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TRAFFORD COUNCIL

AGENDA PAPERS FOR ACCOUNTS AND AUDIT COMMITTEE

Date: Monday, 30 July 2018

Time: 6.30 p.m.

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

A G E N D A	PART I	Pages
1.	ATTENDANCES To note attendances, including Officers and any apologies for absence.	
2.	MINUTES To receive and if so determined, to approve as a correct record the Minutes of the meeting held on 20 June 2018.	1 - 6
3.	CORPORATE GOVERNANCE CODE To consider a report of the Head of Governance.	7 - 40
4.	ANNUAL GOVERNANCE STATEMENT - 2017/18 To consider a report of the Head of Governance.	41 - 70
5.	COUNTER FRAUD AND ENFORCEMENT TEAM: 2017/18 ANNUAL REPORT To receive a report Counter Fraud and Enforcement Manager.	71 - 76
6.	EXTERNAL AUDIT 2017/18 FINDINGS REPORT To receive a report from the Council's External Auditor, Grant Thornton UK.	To Follow

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7. **APPROVAL OF ANNUAL STATEMENT OF ACCOUNTS 2017/18**
To consider a report of the Chief Finance Officer. To Follow
8. **BUDGET MONITORING 2018/19 - PERIOD 2 (APRIL TO MAY 2018)**
To consider a joint report of the Executive Member for Finance and Chief Finance Officer. 77 - 90
9. **ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2018/19**
To receive a report of the Audit and Assurance Manager. 91 - 94
10. **URGENT BUSINESS (IF ANY)**
Any other item or items which by reason of special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

JANE LE FEVRE

Director of Legal and Democratic Services

Membership of the Committee

Councillors B. Brotherton (Chairman), E. Patel (Vice-Chairman), C. Boyes, J. Dillon, P. Lally, A. Mitchell and J. Slater.

Further Information

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

Chris Gaffey, Democratic and Scrutiny Officer

Tel: 0161 912 2019

Email: chris.gaffey@trafford.gov.uk

This agenda was issued on **Friday, 20 July 2018** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH

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Public Document Pack Agenda Item 2

ACCOUNTS AND AUDIT COMMITTEE

20 JUNE 2018

PRESENT

Councillor B. Brotherton (in the Chair).

Councillors E. Patel (Vice-Chairman), C. Boyes, J. Dillon and P. Lally.

In attendance

Head of Financial Management

(G. Bentley)

Head of Governance

(P. Forrester) (present for minutes 1-5)

Audit and Assurance Manager

(M. Foster)

Democratic & Scrutiny Officer

(C. Gaffey)

Also in attendance

M. Heap, Grant Thornton UK LLP

K. Murray, Mazars

T. Rooney, Grant Thornton UK LLP

APOLOGIES

Apologies for absence were received from Councillor J. Slater

1. MINUTES

RESOLVED: That the Minutes of the meeting held on 27 March 2018, be approved as a correct record and signed by the Chairman.

2. MEMBERSHIP OF THE COMMITTEE 2018/19, INCLUDING CHAIRMAN, VICE-CHAIRMAN AND OPPOSITION SPOKESPERSON

RESOLVED: That the Membership of the Committee for the 2018/19 Municipal Year, as appointed at the Annual Meeting of the Council held on 23 May 2018 and set out below, be noted:

Councillors Boyes, Brotherton (Chairman), Dillon, Lally, Mitchell (Opposition Spokesperson), Patel (Vice-Chairman) and Slater.

3. TERMS OF REFERENCE

The Committee received a report detailing the Accounts & Audit Committee's Terms of Reference. Members were advised that there were no fundamental changes, with a slight amendment to the legislative references in relation to the Annual Governance Statement.

The Committee discussed the provision in place for appointing a non-voting co-opted member to the Committee. This was proposed by Cllr Barry Brotherton (Chairman), and seconded by Cllr Paul Lally, and was agreed in principle by Committee Members. The Head of Governance advised that a Constitutional Working Group, led by the Executive Member for Constitutional Reform and Resident Engagement, had been setup to consider constitutional matters, and

Accounts and Audit Committee
20 June 2018

would ensure that the appointing of a co-opted member to the Committee would be considered as part of their work programme.

RESOLVED:

- 1) That the Committee's Terms of Reference, as agreed at the Annual Meeting of the Council held on 23 May 2018, be noted.
- 2) That the appointing of a co-opted member to the Accounts and Audit Committee be considered as part of the Constitutional Working Group's work programme.

4. CORPORATE GOVERNANCE CODE

The Committee received a report of the Head of Governance setting out the updated Corporate Governance Code, which had been provided to the Corporate Leadership Team for comment. The Head of Governance requested that any Members' comments be submitted by no later than 13 July 2018. A final version of the Code would be presented to the Accounts and Audit Committee for their approval at the meeting on 30 July 2018.

RESOLVED: That the report be noted.

5. DRAFT ANNUAL GOVERNANCE STATEMENT - 2017/18

The Committee received a report of the Head of Governance setting out the Draft 2017/18 Annual Governance Statement (AGS). Members were asked to contact the Head of Governance with any comments they may have on the draft AGS by Friday 13 July, 2018. It was noted that the draft AGS had been reviewed and endorsed by the Corporate Leadership Team and had been sent to the Council's external auditors for comment. The final version of the Statement would be signed by the Leader of the Council and the Chief Executive, before being brought back to the Committee for their approval at the meeting scheduled for 30 July 2018.

Members discussed the significant governance issue relating to the delivery of Vision 2031, and requested that more detailed information on the Vision itself be made available. Members were advised that the Vision itself was not in the form of a document, but was a 'live' issue with a number of work streams in place to deliver the desired outcomes. The Head of Governance would follow up on this for Members.

RESOLVED: That the report be noted.

6. AUDIT PROGRESS REPORT (JUNE 2018)

The Committee received a report from Grant Thornton UK LLP on the progress at June 2018 in delivering its responsibilities as the Authority's external auditor. It was noted that the financial audit was underway and that a further report would be presented to the Committee at the meeting scheduled for 30 July 2018.

RESOLVED: That the report be noted.

7. INTRODUCTION FROM EXTERNAL AUDITORS FOR 2018/19

The Committee received a report of Mazars, the Council's newly appointed external auditor for 2018/19. The report highlighted Mazars' ethos, their expertise in local government audit, and their approach to the transition at Trafford.

Members were advised that the handover protocol with Grant Thornton had been agreed, and Mazars had engaged in initial meetings with Trafford's Finance Team. Mazars were committed to providing social value and promoting social mobility, with a number of initiatives in place to ensure these were delivered, including the expansion of their graduate recruitment scheme and their school leaver programme. Mazars intended to use their position across Manchester to share and promote their social value ethics. It was noted that the social value project was currently in the early stage of development, and more information would be provided in due course.

RESOLVED: That the report be noted.

8. TREASURY MANAGEMENT ANNUAL PERFORMANCE 2017/18 REPORT

The Committee received a joint report of the Executive Member for Finance and the Chief Finance Officer, outlining the treasury management activities undertaken during 2017/18.

The report highlighted the increase in new debt due to the change in the Council's investment in commercial property, and it was noted that budget savings of £(2.3)m in net treasury management costs had been achieved, primarily due to the increased Manchester Airport Group share dividend being received. It was also noted that none of the Council's set prudential indicators had been breached.

Members requested further information in relation to the temporary borrowing referred to in section 4.13 of the report. The Head of Financial Management explained that this would relate to the Council's commercial property investments, but would provide Members with more detail following the meeting.

Members discussed the breakdown of the Council's investments listed in Appendix D, and asked for further information on the recent transfer in the level of investments from non-UK to UK based counterparties. Members were advised that a number of factors, including liquidity, would be considered when making investments, and that these decisions were made with advice from treasury advisers. The Head of Financial Management advised that further information on the Amundi investment could be provided to Members following the meeting.

Members discussed the Council's borrowing position and requested a breakdown of the capital programme. Members also asked whether there was a maximum amount of additional borrowing that the Council could undertake. Members were advised that there wasn't necessarily a limit, but borrowing would need to adhere

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to the prudential code. Any borrowing would need to be both sustainable and affordable.

RESOLVED: That the Accounts & Audit Committee advise the Council:

1. of the Treasury Management activities undertaken in 2017/18;
2. that no prudential limits were breached during 2017/18; and
3. that there was full compliance with both the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code for Capital Finance.
4. to approve the revised Prudential Indicator for Maturity Structure of Borrowing shown at paragraph 7.3.

9. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2017/18

The Committee received a report of the Audit and Assurance Manager providing an opinion on the overall adequacy and effectiveness of the Council's control environment (which encompassed internal control, risk management and governance) during 2017/18, as well as providing a summary of the work of the Audit and Assurance Service during 2017/18. The Internal Audit Opinion was that the Council's control environment was operating to a satisfactory standard.

Members discussed the planned work and actual days spent and the reasons for the variation in some of these, notably in the category for 'grant claims checks / data quality'. Members were advised that a higher than expected number of days had been spent on this due to the audit work undertaken in respect of the Stronger Families Programme, with audit teams across the combined authority agreeing a revised approach with the introduction of a systems audit which required more time to complete the work than originally planned. This had been taken into consideration for the coming year's operational plan.

RESOLVED: That the report be noted.

10. ACCOUNTS AND AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL 2017/18

The Committee received a joint report of the 2017/18 Accounts and Audit Committee Chairman and Vice-Chairman, setting out the 2017/18 Annual Report of the Accounts and Audit Committee to be submitted to Council.

RESOLVED: That the report be noted.

11. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2018/19

The Committee received a report of the Audit and Assurance Manager setting out the proposed work plan for the Committee for the 2018/19 municipal year.

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Members were reminded that the draft accounts training had been scheduled for 28 June 2018, and the Head of Financial Management would look into prospective dates for providing Committee Members with Treasury Management training.

Members were asked to contact the Audit and Assurance Manager with any suggestions for additions to the work programme.

RESOLVED: That the 2018/19 work programme be approved.

The meeting commenced at 6:30 pm and finished at 7:20 pm.

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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 30 July 2018
Report for: Consideration
Report of: Head of Governance

Report Title

Corporate Governance Code

Summary

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 is reviewed and updated regularly as required, and approved by the Corporate Leadership Team and Accounts and Audit Committee, to reflect any changes in governance arrangements.

The Council's Annual Governance Statement is prepared each year (in accordance with the Accounts and Audit Regulations 2015) and reflects an annual review against the commitments set out in the Council's Corporate Governance Code.

Trafford Council's Code of Corporate Governance is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.
<http://www.trafford.gov.uk/about-your-council/budgets-and-accounts/docs/Corporate-Governance-Code-2017.pdf>

This report sets out the proposed updated Corporate Governance Code which has been reviewed by CLT. The Code has been updated, both to take account of developments in 2017/18 and also the updated framework and guidance issued by CIPFA/SOLACE in 2016/17 "Delivering Good Governance in Local Government". This sets out 7 key governance principles and the code was updated in 2017 to align with the revised framework.

Once reviewed and approved by the Accounts and Audit Committee, the updated Corporate Governance Code will be included on the Council's website.

The Committee received a draft version at their last meeting and no further comments were received.

Recommendation

The Accounts and Audit Committee is asked to approve the Corporate Governance Code.

Contact person for access to background papers and further information:

Name: Peter Forrester – Head of Governance

Extension: 1815

Name: Chris Gaffey – Democratic and Scrutiny Officer

Extension: 2019

Background Papers:

None



TRAFFORD COUNCIL

CORPORATE GOVERNANCE CODE

July 2018

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

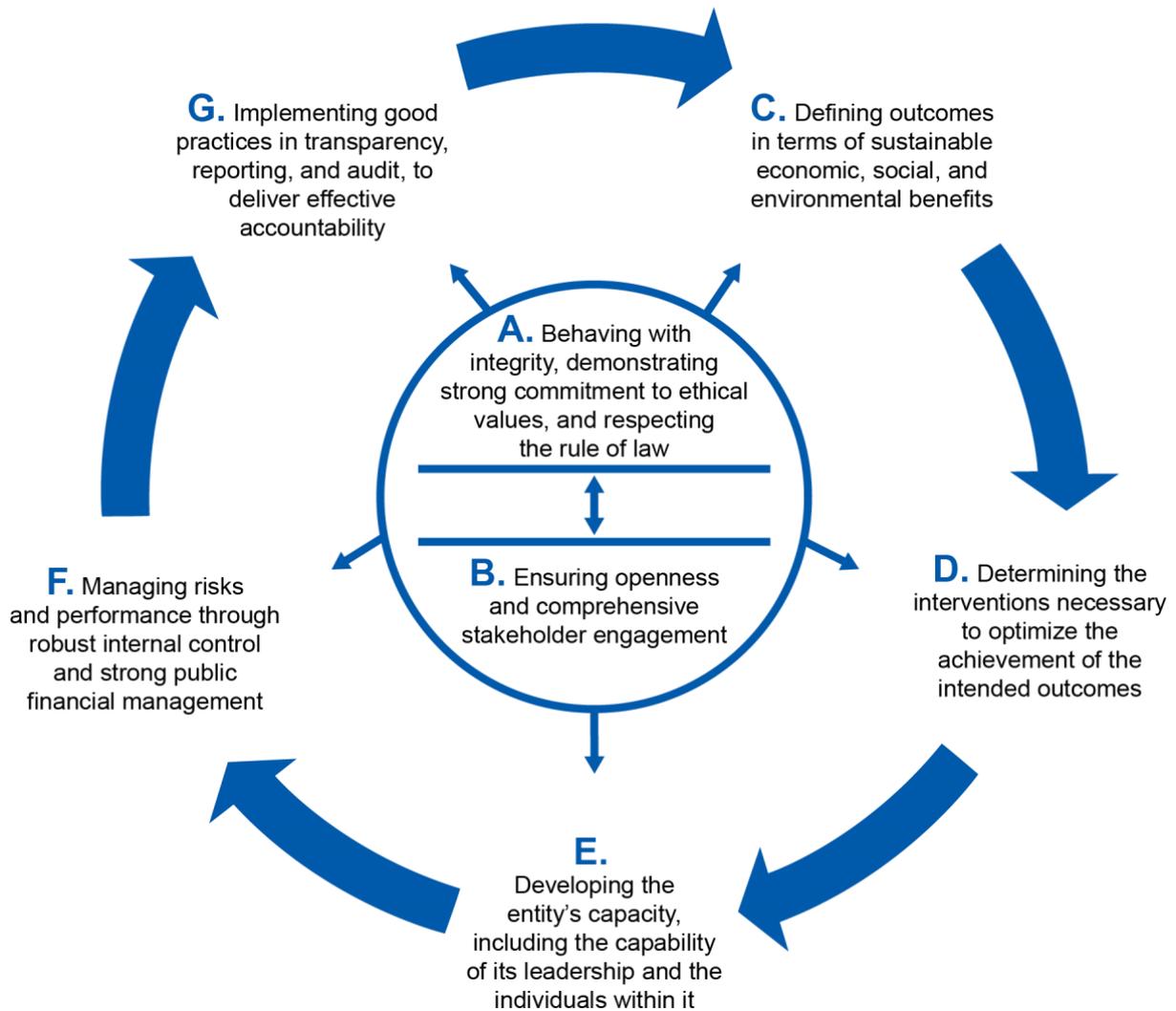
In order to ensure the fulfilment of its commitment, the Council operates a governance framework which provides a structure to support the Council's approach to governance.

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) and has been updated to reflect the revised Local Government Framework published in 2016, which is aligned to the International Framework: Good Governance in the Public Sector (CIPFA / IFAC, 2014).

The International Framework defines governance as 'the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

The framework emphasises that good governance is dynamic and that the entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



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 is reviewed and updated regularly as required and approved by the Corporate Leadership Team and Accounts and Audit Committee, to reflect any changes in governance arrangements.

Undertake an annual review of governance arrangements

The Authority will undertake 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 are 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 Leadership 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 2015. 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 refer to the actions planned to address them.

The Accounts and Audit Committee will review the robustness of the AGS. The Chief Executive and the Leader are required to sign off the agreed final version of 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 Leadership Team will ensure that the Corporate Governance Code is reviewed regularly to reflect ongoing developments and planned improvements to the governance framework; and agree any amendments. The Code will be approved by the Accounts and Audit Committee. 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 A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

Behaving with integrity

- Ensuring members and officers behave with integrity, and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation
- Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should be based on the Seven principles of public life (Nolan principles)
- Leading by example and using these standard operating principles or values as a framework for decision making and other actions
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.

In accordance with requirements of the Localism Act 2011, the Council reviewed and adopted its **Members Code of Conduct** incorporating procedures for notification of disclosable pecuniary interests, personal interests and hearing procedures. Protocols set out the arrangements for dealing with complaints about the code of conduct for members.

All staff are required to abide by an **Employee Code of Conduct** setting out the expected standards of behaviour. It is a requirement for all new employees to read and sign up to this as part of the staff induction procedure.

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. **Guidance to Officers on Gifts & Hospitality** sets out the circumstances where these may be accepted, and how these should be declared and recorded.

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 and these are cascaded through the PDR process.

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>The authority has an Anti-Fraud & Corruption Strategy, Policy and supporting guidance to discharge its responsibility to safeguard public funds and promote a 'zero tolerance' culture to fraud and corruption.</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>
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Demonstrating strong commitment to ethical values

- Seeking to establish, monitor and maintain the organisation's ethical standards and performance
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation
- Developing and maintaining robust policies and procedures which place emphasis on ethical values
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation

The **Standards Committee** 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**. Responsibility for the regulation of employee conduct is set out in the Council's **Disciplinary Policy**.

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**.

The Council's **Contract Procedure Rules** set out the agreed protocols for procurement and tendering for contracts including post contract arrangements, and are harmonised across the three Councils participating in STAR Procurement, the shared procurement service for Stockport, Trafford and Rochdale Councils. Protocols ensure that there is separation of roles within the procurement process, and all relationships of a business / private nature with existing or potential contractors should be declared.

The **Employee Code of Conduct** specifies that to avoid bias and ensure appointments are made on the basis of merit, where applicants are related to or have close personal relationship with an employee; this officer should not be involved in the appointment process.

Systems and processes for financial administration, financial control and protection of the Authority's resources and assets are designed and monitored to conform with appropriate ethical standards.

Respecting the rule of the law

- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to the relevant laws and regulations
- Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements
- Striving to optimize the use of full powers available to the benefit of the citizens, communities and other stakeholders
- Dealing with breaches of legal and regulatory provisions effectively
- Ensuring corruption and misuse of power are dealt with effectively

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.

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 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 the Constitution.

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.

The Council has designated a **Chief Finance Officer**, in accordance with Section 151 of the Local Government Act 1972, who is a member of the Corporate Leadership Team. 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)**. The Council's **Chief Finance Officer**, has responsibility for the legality of the Council's financial transactions.

The **Contract Procedure Rules** set out the protocols by which the Council shall enter into Contracts in accordance with both UK and EU regulations.

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.

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.

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.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Openness

- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness
- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reason for keeping a decision confidential should be provided
- Providing clear reasoning and evidence of decisions in both public records and explanations to stakeholders and being explicit about criteria, rationale and conclusions used. In due course, ensuring that the impact and consequences of those decisions are clear
- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / course of action

The Council publishes a wide range of information, statistics and data in accordance with, and indeed beyond the expectations of, the Local Government Transparency Code (2015).

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.

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.

Council decisions are based on public **consultation** including the budget proposals. Meetings where decisions are made and scrutinised are open to the public, except where exempt information is disclosed. Those making decisions, whether for the Authority or in partnership, are required to be 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.

Engaging comprehensively with institutional stakeholders

- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholders relationship are clear so that the outcomes are achieved successfully and sustainably
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively
- Ensuring partnerships are based on:
 - Trust
 - A shared commitment to change
 - A culture that promotes and accepts challenge among partners
 - the added value of partnership working is explicit.

Trafford Council is a member of the **Greater Manchester Combined Authority**, run jointly by the leaders from the 10 councils governed by a fully elected mayor, working with other local services, business and community to improve the city region with powers and accountabilities that bring decision making closer to the local people.

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. Four **Locality Partnerships** act as wider engagement networks for all stakeholders including residents and community groups. Each has its own Terms of Reference and The Locality Partnership Chairs sit on the Trafford Partnership **Strong Communities Board**.

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**.

The Council set up wholly owned community interest companies (CIC), **Trafford Leisure** from 1st Oct 2015 to deliver leisure services across the borough and **Trafford Youth Trust** on 1st March 2016 to commission and develop youth service provision. Each company has a Board of Directors appointed responsible for compliance with general company law and CIC regulatory requirements.

When working in partnership, members are clear about their roles and responsibilities individually and collectively in relation to the partnership and the authority.

Engaging with individual citizens and service users effectively

- Establishing a clear policy on the types of issues that organisations will meaningfully consult with or involve individual citizens, service user and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes
- Ensuring that communications methods are effective and members and officers are clear about their roles with regard to community engagement
- Encouraging, collecting and evaluating the views and experiences of communities, citizen and service users and organisations of different backgrounds including reference to future needs
- Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity
- Taking account of the interests of future generations of tax payers and service users.

The **Strategy for Building Strong Communities** provides a strategic 'home' for the Locality Working programme, clearly demonstrating how Locality Working is intrinsically linked with other key strategic agendas, providing a practical way of delivering Early Help and Prevention, Public Service Reform, Shaping Demand, Community Action and Third Sector Infrastructure Support. Through **Asset Based Community Development** Locality projects align strategic priorities to the needs and assets of the communities,

Through the Trafford partnership structure, each **Locality Partnership** is supported by an **Enabling Group** with a core membership of Councillors, Service Providers and Community Ambassadors to oversee engagement events and locality projects and to ensure the work of the Locality Partnerships are aligned to the strategic priorities of the borough.

Through the '**Be Bold be the Difference**' campaign, a range of training/awareness sessions have been rolled out to staff working with the community to understand how community groups can function alongside the Council to achieve shared goals. **Community Builders** and **Community Connectors** are in place to connect people in neighbourhoods so that all resources working in localities have a common understanding of what's available

The Council undertakes regular consultation in relation to policy change and spending proposals. There are a range of consultation mechanisms in place for public and Council employees including an online forum, network events, focus group and surveys.

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

Defining outcomes

- Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes including appropriate performance indicators, which provides the basis of the organisation's overall strategy, planning and other decisions
- Specifying the intended impact on, or change for, stakeholders, including citizen and service users. It could be immediately or over the course of a year or longer
- Delivering defined outcomes on a sustainable basis within the resources that will be available
- Identifying and managing risks to the achievement of outcomes
- Managing service users expectations effectively with regard to determining priorities and making the best use of resources available

A refreshed borough wide long term 'Vision 2031', 'Together Trafford', was agreed during 2016/17 based on the premise, '**No one will be held back and no one left behind**'. To support this a Place based strategy is being developed based on the key principles:

- **People** – the council will help residents to help themselves and each other
- **Place** – to create a place where people want to live, stay, learn, work and relax.

To support the vision, a number of interventions have been developed which underpin the Council's **Annual Delivery Plan** and **Medium Term Financial Plan**.

These will be underpinned by the key strategies and programmes setting out how the Council in collaboration with partners proposes to create a sustainable borough

The **Core Strategy** agreed in 2012 sets out the Council's spatial policy framework for delivering the development and change needed to realise the Council's vision for the Borough up to 2026. It includes plans relating to economic, social and environmental issues and how these will shape the future of Trafford.

As part of the wider Greater Manchester Health & Social care devolution, the **Trafford Locality Plan** developed in collaboration with the Trafford Clinical Commissioning Group was agreed in March 2016. This sets out the vision and principles for development of a fully integrated health & social care system to be implemented by 2020.

Sustainable economic, social and environmental benefits

- Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision
- Taking a longer terms view in regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisations intended outcomes and short term factors such as the political cycle or financial constraints
- Determining the wider public interest associated with balancing conflicting interests between achieving the various social, economic, and environmental benefits, through consultation where possible, in order to ensure appropriate trade offs
- Ensuring fair access to services.

The Council's **Medium Term Financial Strategy** provides a rolling 3 year plan aligned to the authority's strategic objectives and includes a:

- **Medium Term Financial Plan** which details the Council's revenue budget
- 3 year **Capital Programme** and developing Investment Strategy
- **Treasury Management Strategy.**
- **Efficiency Plan** which details the Council's approach to deliver efficiencies with all of this underpinned by a set of **Prudential Indicators**, designed to ensure capital borrowing is affordable and does not place undue burden on the Councils revenue budget.

Trafford continues to develop a multi-year **Locality Plan** which sets out the transformational change in conjunction with health partners to deliver health and social care integration.

To support longer term decision making, **committee reports** require that proposed options set out any implications in relation to the policy framework, corporate priorities, financial, legal, resource and sustainability issues as well as equality and diversity, and health & wellbeing. The report should indicate also whether consultation is required on the outcome of the decision

In accordance with the Equality Act 2010, the Council complies with the Public Sector Equality Duty to consider the needs of people who are disadvantaged or suffer inequality when making decisions regarding its service provision and policies. 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.

The Council is a signatory to the **GMCA Social Value Policy** and has developed its own Social Value guidance for staff and suppliers which demonstrates a commitment to obtaining additional social value in accordance with the Public Services (Social Value) Act 2012 from its third party controllable spend.

The Council has also developed its own response to the GMCA SV Policy designed to help potential bidders understand more about social value and how to make social value commitments when bidding for a contract with Trafford Council.

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

Determining interventions

- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with these options. therefore ensuring best value is achieved however services are provided
- Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land, assets and bearing in mind future impacts.

To support decision making, the **committee reporting** templates require officers to set out the proposed decision and alternative courses of action supported by robust analysis of available options. All proposals are subject to sign off by Finance and Legal, Corporate Director and Executive portfolio holder.

The Council's **budget setting process** is informed by public consultation and through the annual **budget scrutiny review** considers risks and robustness of policy choices, with feedback used to inform policy decisions.

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.

The TraffordDataLab **website** provides free public access to view statistical data about the borough including the **Joint Strategic Needs Assessment** which Trafford Council and Trafford Clinical Commissioning Group have equal and joint duties to prepare under the Health and Social Care Act 2012.

The **Trafford Data Lab** and **Performance teams** provide data and analysis to support the (re)design of services, reduction and reshaping of demand on services and attracting investment into the Borough.

Planning interventions

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered
- Considering and monitoring risks facing each partner when working collaboratively including shared risks
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances
- Establishing appropriate key performance indicators as part of the planning process in order to identify how the performance of services and projects is to be measured
- Ensuring capacity exists to generate information required to review service quality regularly
- Preparing budgets in accordance with organisational objectives, strategies and medium term financial plan
- Informing medium and long term resource planning by drawing up realistic estimates of revenue or capital expenditure aimed at a sustainable funding strategy.

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 Leadership Team (CLT), Executive and Scrutiny Committee** receive regular monitoring and exception reports on the achievement of corporate objectives. In addition, regular performance reports are issued to Corporate Directors and Executive Portfolio holders containing performance data specific to their remit.

The **Programme Management Office (PMO)** defines and maintains standards for managing Transformation projects, to co-ordinate management information, provide best practice advice, guidance and templates for project management through the **Business Change Project lifecycle**, and to provide specialist consultancy in areas such as business case development, risk management and benefits realisation.

The **Transformation Programme** has defined programme governance arrangements in place. Significant projects for the Council have a Corporate Leadership Team lead, and all have a Senior Responsible Officer (SRO) and Financial Support Officer. Benefits realisation tracking and a summary of project delivery and exceptions is reported monthly to the Transformation Board.

Optimising achievement of intended outcomes

- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints
- Ensuring the budget process is all inclusive, taking into account the full cost of operations in the medium and longer term
- Ensuring the medium term financial strategy sets out the context for ongoing decisions on significant delivery issues or responds to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimizing resource usage
- Ensuring the achievement of social value through planning and commissioning services. The Public Services (social value) Act 2012 states that this is ‘the additional benefit to the community over and above the direct purchasing of goods, services and outcomes

The Council’s **Medium Term Financial Strategy (MTFS)** is a 3 year rolling document updated as changes in conditions / assumptions are known. The Council is required to set and approve a balanced robust budget and Council Tax level, and consults annually on its budget proposals which are subject to scrutiny review.

The budget setting process takes into consideration the assessment by the Chief Finance Officer of the robustness of the budget estimates and adequacy of the general reserve; Executive responses to the scrutiny review; outcome of staff and Trade Union consultation; and Equality Impact Assessment in relation to each proposal.

The Council has established a collaborative Procurement shared service organisation with Stockport and Rochdale Councils (STAR Procurement), with the aim to reduce overheads, increase economies of scale and provide collective expertise and resilience.

The Authority has agreed a **Procurement Strategy** which establishes how the councils can use procurement to focus activity on delivery of outcomes and realise corporate priorities, and highlights the importance of the procurement function throughout the lifecycle of service delivery, from initial inception through to contract management

In response to the Public Services (Social Value) Act 2012 the Greater Manchester Combined Authority (GMCA) has written a **Social Value Policy** which sets out how councils can increase prosperity of their local communities through procurement activity as an added benefit. STAR Procurement has produced local guidance to support this. All tenders advertised by **STAR Procurement** aim to capture social value aligned to the delivery of service, goods and work contracts.

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

Developing the entity's capacity

- Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness
- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently
- Recognising the benefits of partnerships and collaboration working where added value can be achieved
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

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 for both internal and collaborative working arrangements. Management information is available to enable monitoring of service quality effectively and regularly. The Council is committed to using benchmarking and seeks external advice where necessary to inform decisions.

As part of the **Greater Manchester Devolution** and supporting work programmes, and at local level through the **Vision 2031** and **Health Integration** Transformation programmes, the Council is committed to deliver service transformation through collaboration and integration. Programme management and governance is in place to deliver transformational change.

The **Transformation Programme** takes into account consideration of training and development needs across the Council providing skills transfer across the organisation.

A succession planning strategy formalises an approach to ensure that key skills are not lost to the Council whilst up-skilling staff to take on higher graded roles. Successors will be identified at senior manager level and targeted development initiatives provided to ensure that the Council is equipped to flex the workforce to react to resource and skills gaps.

Developing the capability of the entity's leadership and other individuals

- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained
- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body
- Ensure the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and balance for each other's authority
- Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to the changing legal and policy demands as well as economic, political and environmental changes and risks by:
- Ensuring members and staff have access to induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available

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, sets out responsibility for carrying out the Council's functions, at committee level and delegation to individual executive members and the Scheme of Delegation to Officers. The sections on delegated authority are reviewed and approved annually.

Member Officer Relations Protocols provide guidance to help build good working relations between members and officers. 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.

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.

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.

All new employees are required to complete a **Corporate Induction Module** which includes a number of mandatory elements such as the employees' code of conduct, fraud awareness and the Acceptable Use Policy. **Member Induction Training** is undertaken each year.

and encouraged.

- Ensuring members and officers have appropriate skills, knowledge and resources and support to fulfil their roles and responsibilities and ensuring they are able to update their knowledge on a continuing basis
- Ensuring personal, organisational and system wide development through shared learning, including lessons learnt from governance weakness both internal and external
- Ensuring that there are structures in place to encourage public participation.

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. **One to one meeting guidance** and a template to record discussions has been made available for managers so that a consistent approach to supervision is adopted across the Council.

The Council has taken a strategic approach to **Absence Management**. Ongoing performance is monitored as part of the Authority's Annual Delivery Plan.

The supplementary **Member Development Strategy** describes how Councillors will be supported to develop in their changing role as community advocates and leaders. **Personal Development Reviews** are being undertaken to ensure that members are provided with the necessary training and development support.

The Council operates an **Internal Apprenticeship Scheme** providing training and mentoring opportunities for Trafford residents. There are 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 through the **Locality Partnership** networks and involvement in co-produced locality projects which provide innovative solutions to local issues.

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

Managing risk

- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively
- Ensuring that responsibilities for risk management are clearly allocated

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.

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, Corporate Directors and the Accounts and Audit Committee review the associated arrangements in place for improving control and mitigating risks faced by the Council.

To support change, **Programme Management** ensures that risk logs are maintained for each project which track emerging/ risk issues through the lifetime of the project and ensure where necessary these are escalated to senior management.

The Council's **Business Continuity Management** procedure requires each service area to produce an annual **Business Impact Analysis** to identify the risks to the Council in relation to service continuity which inform development of **Business Continuity Plans** for priority service functions.

The **Health & Safety Policy** sets out the council's approach and responsibilities, including risk assessment and incident reporting processes. The Council's **Health and Safety Unit** provide oversight and support this through provision of advice and training, and monitoring compliance, with regular updates to CLT and the Executive.

Managing performance

- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review
- Making decisions based on relevant, clear, objective analysis and advice pointing out the implications and risk inherent in the organisation's financial, social and environmental position and outlook
- Ensuring an effective oversight and scrutiny function which encourages constructive challenge and debate on policies and objectives before, during, and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible
- Providing members and senior management with regular reports on service delivery plans and progress towards achievement of outcomes
- Ensuring there is consistency between specification stages such as budget and post implementation e.g. financial statements.

The Council's **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 Leadership Team (CLT)** 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 Council has in place a **Scrutiny Committee** and a separate **Health Scrutiny Committee**, which 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.

The Council has an approved **Corporate Complaints Policy** and guidance with regular reporting to senior management.

Robust internal control

- Aligning the risk management strategy and policies on internal control with achieving objectives
- Evaluating and monitoring the authority's risk management and internal control on a regular basis
- Ensuring counter fraud and anti-corruption arrangements are in place
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance and risk management and control is provided by the internal auditor
- Ensuring an audit committee or equivalent group or function independent of the executive and accountable to the governing body:
 - provides a further sources of effective assurance regarding arrangements for managing risk and maintaining an effective controls environment
 - that its recommendations are listened to and acted upon

Operational managers have responsibility for managing risks and ensuring implementation of sound system of internal control within their service area.

The Audit and Assurance Service delivers the Council's **Internal Audit** function which is responsible for reviewing the quality and effectiveness of systems of internal control, risk management and governance. It operates in general conformance with the Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit (2010).

The Council operates an **Accounts and Audit Committee** whose role is to monitor and evaluate the Council's corporate governance, risk management and internal control arrangements. The committee regularly reviews its work practices against the guidance set out by CIPFA.

A risk based **Internal Audit work plan** is reviewed each year by the Corporate Leadership Team and Accounts & Audit Committee. The Audit and Assurance Manager reports through the year on progress against plan, outcomes of individual audit reviews and the impact of audit work.

The **Annual Head of Internal Audit Report** presented to the Accounts and Audit Committee provides an opinion on the overall adequacy and effectiveness of the control environment, which encompasses internal control, risk management and governance.

Managing data

- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data including processes to safeguard personal data
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies
- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

To ensure the Authority meets best practice and legislative requirements, an **Information Security Governance Board** has been established which meets regularly to provide strategic direction and oversight of Information governance across the council. The Board has been overseeing preparations for the General Data Protection Regulations (GDPR) which will be introduced from 25 May 2018.

The Senior Risk Information Officer has been assigned to oversee and review information governance issues / information risks and information security, and a **Caldicott Guardian** with responsibility to protect service user and carers' interests regarding the use of confidential and personally identifiable data. A **Data Protection Officer** as required by the GDPR has been appointed.

The Council has adopted an **Information Governance Framework** supported by a suite of policies supported by awareness raising and mandatory annual staff training in data protection, freedom of information and information security.

The Council is working with **GM Connect** and Greater Manchester authorities, Trafford CCG and other partners to implement and monitor effective data sharing throughout Greater Manchester. Although **Data Sharing agreements and protocols** have been adopted based on the GM wide model, they require further amendments to be compliant when GDPR is effective from May 2018.

To ensure compliance with **Data Protection and Freedom of Information** legislation, the Council has adopted a policy, procedures and a dedicated Information Governance team to provide support and guidance to employees.

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.

The Council has engaged a third party provider to provide IT Security capacity and capability working with the in house ICT service to ensure appropriate safeguards are in place, monitor the firewall perimeters and provide accredited security advice. A best practice review of **IT Security policies** has been undertaken aligned to the recommendations from the Information Commissioners Office's Audit.

Trafford Council is compliant with **Public Sector Network (PSN)** requirements and as such subject to independent penetration testing on both the internal and external network.

The Council has assigned **Information Asset Owners** who are responsible for ensuring information quality and security for their service areas and to maintain an **Information Asset Register**.

The Council has adopted a **Records Management Policy** and has a comprehensive records retention and disposal schedule covering all services.

Case File Recording Policies are in place to ensure the accuracy of service user information for systems that support the provision of care. Data analyst and performance staff regularly review data quality for key systems.

Strong public financial management

- Ensuring financial management supports both long term achievement of outcomes and short term operational and financial performance
- Ensuring well developed financial management is integrated at all levels of planning and control, including management of financial risk and controls

The Council's **Medium Term Financial Strategy** provides a rolling 3 year plan aligned to the authority's strategic objectives. The **Efficiency Plan** sets out the Council's approach to deliver efficiencies over a 4 year period.

The Council has a clearly defined 3 year **Capital Programme** and **Treasury Management Strategy**. The Council **Prudential Indicators** are designed to ensure capital borrowing is affordable and does not place undue burden on the Councils revenue budget. This will be updated at least annually as part of the budget setting process.

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 capital budget is monitored and reported to the CLT and Executive each quarter.

The Authority has defined **Budgetary Control Procedures** in place. **Revenue Budget Monitoring** reports are reported to the Corporate Leadership Team and the Executive on a regular 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 Accounts and Audit Committee also receives the budget monitoring reports at its meetings through the year.

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

Implementing good practice in transparency

- Writing and communicating reports to the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate
- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand

The Council has policies and procedures in place to support compliance with the **Freedom of Information Act 2000** requirements and has a Publication Scheme in place.

The Council publishes a range of information to support the requirements of the **Local Government Transparency Code**. Details of all invoice payments to suppliers, senior officer salaries, contract register and members' expense claims are published online.

The Council has a corporate **Marketing and Communications function** in place to oversee internal and external communication and ensure these arrangements are operating effectively. Guidance to members and officers has been provided in relation to press releases, use of the Council logo and social media.

The Council has a range of communication channels in place through its website **trafford.gov.uk**, social media channels and press releases. Face to face and telephone contact is provided through the **Access Trafford contact centre**, and a network of libraries. Webcast of full Council meetings are available live and on demand through the **Public-i website**

An assessment of service user needs has been carried out as part of the Council's work to implement the **Accessible Information Standards** for health & social care.

Implementing good practices in reporting

- Reporting at least annually on performance, value for money and the stewardship of resources
- Ensuring members and senior management own the results
- Ensuring robust arrangements for assessing the extent to which the principles contained in the framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance
- Ensuring the framework is applied to jointly managed and shared service organisations as appropriate
- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

The Council publishes details of its strategy and performance plans on its website **trafford.gov.uk**. Quarterly performance reports against the Annual Delivery Plan are reported to the CLT, Executive and Scrutiny Committee, and published online.

Regular updates on the Council's financial position are reported to CLT, Executive and Accounts & Audit Committee. The Annual Financial Statements, revenue and capital budget reports, Treasury Management updates and quarterly financial health indicators are all published on the Council website.

In accordance with statutory requirements the audited Statement of accounts and External Auditor's certificate and audit opinion are made available for inspection and published online.

The authority undertakes an annual review of the effectiveness of its governance arrangements against the **CIPFA/SOLACE** framework for Corporate Governance. The Authority's Corporate Governance Code and Annual Governance Statements are published online.

Information in relation to partnership activity and performance is reported through the Trafford Partnership website **traffordpartnership.org.uk**

Assurance and effective accountability

- Ensuring that recommendations for corrective action made by external audit are acted upon
- Ensuring an effective internal audit service with direct access to members in place which provides assurance with regard to governance arrangements and recommendations acted upon
- Welcoming peer challenge, review and inspections from regulatory bodies and implementing recommendations
- Gaining assurance on risks associated with delivering services through 3rd parties and that this is evidenced in the annual governance statement
- Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met

The **External Auditor's Annual Governance Report** and Annual Audit Letter are reported to the Accounts & Audit Committee and published online.

The Audit and Assurance Manager reports quarterly to the **Accounts and Audit Committee** on progress against the Internal Audit work plan, and provides assurance in relation to the effectiveness of the control environment and acceptance and implementation of audit recommendations. **For individual Internal Audit** reviews, findings are reported to the relevant managers, Heads of Service, Corporate Director, Chief Executive, Executive Portfolio holder and External Auditor.

The Authority is subject to periodic inspection by external bodies including **OFSTED** and **Care Quality Commission**. Inspection findings are published on line and action taken to address any recommendations made.

The Authority's **Annual Governance Statement (AGS)** identifies significant governance issues including risks in relation to 3rd party delivery and sets out the Authority's commitment to continuous improvement. The Accounts and Audit Committee receives updates in relation to issues within the AGS.

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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 30 July 2018
Report for: Approval
Report of: Head of Governance

Report Title

Annual Governance Statement – 2017/18

Summary

The preparation and publication of an Annual Governance Statement (AGS) is necessary to meet the statutory requirement set out in the Accounts and Audit Regulations 2015. This report provides the final version of the 2017/18 AGS.

The Committee previously received a report in June setting out the Draft AGS. Draft versions of the AGS had also previously been shared and reviewed by the Corporate Leadership Team.

No further changes to the AGS have been made since the draft version was presented to the Accounts and Audit Committee on 20 June. Further issues arising in 2018/19 impacting on governance and developments in relation to governance issues reported to date will be considered as part of the process for compiling the 2018/19 AGS.

Recommendation

The Accounts and Audit Committee is asked to approve the 2017/18 Annual Governance Statement.

Contact person for access to background papers and further information:

Name: Peter Forrester – Head of Governance
Extension: 1815
Name: Chris Gaffey – Democratic & Scrutiny Officer
Extension: 2019

Background Papers:

None

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TRAFFORD COUNCIL

ANNUAL GOVERNANCE STATEMENT 2017/18

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 2015, regulation 6, 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 2018 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' 2016 edition. The Trafford Council Corporate Governance Code sets out in detail how the Authority meets the requirements of the framework and is aligned to the principles of good governance in local government as set out in the CIPFA framework, based upon the International Framework: Good Governance in the Public Sector (CIPFA, IFAC, 2014):

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

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 2017/18 with reference to each of the seven governance principles.

CIPFA SOLACE Principle A.	Key Elements of Trafford Framework
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<ul style="list-style-type: none"> • Constitution • Employee Code of Conduct • Members Code of Conduct • Register of Interests • Disciplinary Policy • ICT Acceptable Use Policy • Anti-Fraud & Corruption Strategy • Confidential Reporting Code • Standards Committee • Corporate Governance Code
How we demonstrated effectiveness in 2017/18	
<p>The Constitution, committee membership and delegated functions were reviewed and approved by Full Council on 24 May 2017. The Standards Committee met twice in the 2017/18 receiving updates from the Monitoring Officer in relation to local standards and best practice developments such as around Information Governance, Members awareness of standards issues and reports from the Ombudsman. The Committee also responded to consultations about the future of the standards regime.</p> <p>The Executive and Scrutiny Committee also considered a report following the annual letter from the LG Ombudsman which set out the overall position regarding complaints in the year.</p> <p>All members complete a Register of Interests which is published online detailing disclosable pecuniary interests, other interests and provide a record of gifts & hospitality received. Members are asked to review their declarations and update their interests where appropriate. The Council’s Members Allowances Scheme is also published on the Council’s website.</p> <p>A Planning Committee Code of Practice was approved at Standards Committee in March 2017, setting standards of probity and conduct for members and officers dealing with planning related matters and was introduced during 2017/18.</p> <p>A refreshed new starter induction guide and checklist for staff is in place which includes a number of mandatory elements such as Data Protection, Information Security, Employees’ Code of Conduct, Fraud Awareness and the Acceptable Use Policy.</p> <p>The Council has an agreed Anti-Fraud & Corruption Policy and Strategy, Fraud Response Plan and Whistleblowing Policy. Details of how to report suspected fraud are included on the Council website. Following the update of fraud reporting details on the website in the previous year, referrals of suspected fraud can be reported to the Council using an online form. A review of the Whistleblowing Policy is planned for</p>	

2018/19.

The 2016/17 Annual Report for the Counter Fraud and Enforcement team was presented to the Accounts & Audit Committee in September 2017 outlining fraud prevention and detection activities and planned work through partnership and collaboration across Council departments and external agencies. The team has primarily focussed on revenues related fraud relating to Council tax, Business rates & Adult social care funding misuse. An annual report for 2017/18 will be reported to the Accounts and Audit Committee by September 2018.

The Council continues to participate in the National Fraud Initiative (NFI) data matching exercise. An update on outcomes was provided to the Accounts and Audit Committee in February 2018 with a further update included in the Annual Head of Internal Audit Report 2017/18.

The Authority has updated its Corporate Governance Code reporting against the principles of the revised CIPFA local governance framework 2016 (based on the International Framework: Good Governance in the Public sector (CIPFA/ IFAC 2014).

The Council now has a harmonised Procurement Strategy for 2017-20, which was agreed at the Stockport, Trafford and Rochdale (STAR) Joint Committee meeting in August 2017.

CIPFA SOLACE Principle B.

Key Elements of Trafford Framework

Ensuring openness and comprehensive stakeholder engagement

- Decision Making Protocols
- Access to Information Procedure Rules
- Budget Consultation
- Trafford Partnership Board & Strategic Boards
- Public Service Reform Board & Operational Group
- Building Strong Communities Strategy
- Locality Working Programme
- Joint Strategic Needs Assessment

How we demonstrated effectiveness in 2017/18

The Council continues to maintain its decision making protocols and is transparent in its decision making, complying fully with access to information requirements. The Council webcasts full Council meetings with 1400 people viewing debates.

A number of consultation exercises were carried out in 2017/18 including a major consultation on the Stretford Masterplan. The findings of the public consultation on the draft Refreshed Stretford Masterplan fed into revised plans and on-going engagement with residents is planned. Consultations on certain aspects of the budget and local schemes were also carried out in the year. A staff consultation

exercise on the extension of the mandatory leave scheme was carried out and staff were consulted on the proposed integration between the Council and CCG.

In 2017/18, the approach to community engagement through locality partnerships has been aligned with the Trafford Vision 2031. There are seven interventions which require locality engagement, involving communities and partners in shaping priorities and delivering action with different approaches to local engagement. For example, in Partington and Carrington new relationships have been formed with a small group of residents to lead the engagement of residents and agencies in developing and delivering a 2031 vision for the local area. This new community-led approach has been very successful so far, and will be tried in other areas of the borough in 2018/19.

The Council as part of the Greater Manchester Combined Authority and through its integrated partnership governance framework, is working to deliver transformational change under the Public Service Reform and Health & Social Care integration programmes. The PSR Strategic and Operational Boards provide oversight and engage stakeholders in development of new operating models for Trafford based on four integrated place based multi-agency teams, one for each of Trafford's locality/ neighbourhood areas and a strengths and community asset based approach to service delivery. Evidence was gathered for this approach during 2016 through the two One Trafford Response test weekends and Reshaping Social Care '3 conversations' pilots. This led to the One Trafford Response (OTR) model for integrated place-base working, which has been tested in the Stretford area since May 2017. Using learning from the Stronger Families whole family key-worker approach partners have worked differently with over 50 individuals and families with a range of complex needs, sharing information more effectively to ensure people get the right sort of support at the right time. OTR is now being rolled out as part of a wider Place-Based Early Help approach through a whole borough workforce and leadership development framework. This will induct and upskill all staff from across all partners, including GPs, schools and the Voluntary sector to work in new ways, providing earlier and more co-ordinated interventions with residents. The workforce programme will begin in late April 2018 and seeks to train up to 1000 staff in the first 12 months.

The Council continues to support the voluntary sector to take positive action, through its £80,000 community grants scheme which saw 38 groups funded decided by community voting events. In addition 66 micro-grants were awarded to residents to kick-start small projects, as well as a £40,000 equality grants scheme supporting projects to increase physical activity in diverse communities. The Council continues to commission Thrive Trafford to provide capacity building, funding, volunteering and business engagement support to local voluntary, community and social enterprise (VCSE) organisations.

CIPFA SOLACE Principle C	Key Elements of Trafford Framework
Defining outcomes in terms of sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Together Trafford ‘Vision 2031’ • Core Strategy • Trafford Locality Plan • Physical Activity Vision • Medium Term Financial Strategy
How we demonstrated effectiveness in 2017/18	
<p>During 2017/18 the Council has continued to review its strategy to reflect local and national changes including devolution, future funding arrangements, the Greater Manchester Reform framework for whole system reform, including Health and Social Care integration.</p> <p>Our ‘Trafford - Vision 2031’ based on the premise ‘No one will be held back and no one left behind’ continues to be developed in partnership with key agencies, and through engagement with voluntary, community and faith representation. A communication campaign to increase awareness amongst our staff, residents and businesses will be launched over the summer of 2018 guided by two principles:</p> <ul style="list-style-type: none"> • People: the council will help residents to help themselves and each other • Place: to create a place where people want to live, stay, learn, work, invest and relax <p>Supporting the vision, the seven interventions (short - medium term priorities) underpins the Council’s Annual Delivery Plan and Medium Term Financial Plan. The interventions are as follows:</p> <ul style="list-style-type: none"> • Mersey Valley becomes a significant visitor attraction that connects the North to the South of the Borough • Creating a national beacon for sports, leisure and activity for all- Make Trafford a Destination of Choice • Accelerate housing and economic growth so everyone benefits • Supporting communities and businesses to work together to design services, help themselves and each other • One Trafford: Behaviour Change and Building Stronger Communities • Developing a wider education and skills offer that better connects people to jobs • Optimising technology to improve lives and productivity <p>Trafford has progressed the first year of delivery against its 5 Year Health and Social Care Locality Plan with a focus on integrating strategic commissioning functions between the Council and the CCG; planning for a Care Complex to provide end of life and intermediate care and respite facilities; developing a Local Care Alliance for health and social care providers; providing multi-disciplinary teams in care homes to</p>	

reduce emergency hospital admissions; co-locating pharmacies in GP practices; and creating a New Primary Care organisation as a new organisational form for GP practices to work together to improve local services to residents.

The Council's Physical Activity Vision "*By 2031 every resident is moving more, everyday*" has been formally launched. The Physical Activity Strategy and Implementation Framework identifies outcomes across the life course with a particular focus on increasing activity in certain cohorts: women and girls, disability groups; older people and more deprived communities. The Leisure Strategy project aims to develop an overarching Leisure Strategy aligned to Vision 2031.

The Council's Medium Term Financial Strategy has continued to be reviewed and updated throughout the year and as part of the updated budget approach the Council approved a new Investment Strategy in July 2017. The objective of this being to support the Council's financial resilience over the next few years and offer an alternative solution that can be used to address future budget gaps.

CIPFA SOLACE Principle D	Key Elements of Trafford Framework
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Transformation Programme • Annual Delivery Plan • Medium Term Financial Plan • Efficiency Plan • Capital Investment Programme • Social Value Framework
How we demonstrated effectiveness in 2017/18	
<p>The Council continues to monitor its performance through the Annual Delivery Plan and the delivery of transformation outcomes are monitored through the Corporate Leadership Team. Progress in delivering ADP outcomes was good with a high number of indicators meeting their targets. Both the Executive and Scrutiny Committee consider ADP quarterly reports and exception reports are provided to demonstrate how performance which is not at target will be improved.</p>	
<p>During 2016 the Council accepted a multi-year government funding settlement which provided a greater level of financial stability over the next few years with guaranteed levels of mainstream government funding. Despite this in determining the budget for 2017/18 an overall budget gap of £25.37m was addressed by a combination of additional resources of £9.80m and £15.57m of service savings and additional income.</p>	
<p>Trafford Council is working in collaboration with Trafford Clinical Commissioning Group (CCG) and key partners to develop an all age integrated framework for Service Reform based on a new operating model for the whole of public services in Trafford. The Executive and CCG Governing Body agreed to move to the next phase of</p>	

integration with effect from 1 April 2018. This will involve the formation of a Joint Committee, management, commissioning and shared support services.

Following a strategic review of leisure facilities across the borough, planned investment of £46m has been agreed as part of the authority's Capital Programme and project management is in place to deliver this. The delivery of individual schemes to be the subject of individual business cases. An assessment of outdoor leisure and sporting facilities (Playing Pitch strategy) has been undertaken with the aim to broaden sustainable access to a wide range of sporting and leisure opportunities and provide a sustainable strategic framework. Progress is underway with the refurbishment of Urmston Leisure Centre in the first phase of works. Design scope is underway for a new leisure centre on the site of the existing one in Altrincham. Further evaluation work is required on the cost benefit of building a new Sale Leisure Centre or to refurbish the existing site.

The original proposals to refurbish Stretford Leisure centre have been superseded with the proposals for UA92 which improve the commercial viability to build a new Leisure Centre. The exact location will be determined through the Civic Quarter Master-Planning work. Once determined detailed designs will be developed from the indicative designs prepared to date.

Council officers are now considering a number of requests for Long Term Security of Tenure for sports clubs and associations in Trafford with the aim to broaden access, helping to ensure that the clubs are sustainable and facilitating them to explore grant funding opportunities to lever investment in to facilities.

The Council is at feasibility stage with the Parklife Programme which seeks to establish up to 3 all-weather multi-pitch sites for the promotion of grass roots football in Trafford. Trafford Leisure continues to develop the GP referral scheme which has seen over 1200 referrals since it was launched in 2017 and all GP practices signing up to an MOU.

The Trafford Youth Trust was established as a Community Interest Company in March 2016 with the aim to move from a council led to independent led organisation which can provide a partnership framework against which youth provision will be commissioned, and develop effective strategies to increase investment in youth services. In 2017/18 the Trust invested £310,000 through its grants programme, supporting 42 of Trafford's VCSE organisations through the small, medium and large grant to support 2,400 young people.

The Trafford Social Value Group brings officers from across Council Directorates, alongside partner organisations, to support contract managers to maximise additional social, environmental and economic contributions from contracts in line with the Greater Manchester Combined Authority (GMCA) Social Value Policy.

STAR have achieved its target of 10% average Social Value weighting in tenders are

set to achieve target of 50% of contracts resulting in measurable Social Value, and have delivered Social Value and Risk Based training to Commissioners during 2017/18.

STAR are working with the AGMA Procurement Hub in developing a tool for reporting Social Value outcomes across Greater Manchester.

CIPFA SOLACE Principle E	Key Elements of Trafford Framework
Developing the entity's capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> • Supporting Change to Happen Strategy • Member Development Strategy • Members' Training Plan • Members' Induction Process • Employee Training & Development Plan • Corporate Induction Procedure • Employees Personal Development Review (PDR) • Staff Health & Wellbeing Strategy • Absence Management Strategy

How we demonstrated effectiveness in 2017/18

The One Trafford Estate programme aims to assess, understand and plan to create a portfolio of assets for cross organisational working, portfolio reduction and to create a multifunctional hub for each locality. In December 2017, Trafford Council was awarded £85,000 as a grant from the 'One Public Estate' programme to undertake a 'Locality Asset Review'. The review will be undertaken early in 2018/19 and will bring the whole public sector within the borough together, to assess the size of the public estate required for the future delivery of improved services. A strategic plan will be developed to achieve the efficient estate that Trafford's public services require. In addition, further assessments and pilot projects will be performed to understand how best to provide working spaces that can be shared by a broad range of public sector colleagues to support the integration and service improvements sought throughout the sector.

A Supporting Change to Happen strategy is in place which identifies areas of good practice and supports the workforce through organisational change by offering a range of tailored improvement opportunities through better use of technology, training and leadership support. A suite of learning and development interventions were available throughout 2017/18 for staff to equip themselves with tools, techniques and skills to manage their own personal transition to work successfully in the new delivery models.

Training and Development Plans are in place at directorate level and cross council, which are refreshed and updated annually. The Training offer is delivered both face to face and via the e-learning platform and offers access to coaching opportunities and

relevant qualifications via the Apprenticeship levy.

A succession planning strategy has been developed that formalises an approach to ensure that key skills are not lost to the Council whilst up-skilling staff to take on higher graded roles. Successors have been identified at senior manager level and targeted development initiatives will be provided to ensure that the Council is equipped to flex the workforce to react to resource and skills gaps.

A review of the Performance Development Review process in 2017 will see a more streamlined process being introduced for the 2018/19 appraisal cycle based on employee feedback.

Senior managers took part in #leadingGM leadership programme that brought together a range of leaders across the public sector system in Greater Manchester to network with peers, review and discuss new organisational models, systems thinking and design new ways of working.

Managers have also accessed the Apprenticeship levy for leadership qualifications and we continue to offer qualification career paths in professional services.

A Staff Health & Wellbeing Strategy is in place with a number of initiatives and activities to improve organisational effectiveness organised around four key themes

- Healthy Lifestyle
- Mental wellbeing
- Safe and healthy workplace
- Workforce engagement.

Absence Management continues to be monitored at Member and Corporate Leadership level and is a key target in the Annual Delivery Plan.

A Member Training Plan is in place with an induction programme for all new Members and a training programme delivered during the year. The Member Development Steering Group which is responsible for the development of training and development opportunities for all Members continues to meet on a regular basis to agree priorities for development and review and evaluate learning and development programmes. The Council is working towards retaining its compliance with Level 1 of the North West Employers Organisation Members Charter.

CIPFA SOLACE Principle F	Key Elements of Trafford Framework
Managing risks and performance through robust internal control and strong	<ul style="list-style-type: none"> • Financial Procedure Rules • Contract Procedure Rules • Treasury Management Strategy • Scrutiny Committees and Protocols

public financial management	<ul style="list-style-type: none"> • Risk Management Strategy & Policy Statement • Strategic Risk Register • Internal Audit Strategy • Accounts & Audit Committee
How we demonstrated effectiveness in 2017/18	
<p>The Council's net revenue budget for 2017/18 is £160.83m and in determining the budget an overall budget gap of £25.37m was addressed by a combination of additional resources of £9.80m and £15.57m of service savings and additional income. Outturn expenditure on service expenditure showed an overall underspend of £2.71m. This comprises a net overspend on Directorate expenditure of £680k reflecting expenditure pressure on social care services and savings on corporate budgets and additional business rate funding.</p>	
<p>The outturn figures show that £14.7M of the savings target has been achieved.</p>	
<p>The budget for 2018/19 was approved by the Executive in February 2018 and sets out the Council's Medium Term Financial strategy 2018/19 to 2020/21 including income and savings proposals to address the funding gap of £40.67m over next 3 years. The plan is a rolling document which is updated as changes in assumptions and conditions are known. (See Section 5.3 Significant Governance Issues 2017/18 - Medium Term Financial Position / Savings).</p>	
<p>A 3 year Capital investment programme for 2018/21 has been approved for £144.65m with £59.42m profiled to be undertaken in 2018/19.</p>	
<p>In July 2017 the Council approved an Investment Strategy and approval was given to increase the capital programme such that £300m, supported by prudential borrowing, would be made available to support the Strategy. The objective of this being to support the Council's financial resilience over the next few years and offer an alternative solution that can be used to address future budget gaps. During the year a number of investment assets were acquired together with some debt finance support for new residential development. This provided an income stream during 2017/18 and later years capable of supporting the revenue budget.</p>	
<p>To mitigate the risks of the approach nationally recognised investment advisors are being used as part of the due diligence process with emphasis placed on securing investments in low risk assets.</p>	
<p>Further risk mitigation is being undertaken through the creation of a "Risk Reserve" through the ring-fencing of an element of the returns and an allowance for debt repayment (in accordance with national regulations). All investments are scrutinised by an Investment Management Board which includes cross-party representation.</p>	
<p>The Council has signed up with 11 neighbouring authorities to the Greater Manchester Business Rates Pool, which will have the benefit of ensuring that levies</p>	

payable on business rate growth are retained within Greater Manchester rather than paid to Government. The Council has negotiated that it will retain a third of any future levy payments whilst in the GM Pool.

The annual Budget Scrutiny exercise took place during December 2017 with the report submitted to the Executive in January 2018. The Executive provided their formal response to the Budget Scrutiny report in February 2018. The outcome of this is that a further review of the Budget Scrutiny process will be undertaken to inform the 2018/19 budget setting process with the aim to ensure that Scrutiny receive sufficient detail on budget proposals and risk assessment methodology.

The 2017/18 Scrutiny work programme also focused on the Leisure Strategy, Fire Safety within Trafford, and the Capital Investment Strategy. In addition, a Task and Finish review of the Council's CRM system was undertaken, which concluded in January 2018. The Task and Finish Group's report and recommendations were submitted to the Executive for a response at the end of January 2018, however further issues with the CRM's implementation were identified. The service agreed to submit a formal response to the Scrutiny Committee in due course with an updated timeline for implementation.

Following the publication of the Communities and Local Government Committee's First Report of Session 2017-19 on the Effectiveness of Local Authority Overview and Scrutiny Committees, Trafford's Scrutiny Committee conducted a local review of the Authority's Scrutiny arrangements. A Task and Finish group was formed to review the published report and its recommendations, with a view to applying this to improve Scrutiny within the Council. Whilst the DCLG report explicitly stated that it was focused only upon Overview and Scrutiny, Trafford's Scrutiny Committee feel that many of the recommendations within this report are equally relevant to the Trafford Health Scrutiny Committee. The report's recommendations were currently being considered by the Executive.

Over the course of the year the Health Scrutiny Committee focused upon the Single Hospital Service, the Integration of Trafford Council with Trafford CCG, and the results of the CQC Local Review conducted in October 2017.

The Council continues to regularly review and monitor its Strategic Risk Register with update reports presented to CLT and the Accounts & Audit Committee. The March 2018 report identified 15 strategic risks faced by the Council, each risk being managed by nominated staff / groups within the Council.

The Information Security Governance Board has established an action plan of key areas for improvement within the Council following the ICO Audit in 2017. The plan has been refined to enable the Council to meet the requirements of the General Data Protection Regulations which come into force on 25 May 2018. The ISGB met regularly throughout 2017/18 to review progress on the implementation of these tasks throughout the Council. An Information Governance Risk Register is monitored

through the Information Security Governance Board. The Council have appointed the Director of Legal and Democratic Services as its Data Protection Officer.

The Authority continues to monitor risks in relation to Cyber security. The authority is PSN compliant, subject to independent penetration testing on both the internal and external network, and demonstrates compliance with Level 2 of the NHS Information Governance Toolkit.

A third party service provider has been appointed to provide additional ICT security capacity and capability, manage the firewall perimeters and provide accredited security advice. This has also included a full best practice review of Council IT Security policies mapped against ISO27001 standards.

The Council has acknowledged where further work is required to ensure it maintains effective business continuity management and have robust data recovery processes in place.

The Internal Audit 2017/18 work plan incorporated coverage of key financial systems and other business risks. Quarterly updates of work undertaken were provided to the Corporate Leadership Team and the Accounts and Audit Committee through the year. The Annual Report of the Head of Internal Audit for 2017/18 states that based on internal audit work undertaken during the year, the Internal Audit Opinion is that, overall, the control environment (which encompasses governance, internal control and risk management) is operating to a satisfactory standard. The report states that follow up audit work in areas previously reviewed demonstrates that continuing improvements in controls are being made to address risks previously identified. Where further areas for improvement have been identified during 2017/18, actions have been agreed with management which will be followed up in 2018/19.

The Council's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010). An external assessment of Internal Audit was completed by CIPFA and reported in January 2018 that the Internal Audit function operates in general conformance with the Public Sector Internal Audit Standards.

In accordance with the Local Audit & Accountability Act 2014, a review of available options for future appointment of the external auditor was considered by the Accounts & Audit Committee. In common with most other local authorities, it was approved by Council in February 2017 to undertake the procurement via use of the sector led body Public Sector Audit Appointments (PSAA). In December 2017, the PSAA confirmed the appointment of Mazars LLP to audit the accounts of Trafford Council for five years, for the accounts from 2018/19 to 2022/23.

In 2017-18, STAR Procurement continued to provide the shared procurement service for Stockport, Trafford and Rochdale Councils and wider GMCA public sector partner organisations. In the period, it delivered combined savings of £5.2m. and introduced local investment and risk-based sourcing to its supported Councils. STAR co-hosted

<p>a joint-Council ‘meet the buyer’ event to share forthcoming opportunities with local suppliers and SMEs. STAR continued to support its Councils with the capture of Social Value through the procurement of third party contracts and created over 90 employment opportunities and over 280 apprenticeship and training opportunities for its Councils’ communities.</p>	
CIPFA SOLACE Principle G	Key Elements of Trafford Framework
Implementing good practices in transparency, reporting and audit to deliver effective accountability	<ul style="list-style-type: none"> • Council Website • Freedom of Information Publication scheme • Trafford Partnership Data Innovation and Intelligence Lab • Marketing and Communications Team • Annual Financial Statements • Annual Governance Statement • Annual Scrutiny Report • Annual Delivery Plan
How we demonstrated effectiveness in 2017/18	
<p>The External Auditor’s Annual Letter 2016/17 was presented to Accounts & Audit Committee in December 2017 providing an unqualified opinion on the financial statements and identified that in all significant aspects, the Council put in place arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2017.</p> <p>During 2017/18, the Care Quality Commission (CQC) conducted a local system review to judge the effectiveness of Trafford to understand how people move through the health and social care system with a focus on the interfaces between services.. The report was published in early 2018 and highlights a number of strengths and some areas of improvement which the Council is working to address.</p> <p>During 2017/18, the Council continued to make significant improvement with responding to Freedom of Information (FOI) requests within their statutory timescale of 20 working days. The Council will continue to monitor closely FOI compliance to ensure statutory obligations are met and over 80% of requests are dealt with in time. Reports are submitted to the Corporate Leadership Team on a quarterly basis on performance.</p> <p>The Council’s Scrutiny Committees carried out a number of reviews and considered a range of reports at their meetings through the year. These are detailed above.</p> <p>Information on the Council’s decision making is open and transparent and published on the website. The Council continues to publish a range of open data through its website, data.gov.uk and the Trafford Data Lab’s website (trafforddatalab.io). It also</p>	

publishes data on grants to voluntary and community organisations on 360Giving. The work of the Trafford Data Lab supports the objectives of the Council and its partners by providing information to support policy making, commissioning and investment decisions. Thematic profiles and interactive maps are available on their website and guidance on appropriate data visualisations and publishing data is given. The Lab is also involved in an EU-funded Horizon 2020 project with the DWP that focusses on using linked open statistical data to help to reduce worklessness.

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 systems of internal control include the following:

Management Controls	Independent Assurance	External Assurance
<ul style="list-style-type: none"> • Financial Management • Programme Management • Performance Management • Risk Management • Legal 	<ul style="list-style-type: none"> • Internal Audit • Scrutiny • Health & Safety 	<ul style="list-style-type: none"> • External Audit • Other inspectorate e.g. OSTED, CQC • Sector led improvement e.g. LGA

4.3 These governance functions are described in more detail within the Council’s Corporate Governance Code and specific assurances or improvements delivered during 2017/18 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 2016/17 review of internal control governance, and the identification of particular significant governance issues, the Council has taken action to address these through actions in 2017/18. Detailed below are the significant governance issues highlighted in the 2016/17 Annual Governance Statement followed by action taken in 2017/18.

2016/17 Significant Issues	Action Taken 2017/18
<p>Medium Term financial position / savings</p> <p>Further work will be required to address the residual budget gap of £13.19m in 2018/19 and £6.05m in 2019/20. In the longer term it is aimed that Vision 2031 will deliver sustainable benefits but there is significant pressure to identify savings/additional income that will support the budget in the short term. A number of actions will be progressed.</p> <p>The Council is developing an Investment Strategy aimed at generating additional income streams to support the revenue budget.</p> <p>As part of the preparation to the full implementation of 100% Business Rates Retention in 2019/20 the Government is carrying out a needs review which will take account of the cost of providing services</p>	<p>During the course of 2017/18 the MTFP was continually reviewed to reflect changes in budget assumptions around pay and price inflation, changes in Government funding and growing demand pressure on social care services. This exercise identified the budget for the three year period from 2018/19 of £40.67m, including £22.95m for 2018/19.</p> <p>The budget gap in 2018/19 was met by a combination of new funding and income of £17m, including:-</p> <ul style="list-style-type: none"> ○ A 4.99% increase in the council tax (2.99% general increase and 2% for adult social care) and increase in tax base £6m; ○ Additional business rate revenues (mainly from the 100% GM pilot) £5.4m; ○ Net income from investment properties as part of the developing Investment Strategy £1.2m; ○ Additional MAG dividends and shareholder loan returns £1.6m; ○ Use of Budget Support Reserve £1.6m; ○ Other £1.2m, and; ○ continuation of savings programmes of £6m.

2016/17 Significant Issues	Action Taken 2017/18
<p>locally. The Council intends to play a full part in this review.</p>	<p>The level of business rate revenues now supporting the budget give rise to a significant risk in 2020/21 when the national reset of business rate baselines will take place and therefore part of our reserves strategy over the next two years reflects this risk and where possible resources will be retained to mitigate this.</p> <p>An amount of £2.2m will be left in the Budget Support Reserve to support the MTFS in later years.</p> <p>The remaining budget gap after the current round of budget proposals is £6.25m and £8.85m in 2019/20 and 2020/21 respectively.</p>
<p>Delivery of ‘Together Trafford-Vision 2031’</p> <p>‘Together Trafford Vision 2031’ based on the premise “No one will be held back and no one left behind” has been developed in partnership with key agencies, and through engagement with voluntary, community and faith representation.</p> <p>Vision 2031 consists of a number of major programmes and other projects. These include:</p> <ul style="list-style-type: none"> - The Vision and Strategy programme - Public Service Reform - Health and Social Care Integration 	<p>24 projects across three themes have been undertaken; 14 projects having savings and the remaining projects focussing on the Vision 2031 programme, the transformation of a wide range of Council services and the development of partnerships have been completed. This has realised savings of £8.8m.</p> <p>Monthly updates on progress have been presented to the Vision Board; with regular ‘deep dive’ presentations delivered to review issues and any associated risks to savings.</p> <p>Regular tours of the Vision have been carried out for partners, staff, Youth Cabinet and residents with presentation and workshops delivered to the Youth Assembly and the Strong Communities, Locality Partnerships</p>

2016/17 Significant Issues	Action Taken 2017/18
<p>- The Social Care Sustainability Programme</p> <p>- The Investment and Place Shaping Programme.</p> <p>The governance structure supporting Vision 2031 has been designed, with the overarching responsibility sitting with the Trafford Partnership Board. Underpinning the Vision 2031 delivery portfolio are seven key interventions (See pages 8&9).</p> <p>The Council's 2017/18 Annual Delivery Plan has been aligned with the Vision 2031 interventions there will be regular reporting to the Executive through the year on progress.</p>	<p>A communication campaign to increase awareness amongst our staff, residents and businesses will be launched over the summer guided by two principles:</p> <ul style="list-style-type: none"> • People: the council will help residents to help themselves and each other • Place: to create a place where people want to live, stay, learn, work, invest and relax
<p>Information Governance</p> <p>An action plan has been put in place to implement the recommendations from the ICO review and will be monitored through the ISGB. The ICO will carry a six month follow up on progress undertaken through self-assessment.</p> <p>The Authority is currently planning to ensure implementation of the requirements of the EU General Data Protection Regulations (GDPR) for</p>	<p>Following the ICO audit, an action plan to address the recommendations was put in place. A desk based follow-up was completed in October 2017 to measure the extent to which the Council has implemented the agreed recommendations.</p> <p>The ICO acknowledged the progress the Council is making against the scope areas, having completed 36 of the 61 recommended actions. Most notably implementing key recommendations relating to Governance such as:</p> <ul style="list-style-type: none"> • appointing a Data Protection Officer (DPO), • implementing KPIs, and • formalising reporting procedures to the Corporate Leadership Team.

2016/17 Significant Issues	Action Taken 2017/18
<p>May 2018. In addition, a collaborative approach to review the various changes and requirements introduced by GDPR is being undertaken at GM Level which will feed into the Council's work plan on this.</p> <p>Going forward, there will be significant work around Public Service Reform (PSR) in order to review and improve ways of working to remove areas of duplication of work. Currently, the One Trafford Response programme is the first significant PSR project underway and IG have been involved from the outset to review concepts and to provide advice on the data protection considerations to be resolved prior to its implementation.</p>	<p>They highlighted that further work was on-going in relation to other areas in particular:</p> <ul style="list-style-type: none"> • reviewing all IG policies. • A training strategy relating to data protection had yet to be developed and implemented. <p>An action plan to prepare the Council for GDPR has been agreed and is being implemented. A core project team reviews progress on a weekly basis and progress reports are made to the ISGB and to Corporate Leadership Team.</p>
<p>Business Continuity</p> <p>There will be ongoing monitoring of business continuity through the Strategic Risk Register and quarterly updates.</p> <p>An approach is to be agreed for the review of the business requirements (including Business Impact Analysis refresh) and to update system restoration priorities to inform ICT investment decisions.</p> <p>A market tender for an external Design Authority Partner (DA) will be issued in May 2017.</p>	<p>Some progress has been made in this area but full progress is linked to a solution to our Disaster recover arrangements.</p> <p>A significant number of Business Impact Assessments were completed across services towards the end of 2016/17 and a prioritisation schedule is being drafted to allow for a rolling programme of BIA completion rather than all being due at the same time.</p> <p>Our processes for BIAs and Business Continuity Plans for each service will be reviewed in 2018/19 as part of considering an integrated approach to business continuity with the CCG.</p>

2016/17 Significant Issues	Action Taken 2017/18
<p>The Capability Landscape will be fully costed in terms of ongoing revenue and annual capital spend, and benchmarked via the Society of Information Technology Management to provide CLT with a 'value for money' position on the capability landscape which can be linked to future decisions and business cases. It is aimed to start the benchmark process in April 2017.</p> <p>On behalf of the Audit and Assurance Service, Salford IT Audit Services will assess the Capability Landscape in terms of a Disaster Recovery readiness and determine whether existing solutions can meet business recovery time and point objectives (RTO and RPO) or to consider alternative solutions.</p> <p>A set of Trafford Architecture 'rule of the road' will be adopted to ensure we maintain the standardisation features of the existing landscape and avoid introducing complexity based on duplication or poor investments. These standards will be reviewed and enhanced by our Design Authority partner when appointed.</p> <p>Trafford have invested in a backup solution which has the capability to recover a service to an offsite location using the backup data. Trafford will test the</p>	<p>A Tender was produced for a partner and a three year contract was awarded to Actica who will act as our external partner</p> <p>An ICT Capability Landscape has been created and is in use as a working document that is regularly updated. The ICT Capability Landscape will be used by the successful DA (Actica) to inform the council of future spend and ongoing revenue costs.</p> <p>Actica have produced a draft set of architecture principals to be reviewed by both ICT and the business.</p> <p>Some work has taken place at Sale Waterside and more is scheduled but it has been agreed that Sale Waterside is not an ideal location for a DR site and alternative options are now being considered and costed. This will be scheduled for June 2018</p>

2016/17 Significant Issues	Action Taken 2017/18
<p>solution using a desktop Proof of Concept by June 2017.</p> <p>As part of the 2017/18 Capital Plan the ICT capability at Sale will be enhanced with specific focus on increasing the network bandwidth and resilience; enhancing the facilities environment power and cooling and upgrading the server infrastructure.</p>	

Significant Governance Issues 2018/19

5.3 The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to ensure the Council effectively delivers its objectives and manages its resources to meet the ongoing financial challenges being faced. Detailed below are significant governance issues and actions planned to address these in 2018/19.

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<p>Delivery of Vision 2031'</p>	<p>The Vision 2031' seeks to secure improved outcomes for individuals and communities in Trafford and relies on our partnership with key agencies, and through engagement with voluntary, community and faith organisations.</p> <p>Vision 2031 consists of a number of major programmes and other projects. These include:</p> <ul style="list-style-type: none"> - Public Service Reform - Health and Social Care Integration - The Social Care Sustainability Programme - The Investment and Place Shaping Programme <p>These form major programmes of work with a dependency also on delivering a sustainable health and social care system.</p> <p>Each requires specific and additional capacity to secure the outcomes; Some of the funding to do this has been sought through the GM Transformation Fund but is linked to milestones and outcomes.</p> <p>A programme of work is being scoped in detail and from that flows the resource requirements at that seek to secure a sustainable organisation in the future and ensure that all Trafford residents can benefit regardless of demographic background and whether that's better health outcomes, better educational outcomes that help secure good quality jobs for Trafford residents.</p> <p>The significant challenge and risk intrinsically linked on the capacity to progress whole system change, investment and alignment with all our partners.</p> <p>Sustainability Programme Proposals will be brought forward as a matter of urgency to mitigate this</p>
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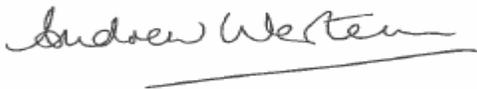
	risk wherever possible.
Medium Term Financial Position / savings	<p>Action is needed to identify how the remaining budget gaps of £6.25m and £8.85m in 2019/20 and 2020/21 respectively.</p> <p>In the longer term it is still the ambition that Vision 2031 will deliver sustainable benefits but the significant pressure in the short term caused by inflationary increases in pay, cost of goods and services and the spiralling social care costs causes significant financial pressure to continue to deliver sustainable budget savings. The integration with the CCG and the transformational activity to service delivery, pump-primed with Transformation Funding should alleviate some pressure in the sector. The Investment Strategy will also provide an alternative income stream that will help to balance the budget in the short term.</p> <p>Business rate growth continues to be a significant source of funding to the council but this carries its own risks given the reset of business rate baselines in 2020/21 when a new 75% retention scheme will be introduced. Work is also underway for on a new system of fair funding from 2020/21 which will involve a full review of the cost of providing services locally and the Council continues to play a part in this review.</p>
Business Continuity	<p>This has been carried forward due to the level of progress made in 2017/18. A number of actions still need to be actioned</p> <ul style="list-style-type: none"> • Business Continuity and Disaster Recovery • Back-up Solutions • Identification of a Disaster Recovery Site <p>A report on the actions and timescales will be submitted to the Corporate Leadership Team in early 2018/19.</p>
UA92 / Stretford Masterplan	<p>The Council's Refreshed Stretford Masterplan was approved by the Executive in January 2018 following a ten week public consultation. The plans will encourage significant private investment, maximise the impact of the University Academy 92 (UA92) concept to deliver an innovative higher education facility in Stretford/Old Trafford, deliver new leisure facilities, facilitate improvements in public spaces, and support the delivery of new housing and town centre uses</p>

	<p>University Academy 92 (UA92) is being delivered in Trafford through a partnership between the Council, the Class of 92, Lancaster University, Microsoft, Bruntwood and Trafford College. UA92 is also supported by Manchester United and Lancashire County Cricket Club. The new UA92 Campus Quarter will be located on the former Kellogg's office site on Brian Statham Way/Talbot Road (acquired by the Council in 2017) and is being delivered by the Council in partnership with Bruntwood. A planning application will be submitted in Spring 2018 for the refurbishment of the building and the campus building will be leased by the Council/Bruntwood JV to UA92 and Microsoft. Further work to prepare a masterplan for the surrounding Civic Quarter area will be progressed in 2018.</p> <p>To secure the regeneration of Stretford Town Centre the Council will support the creation of more attractive and outward facing development, introduction of a wider mix of uses, development of the evening economy and delivery of new leisure and residential uses. The Council is progressing a CPO/land acquisition process in relation to land and buildings that are not currently in its ownership but required to deliver the Refreshed Masterplan. The delivery of further public realm improvements will provide a significantly enhanced gateway to the Town Centre, help to alleviate the severance caused by the A56 and Kingsway, and provide an improved physical environment.</p> <p>There are significant economic, social and community benefits that will be delivered through these regeneration proposals which are set out in more detail in the Refreshed Stretford Masterplan. The Council is committed to a process of ongoing consultation and engagement with the community throughout the delivery of UA92 and the Refreshed Masterplan proposals.</p>
<p>Trafford Council and Trafford CCG Integration</p>	<p>The Executive have agreed to a number of proposals to implement this programme. The Trafford Council Chief Executive has been appointed to the Accountable Officer for NHS Trafford Clinical Commissioning Group and agreed the further alignment of functions within Trafford Council and NHS Trafford Clinical Commissioning Group.</p> <p>A period of assurance in relation to financial resilience of both organisations is being carried out by the Accountable Officer and Joint Chief Finance Officer and a further report will be brought back to Executive in the summer to update on progression of these proposals.</p>

Investment Strategy	<p>The Executive's approved an Investment Strategy to assist the Council in creating a balanced portfolio of investment assets in September 2017. The Strategy is fully aligned with the Medium Term Financial Plan and Capital Strategy, and sets out the scale and type of investments the Council will pursue in order to generate a financial return to support both the revenue budget and economic wellbeing of the Borough.</p> <p>The Council has put in place risk management arrangements, including appointing CBRE to provide investment advice on potential investments. Investment decisions are subject to full due diligence and made under the authority of the cross-party Investment Management Board.</p> <p>The Council will continue to manage this programme through the Investment Management Board and will continue to take professional advice. The Investment Strategy will be subject to an annual review, investment assets will be re-valued as required to as part of active asset management and appropriate management action will be taken as required.</p>
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The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to ensure it delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.

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.



Councillor Andrew Western
Leader of the Council
July 2018



Jill Colbert
Acting Chief Executive
July 2018

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 16 July 2018
Report for: Information
Report of: Counter Fraud & Enforcement Manager

Report Title

Counter Fraud & Enforcement Team (CFT) : 2017/18 Annual Report

Summary

The report:

- outlines the Councils' fraud prevention and detection performance and activities in 2017/18 and
- outlines the teams' plans for 2018/19

Recommendation

The Committee is asked to note the content of the report.

Contact person for access to background papers and further information:

Name: David Wright – Counter Fraud & Enforcement Manager

Extension: 2228

Background Papers:

None

1.0 Introduction

- 1.1 Local Authorities have a statutory duty under section 151 of the Local Government Finance Act 1972 to make arrangements for the proper administration of their financial affairs.
- 1.2 The council operates a Counter Fraud and Enforcement Team to ensure a continued commitment to the authorities' zero tolerance towards fraud

2.0 Counter Fraud and Enforcement Team

- 2.1 The team is based within Exchequer Services located at Sale Waterside – whose main remit is to investigate Revenues related matters such as Council Tax Support, Council tax discounts, Non Domestic rates liability avoidance and Social Care Fraud.
- 2.2 As the team has expanded its remit to investigating other areas of work than benefit fraud which it had previously concentrated on, it has been more proactive in generating referrals from working closely with other teams within the authority. An example of this has been the partnership developed with the Councils Direct Payments Audit team. An example of a successful conclusion to an investigation can be seen at **Case Study 1** below.
- 2.3. The team has also done a great deal of work to support the Non Domestic rates team. This is a particularly important area of work in view of the revenue generated in this area. It has been identified that there are a large number of companies who supporting businesses by assisting them to reduce their business rate liability by participating in rate mitigation schemes. The team has been playing an important role in ensuring that these schemes are being operated lawfully and in accordance with legislation. A high value example of where it was identified that this was not the case can be seen at **Case Study 2** below.
- 2.4 The team had also supported an NDR maximization review via a 3rd party company. The aim of the review was to identify commercial properties that were either not being billed correctly due to changes in their size or were not known to the authority. Once the results were received, the authority was able to amend or raise new NDR liability by issuing new or revised bills as appropriate. The review has, to date, raised £400k of additional NDR liability, with over ¾ of that already being recovered.

- 2.4 In addition to effectively investigating allegations of fraud, the teams remit is also to provide an effective service to support and enhance the enforcement of debts already owed to the Council as well as reduce Council expenditure and/or generate income within Exchequer Services. An example of this has been the work carried out to support other teams within Exchequer Services in cases where traditional debt recovery procedures had failed to provide a satisfactory response. This resulted in a number of accounts being either settled or the debt being significantly reduced following the teams intervention. Another particularly productive case relating to this area involved the identification of a case where a service users family had attempted to evade care charges by transferring funds into their name – **further details are shown below in Case Study 3**

Case Study 1

An investigation was set up in relation to a Direct Payments client who had been receiving monies that were intended to pay for care and support for her niece. An audit of her account revealed a number of payments being made to a person who had not been identified as a carer. When this was raised by the audit officer the woman admitted that she had used the monies for her own families use as they were experiencing financial difficulties. A subsequent interview with her confirmed this to be the case, as she stated that had hoped to have returned the money before the account was audited. It was identified that a total of £10,300 had been mis-spent by the client, with the decision subsequently taken that she be prosecuted. This resulted in a suspended custodial sentence of 26 weeks being imposed and an order that she carry out 200 hours of unpaid work. The Council is currently recovering the monies that were mis spent.

Case Study 2

An investigation was successfully concluded after it was established that a non domestic rates mitigation scheme being operated was not as it initially appeared to be. The company involved had been attempting to reduce their non-domestic rate liability by claiming that they had been leasing the building for short periods of time. This meant that they were then able to claim subsequent 3 month rate exemptions when the property became unoccupied. However an inspection arranged at short notice revealed that the building was not being occupied by a tenant as claimed, but was actually being renovated – which would mean that the property could not be classed as occupied. The Council subsequently withdrew the previously granted exemptions, a fact which was challenged by the company who changed their story somewhat surrounding the “renovation” claiming that it had actually been used for storage purposes. The matter was eventually referred for a court hearing requiring both parties to attend and provide witness evidence which found in the Councils’ favour. This resulted in the company being liable for £273k of Non Domestic Rates that they would otherwise not have had to pay if it hadn’t been for the team’s intervention. This amount has been recovered in full and as the Council were successful it’s Legal costs were also recovered in full

Case Study 3

A referral was made to the team relating to a case where a service user had initially been refused financial assistance towards her care charges on the basis that she held significant levels of capital. Her daughter had responded to this by claiming that the savings belonged to her, and in the meantime a debt of £27.5k had grown on her mother’s care charges account. However, the subsequent investigation identified that the service user had received a compensation award of £150k which had been transferred into her daughters account after she went into care, and that this had not been declared when her assessment for assistance towards her care charges was made. As a result of this, the service user was treated as having over the capital threshold for any financial assistance, and the outstanding debt was paid in full in one payment.

Table 5 below shows the amount of income generated by the team during the 2017/18 financial year:

Table 5 – Counter Fraud & Enforcement Team

	Amount (£)
Council Tax Discount Cancellations	73.6k
Council Tax Support/ Council Tax Benefit Overpayments	68.2k
Council tax Liability Irregularities	26.5k
Non-Domestic-Rate, Liability Irregularities (net)	113.2k
Adult Social Care Enforcement	113.1k
Employee Related Enforcement	6.7k
Total	401.5k

5.0 Planned activity for 2018/19

5.1 Over the next 12 months it is anticipated that the Counter Fraud and Enforcement Team will continue to develop into other areas of investigation. In addition to this, the team has recently expanded to also cover the Civil Litigation arm of its debt recovery team. The main priorities for the team will be to:

- **Work closely with Internal Audit and Exchequer Services to use our joint expertise to help combat all types of fraud being perpetrated against the Council, in particular in relation to Council Tax, Non Domestic Rates & Adult Social Care**
- **Take the lead role in an ongoing Council Tax Single Person discount review which has already resulted in a number of Single Person Discounts being removed & its first prosecutions for fraud against the authority being achieved.**
- **To progress cases in a timely manner that have been referred for the consideration of civil proceedings in relation to debts owed to the authority**

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TRAFFORD COUNCIL

Report to: Executive

Date: 23 July 2018

Report for: Information

Report of: The Executive Member for Finance and the Chief Finance Officer

Report Title:

Budget Monitoring 2018/19 – Period 2 (April to May 2018).

Summary:

The purpose of this report is to inform Members of the current 2018/19 forecast outturn figures relating to both Revenue and Capital budgets. It also summarises the latest forecast position for Council Tax and Business Rates within the Collection Fund.

Recommendation(s)

It is recommended that:

- a) the Executive note the report and the changes to the Capital Programme as detailed in paragraphs 17 and 24.

Contact person for access to background papers and further information:

David Muggeridge, Finance Manager, Financial Accounting Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue and Capital expenditure to be contained within available resources in 2018/19.
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
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

Other Options

Not Applicable

Consultation

Not Applicable

Reasons for Recommendation

Not Applicable

Finance Officer ClearanceGB.....

Legal Officer ClearanceDS.....

CORPORATE DIRECTOR'S SIGNATURE

REVENUE BUDGET

Budget Monitoring - Financial Results

1. The approved budget agreed at the 21 February 2018 Council meeting is £164.25m. In determining the budget an overall gap of £22.945m was addressed by a combination of additional resources of £12.972m, including projected growth in business rates, council tax and use of general reserve and £9.973m of service savings and additional income.
2. Based on the budget monitoring for the first 2 months the year end forecast outturn is an overspend of £1.100m, mainly attributable to increased costs in the children's placements budget. At this stage of the year a cautious approach is taken when projecting budgets and a prudent level of contingency budgets are included in the CFW service area to cover the risks associated with the demand led budgets in this area. Caution should be exercised as the projections are based on a number of assumptions including delivery of the significant savings programme in year (See Para 8), the ongoing risk to business rate income (See Para 14) and the stability of demographic pressures in social care. This is the first monitor of the financial year and it is expected that the overspend will be contained within the overall budget, given the level of contingency remaining.
3. Detailed below in Table 1 is a summary breakdown of the service and funding variances against budget, with Table 2 providing an explanation of the variances:

Table 1: Budget Monitoring results by Service	2018/19 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	32,436	34,051	1,615	5.0%
Adult Services (Inc. Public Health)	59,999	59,916	(83)	(0.1)%
Economic Growth, Environment & Infrastructure	23,861	23,845	(16)	(0.1)%
Transformation & Resources	17,280	17,332	52	0.3%
Total Directorate Budgets	133,576	135,144	1,568	1.2%
Council-wide budgets	30,670	30,202	(468)	(1.5)%
Net Service Expenditure variance	164,246	165,346	1,100	0.7%
Funding				
Business Rates (see para. 14)	(67,619)	(67,619)	-	
Council Tax (see para. 11)	(94,497)	(94,497)	-	
Reserves	(1,630)	(1,630)	-	
Collection Fund surplus	(500)	(500)	-	
Funding variance	(164,246)	(164,246)	0	0.0%
Net Revenue Outturn variance	0	1,100	1,100	0.7%
Dedicated Schools Grant	126,952	127,415	463	0.4%

Public Health	12,178	12,178	0	0.0%
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Budget Adjustments and Virements

- A small number of budget adjustments have been made, under delegated powers, since the February 2018 Budget Report mainly attributable to the allocation of the pay award from the Council-wide budget to the relevant service areas.

Main variances, changes to budget assumptions and key risks

- The main variances contributing to the projected overspend of £1.100m, any changes to budget assumptions and associated key risks are highlighted below:

Table 2: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	1,615	<p>The projected outturn position is £1.615m overspent.</p> <p><u>Breakdown of Overspend</u></p> <ul style="list-style-type: none"> • £1.266m Children's placements Budget (Note 1) • £0.349m Home to School Transport and staffing costs. (Note 2) <p><u>Note 1</u></p> <p>The projected outturn position is a gross overspend of £1.506m this is partially offset by a one off underspend of £240k on the Regional Adoption Agency. The variance is as a result of a continuing rise in demand and the increasing costs of Children's placements which is in contrast to the assumptions in the budget. During April and May there has been increased demand on the service that will cost in the region of £540k in this financial year.</p> <p>The service is working on strategies to recover the forecasted overspend and will attempt to make the most cost effective decisions for Children entering care without compromising on outcomes for Children and safety. Increased scrutiny will be required in this area in this financial year, finance will work in conjunction with the service to increase challenge on decisions made at the front door. The service is also adopting new working methods in the form of Restorative Practice aimed improving early help and reducing the need for the escalation of Children through the service.</p> <p>The position assumes that the £900k savings target will be achieved in full. As at 31/05/18 £438k of the</p>

		<p>savings target has been achieved via the planned de-escalation of Children's placements.</p> <p>Within the projected position there is a contingency for forecasted demand on the service of £1.7m. This will be released throughout the financial year if the service can prevent or decrease new activity then there will be a corresponding reduction in the overspend.</p> <p>The number of children in care as at the end of May was 386, a decrease of 1 from that last reported in the 2017/18 outturn report.</p> <p>Note 2 The Home to School Transport service continues to experience high demand and although the full extent of projected costs will not be known until demand is confirmed when the new school year commences in September current forecasts show that the service will be £200k overspent at the year end.</p> <p>The remainder of the overspend is due to staffing costs most notably in Special Educational Needs where the service requires additional resource to clear the backlog of Education Health and Care plans.</p> <p>Finance will work with the service to recover the projected overspend throughout the financial year.</p>
Adult Services / Public Health	(83)	<p>The projected outturn position at the end of May is an underspend of £83k.</p> <p>Breakdown of Overspend</p> <ul style="list-style-type: none"> • £(74)k variance Adults Client Budget (Note 1) • £0.152m Deprivation of Liberties (DOLS) (Note 2) • £(0.161)m Vacancies and one off savings (Note 3) <p>Note 1 The main area of volatility is in the adult client budget.</p> <p>The market continues to be complex and there is a significant challenge for the service to procure care at the council framework prices, however commissioners have had recent success in this area. As at the end of May the Council is forecasting to spend around £2m on care exceeding framework</p>

		<p>prices and despite an allowance being included in the budget for this, there is a projected pressure of £800k.</p> <p>The lack of affordable nursing care beds in the borough is increasing the number of top-up fees payable by the Council, as is the higher rate of home care packages. The accelerated work on delayed transfers of care is also increasing the financial pressure in this area as residents are brought out of hospital quickly to assess their needs in the community.</p> <p>However, this cost pressure has been offset by an increase in client contributions towards care costs. This is as a result of a detailed review of Client Financial Assessments undertaken by the Assessments and Clients Services team.</p> <p>Within the budget there is a savings target of £2.450m that is projected to be achieved in full, savings achieved to date are £1.235m</p> <p>Within the current forecast there is a contingency of £1.5m.</p> <p>What is the service doing to prevent an escalation in costs?</p> <ul style="list-style-type: none"> • The service is actively undertaking a programme of reassessments to ensure that care packages are in line with client needs. • Commissioners continue to increase the capacity of Homecare available to the council, and have brought another SAMS provider on board; this will ensure that some clients can increase/retain their independence in their own home therefore reducing demand for residential/nursing placements. • The service are exploring alternative contracting arrangements particularly in the form of block contracting in order to achieve value for money and to provide security for both the Council and providers. <p><u>Note 2</u> Included within the forecast is a £152k overspend on Deprivation of Liberty fees due to known demand on forecasted capacity.</p> <p><u>Note 3</u> The outturn position includes an underspend on staffing due to vacancies of (£161k).</p>
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		<p><u>Community Services Contract</u></p> <p>The Council and Trafford CCG are parties in the above contract with Pennine Care Nhs Foundation Trust. The contract is expected to overspend by around £2m in this financial year; a risk share agreement has been agreed that will see the Council responsible for 25% of any overspend at the end of the financial year.</p> <p>The expected overspend will be met by savings achieved across the CFW directorate during the financial year, regular updates will be provided in forthcoming budget monitoring reports.</p>
Economic Growth, Environment & Infrastructure	(16)	<p>The projected underspend includes:</p> <p>Staffing vacancies of £277k, which is approximately 4.5% of the overall staffing budget. Efforts are continuing to fill vacant posts and a number of services are in the process of restructuring. This is £77k in excess of the savings target.</p> <p>Net additional income of £116k in respect of car park income</p> <p>These savings have been offset by additional cost of waste management £106k and property maintenance of £54k and other minor variances of £17k</p> <p>Planning income is £318k above target and is ring fenced for re-investment in the service in line with government regulations</p>
Transformation & Resources	52	<p>The projected overspend is mainly attributable to a shortfall in income relating to the Waterside Arts Centre.</p> <p>The budget includes a saving of £1m from Directorate-wide efficiencies and income generation. Of this £200k is expected to be delivered from trading services based on current business trends, and £67k has already been achieved from general running costs across all services. The remaining £733k is projected to be achieved in full arising from natural staff turnover across the Directorate (£656k staff underspend is projected) plus further additional trading income in a number of areas (e.g. £108k from ICT).</p>
Council-wide budgets	(468)	<p>The projected underspend is mainly due to additional net income to be generated from the Investment</p>

		Strategy following recent decisions made by the Investment Management Board.
Dedicated Schools Grant	(463)	There is a projected deficit on the DSG attributable to additional pressures on the High Needs Block. This will be addressed in a separate report to the Executive.

Progress against Locality Plan

6. A key element of the Health and Social Care devolution agenda is the submission of a Locality Plan setting out the Council and CCG vision for the greatest and fastest possible improvement in the health and wellbeing of our residents by 2020. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other
7. Work is ongoing on the locality plan and it is anticipated that further work will be required in the coming months to understand how any budget gaps will be addressed. Financial performance against the locality plan is highlighted below in Table 3.

Table 3: Locality Plan Update	2018/19 Budget (£000's)	Outturn (£000's)	Variance (£000's)	Percentage
Public Health	12,178	12,178	0	0.0%
Adult Social Care	60,272	60,189	-83	0.14%
Children and Families	33,718	35,333	1,615	4.79%
Total	106,168	107,700	1,532	1.44%

MTFP Savings and increased income (Vision 2031 Portfolio)

8. The 2018/19 budget is based on the achievement of permanent base budget savings and increased income of £9.973m (see para. 1 above). At this stage the latest forecast indicates that total savings of £9.879m which is marginally under target and this has been included in monitoring position above.

RESERVES

9. The pre-audited General Reserve balance brought forward is £6.00m, the approved minimum level agreed by Council in February 2018.
10. Service balances brought forward from 2017/18 were a net £3.88m; a number of commitments exist on these but a full review will be undertaken during the course of the year.

Table 4: Service balances	b/f April 2018 (£000's)
Communities, Families & Wellbeing	(1,132)
Economic Growth, Environment & Infrastructure	(871)
Transformation & Resources	(1,876)
Total (Surplus)/Deficit	(3,879)

COLLECTION FUND

Council Tax

11. The 2018/19 surplus on the Council Tax element of the Collection Fund is shared between the Council (84%), the Police & Crime Commissioner for GM (12%) and GM Fire & Rescue Authority (4%). The total surplus brought forward as at 1 April 2018 was £2.18m.
12. As at May 2018 the end of year surplus balance is forecasted to be £1.54m, after the application of £0.59m of brought forward surplus and addition of an in-year surplus of £53k and £100k of backdated valuations. The Council's share of this is £1.28m, and is planned to support future budgets in the MTFP.
13. Council Tax collection rate as at 31 May 2018 was 21.1%, which is slightly ahead of the target of 20.91%.

Business Rates

14. The 2018/19 budget included anticipated growth in retained business rates and related S31 grants of £9.89m and at this stage it is still anticipated that this will be achieved in year. However, there still remains significant risk from an increase in business rate appeals.
15. Business Rates collection rate as at 31 May 2018 was 21.48% compared to a targeted collection rate of 19.50%.

CAPITAL PROGRAMME

16. The value of the indicative 2018/19 Capital Programme set in February 2018 was £59.42m and included £5.00m for the Capital Investment Programme phased to 2018/19 (see para.24). Taking into account re-phasing from 2017/18, changes to government grant allocations and new external contributions the budget is currently estimated at £333.10m. The changes to the budget are detailed below and are summarised as follows :

Table 5 - Capital Investment Programme 2018/19	Approved Programme £m	Changes £m	Current Programme £m
Service Analysis:			
Children, Families & Wellbeing	11.85	3.66	15.51
Economic Growth, Environment & Infrastructure	13.97	16.78	30.75
Transformation & Resources	28.60	3.01	31.61
General Programme Total	54.42	23.45	77.87
Capital Investment Fund	5.00	250.23	255.23
Total Programme	59.42	273.68	333.10

17. Amendments to General Capital Programme

➤ **Rephasing from 2017/18 - £16.49m**

As reported in the 2017/18 Outturn Report a number of schemes did not complete in 2017/18 as expected and the budgets have been re-phased into 2018/19 and later years.

➤ **Changes to government grant allocations - £(214)k**

These include a reduction in the Better Care Fund allocation for disabled facilities grants of £23k and reductions to the schools capital maintenance grant (£161k) and the Healthy Pupils grant (£30k).

➤ **New schemes and increases to existing budgets - £7.17m**

- Additional highways maintenance investment of £17.0m, over 3 years subject to resource availability in years 2 and 3, was approved by the Executive on 19 March 2018. £5.90m is to be undertaken in 2018/19 and is to be funded from borrowing of £5.50m supplemented by a one-off contribution of £0.4m from the One Trafford Partnership contract during 2018/19. The borrowing costs, estimated at £688k a year over the next 10 years, are to be paid for by reducing the annual highway maintenance revenue expenditure by £97k and £591k from contingency budgets.
- As agreed in the 2017/18 Outturn Report £500k of identified savings has been added to support major refurbishment works at Urmston Leisure Centre, taking the total budget to £6.95m.
- Adjustments of £108k relating to schools capital maintenance works in 2017/18 have been identified. This is to be reimbursed by the contractor

and increases the available resources to be invested in 2018/19. (see Education and Early Years Capital report to Executive on 25 June 2018)

- The Trio Bins “Recycling on the Go” initiative is to continue in 2018/19 with a second phase aimed at putting the bins in parks & open spaces across the borough. The investment of £152k is to be funded from One Trafford Partnership reserve.
- Highways England contribution towards cycling infrastructure works from Urmston to Sale Water Park of £153k.
- The Greenspace Capital Programme 2018-19 report to Executive on 19 March 2018 approved the addition of £111k of S.106 contributions to support Play Area and Parks Infrastructure work programmed for 2018/19.
- £95k of loan repayments received from the Town Centre Loan scheme is available to be recycled in 2018/19 to continue the initiative, which is now in its 6th year.
- The Youth Offending Service is currently renting space within Sale Police Station. In order to move the service into Sale Waterside with other similar services £82k is required to undertake changes to the Talkshop in Sale Waterside. The cost of borrowing to fund the works is estimated at £18k per annum. These can be met from the annual saving in rent of £32k by vacating Sale Police Station.
- The CRM Upgrade scheme is now expected to complete in August 2018 rather than June and as a result costs have increased. £74k of the Transformation & Resources reserve has been earmarked and added to the budget to cover these additional costs.

18. Resourcing of the capital investment programme is made up of both internal and external funding. Details of this are shown in the table below.

Table 6 - Capital Investment Resources 2018/19	Approved Programme £m	Changes £m	Current Programme £m
External:			
Grants	10.61	6.08	16.69
Contributions	9.40	1.81	11.21
Sub-total	20.01	7.89	27.90
Internal:			
Receipts	6.91	10.58	17.49
Borrowing	22.48	3.97	26.45
Reserves & revenue contributions	5.02	1.01	6.03
Sub-total	34.41	15.56	49.97
Total Resourcing	54.42	23.45	77.87

Status and progress of projects

19. On average outturn performance over the last 4 years has been £32.09m which shows that the delivery of the current Capital Programme quite ambitious. This

section aims to give certainty about delivery and the level of outturn performance that can be expected.

20. As part of the monitoring process a record of the “milestones” reached by each project is kept to show the progress of the scheme from inclusion in the Programme through to completion. The table below shows the value of the programme across the milestone categories.

Table 7 - Status on 2018/19 Projects	Current Budget £m	Percentage of Budget
Already complete	6.96	9%
On site	24.64	32%
Programmed to start later in year	29.59	38%
Not yet programmed	16.68	21%
Total	77.87	100%

21. The first three categories give a good indication as to the level of confirmed expenditure to be incurred during the year. As can be seen £61.19m (79%) of the budget has now been committed or is programmed to start in the year.
22. Since the budget was set in February 2018 reports detailing planned projects totalling £10.22m covering highways, and greenspace to be undertaken during the year have been agreed by the Executive and all schemes are programmed to be undertaken in 2018/19.
23. Schemes with a value of £16.68m are classed as “Not yet programmed” and relate to budgets where specific projects have not yet been agreed or budgets that have yet to have a start date, these include:
- Corporate Landlord Programmes - £1.36m : This includes Public Building Repairs and DDA schemes which are currently being finalised and will be brought to a future Executive for approval.
 - Leisure Services Assets – Improvement Programme - £12.99m : Budget of £19.72m, agreed in February 2018, is phased to 2018/19 and whilst work at Urmston Leisure Centre is agreed and planned to start later in the year, other projects are still to be approved and subject to individual business cases.
 - School Expansion Programme - £1.16m : An un-allocated balance remains following the approval by Executive of the 2018/19 schools capital investment works. This will be subject of a separate report to Executive.
 - City Cycle Ambition Grant Programme - £424k : Negotiations are still ongoing with TfGM to finalise the works to be undertaken.

CAPITAL INVESTMENT PROGRAMME

24. The Council’s Investment Strategy was approved by the Executive in July 2017 when approval was given to increase the Capital Investment Fund to £300m, supported by prudential borrowing, to support the approach. The original budget

for 2018/19 was £5.00m, however re-phasing from 2017/18 of £250.23m has resulted in a budget of £255.23m.

25. To date eight transactions have been agreed by the Investment Management Board at a total capital cost of £179.02m. This investment will provide a net benefit to support the revenue budget in 2018/19 and later years.

Table 8 : Capital Investment Strategy	2017/18 £m	2018/19 £m	Total £m
Total Investment Fund			300.00
Activity to date :			
Projected Cost			
K Site, Talbot Rd, Stretford	1.24	25.17	26.41
Sonova House, Warrington	12.17		12.17
DSG, Preston	17.39		17.39
Grafton Centre incl. Travelodge Hotel, Altrincham	10.84		10.84
No.1, Old Trafford : Debt financing for residential development	3.13	37.77	40.90
Brown Street, Hale		6.21	6.21
Trafford Magistrates Court, Sale		4.30	4.30
The Crescent, Salford : Debt financing for residential development		60.80	60.80
Total investments	44.77	134.25	179.02
Balance available			120.98

26. The purchase of Site K, Stretford was completed in April 2018 and the joint venture company with Bruntwood has been set up to progress the development of the site.
27. The proposed residential development of the Brown Street site in Hale is to be undertaken by Trafford at a cost of £6.21m. It is proposed that financing costs of £160 p.a. will be capitalised during the development period, after which the projected development value will be £7.97m, giving a net surplus of approximately £1.60m.

Issues / Risks

28. The main risk in the area of the capital programme is the timely delivery of the programme and this situation will continue to be closely monitored and any issues will be reported as and when they arise.

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 30 July 2018
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Accounts and Audit Committee – Work Programme – 2018/19

Summary

This report sets out the proposed work plan for the Committee for the 2018/19 municipal year.

It outlines areas to be considered by the Committee at each of its meetings, over the period of the year. The work programme helps to ensure that the Committee meets its responsibilities under its terms of reference and maintains focus on key issues and priorities as defined by the Committee.

The work programme is flexible and can have items added or rescheduled if this ensures that the Committee best meets its responsibilities.

Recommendation

The Accounts and Audit Committee is asked to note the 2018/19 work programme.

Contact person for access to background papers and further information:

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

Background Papers: None

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Governance (including Annual Governance Statement)	Anti- Fraud & Corruption Arrangements	Accounts / Financial Management
20 June 2018 Page 92	Agree Committee's Work Programme for 2018/19 (including consideration of training and development). Training & Development/Presentation - Draft accounts (Provided outside of the Committee on 28 June 2018)					
	- 2017/18 Head of Internal Audit Annual Report	- Audit Progress Report – 2017/18 Audit (Grant Thornton) - Introduction from External Auditors for the 2018/19 accounts (Mazars)		- 2017/18 draft Annual Governance Statement - Corporate Governance Code - Accounts and Audit Committee 2017/18 Annual Report to Council		-Treasury Management update (Annual Performance Report 2017/18) -2017/18 Revenue Budget Monitoring Outturn and Capital Investment Programme Outturn reports (to be circulated outside of the meeting by the end of June 2018).
30 July 2018		- 2017/18 Audit Findings Report (Grant Thornton)		- 2017/18 Annual Governance Statement (final version) - Corporate Governance Code.	- Counter Fraud and Enforcement Team Annual Report 2017/18	- Approval of Annual Statement of Accounts 2017/18 - Budget Monitoring Report (Period 2 2018/19)

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Governance (Including Annual Governance Statement)	Anti- Fraud & Corruption Arrangements	Accounts/Financial Management
31 October 2018	(Note: Training session on Treasury Management to be provided outside of the Committee – date to be arranged).					
Page 33	- Internal Audit monitoring report	- 2017/18 Annual Audit Letter (Grant Thornton) - Audit Update (Mazars)	- Strategic Risk Register Monitoring Report - Insurance Performance Report 2017/18			- Treasury Management : mid-year performance report - Budget Monitoring Reports (Period 4 and Period 6 2018/19 reports to be circulated to Members outside of meeting in September and November 2018 respectively).
	- Internal Audit monitoring report	-Grant Claims summary (Grant Thornton) - Audit Update (Mazars)		- Report on arrangements for 2018/19 Annual Governance Statement.	(Fraud update, including National Fraud Initiative update, within Internal Audit monitoring report).	- Treasury Management Strategy - Budget Monitoring Report (Period 8 2018/19).
26 March 2019	- 2019/20 Internal Audit Plan	- Audit Plan / update (Mazars)	- Strategic Risk Register Monitoring Report			- Budget Monitoring Report (Period 10 2018/19). - Procurement update (STAR Shared Procurement Service)

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