LCCC redevelopment)

Highway Related Improvements - £6.5m

Adult Social Services - £1.9m (incl Disabled Facility Grants, Telecare and specialist housing)

Local Authority Mortgage Scheme - £1.0m

Sport, Recreation & Culture - £0.4m

ICT Investment £ 0.5m

Waste Recycling Initiatives - £0.3m

Financing of Capital Expenditure

2. The expenditure was financed from grants and external contributions, supplemented by borrowing, receipts derived from the sale of surplus assets and a small level of specific reserves. The actual levels applied are shown below:-

<i>Financing of Capital Expenditure 2013/14</i>	Projected £m	Actual £m
Internal Resources		
Capital Receipts	4.6	2.8
LSVT VAT Receipts	2.6	1.4
Specific Reserves	1.7	0.2
Borrowing	3.6	2.6
Sub-Total	12.5	7.0
External Resources		
Grants & Contributions	28.9	26.5
Total	41.4	33.5

- Sufficient capital resources will be available to cover all the expenditure re-profiled from 2013/14 to later years. No grants and contributions are at risk of clawback and will therefore be available in later years. The lower than projected borrowing will lead to a temporary reduction in minimum revenue provision (repayment of debt) of approximately £28k in 2014/15 compared to the MTFP estimate.

Explanation of major variances

- The Executive approved a projected budget of £41.8m as at Quarter 3 which compares to an original budget of £38.7m, and reflects new schemes supported by capital grants and contributions. Each year capital expenditure is reviewed to ensure it meets the statutory definition of such expenditure. This review identified some items that should be charged to revenue with an appropriate adjustment from reserves. These were the purchase of equipment items associated with the Food Waste Collection scheme and LTA related re-cant. Overall this was neutral on the Council budgets.

Actual Capital Expenditure compared to Revised Budget 2013/14	£m
Q3 Projected Budget	41.8
Adjustment for revenue expenditure	(0.4)
Revised 2013/14 Budget	41.4
Actual	33.5
Variance	(7.9)

- The level of capital expenditure equated to 81% of the adjusted budget and the variance is summarised in the table below. Included in the variance are a number of schemes where the Council has limited control over the phasing of expenditure, for example Schools Devolved Formula capital and land assembly schemes and after adjusting for these outturn performance increases to 84%.
- A summary of the major variances is shown below. Appendix A provides an analysis of variance at a service level whilst Appendix B details variances at an individual scheme level.

Actual Capital Expenditure 2013/14	£m
Variance	(7.9)
Explained By:-	
Re-profiling to future years (Appendix B, pages 9-10)	(12.2)
Acceleration (Appendix B, page 10)	4.1
Additional Expenditure (Appendix B, page 10)	0.9
Savings (Appendix B, page 11)	(0.7)
Total	(7.9)

7. A number of schemes required re-profiling to 2014/15 and later years and in a number of cases management action was taken to accelerate expenditure on other priority projects in order to maximize the use and impact of available resources. Specific explanations are provided in the service analyses in Paragraphs 9 – 12.
8. Where schemes are estimated to overspend then this is reported to the Executive in accordance with financial regulations during the year. Given the incidence of capital expenditure this mainly occurs in the final quarter of the year. During 2013/14 additional expenditure of £866k has been incurred on a number of projects financed from specific resources, for example £190k of highway works done under S278 of the Highways Act and these are funded by the developer. In addition £161k was incurred on replacement of lifecycle components on the Sale Waterside PFI asset and these were financed by the PFI partner. Additional expenditure was also incurred on a number of grant funded schools and highway related projects and these were offset by savings in these respective areas. Overall savings of £0.2m were made in the year on schemes supported by Council resources, particularly the Long Term Accommodation project and these will be used to cover the projected increase in the cost of the corporate CRM project of £43k as reported to Executive on 7 April 2014 with the balance used to cover the shortfall in capital financing when the 2014/17 budget was set of £1.1m.

Children, Families and Wellbeing

9. Expenditure of £21.0m has been incurred which represents 92% of the budget. The result of this is net re-profiling of £1.6m to 2014/15 and later years. Further details of these variations are shown in Appendix B.

Expenditure of £18.6m has been incurred on schools related projects, which represents 95% of the £19.6m budget. The Basic Need Programme has progressed better than originally budgeted and has resulted in £1.5m being accelerated from 2014/15. Schools Devolved Formula Capital of £0.9m (over which the Council has no control), £0.5m for final payments in relation the St.Ambrose College works and £0.7m of schools maintenance work schemes make up the majority of re-profiling to 2014/15. There has been some minor overspends across a number of schools maintenance projects totaling £168k which have been offset by savings leaving an overall net saving of £0.1m.

Social Care and DFG's (actual spend £2.4m) – £0.5m re-profiled to 2014/15, of which £0.3m will be vired to the corporate CRM system as agreed by the Executive on 7 April 2014. Work is currently in progress to identify the level of additional costs on the new social care system which, at this stage, are estimated to be met from unallocated social care grant budgets in the 2014/15 programme.

Economic Growth and Prosperity

10. Expenditure of £5.1m has been incurred which represents 68% of budget. The variance of £2.4m relates to a number of schemes with the major variances being:-

Corporate Landlord related projects include Mechanical & Electrical, Disability Discrimination Act and Public Building Repair Works. Progress on a number of projects across these areas has not been as expected and as a result £0.5m has been re-profiled to 2014/15, of this £0.1m relates to the final retention on the Long Term Accommodation project.

Altair Development, Altrincham – Variance of £1.0m due to ongoing land assembly issues has resulted in re-phasing to later years.

Altrincham Historic Market Quarter - Variance of £0.5m due to the lack of vacant possession and a later completion of the lower market works has delayed the start on site. The completion date of the lower market now targeted for the middle of July and the upper market for the end of June 2014.

Bringing Town Centres Alive – During the year the Council launched a town centre loan scheme with the objective of bringing vacant retail units back into use. For a number of reasons the take up of the scheme has not been as successful as originally expected and £0.2m has been rephased to 2014/15.

Environment, Transport and Operations

11. Expenditure of £7.2m which represents 78% of budget. Across the Service there were a number of variations resulting in net re-profiling of £2.4m:-

Highways related rephasing amounts to £1.3m. The majority of the highways structural maintenance programme was successfully delivered as originally planned. A total of 35 schemes were undertaken providing 8.1km of upgraded highways and footways as well as £0.5m of preventative maintenance works. During the year the budget was supplemented with specific grant funding which was successfully secured from Dept for Transport and Transport for Greater Manchester for a number of public transport/cycling projects. These projects include a number of key stakeholders and funders and this meant there were protracted legal negotiations which delayed the start to the projects. These grant allocations are available until March 2015 and schemes are now progressing and will be delivered during the course of 2014/15.

Parks and Public Realm rephasing amounts to £0.6m. Some major public realm projects are planned for the Council's town centres which involve major consultation and subsequent design. In a number of cases Council budgets will be supplemented with significant levels of developer contributions in order to deliver larger projects aimed at improving the appearance and economic wellbeing

of the town centres. This has meant that budgets have been rephased to 2014/15 and later years. In respect of parks projects, budgets were successfully supplemented by a combination of S106 contributions and external grant awards resulting in larger and improved facilities. As a consequence of the additional design and consultation requirements for the larger projects there has been delays in the implementation of a small number of projects.

Public Protection rephasing amounts £0.5m. The purchase of additional burial land in Altrincham has been delayed due to the ongoing negotiations with the land owner. A price for the land has been agreed, however approval for the sale is yet to be given by The National Trust Board.

Transformation and Resources

12. Expenditure of £0.2m has been incurred which equates to 10% of the budget. The variance of £1.8m relates to the re-profiling of budgets mainly attributable to extended procurement timescales to some major ICT projects including the corporate Customer Relationship Management and Electronic Data Records Management System projects.

Prudential Indicators

13. The Council is required to maintain these indicators which are designed to show that its capital expenditure plans are prudent, affordable and sustainable. Detailed in Appendix C are the actual capital programme related indicators agreed in February 2013, and updated in February 2014. No indicators were breached in 2013/14.

Conclusions & Recommendations

14. The report has identified the impact of the capital expenditure outturn in 2013/14. The Executive is requested to:-

Note this summary report
Approve the changes to the 2014/17 Programme
Approve the overspends, listed in Appendix B, in accordance with Financial Procedure Rule No.4
Approve the actual prudential indicators for 2013/14 as set out in Appendix C.

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Capital expenditure has been contained within available resources in 2013/14.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	A number of improvement schemes undertaken in 2013/14 were completed.
Risk Management Implications	Not Applicable
Health and Safety Implications	A number of schemes were undertaken in 2013/14 on the grounds of health and safety.

Other Options

There are no options in this report.

Consultation

N/A

Reasons for Recommendation

To ensure that key information on the Capital Investment Programme is noted by the Executive.

Finance Officer ClearanceGB.....

Legal Officer ClearanceJL.....

CORPORATE DIRECTOR'S SIGNATURE

APPENDIX A

CAPITAL OUTTURN 2013/14

The Council spent £33.5m on capital schemes last year. A summary analysis of this by service area is shown below, together with further detail on re-profiling, acceleration, overspending and savings.

Service Area	Updated Budget 2013/14 £'000	Outturn 2013/14 £'000	Variance £'000	← Variance Explained By →			
				Re- Profiling £'000	Accel. £'000	Add'n Expend £'000	Saving £'000
Children, Families & Wellbeing	22,760	21,002	(1,758)	(4,838)	3,268	175	(363)
Economic Growth & Prosperity	7,463	5,103	(2,360)	(2,496)	86	196	(146)
Environment , Transport & Operations	9,217	7,215	(2,002)	(2,983)	596	533	(148)
Transformation and Resources	1,963	179	(1,784)	(1,838)	54		
Total	41,403	33,499	(7,904)	(12,155)	4,004	904	(657)

Explanation of Major Variances

Re-Profiling £12.2m	£000	Explanation
C,F&W		
Devolved Formula Capital	844	Each school allocated annual budgets to be spent within 3 years as they require. Council has no control over when budgets are spent.
School Places Programme	652	There are 24 schemes included in this Programme. Individual major variances are reported separately (see below). There are also a number of schemes where re-profiling is required for minor delays and retentions due in 2014/15.
School Places Programme : Brentwood School	651	Original scheme was reviewed and new agreement given for a replacement school by the Executive in March 2014. New feasibility study resulted 3 month delay in the start of the works.
School Places Programme : Bowdon CoE Primary School	374	Additional DfE funding of £1.9m was received in year which resulted in a change in the nature of the project which has meant the scheme will not commence until 2014/15.
Schools Access Initiatives	236	Budget to provide specific access facilities for pupils – No schemes required in year.
Schools Maintenance Schemes	729	In excess of £2.4m was invested in maintenance projects in 2013/14 on 34 projects. In a small number of cases there was a delay in appointing contractors which put back the start of schemes, which are now all underway.
St.Ambrose College	534	Scheme complete – re-profiling required for retentions payable in 2014/15
Nursery Places – 2 Year-olds Entitlement	121	Due to the increased estimate of costs of the original project a review was undertaken resulting in revised proposals to be undertaken in 2014/15.
Capital Innovation Fund – U5s Service Provision	100	Grants to be awarded to external service providers – new process has been introduced which has delayed that start of the initiative until 2014/15.
Adult Social Care – Community Capacity Grant	343	At Executive on 7 April it was agreed to use £0.3m of this to the corporate CRM project.
Disabled Facilities Grants	140	Quality issues with a contractor initially delayed the delivery of some adaptation work. Resolution has been reached but has had the impact of delaying the completion of some projects.
EG&P		
Lancashire CCC - Development	102	Retention monies to be claimed in 2014/15.
Altair Development, Altrincham	998	Relates to outstanding land compensation issues on the site.

Corporate Landlord Schemes	365	A number of mechanical & electrical and public building repair projects did not complete as expected as a result of recruitment issues and workload prioritisation. The schemes are now programmed to complete in 2014/15.
Long Term Accommodation	126	Scheme complete – re-profiling required for retentions payable in 2014/15
Bringing Town Centres Alive	181	The take up of this town centre loan scheme has not been as successful as originally expected and the scheme has recently been relaunched.
Altrincham Historic Market Quarter Improvements	548	A delay in achieving vacant possession and a later completion of the lower market works has delayed the start on site. The completion date of the lower market now targeted for the middle of July and the upper market for the end of June 2014.
ET&O		
Bridgewater Way Improvements	402	New specific grant funding was successfully secured from DfT and TFGM for this project. The projects include a number of key stakeholders and funders and this meant there were protracted legal negotiations which delayed the start. The grant allocations are available until March 2015 and the scheme is now progressing and will be delivered during the course of 2014/15.
Integrated Transport Schemes	124	As per Bridgewater Way Project
Cycle City Ambition Grant	119	As per Bridgewater Way Project
Cycle Safety – A56 Parallel Route	153	Delays in commissioning the UTC works, which was outside of the Council's control and changes to signage, requested by the funders, have delayed completion of the work.
Water Taxi Project	114	Trafford contribution to project led by Salford City Council. Implementation of scheme on hold.
A56 / West Timperley : Junction Improvements	292	The CPO for the project has been granted during 2013/14 which will mean that progress can be made on the acquisition of the required sites prior to commencement of this major junction improvement scheme.
Highways Structural Maintenance Works	306	Rephasing on a number of projects, offset by acceleration – see below
Pay & Display Equipment	161	The pay and display upgrade is to be procured alongside a cashless payment option which is currently on-going as part of a Framework Agreement for AGMA authorities being led by Salford City Council.
Public Realm Improvements	401	Some major public realm projects are planned for the Council's town centres which

		involve major consultation and subsequent design. In a number of cases Council budgets will be supplemented with significant levels of developer contributions in order to deliver larger projects aimed at improving the appearance and economic wellbeing of the town centres. This has meant that budgets have been rephased to 2014/15 and later years.
Parks & Greenspace Schemes	205	During the year project budgets were successfully supplemented by a combination of S106 contributions and external grant awards resulting in larger and improved facilities. As a result this delayed the implementation of a small number of projects.
Additional Burial Land	307	Negotiations with The National Trust, which owns the land, are still ongoing. A purchase price has been agreed, however the National Trust Board have still to give approval for the sale.
Housing Standards & CPO	230	This year it has not been possible to conclude agreements with property owners to fund suitable empty property projects. Projects are being developed and are in the pipeline to be committed in 14/15 to assist in delivering the empty property strategy. In addition new initiatives involving compulsory purchase for renovation/sale of empty properties are in the pipeline
T&R		
CRM Upgrade	668	Extended procurement processes have delayed the start of the project. This has had an impact on the EDRMS and Web Strategy which are dependent on the progression of the CRM system.
Electronic Data Records System (EDRMS)	616	See Above
Web / Customer Strategy Project	173	See Above
Other ICT Projects	269	Resourcing issues due to involvement in major CRM / EDRMS projects has resulted in a number of smaller schemes not being delivered as originally scheduled. The schemes will be delivered in 2014/15.

Acceleration £4.1m	£000	Explanation
CF&W		
School Places Programme : Lime Tree Primary School	1,548	Scheme completed 8 months ahead of original schedule. Innovative construction methods allowed for timescales to be compressed and project delivered ahead of schedule.
School Places Programme : Kings Road Primary School	996	Scheme completed 7 months ahead of original schedule. Innovative construction

		methods and undertaking different works simultaneously to reduce disruption resulting in project delivery ahead of schedule.
School Places and Basic Need Works	681	There are 24 schemes included in this Programme. Individual major variances are reported separately. There are also a number of schemes where progress of works has been better than originally budgeted.
ET&O		
Highways Structural Maintenance Works	393	Managed acceleration on a number projects.

Additional Expenditure £0.9m	£000	Explanation
CF&W		
Schools Capital Maintenance Projects	168	Additional expenditure has been incurred on a number of boiler, rewire and kitchen related projects. Savings on other schemes within the area have been identified to offset these.
EG&P		
Sale Waterside – Lifecycle Costs	161	Costs relating to the maintenance of Sale Waterside – Costs have been financed by a prepayment in earlier years as part of the unitary payments made to Cofatech and do not impact on capital resources.
ET&O		
Highways Related Projects	326	Minor additional costs have been incurred on a range of highways related projects. Developer contributions and savings have been identified to cover these.
Section 278 agreements	190	Relates to highway works on residential and commercial developments undertaken by the Council and funded by the developer.

Savings £0.7m	£000	Explanation
CF&W		
Schools Capital Maintenance Projects	168	Minor savings have been realised on a number of projects. These are to be used to offset the additional costs reported above.
Children’s Service – ICT Developments	70	Scheme no longer progressing.
Stretford High School	87	Saving on final scheme costs. School contribution no longer required. Saving not available for use elsewhere.
EG&P		
Long Term Accommodation Strategy	124	The scheme is now complete and only a small element of retention remains outstanding. The variations on the scheme were offset in part by savings that were identified such that overall there was a saving against the budgeted contingency.

ET&O		
Highways Related Projects	125	Minor savings across a range of highways related projects. These are to be used to offset the additional costs reported above.
Lostock Park, Stretford – U8s Play-area	14	Saving on estimated scheme costs. Claim to external funder reduced accordingly. Saving not available for use elsewhere.

APPENDIX C

Prudential Indicators – Actual 2013/14

The figures below show the Council's actual prudential indicators for 2013/14 compared to estimate.

Indicator 1: CAPITAL EXPENDITURE	2012/13 Actual	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Actual
	£'000	£'000	£'000	£'000
Total Expenditure	57,956	38,712	41,790	33,499

Explanation of variances are given in the Appendices A & B

Indicator 2: CAPITAL FINANCING REQUIREMENT	31/3/12 Actual	31/3/14 Original Estimate	31/3/14 Revised Estimate	31/3/14 Actual
	£'000	£'000	£'000	£'000
General Fund	147,595	144,128	146,266	143,242

This is the Council's underlying need to borrow for a capital purpose. The table above reflects the estimated need to borrow for capital investment i.e. the anticipated level of capital expenditure not financed from capital grants and contributions, revenue or capital receipts.

Indicator 3: FINANCING COSTS TO NET REVENUE STREAM	2012/13 Actual	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Actual
	%	%	%	%
General Fund	6.1	7.0	6.9	6.7

This indicator shows the net borrowing costs and minimum revenue provision as a percentage of the Council's net revenue budget.

Indicator 4: Incremental impact on Band D council tax and housing rents	2012/13 Actual	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Actual
	£	£	£	£
Council Tax – Band D	4.79	13.66	12.43	12.43

The in-year borrowing requirement was less than the amount set aside to repay debt therefore there is no change to this indicator in year.

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Agenda Item 10

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 26 June 2014
Report for: Information / Comments
Report of: Audit and Assurance Manager

Report Title

Draft Annual Governance Statement – 2013/14

Summary

This reports sets out the Draft 2013/14 Annual Governance Statement (AGS) which has been reviewed, both by the Corporate Management Team (CMT) and a sub-group of the Accounts and Audit Committee.

A sub-group of the Accounts and Audit Committee was given delegated responsibility by the Committee to review the robustness of the draft AGS which, when finalised in September 2014, will accompany the 2013/14 Statement of Accounts. The Sub-Group met on 12 June 2014, attended by Cllr Whetton and Cllr Brotherton. They were provided with the draft Annual Governance Statement and the revised updated Corporate Governance Code for review.

The sub-group considered the robustness of the process followed in gathering assurances and evidence on which the AGS was based. The Committee received a number of reports / updates on the process and progress against it throughout the 2013/14 year. The sub-group also considered the content of the AGS and discussed supporting evidence and content with the Audit and Assurance Manager. The group provided feedback to agree the content of the AGS and were satisfied with the process followed.

The updated Corporate Governance Code was also considered by the sub-group. It was noted that some minor additions have been made to update the existing Code which was previously updated in July 2013. (These are highlighted in this report in Section 7 of the Corporate Governance Code).

The content of the Draft AGS and the Corporate Governance Code has been reviewed and agreed by CMT. This has included agreeing significant governance issues detailed in the AGS, progress against which will be monitored through the year.

The final version of the AGS will take into account any feedback or further developments through June to September 2014 (e.g. External audit and internal audit review work) and will be presented to the Accounts and Audit Committee in September 2014 to accompany the Council's Accounts. This version will be signed by the Chief Executive and Leader.

Recommendation

The Sub group of the Accounts and Audit Committee, given delegated responsibility to review the robustness of the 2013/14 Annual Governance Statement, are :

- (a) Satisfied with the robustness of the process followed in generating the Statement.
- (b) Satisfied that the Statement itself is robust; and
- (c) Agree the amendments to the Corporate Governance Code.

Note – the final version of the Annual Governance Statement, signed off by the Chief Executive and Leader, will be presented for approval by the Accounts and Audit Committee in September 2014.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
Extension: 1323

Background Papers: - CIPFA) /SOLACE – “Delivering Good Governance in Local Government” – Framework, Guidance Note, Briefing Note and Addendum (2012).



TRAFFORD COUNCIL

ANNUAL GOVERNANCE STATEMENT 2013/14 (DRAFT)

Trafford Council – 2013/14 Annual Governance Statement

Contents

1. Scope of Responsibility
2. The Purpose of the Governance Framework
3. The Governance Framework
4. Review of Effectiveness
5. Significant Governance Issues

1. Scope of Responsibility

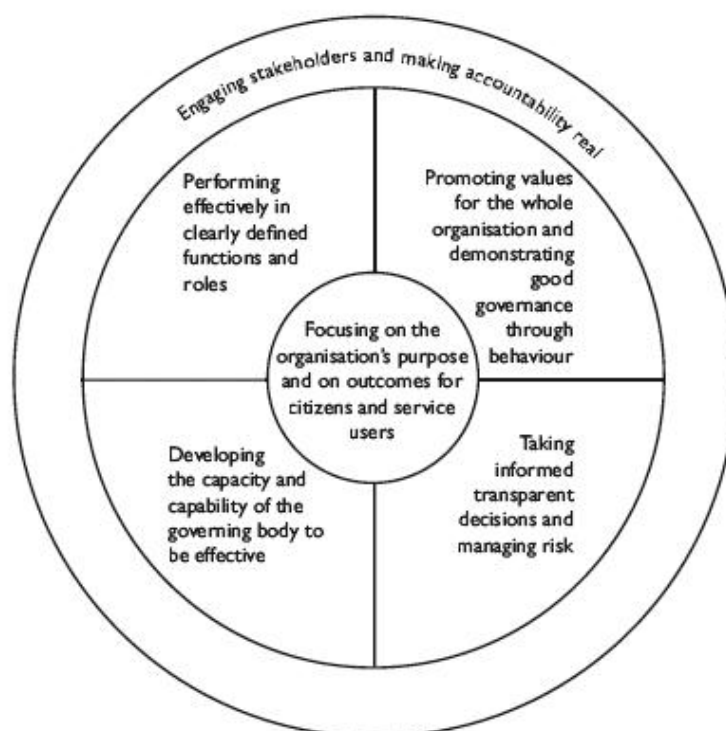
- 1.1 Trafford Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Trafford Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regards to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Trafford Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 Trafford 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 Authority's code is on our website at: <http://www.trafford.gov.uk/about-your-council/budgets-and-accounts/downloadable-documents.aspx>. This statement explains how Trafford Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4 (3), which requires all relevant bodies to prepare an annual governance statement.

2. Purpose of the Governance framework

- 2.1 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 its communities. 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 services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trafford Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Trafford Council for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

3. The Governance Framework

3.1 The Authority has adopted a local governance framework which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. It is reviewed and updated periodically to ensure it remains fit for purpose. The Trafford Council Corporate Governance Code sets out in detail how the Authority meets the requirements of the framework. The Framework is based on 6 principles of good governance as follows:



3.2 The key elements of the system and processes that comprise the authority's governance framework are outlined in this Annual Governance Statement, describing how the Authority can demonstrate the effectiveness of governance arrangements during 2013/14 with reference to each of the six governance principles.

CIPFA SOLACE Principle 1.	Key Elements of Trafford Framework
Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area:	<ul style="list-style-type: none"> • Sustainable Community Strategy (Trafford Vision 2021: A Blueprint) • Corporate Vision and Priorities • Annual Delivery Plan • Transformation Programme • Revenue Budget Monitoring • Capital Programme
How we have delivered against the Principle in 2013/14	
<p>The Council faces significant challenges over the next few years; to save an additional £50m on top of the £59m saved since 2010. During 2013/14 Reshaping Trafford Council has been recognised as a key priority and the Reshaping Trafford Council Programme 2014-17 has been developed which will create a new organisational model for the Council by 2017, based on a mixed economy of delivery models for all of our services.</p> <p>The Council continues to deliver on its financial savings and business transformation programmes. In addition to the Reshaping Trafford Council Programme, there are a significant number of other projects/programmes in the Transformation Portfolio for 2014/15. 22 of these will deliver £5.59m savings and 45 are delivering significant developments that are helping to support public sector reform, health and social care reform or the Reshaping Trafford Council Programme.</p> <p>The Council has continued to deliver a dynamic Transformation Programme, delivering savings in both strategic and operational infrastructure. In 2013/14 there were 39 projects. Of those, 17 projects were tasked with delivering transformation savings of £5.431m and their progress was monitored monthly through the transformation programme governance arrangements.</p> <p>By the end of March 2014, 94.6% of all monitored Transformation savings were achieved against the original project objectives. Alternative savings of £250k were identified to offset this resulting in a net shortfall of £43k. The reasons for this are provided in the monthly exception reports and benefits realisation report. The Transformation Board, which includes all Corporate Directors, has provided close monitoring of the situation and provided challenge and support as necessary.</p> <p>The Council continues to lead and support the development of the Trafford Partnership vision for locality working, setting out how through developing robust partnerships it will achieve the best possible outcomes based on the collective resource available. To support this, four Locality Partnerships were established in April 2013 with the role to increase engagement and community involvement in local decision making. During 2013/14 evidence based Locality Needs Assessments have been produced which have informed the work plans for each of the Partnerships. Further details re work undertaken and planned in respect of the Locality Partnerships is set out in sections 5.2 and 5.4.</p> <p>The Council and its partners including police and health services are committed at the highest level to a collective programme of Public Service Reform (PSR). The objectives are to achieve</p>	

better outcomes for residents through integrated service development, to ensure services provide better support to residents to help them make positive choices and to live independently; and to meet the challenge of public sector austerity through reducing demand and development of new sustainable investment models. The implementation plan and new working models have been actively progressed and embedded during 2013/14. Principles of PSR are embedded in the Reshaping Trafford Programme.

The Medium Term Financial Plan has been fully reviewed and remodelled as part of the budget process to ensure it continues to meet corporate priorities and is affordable with the level of resources available. Throughout 2013/14, the CMT and Executive received regular financial reports to monitor the revenue and capital budget position. A corporate review of budget monitoring arrangements across the Council commenced after the year end (in April 2014) to follow up on issues raised during the year in relation to the processes for producing the monthly budget monitoring reports. This is detailed further in section 5.4.

A review of the current three year Capital Investment Programme was undertaken as part of the budget review process, to ensure this continues to meet the Council priorities and remains affordable. The 2014-17 Capital Investment Programme totalling £72m was approved in December 2013.

An Annual Delivery Plan sets out the key deliverables for the coming year supported by individual Corporate Directorate plans, which connect service objectives and associated actions to the community vision and corporate priorities. Progress against the 2013/14 Annual Delivery Plan was reported quarterly through CMT and the Executive. Monthly performance reports were provided to the Executive Portfolio holder.

Trafford Town Hall, which re-opened in early 2013, has won a number of awards including the RIBA North West Regional Award and 'Sustainable Building' award (shortlisted for a National award), the Green Apple Environment Award for the Built Environment and Architectural Heritage and has received a Commendation Award in the Civic Trust Awards 2014. The Council is developing a Corporate Landlord model for integrated property management.

The Council continues to host the Association of Greater Manchester (AGMA) Procurement Hub and during 2013/14 has developed a collaborative Procurement shared service with Rochdale and Stockport Councils (STaR), with the aim to reduce overheads, increase economies of scale and provide collective expertise and resilience.

CIPFA SOLACE Principle 2.	Key Elements of Trafford Framework
Members and officers working together to achieve a common purpose with clearly defined functions and roles:	<ul style="list-style-type: none"> • Constitution • Executive Terms of Office • Scheme of Delegation to Officers • Member Officer Relations Protocols • Employment Procedure Rules • Pay Policy Statement • Members Allowance Scheme
How we have delivered against the Principle in 2013/14	
<p>The Council Constitution in place sets out how the Council operates, how decisions are made, and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people.</p> <p>The Constitution is reviewed and updated annually. A full review of the document took place and was reported to Council in May 2013 to reflect recent organisational changes and ensure that working practices are still relevant for the efficient operation of the Council. The arrangements for delegation of Executive and Council (non-Executive) functions and the Scheme of Delegation to Officers have been updated during 2013/14.</p> <p>The Head of Paid Service is the Council’s Chief Executive. The Council’s Director of Legal & Democratic Services is designated as “Monitoring Officer”. It is the function of the Monitoring Officer to oversee and monitor compliance with legislation and the Council’s established policies and procedures.</p> <p>The Council has designated the Director of Finance as Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972. The Authority’s financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).</p> <p>Member Officer Relations Protocols have been developed which provide guidance to assist in facilitating good working relations between members and officers.</p> <p>A review of Employee Terms and Conditions has taken place, which was subject to a formal consultation period which ended on 17 November 2013. Taking into account feedback, the final position was presented and approved by the Employment Committee on 2 December 2013 and changes were implemented from 1 April 2014. The Council’s Pay Policy is reviewed annually, last updated in April 2014.</p> <p>The Council has integrated Adult and Children’s Services to create the Children’s, Families and Wellbeing Directorate from April 2013. Responsibilities for Public Health transferred to the Council on 1 April 2013. Revised governance arrangements have been implemented to support this transition including a Public Health Delivery Group, chaired by the Director of Public Health and regular briefings with the elected member lead for Health & Wellbeing.</p> <p>In accordance with the requirements of the Health & Social Care Act 2012, a Health & Wellbeing Board has been operating since May 2012, with existing membership and working arrangements formally adopted from 1 April 2013.</p>	

CIPFA SOLACE Principle 3.	Key Elements of Trafford Framework
Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour:	<ul style="list-style-type: none"> • Employee Code of Conduct • Members Code of Conduct • Disciplinary Policy • ICT Acceptable Use Policy • Anti Fraud & Corruption Strategy • Whistle blowing Policy • Corporate Complaints Procedure • Standards Committee • Corporate Governance Code
How we have delivered against the Principle in 2013/14	
<p>In response to the Localism Act 2011 requirements, a local Members Code of Conduct is in place, including protocols for disclosable pecuniary interests and personal interests. Councillors have received training in relation to the new framework.</p> <p>All staff are required to abide by an Employee Code of Conduct. Responsibility for the regulation of employee conduct is set out in the Council's Disciplinary Policy. Reminders on requirements to declare offers of gifts and hospitality were issued during the year.</p> <p>The Council has in place an Anti-Fraud & Corruption Strategy and Policy and guidance for responding to and reporting suspected fraud. The Council continues to participate in the National Fraud Initiative (NFI) data matching exercise.</p> <p>An e-learning tool: "Fraud Awareness for Local Government" was made available for employees from May 2013. Initially this was targeted at managers across the Council and CMT have subsequently agreed that the e-learning course should be mandatory for all employees with a Trafford Council network account.</p> <p>To ensure the Authority meets best practice and legislative requirements, an Information Security Governance Board has been established and Senior Information Risk Officer assigned, to oversee and review information governance issues and risk, to embed standards across the Council.</p> <p>Users of the Trafford ICT network are required to sign up to the authority's Acceptable Use Policy to confirm acceptance of agreed responsibilities and standards to prevent misuse of equipment or networks.</p> <p>To ensure compliance with Data Protection and Freedom of Information legislation, the Council has in place a policy, procedures and a dedicated Corporate Information Officer to provide support and guidance to employees.</p> <p>The Council's Corporate Governance Code has been reviewed and updated, reflecting guidance issued by CIPFA/SOLACE.</p> <p>The Council held its 2nd annual Employee Recognition Awards in October 2013 to appreciate the contribution of both individual employees and teams and demonstrates Council values to</p>	

staff. During 2013/14 a Long Service Award event (for those staff who have worked at the Council over 25 years) was arranged. This event was held in April 2014 attended by 36 employees.

CIPFA SOLACE Principle 4.

Key Elements of Trafford Framework

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

- Decision Making Protocols
- Access to Information Procedure Rules
- Scrutiny Committees and Protocols
- Risk Management Strategy & Policy Statement
- Strategic Risk Register
- Internal Audit
- Accounts & Audit Committee

How we have delivered against the Principle in 2013/14

The Council has adopted the requirements of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations which came into effect during Sept 2012. Details of key decisions must be published at least 28 days before this is due to be taken. The modern.gov system is in place to ensure information is presented on the Council website.

The Council reviewed and streamlined its Scrutiny arrangements during 2012/13 comprising a Scrutiny Committee and a separate Health Scrutiny Committee. An Annual Impact report 2012/13 was published in September 2013 and the Authority will continue to monitor the effectiveness of the scrutiny delivery arrangements during 2014.

The Council continues to review and report its Strategic Risk Register on a quarterly basis. The March 2014 report identified 21 strategic risks faced by the Council, each risk being managed by nominated staff / groups within the Council. At this date, overall, it is considered that the strategic risk environment is stable and performance in managing the risks has been stable or shown improvement.

The Internal Audit 2013/14 work plan incorporated coverage of key financial systems and other business risks. Quarterly updates of work undertaken were provided to the Corporate Management Team and the Accounts and Audit Committee through the year. The Annual Internal Audit Report for 2013/14 states that, overall, the control environment is operating to a satisfactory standard. A number of areas were identified where improvements in controls were required and in such instances, improvement plans were produced to address recommendations. (The final AGS to be issued in Sept 2014 will reflect any further findings from IA work in respect of reviews relating to 2013/14 transactions).

Following the introduction of the Public Sector Internal Audit standards in April 2013, the Council's Audit and Assurance Service has reviewed and updated the Internal Audit Charter, Strategy and Code of Ethics, Conduct and Values. The Council's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).

The External Auditor's Annual Governance Report 2012/13 presented in September 2013

provided an unqualified opinion on the financial statements and identified proper arrangements in place to secure value for money. As reported to the Accounts & Audit Committee in November 2013, an action plan has been put in place to address a control improvement required which was identified in respect of the Authority's Payroll System. The External Auditors will report their findings in respect of 2013/14 to the September 2014 Accounts and Audit Committee.

Throughout 2013/14, the Accounts & Audit Committee received regular updates in relation to strategic risks and governance issues. The Committee operated in accordance with its remit following guidance set out in CIPFA's "Audit Committees: Practical Guidance for Local Authorities."

CIPFA SOLACE Principle 5.	Key Elements of Trafford Framework
Developing the capacity and capability of members and officers to be effective:	<ul style="list-style-type: none"> • Members' Training Plan • Members' Induction Process • Employee Training & Development Plan • Corporate Induction Procedure • Employees Personal Development Review (PDR) • Absence Management Strategy • Apprenticeship Scheme • Managing Organisational Change Toolkit
How we have delivered against the Principle in 2013/14	
<p>During 2013/14, the Transformation programme rolled out the RightSourcing project to provide resources, tools and information to support services to develop innovative proposals, using new delivery models, to address the budget challenge over the next 3 years. During January to March 2014, an 'Are you ready for change' staff survey was completed, supported by a staff group of Change Champions. Underpinning the Reshaping Trafford Council Programme, the 'Supporting Change To Happen' strategy will support staff to understand and accept the changes, and engage meaningfully with the process. There is also a supplementary plan which will describe how Councillors will be supported to develop in their changing role as community advocates and leaders.</p>	
<p>An action plan has been implemented to address the findings of the 2012 Employee Survey and 2013 Employee Value Proposition survey (undertaken in partnership with the Local Government Association) and findings have also informed the development of the Reshaping Trafford Council Programme 'Supporting Change to Happen' Strategy. A new competency framework, PDR process and training will be rolled out during 2014/15.</p>	
<p>A Member Training Plan is in place with a training programme delivered during the year including coverage of partnership working, standards and health commissioning. During 2013, the Council was reassessed and continues to demonstrate compliance with Level 1 of the North West Employers Organisation Members Charter. As part of the Reshaping Trafford Council programme, members will receive additional support in their role as community leaders and advocates and a Leadership Development Programme will be launched during 2014. Accounts and Audit Committee members have received guidance / information updates through the year to provide support in enabling the Committee to meet its terms of reference.</p>	

Trafford Council is the lead authority on the AGMA training procurement framework and a partner in the AGMA e-learning framework. Training and Development Plans are in place at directorate level and cross council, which are currently being refreshed and updated.

A new starter induction guide and checklist was introduced in June 2013, which includes a number of mandatory elements such as the employees' code of conduct, fraud awareness and the Acceptable Use Policy.

A Mentoring programme has been implemented with over forty managers across the organisation having completed training and a high proportion have been matched with internal apprentices and job seekers across the borough.

To date the Council's Internal Apprenticeship scheme launched in 2011 has had over seventy recruits in a broad range of disciplines and twenty five of these have secured permanent employment with the Council.

There is an established attendance management policy with supporting procedures and guidance. Attendance management training for managers was delivered during 2013/14.

A number of initiatives have been provided to staff to promote Health & Wellbeing and a positive attendance culture at work. Other staff engagement mechanisms include the six-monthly Trafford Leaders and Working Together for Trafford events.

In 2012 the Council won the North of England Excellence Award for the category of public sector organisation with over 250 employees and has entered for the 2014 award, with an assessment scheduled for July 2014. The Council was shortlisted for the Personnel Today Awards in the categories of HR Professional of the Year and Youth Employment Initiative.

CIPFA SOLACE Principle 6.	Key Elements of Trafford Framework
Engaging with local people and other stakeholders to ensure robust public accountability:	<ul style="list-style-type: none"> • Customer Strategy • Trafford Council Website • Budget Consultation • Locality Partnerships • Neighbourhood Partnerships • Neighbourhood Forums • Info Trafford Website • Corporate Complaints Procedure
How we have delivered against the Principle in 2013/14	
A revised Customer Strategy 2013-17 was launched in October 2013 subject to a range of stakeholder consultation. This sets out the reason and basis for changing how the Council works and sets out five priorities for change with a range of actions to support this. The timetable for implementation is monitored at strategic level on a monthly basis.	
The Council relaunched its website in October 2013 to provide a transactional based user	

friendly design, which is also compatible with smartphones and tablets. A revised Telephone Policy has been launched during 2014. Other improvements underway include development of a new CRM (Customer Relationship Management) system, customer insight techniques, review of Complaints procedures and a revised Communications Strategy.

There is regular systematic updating of the Trafford Joint Strategic Needs Assessment (JSNA) which has informed the development of the Joint Health & Wellbeing Strategy approved in Autumn 2013, following an extensive, three phase public consultation involving a wide range of organisations, groups and residents. In May 2013 the North West Employers Organisation published a 'Review of Joint Health and Wellbeing Strategies in the North West' in which the three stages of consultation used to progress the Trafford strategy were highlighted as good practice.

The Council continues to demonstrate compliance with Open Data requirements, publishing a range of financial and performance data on its website. The InfoTrafford website continues to be developed, and through participation in the Greater Manchester Data Synchronisation Programme, the Council is developing a collaborative approach with the objective to overcome the barriers local authorities face in making data available in properly open formats. Work is also underway to develop a Trafford Partnership Intelligence Hub, to provide a co-located service between partner agencies. The aim of this is to develop greater insight of Trafford residents, improve the development of comprehensive data profiles for high dependency cohorts to support the PSR programme, encourage creation of intelligence, synergies and data sharing.

The Council has led the response to the Localism agenda and through its Vision 2015, has set out its commitment to involve residents and devolve services to local communities. The Trafford Partnership hosts an annual stakeholder engagement event; The 4th annual event 'Shape the Future' was held in April 2013 to formally launch the Locality Partnerships. Membership of Locality Partnerships include Councillors, partner organisations such as health services and the police and also Community Ambassadors, a broad range of people with a role to provide a community voice including local businesses, professionals, faith leaders and voluntary groups.

During 2013/14 the Locality Partnerships have developed evidence based Locality needs Assessments drawing on existing data sets to provide a basis for engaging with communities to understand needs and aspirations, and have overseen the allocation of the 2014 Voluntary Sectors Grants and Community Learning Fund.

Pulse Regeneration and Trafford Housing Trust work in partnership to deliver the Trafford Council's Third Sector Infrastructure Development and Support Service, to support the delivery of the Trafford 3rd Sector Strategy 2011-14. During 2013/14, performance against the delivery plan continues to meet the agreed targets.

In July 2012 the Authority signed up to a high level Armed Forces Community Covenant, a voluntary statement of mutual support between the civilian community and local armed forces community. During 2013/14 the Council has led on setting up the Trafford Community Covenant Partnership Board with the purpose to oversee the development of an Action Plan for the Covenant in Trafford. In addition, the Council has launched a Reservist Policy setting out its obligations to its employees who are also members of the Reserve Forces and to further promote the work of the Reserve Forces, a Challenge Event involving teams from across the

Trafford Partnership, including Trafford Council, is scheduled for July 2014.

The Trafford Strategic Sporting Partnership Framework was launched in Spring 2013 with the aim to galvanise the major sporting stakeholders in the borough to develop better working relationships and support the delivery of agreed outcomes for the people of Trafford. Subject to consultation, the Council launched its Sports & Leisure Strategy in October 2013.

The Council's Neighbourhood Forums continue to provide a public forum to discuss local issues and understand how the Council is working to tackle them. During 2013/14, meetings were held in relation to HS2 and Stretford Town Centre Master plan.

4. Review of effectiveness

- 4.1 Trafford Council's Corporate Governance Code sets out the Authority's responsibility to undertake a review of the effectiveness of its governance framework on an annual basis. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and the results of other reviews / inspections.
- 4.2 The processes applied and sources of assurance obtained in maintaining and reviewing the effectiveness of governance arrangements and, as part of that, the system of internal control includes:

Management Controls:

Performance Management

There is regular monitoring on the achievement of corporate objectives through the Annual Delivery Plan. A monthly dashboard report is issued to Corporate Directors and Executive Portfolio holders containing performance data specific to their remit.

Financial Management

Monthly financial monitoring and reporting, on the revenue budget, to the Corporate Management Team and the Executive has been operating during the year. The Accounts and Audit Committee have also received the budget monitoring reports at its meetings through the year. Quarterly monitoring and reporting arrangements are operating for the capital budget.

Risk Management

The Council has a strategic risk register in place and Directors and the Accounts and Audit Committee have reviewed the associated arrangements in place for improving control and mitigating risks faced by the Council.

Legal

The Director of Legal & Democratic Services (the “Monitoring Officer”) has a duty to monitor and review the operation of the constitution to ensure its aims and principles are given full effect, and to recommend amendments to the Council, as necessary, on an ongoing basis.

Transformation Programme

Benefits realisation tracking and a summary of project delivery is reported monthly to the Transformation Board.

Internal assurance:

Internal Audit

The Internal Audit function is responsible for monitoring the quality and effectiveness of systems of internal control. The section works to a risk based audit plan which is reviewed and approved by the Corporate Management Team and the Accounts and Audit Committee.

Overview and Scrutiny

The Council’s Core Overview and Scrutiny Committees can “call in” decisions made by the Executive, or on their behalf with delegated authority, to challenge whether the decision has been made appropriately and ask the Executive to reconsider it if necessary.

Health and Safety

The Council’s Health and Safety Unit provide regular updates to the Corporate Management Team and produce six monthly updates for the Executive.

External assurance:

External Audit

The Council is subject to external audit. The External Auditor’s Annual Governance Report and Annual Audit Letter comment on the performance of the Council and the adequacy of financial and governance arrangements.

Other Inspection

There are inspection arrangements within particular service areas / functions e.g. Ofsted inspections of schools.

Sector Led Improvement: Following the reduction in external inspection, the Council has committed to participate in a number of sector led improvement initiatives, for example the North West Employers Organisation Charter for Member Development and in partnership with the Local Government Association, a benchmarking project through the Employee Value Proposition Survey.

4.3 These governance functions are described in more detail within the Council's Corporate Governance Code and specific assurances or improvements delivered during 2013/14 are detailed in Sections 3 and 5 of this Statement.

4.4 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Accounts and Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are set out in Section 5.

5. Significant Governance issues

5.1 The Council takes seriously its responsibilities and duties with regard to ensuring continuous improvement in the way its functions are exercised and in consideration of economy, efficiency and effectiveness.

5.2 In response to the 2012/13 review of the internal control environment and the identification of a number of control issues, the Council has taken significant action to address those issues and implement appropriate improvement actions through 2013/14.

2012/13 Issues and Action Taken 2013/14

1. Records Management

2012/13 Annual Governance Statement

"As part of the records management programme the Council tendered for an EDRMS solution but the initial solution identified was found not to meet the Council's requirements so the process of obtaining a suitable solution is still in progress.

This has not stopped the programme of works as work is continuing to improve business processes around managing the lifecycle of Trafford Council records, reviewing the current security model and implementing changes to meet 'best practice'. All work carried out to date on the cutover activities will be used in this next phase and therefore it has been a 'value added' activity as part of the journey to improve our records management practices.

The Information Security Governance group is now fully formed and a number of work streams are in progress including reviews of current policies and procedures, gap analysis, registration with ICT connections for working with Health teams plus a number of bespoke training packages to improve the education and understanding of employees regarding information security and information governance."

Action taken 2013/14

The Information Security Governance Board, chaired by the Corporate Director for Transformation and Resources and also including the Council's Records and Information

2012/13 Issues and Action Taken 2013/14

Systems Manager and officers across each Directorate, is now fully embedded in the Council and meets regularly to discuss progress, authorise and action activities. Outside of these meetings the board members have been extremely active in virtually signing off all the new policies, procedures and guidelines required to meet Information Governance compliance.

A communications strategy and activity plan has been developed and signed off by the Board. These activities kicked off with the launch of a new Information Governance Intranet which is the central hub for employees, partners and members to go to and find all relevant documentation to assist them in meeting their responsibilities. This is a dynamic site and will be regularly updated.

The communications strategy is to address three areas as follows:-

- Informing
- Educating and;
- Enforcing

It was agreed by CMT that Information Governance training would be mandatory for all staff, partners and members. A suite of training packages has been identified to cover all roles across the Council. This package includes the following:-

- General User
- Senior Information Risk Owner
- Information Asset Owners
- Caldicott Guardian
- Specialist Information Governance roles
- Data Protection
- Freedom of Information

This training will be rolled out from early June 2014 onwards.

Further actions to address Records Management and Information Governance in 2014/15 are described in section 5.4 (Action 2. Information Governance).

2. Locality Partnerships

2012/13 Annual Governance Statement

"... the Council has set out its commitment to involve residents and devolve services to local communities. This includes the introduction of four Locality Boards from April 2013 to be launched with a role in engaging the community, understanding local needs and coordinating existing plans and activities.

The Locality Partnerships will be developed during 2013/14 and transform from shadow form to full status. During the first year, a Locality Assessment and action plan will be developed, alongside terms of reference and a code of conduct. An outcomes framework

2012/13 Issues and Action Taken 2013/14

will also be developed, linked to the action plan, and will focus on not only quantitative outcomes but also qualitative outcomes and experiences.

The governance framework includes reporting to the Stronger Communities Board and the Trafford Partnership Executive.”

Action Taken in 2013/14

Trafford has established four Locality Partnerships (LPs) covering areas of Old Trafford & Stretford, South, Urmston & Partington and Sale. Membership includes Councillors, partner representatives including police, health services, council and Community Ambassadors.

Trafford launched the LPs in April 2013 when members first met to discuss their vision and values for working together. Partnership meetings first took place in June 2013 and have been well attended.

Each partnership has developed its own terms of reference setting its purpose, vision, roles and values. Partnerships are developing a common understanding of the capacity, talent, skills, knowledge, relationships and physical assets within their locality.

In the first instance the role of the LPs has been to develop an evidence based Locality Needs Assessment drawing on existing data sets including JSNA, Ward Profiles and Census data to provide a basis on which the partnerships can engage with their communities to understand needs and aspirations. Over the past nine months, the LPs have undertaken a needs assessment of their area which has led to a number of priorities being agreed and subsequent work streams developed.

Each partnership Chair and Community Ambassador attend the Stronger Communities Board to provide a link between the strategic partnership and localities. Links are being developed at Thematic Partnership level and with statutory agencies, enabling greater engagement and bringing new resources to tackle some of the most challenging issues.

Further planned development work in relation to Locality Partnerships for 2014/15 are described in section 5.4 (Action 3. Locality Partnerships).

3. Terms and Conditions

2012/13 Annual Governance Statement

“In 2012/13, the Council began a process of considering a number of options which would result in changes to staff terms and conditions as part of ongoing plans to achieve savings. The Council started a review of staff terms and conditions to try to find ways to achieve maximum savings with minimum impact on the workforce and where at all possible, without changing core employment benefits, i.e. basic pay and pensions. The Council also wants to protect those staff on lower salaries.

In 2012/13, a number of ideas were shared with staff and trade unions to gain feedback to assist in considering any possible changes. Staff were given the opportunity to comment

2012/13 Issues and Action Taken 2013/14

on the initial ideas and also provide alternative suggestions. In 2013/14, proposals for changes to terms and conditions are to be developed for formal consultation.”

Action Taken in 2013/14

Following a period of informal consultation between October 2012 and October 2013, a final package of proposals was put to the workforce and trade unions on 3 October 2013, and a statutory 45 day consultation took place which ended on 17 November 2013.

The consultation exercise comprised of a series of 11 staff information sessions, led by a Corporate Director, a member of the Human Resources Leadership Team and an Elected Member. In addition to this, communications were provided through the development of dedicated intranet pages, direct mailshots sent to all staff and formal weekly meetings with the trade unions.

Taking account of the feedback received, a final position was developed and presented to the Employment Committee for approval on 2 December 2013. Following changes to the original proposals, the savings target was an estimated £1.9m.

On 4 December 2013, letters were issued to all staff seeking individual agreement to change terms and conditions on a voluntary basis. Detailed guidance on managing the transition was cascaded to all staff in the week commencing 17 March 2014. Revised terms and conditions were implemented on 1 April 2014.

4. Public Health

2012/13 Annual Governance Statement

“Responsibility for Public Health transferred to Trafford Council on 1 April 2013.

The Council provides a lead on health and wellbeing priorities to improve local health outcomes. Plans focus on commissioning existing, new and innovative public health services, with a range of partners across public sector, private and voluntary sector partnerships. From 1 April 2013, the Council also has responsibility for ensuring areas such as emergency planning, immunisation and screening programmes, infection control, outbreaks and incidents are effectively co-ordinated to preserve and protect the lives of Trafford residents.

Following on from work undertaken in 2012/13 to prepare for the transfer of responsibility to the Council, further action will be taken to ensure effective governance arrangements are in place to support the Council meeting its responsibilities effectively. The Council’s Public Health Business Delivery Group has been established which is led by the Director of Public Health. In addition, a Public Health Review Programme Board has been convened which will oversee a collaborative review of all key work streams linked to the current Public Health Programme to determine future commissioning intentions and spend. This includes the development of a detailed risk register which will be informed by the review.”

Action Taken 2013/14

The period of April 2013-March 2014 has been of consolidation and bedding in the Public

2012/13 Issues and Action Taken 2013/14

Health function into the Local Authority. Trafford Local Authority is a designated Public Health training location. A new Consultant in Public Health post has been recruited and there are two Specialist Registrars in Public Health.

Trafford Public Health continues to provide leadership in the mandated services under the Health and Social Care Act 2012 in the areas of sexual health services, NHS Health Checks, National Child Measurement Programme (NCMP), health protection and CCG core offer on population healthcare advice. Trafford Public Health together with the Greater Manchester Public Health Network have carried out a number of sector led improvement (SLI) audits on key areas of Public Health activity that will inform areas of continuous service improvement.

The Public Health Delivery Group continues to meet chaired by the Director of Public Health and a work programme has been developed for 2014/15. A Health Protection Forum has been established to oversee the assurance role in relation to immunisation, screening, infection prevention and control and emergency planning, resilience and response (EPRR). A quarterly Public Health Quality Assurance group has been established that will oversee the aspects relating to clinical quality of Public Health commissioned services. Local Public Health intelligence capacity has been maintained and a work programme developed on updating the Joint Strategic Needs Assessment (JSNA).

A statement of assurance on the 2013/14 ring fenced Public Health grant allocation will be provided by the Local Authority Chief Executive to Public Health England (PHE) to meet PHE reporting requirements to Parliament.

5. Public Service Reform in Trafford

2012/13 Annual Governance Statement

'Partners in Trafford are committed at the highest level to a collective programme of Public Service Reform (PSR). The objectives of this programme are to ensure that residents in the Borough can benefit from future economic growth, by designing services that can better support them to make positive choices and be independent; and to meet the challenge of public sector austerity by reforming services collectively, such that outcomes for residents in the Borough are better than they would have been had reforms been undertaken solely by agencies acting alone.

There is a detailed implementation plan for the first phase of this Public Service Reform (PSR) programme in Trafford which will be progressed through 2013/14. It sets out which agencies, partnerships and individuals are currently undertaking tasks as part of the programme, and what success will look like in the future. Local agencies are currently aligning their own organisational transformation and savings programmes. There is a clear Trafford governance and accountability structure in place which is linked to the Greater Manchester Governance and delivery model.

The detailed thematic plans consider the following:

2012/13 Issues and Action Taken 2013/14

- **new integrated services** that reduce demand on public agencies in the Borough
- **new investment models** that are able to sustain funding of these services by capturing and reallocating the resources released by this reduced demand; and
- **new approaches to evaluating our integrated services** to show where they are more effective than existing practice, and where possible, to create an evidence base that can attract future investment.

Central to the success of this programme so far has been in ensuring a clear focus on the reform of public services as a whole in Trafford. There are significant synergies between the different work streams. The benefits of many of these synergies are being captured by ensuring that there is a whole-family focus which sits at the heart of our new integrated delivery models.”

2013/14 Action Taken

The five key themes of PSR have been actively progressed with regard to new collaborative and evaluated methods of service delivery being implemented on a partnership basis, using cost benefit analysis and evidence of outcomes to plan for the future. New working models have been embedded in line with AGMA timescales and progress has been positive. For example, the Stronger Families programme has claimed over 50% of the payment by results funding available for Trafford, which puts Trafford in the top cohort of the AGMA authorities to date in terms of performance.

The work on themes has been integrated where appropriate and the enabling groups of the AGMA model have also been developed further during 2013-14, with links made to the thematic groups via a PSR leads meeting in Trafford that has clear reporting and accountability arrangements in place. The principles of PSR are embedded into the Reshaping Trafford programme.

Trafford is well represented in the AGMA PSR structure and so is able to assist with PSR developments across the ten authorities and also represents the needs of Trafford within the wider programme.

Further actions to deliver PSR during 2014/15 are described in section 5.4 (Action 4. Public Service Reform).

- 5.3 The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to transform service delivery arrangements, to ensure the Council effectively delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.
- 5.4 Detailed below are significant governance issues and a summary of the actions planned to address these in 2014/15.

2013/14 Issues and Action Planned 2014/15

1. Reshaping Trafford

We are immensely proud of our borough and those we serve and support, and we want to continue to provide high quality services to meet local needs and improve quality of life and community well-being. However, we are unable to do this in the way we do things now and must 're-shape' to adapt to the increasing financial pressures and demands on our services.

The Reshaping Trafford Programme consists of four core projects which will deliver new delivery models for our traded services, a Trust for our sports, recreation, leisure, arts, culture, and libraries provision; a joint venture contract for our environmental and technical services and a well-being 'hub' for our early intervention and prevention services. Together, this structural remodelling will manage/shape demand, reduce the financial burden on the Council but ensure good quality and local public service provision is retained. We aim to do this in collaboration with partners to provide a common approach and end goal. In addition, a fifth project 'managing budget pressures' is reviewing the Council budgets to identify further opportunities for efficiencies.

The Transformation Board and the Executive have very closely monitored the development of the Reshaping Trafford Council Programme business cases and will continue to do so as implementation of these progresses. There are robust governance arrangements in place: there is an Executive Member assigned to all projects; each project has a Corporate Management Team lead, Senior Responsible Officer (SRO), Project Manager (PM) and steering group/project board. The Transformation, Performance & Resources (TPR) group has now extended to include these SROs and PMs and meets monthly to monitor programme delivery. There is also dedicated programme direction and management in place. In July 2014, Local Partnerships will be undertaking an independent assurance review of the Reshaping Trafford Council Programme to ensure it is appropriately structured and supported for success.

The Reshaping Trafford Council Programme milestones for all projects are planned into an overall process for 2014/15 which includes the budget planning and consultation process. For the Joint Venture Contract, Trust and Trading projects, the delivery of these are dependent on a Key Decision by the Executive on 1 September 2014.

Delivery of the 'Supporting Change to Happen' action plan was developed in response to the 'Are you ready for change?' survey in February 2014. This plan includes the launch of a revised PDR process supported by Council wide training for all managers. Staff engagement with the Reshaping Trafford Council Programme will start in earnest by means of a market stall road show in June 2014 with ongoing communications via a responsive website, text alerts, newsletter and other events to encourage engagement/awareness thereafter. The plan also involves the rollout of a leadership development training programme to Members.

In addition, the Transformation Board will continue to closely monitor the delivery of the wider Transformation Programme, in particular the 22 projects responsible for delivering the savings. At 1 April 2014, £1,580k (28.42%) of the £5.59m savings had already been achieved.

2013/14 Issues and Action Planned 2014/15

2. Information Governance

An Information Security Governance Action Plan has been developed which will form an annual work programme to ensure that the Council continue to be compliant with Information Governance requirements.

As part of the 2013/14 plan a project was developed to meet the requirements of the NHS Information Governance Toolkit to gain N3 Connection. This connection allows our health staff to access NHS data securely over a secure connection. This project was completed satisfactorily and the N3 connection has now been ordered. This is an annual submission and will be managed throughout the 2014/15 period.

The EDRMS project is ongoing with a Project Executive overseeing the plan. Currently, the project is gathering requirements to ensure that any new solution meets the requirements of the business but also the requirements for Information Governance and Security including access to records, transport of records and storage/destruction when records come to the end of their lifecycle. It is planned to go out to tender later in 2014.

A new role of Information Governance Manager is currently being developed to manage the programmes of work and risks to the council in order to protect the Council's reputation, safeguard citizens records and mitigate against possible fines from the Information Commissioner's Office.

3. Locality Partnerships

Wider engagement with the community is essential for the Locality Partnerships (LP) to be successful. LPs need to engage interested stakeholders in their work to enable increased co-production of innovative solutions and local actions, using engagement to understand the opportunities and challenges which will influence future priorities.

The shift from 'shadow' to open format is underway, however to ensure transparency and openness, further clarity is required on how the LP will communicate, engage and work with local people. During 2014/15 further improvements will be addressed to improve communications and engagement including:

- A webpage for each Locality Partnership will be created on the Trafford Partnership website to support communication and upon which 'pen' profiles of LP members, agendas, presentations, actions, updates etc. can be held.
- The agenda will be published in advance allowing wider local contribution via LP members.
- Membership of sub groups will come from a wider audience that just the LP members (which is already the case in some areas).
- Each LP will develop an Engagement Plan and in doing so should consider development of engagement events, social media presence, developing engagement channels between individual LP members, organisations and networks and how to engage all LP members in the work of the LP.

2013/14 Issues and Action Planned 2014/15

4. Public Service Reform (PSR)

PSR will be critical in 2014/15. The PSR programme in AGMA is being scaled up and the success achieved with specific cohorts in the current programmes will be widened and deepened post 2015, with two key themes around complex dependency and health and social care already being progressed, linked to a continued focus on sustained economic growth. The planning for this work is happening in 2014, with pilot work proposed around complex dependency. The aim is for investable propositions to be available and operational during 2015-16 on an AGMA wide basis in respect of the programmes already underway.

In Trafford, PSR will be a critical focus of the Reshaping Trafford programme and future partnership service planning for 2015 and beyond. The work of the enabling groups around competencies and skills and behaviour change at both a Greater Manchester and local level, plus sustainable financial proposals and investable propositions will develop further, plus the principles of new working models built on collaborative and sustainable working, with evidence based outcomes on a cost benefit basis will be a strong focus.

Sustainability planning is starting in Trafford for those programmes where funding may change post 2015, linked to plans around future priorities and evidence of impact and work on investable propositions. It will be important for Trafford to remain actively involved in the AGMA work programme in order to contribute to the future plans during this time of resource challenge. It will also be important to maximise the use of PSR methodology across all service planning and future change.

5. Budget Monitoring

Since the year end, a review commenced to examine existing budgetary control processes across the Council including arrangements for reporting on the budget position through the year. This commenced initially to follow up on issues raised in relation to the effectiveness of processes within particular services in the Community, Families and Wellbeing Directorate which have predominantly demand led budgets. Issues related to the forecasting of year end spend and reporting on this through the year. In respect of some budgets, particularly in relation to spending on care for individuals, demand can be volatile which can lead to difficulties in forecasting demand for services and hence forecasting spend. There is therefore a risk that actual spend at year end is significantly greater than originally planned for or forecast during the year which places a pressure on Council resources as a whole.

A review of budget monitoring arrangements is taking place to consider existing practice and, where applicable, identify areas for improvement or development. This will cover arrangements both within services and the Council's financial management function. Where applicable, recommendations will be considered for further action by the Corporate Management Team.

- 5.5 We propose over the coming year to take steps to address the above 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.



TRAFFORD COUNCIL

CORPORATE GOVERNANCE CODE

June 2014

Trafford Council Corporate Governance Code

1. What do we mean by governance?

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

2. Trafford's commitment

Trafford Council, as a public organisation, is committed to ensuring the highest possible standards of governance in order to fulfil its responsibilities:

1. To engage in effective partnerships and provide leadership for and with the community.
2. To ensure the delivery of high quality local services whether directly or in partnership or by commissioning.
3. To perform a stewardship role which protects the interests of local people and makes the best use of resources.
4. To develop citizenship and local democracy.

Openness, inclusion, integrity and accountability are fundamental principles by which the Council operates.

3. The Governance Framework

In order to ensure the fulfilment of its commitment, the Council operates a governance framework which provides a structure to support the Council's approach to governance.

Trafford Council has based its governance framework on the guidance produced in the publication 'Delivering Good Governance in Local Government' produced by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives & Senior Managers (SOLACE). In addition, further related guidance documents issued by CIPFA such as "the Role of the Chief Financial Officer" and the "Role of the Head of Internal Audit" are also applied.

The CIPFA / SOLACE framework sets out 6 core principles for good governance.

- Focusing on the purpose of the authority and on the outcomes for the community and creating and implementing a vision for the local area.
- Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

Section 7 of the Code sets out in detail how the Authority is committed to meet the requirements of this framework.

4. How we will ensure that we deliver on these principles of good governance

Maintain a local code of corporate governance

In accordance with best practice requirements Trafford Council maintains a local code of corporate governance which sets out the key systems, policies and procedures that comprise the Authority's governance framework. This document will be reviewed and updated regularly as required, and approved by the Corporate Management Team and Accounts and Audit Committee, to reflect any changes in governance arrangements.

Undertake an annual review of governance arrangements

The Audit and Assurance Service is responsible for undertaking an annual review to evaluate the position against the commitments set out in the Council's Corporate Governance Code, the effectiveness of governance arrangements and to ensure continuing compliance with best practice.

Where appropriate, action plans will be produced to ensure any significant weaknesses identified are addressed and there is continuous improvement in the system of corporate governance.

Findings and recommendations from this exercise will be reported via the Corporate Management Team. This will be used to inform the production of the Annual Governance Statement, with significant issues reported publicly through this process.

Report publicly on compliance with governance arrangements in the Annual Governance Statement

The Authority will produce an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations 2011. This will be published and will accompany the Council's Annual Statement of Accounts. It will state what arrangements the Council has in place to ensure the effectiveness of its governance framework and how the Council has followed its stated governance principles. It will also highlight any areas the Council considers to require significant improvement; and outline the actions planned to address them.

The Accounts and Audit Committee (through an appointed working group) will review the robustness of the AGS. The Chief Executive and the Leader are required to sign off the AGS.

5. Responsibilities

Every Council officer and member has a responsibility to ensure their personal conduct and the organisation's governance arrangements are always of the highest standard possible.

Senior managers have a responsibility for reviewing governance standards in their areas of responsibility and for identifying and implementing any necessary improvement actions. Improvement actions should be reflected in the appropriate business plans.

The Chief Executive and Leader will ensure that an annual review is completed of corporate governance arrangements and give assurances on their adequacy in the published Annual Governance Statement, accompanying the Statement of Accounts.

The Corporate Management Team will ensure that the Corporate Governance Code is reviewed regularly to reflect ongoing developments and planned improvements to the framework; and authorise any amendments. Significant changes will be referred to the Council's Executive for approval.

6. Communication

The Corporate Governance Code and Annual Governance Statement will be reported publicly with a copy available on the Authority's website.

7. Trafford Council's Governance Framework

Principle 1 Focusing on the purpose of the authority and on the outcomes for the community and creating and implementing a vision for the local area.	
Supporting Principle	How the Council meets the requirements
<p><i>1.1 Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users</i></p>	<p>The Council, as the lead partner in the Trafford Partnership, has supported the development of the long term vision for Trafford as set out in the Sustainable Community Strategy "Vision 2021: a blueprint". This document describes the key objectives which underpin the work of the partnership.</p> <p>The Council reviews its priorities and implications for its governance arrangements on a regular basis. In response to the Localism Agenda, the Council has updated its Vision 2015 aligning it to the changing way services will be delivered in localities and through partnership working. The Council's corporate priorities are reviewed annually and incorporated within the Annual Delivery Plan.</p> <p>The Council publishes details of its strategy, financial position and performance on its website trafford.gov.uk. Information in relation to partnership activity and performance is reported through the Trafford Partnership website traffordpartnership.org.uk</p>

1.2 Ensuring that users receive a high quality of service whether directly, in partnership, or by commissioning.

The Authority has put arrangements in place to measure and review the quality of service for users including mechanisms to identify and deal with failure in service delivery. Robust management information is available to enable monitoring of service quality effectively and regularly.

The Council operates a defined **Performance Management Framework**. The **Annual Delivery Plan** sets out the key deliverables for the coming year supported by individual Directorate and Service business plans, which connect service objectives and associated actions to the community vision and corporate priorities.

The **Corporate Management Team (CMT)** and **Executive** receive regular monitoring and exception reports on the achievement of corporate objectives. In addition, a monthly performance report is issued to Corporate Directors and Executive Portfolio holders containing performance data specific to their remit.

The **Transformation, Performance & Resources Group** is responsible for driving the Transformation Programme, and to ensure successful realisation of all savings, the performance of the programme is monitored by the **Transformation Board** on a monthly basis; this board also receives regular monitoring and exception reports relating to the achievement of project deliverables and benefits.

The Council has implemented a **Customer Strategy 2013-17** which describes its approach to delivering customer services, sets out the reasons and basis for change and proposes how current and future needs will be managed. The Council has an approved **Corporate Complaints Policy** and guidance.

The Council's **Contract Procedure Rules** set out the agreed protocols for procurement and tendering for contracts including post contract arrangements.

1.3 Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.

Low Council Tax and Value For Money is one of the Council's Corporate priorities. Trafford was one of the first councils to introduce a **Medium Term Financial Plan** and Strategy, highlighted by CIPFA as good practice. The Authority consults annually on its budget proposals and these are subject to scrutiny review.

The Council has implemented a **Transformation Programme** which is supporting the organisation to review and re-design existing functions and service areas to improve service delivery, achieve savings and establish the infrastructure required to manage the future financial challenges.

The Council has a defined **Procurement Strategy** and in addition to hosting the AGMA Procurement Hub, has developed a collaborative **Procurement Shared Service (STaR)** with Rochdale and Stockport Councils, with the aim to reduce overheads, increase economies of scale and provide collective expertise and resilience.

The Authority has defined **Budgetary Control Procedures** in place. **Revenue Budget Monitoring** reports are reported to the Corporate Management Team and the Executive on a monthly basis to enable monitoring of income and expenditure levels, to ensure that commitments are within available resource levels and corrective action is taken when necessary.

The Council's financial framework keeps its commitments in balance with available resources. There are arrangements in place to ensure compliance with **CIPFA's Prudential Code for Capital Finance in Local Authorities** and **CIPFA's Treasury Management Code**. The Council has a clearly defined **Capital Programme** and **Treasury Management Strategy**. The capital budget is monitored and reported to the CMT and Executive each quarter.

Principle 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles.	
Supporting Principle	How the Council meets the requirements
<i>2.1 Ensuring effective leadership throughout the authority and being clear about the executive and non executive functions and the roles and responsibilities of the scrutiny function.</i>	<p>The Council has adopted a Constitution which provides a clear statement of how it operates, defining the respective roles and responsibilities of the Executive and non Executive members.</p> <p>Article 15 of this document sets out the protocols and the role of the Monitoring Officer to monitor and review the operation of the constitution. The Council reviews elements of the Constitution each year at its annual meeting.</p>
<i>2.2 Ensuring a constructive working relationship exists between elected members and officers and that the responsibilities of authority members and officers are carried out to a high standard.</i>	<p>Part 3 of the Constitution sets out responsibility for carrying out the Council's functions, at committee level and delegation to individual executive members. Part 4 sets out the Scheme of Delegation to Officers. The sections on delegated authority are reviewed and approved annually.</p> <p>The Council has appointed a Chief Executive responsible and accountable to the Authority for all aspects of operational management. The functions of the Head of Paid Service, Monitoring Officer and Chief Financial Officer are set out in Article 12 of the Constitution.</p> <p>The Council has designated the Director of Finance as Chief Finance Officer, in accordance with Section 151 of the Local Government Act 1972. Periodic assessment is undertaken to ensure compliance with the governance standards as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).</p> <p>The Council's Director of Legal & Democratic Services is designated as "Monitoring Officer". It is the function of the Monitoring Officer to oversee and monitor compliance with legislation and the Council's established policies and procedures.</p>

2.3 Ensuring relationships between the authority and its partners and the public are clear so that each know what to expect of each other.

The Authority has adopted **Member Officer Relations Protocols** which provide guidance to help build good working relations between members and officers.

The **Officer Employment Procedure Rules** set out the terms and conditions for remuneration of employees. A **Pay Policy Statement** has been published which provides transparency regarding the Council's approach to setting pay for its employees.

The Council has agreed a **Members Allowance Scheme** setting out the level of financial allowance that members may receive.

When working in partnership, members are clear about their roles and responsibilities individually and collectively in relation to the partnership and the authority. The Council Leader is the Chair of the **Trafford Partnership Executive** which has defined Terms of Reference in place. A framework for **Accountability, Governance and Performance Management** has been adopted by the Partnership.

Four **Locality Partnerships** have been set up, core membership of which includes Councillors, Partner Agencies and Community Ambassadors. Representation on the Trafford Partnership **Stronger Communities Board** ensures a link between the strategic partnership and localities. Each partnership has its own terms of reference, setting out their vision, purpose, roles and values.

In accordance with the requirements of the Health & Social Care Act 2012, a **Health & Wellbeing Board** has been established. Supporting this, the Council has in place a number of strategic partnership arrangements governed through **Section 75 Partnership Agreements**.

Principle 3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.	
Supporting Principle	How the Council meets the requirements
<p><i>3.1 Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.</i></p>	<p>In accordance with requirements of the Localism Act 2011, the Council has reviewed and adopted its Members Code of Conduct incorporating procedures for notification of disclosable pecuniary interests and hearing procedures. Protocols set out the arrangements for dealing with complaints about the code of conduct for members.</p> <p>All staff are required to abide by an Employee Code of Conduct. It is a requirement for all new employees to read and sign up to this as part of the staff induction procedure.</p> <p>Responsibility for the regulation of employee conduct is set out in the Council's Disciplinary Policy. A range of Human Resource policies in place are designed to help ensure the proper conduct of staff and to ensure the workforce is appropriately skilled to deliver the Council's aims and objectives.</p> <p>Arrangements are in place requiring members and employees of the Authority to not be influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.</p> <p>The authority has an Anti Fraud & Corruption Strategy and procedures for the reporting of suspected fraudulent activities.</p> <p>To ensure the Authority meets best practice and legislative requirements, an Information Security Governance Board has been established. A Senior Risk Information Officer is assigned to oversee and review information governance issues and risk.</p> <p>Users of the Trafford ICT network are required to sign up to the authority's Acceptable Use Policy to confirm acceptance of agreed responsibilities and standards to prevent misuse of equipment or networks.</p>

	<p>To ensure compliance with Data Protection and Freedom of Information legislation, the Council has adopted a policy, procedures and a dedicated Corporate Information Officer to provide support and guidance to employees.</p>
<p><i>3.2 Ensuring that organisational values are put into practice and are effective.</i></p>	<p>The Council has adopted a set of Corporate Values embedded within its policies, procedures and strategies. The Council's competency framework outlines the organisation's values and the behaviours expected of employees when fulfilling their roles.</p> <p>The organisation's shared values act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority.</p> <p>The Authority has implemented arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and for monitoring their continuing effectiveness in practice.</p> <p>The Council has adopted a "Local Code of Corporate Governance" in accordance with the CIPFA/SOLACE framework for Corporate Governance. The Council undertakes an annual review of the Code of Corporate Governance and associated arrangements.</p> <p>The Standards Committee, with an independent Chairman, has within its role, the promotion and maintenance of high standards of conduct of members and the responsibility to oversee the effective operation of the Code of Conduct for Members.</p> <p>The financial management of the Council is conducted in accordance with the Financial Procedure Rules and Contract Procedure Rules incorporated within Part 4 of the Constitution.</p> <p>Systems and processes for financial administration, financial control and protection of the Authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</p>

Principle 4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.	
Supporting Principle	How the Council meets the requirements
<p><i>4.1 Being rigorous and transparent about how decisions are taken and acting on the outcome of constructive scrutiny.</i></p>	<p>The Council has developed detailed procedures for political decision making. There are clear processes for recording and monitoring executive decisions in order to ensure compliance with legislation, internal policies and procedures, and that expenditure is lawful. The Executive has to make decisions in line with the Council’s overall policies and budget. Any decisions to be made outside this framework must be referred to full Council.</p> <p>The Scrutiny Committees provide the scrutiny of decisions made, policy development and implementation and can “call in” decisions made by the Executive, or on their behalf with delegated authority, to challenge whether the decision has been made appropriately and ask the Executive to reconsider it if necessary.</p> <p>The Council has an Internal Audit function which is required to operate in conformance with the Public Sector Internal Audit Standards. The Internal Audit function is responsible for monitoring the quality and effectiveness of systems of internal control.</p> <p>The Council has an Accounts and Audit Committee whose terms of reference require it to monitor and evaluate the Council’s corporate governance and internal control arrangements. The Committee operates in accordance with CIPFA guidance for Audit Committees.</p>
<p><i>4.2 Having good quality information, advice and support to ensure that services are delivered effectively and</i></p>	<p>Part 4 of the Constitution sets out the Access to Information Procedure Rules including the rights to attend meetings and access summons, agenda and reports. Where major ‘key’ decisions are to be discussed or made, these are set out in a notice published at least 28 days before a decision is made.</p>

<p><i>are what the community wants / needs.</i></p>	<p>Those making decisions, whether for the Authority or in partnership, are provided with information that is fit for purpose – clear, timely, relevant, accurate and complete and gives clear explanations of issues and implications on both a financial and non financial basis.</p> <p>The Authority seeks timely professional advice on matters that have legal or financial implications, which is recorded in advance of decision making and used appropriately.</p>
<p><i>4.3 Ensuring that an effective risk management system is in place.</i></p>	<p>Risk management is embedded into the culture of the organisation. The Council has a Risk Management Policy Statement, Strategy and protocol for monitoring and reporting risk. These explain the methodology which provides a comprehensive framework for the management of risk throughout the Council.</p> <p>The Council’s Strategic Risk Register sets out the key risks the Council is likely to face in achieving its high level corporate objectives. In accordance with the Council’s Risk Management Policy Statement, the Corporate Management Team (CMT) provides regular quarterly updates on the strategic risk environment and, in particular, performance in managing the specific risks.</p> <p>The Council has adopted a Confidential Reporting Code and supporting guidance, which sets out the whistle blowing protocols for reporting, responding to and monitoring of issues of concern.</p>
<p><i>4.4 Using their legal powers to the full benefit of the citizens and communities in their area.</i></p>	<p>The Constitution sets out how the Council will operate to deliver services and perform its functions within the wider legal framework. Part 3 sets out Responsibility for Functions at committee and executive portfolio level. It also sets out the proper officer arrangements for delivering specific legislative requirements.</p>

The Authority actively recognises the limits of lawful activity placed on it but also strives to utilise powers to the full benefit of communities. It recognises the limits of lawful action and observes both the specific requirements of legislation and the general responsibilities placed on authorities by public law.

The **Monitoring Officer** will, after consulting with the Head of Paid Service and the Chief Finance Officer, report to the full Council or to the Executive, in relation to an Executive function, if she considers that any proposal, decision or omission would give rise to unlawfulness or has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

The Director of Finance, as the **Council's Chief Finance Officer**, has responsibility for the legality of the Council's financial transactions.

Directors and Heads of Service are responsible for ensuring that they establish and maintain effective standards of governance, complying with legislation, the Council's Constitution, Standing Orders and Financial Procedure Rules.

Principle 5 Developing the capacity and capability of members and officers to be effective.	
Supporting Principle	How the Council meets the requirements
<p><i>5.1 Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their role.</i></p>	<p>The Authority provides induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.</p> <p>Member Induction Training is undertaken each year. Member training needs are regularly reviewed and a Training & Development Plan for Members is in place. The Council has committed to the re-assessment of the North West Level 1 Charter for Elected Member Development.</p> <p>All new employees are required to complete a Corporate Induction Module. The Council has developed Directorate and cross-council Training & Development Plans supported by a suite of e-learning solutions available to meet the organisational skills development needs.</p> <p>The Authority puts arrangements in place to ensure that statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation.</p> <p>The ongoing Transformation Programme is also taking into account consideration of training and development needs across the Council and individual service areas for change management and adopts a skills transfer approach to support colleagues to develop project management and business analysis skills.</p>

<p><i>5.2 Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group.</i></p>	<p>The Authority assesses the skills required by members and officers and makes the commitment to develop these skills to enable roles to be carried out effectively. Skills are developed on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.</p> <p>There is a behavioural based competency framework and staff appraisal process in place which supports the cascade of corporate objectives and values through to individual employee targets. All staff are required to complete a Personal Development Review annually.</p> <p>Members are requested to complete a Personal Development Review which is used to inform the development of their training plan.</p> <p>The Council has taken a strategic approach to Absence Management. Ongoing performance is monitored as part of the Authority's Annual Delivery Plan.</p>
<p><i>5.3 Encouraging new talent for membership of the authority so that best use can be made of the individual's skills and resources in balancing continuity and renewal.</i></p>	<p>The Council operates an Internal Apprenticeship Scheme providing training and mentoring opportunities for Trafford residents.</p> <p>There are effective arrangements in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority including recruitment of a number of Community Ambassadors with a role in identifying and prioritising local needs and representing residents on Locality Boards.</p>

Principle 6 Engaging with local people and other stakeholders to ensure robust public accountability.	
Supporting Principle	How the Council meets the requirements
<i>6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and local institutional stakeholders, including partnerships and developing constructive accountability relationships.</i>	<p>The Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The public have a number of rights in their dealings with the Council. These are set out in more detail in Article 3.</p> <p>The Council has implemented detailed guidance and procedures for staff to ensure that an Equality Impact Assessment is undertaken in relation to all proposed changes in policy, strategy, functions and internal structures.</p> <p>Scrutiny Function – See supporting principle 4.1</p>
<i>6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning.</i>	<p>The Authority as a whole is open and accessible to the community, service users and its staff and has made a commitment to openness and transparency in all its dealings, subject only to those specific circumstances where it is proper and appropriate to do so.</p> <p>Council decisions are based on public consultation including annual review of the budget proposals. Meetings where key decisions are made and scrutinised are open to the public, except where exempt information is disclosed.</p> <p>There are clear channels of communication in place with all sections of the community and other stakeholders e.g. through the Council website, social media channels and publications distributed to each household in the borough. The Council has a corporate Communications, Publications and Marketing function in place to oversee internal and external communication and ensure these arrangements are operating effectively.</p> <p>The Council's Neighbourhood Forums provide a public forum to discuss local issues and understand how the Council is working to tackle them.</p>

	<p>The Council is the lead organisation of the Trafford Partnership, which provides a key role engaging with residents and the community to ensure that priorities and actions at strategic level reflect the needs of local people.</p> <p>Four Locality Partnerships have been established, with membership including Councillors, partner agency representation and Community Ambassadors. These will build upon existing forums and networks to encourage effective engagement of local communities in decision making, provide a coordinated approach to identify and address local priorities, increasing community ownership of issues and developing innovative solutions.</p> <p>The 3rd Sector Strategy 2011-14 sets out how the Council and its partners support the sector through capacity building and funding support.</p> <p>The Council is compliant with the Freedom of Information Act 2000 requirements and has a Publication Scheme in place. In accordance with the government's Open Data requirements, details of all invoice payments to suppliers, senior officer salaries and details of members' expense claims are published online.</p> <p>The InfoTrafford website provides free public access to view statistical data about the borough with the aim to provide a tool for community empowerment, decision making and policy development.</p>
<p><i>6.3 Making best use of human resources by taking an active and planned approach to meet responsibilities to staff.</i></p>	<p>The Council has in place Joint Consultative Committee arrangements to establish a regular method of consultation between the Council and the Trade Unions enabling input into human resource issues including proposed organisational and policy changes.</p> <p>The Council operates an Employment Committee responsible for determining collective and corporate terms and conditions of employment and approving any changes in human resources policies.</p> <p>The Authority has produced a toolkit for employees and managers in Managing</p>

	<p>Organisational Change, which provides guidance for restructuring and review in accordance with statutory requirements and current best practice.</p>
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There are a range of consultation mechanism in place for Council employees including an online forum, network events, focus group and surveys.

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