BARNET
LONDON BOROUGH

LONDON BOROUGH OF BARNET

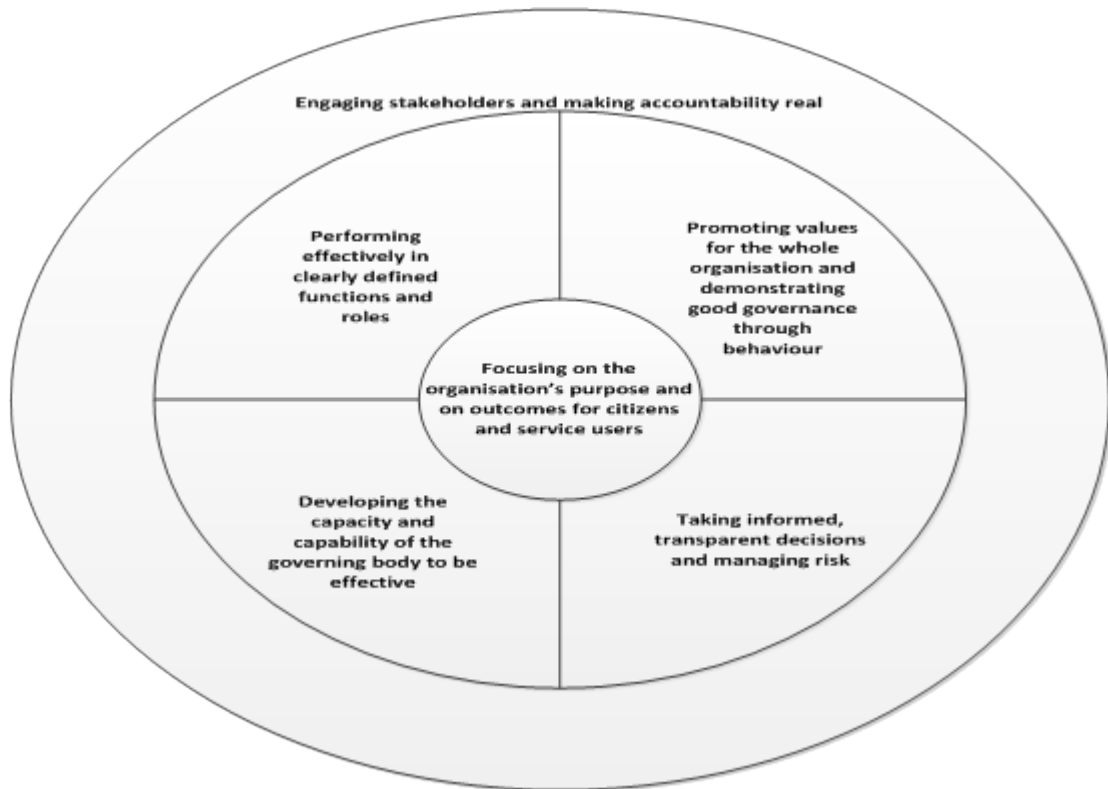## Annual Governance Statement
2015-2016

1. INTRODUCTION

- Barnet Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency and effectiveness.
- In discharging this overall responsibility the council is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including the management of risk.
- Barnet 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. This statement explains how the council has complied with the code and also meets the requirements of regulation 4[2] of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations 2006 in relation to the publication of a statement of internal control.
- The Code of Corporate Governance is included within the Constitution.

2. THE GOVERNANCE FRAMEWORK

- The governance framework encompasses the systems and processes, culture and values, by which the council directed and controlled together with the activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level - it cannot eliminate all risk only provide reasonable not absolute assurance of effectiveness.
- The system is based on an on-going process designed to (i) identify and prioritise the risks to achievement of the council's policies, aims and objectives, (ii) evaluate the likelihood of those risks being realised together with the impact should they be realised, and (iii) manage them efficiently, effectively and economically.
- The governance framework has been in place within Barnet London Borough Council for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

3. HOW DO WE KNOW OUR ARRANGEMENTS ARE WORKING?

The council's governance environment is consistent with the six core principles of the CIPFA/SOLACE framework, within each principle we have identified the sources of assurance.

Engaging stakeholders and making accountability real

Performing effectively in clearly defined functions and roles

Promoting values for the whole organisation and demonstrating good governance through behaviour

Focusing on the organisation's purpose and on outcomes for citizens and service users

Developing the capacity and capability of the governing body to be effective

Taking informed, transparent decisions and managing risk

The key elements of the principles can be summarised as follows:

1. **Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area**
   - Members working with officers have developed a clear vision of their purpose and intended outcomes for citizens and services user.
   - The Corporate Plan approved by full Council, is a corporate narrative that sets out the council's vision up to 2020.
   - Commissioning Plans, each one approved by the relevant Theme Committee set out the strategic priorities and commissioning intentions for the next five years and also performance measures for each Committee.
   - In place is our Customer Care Charter where we state there is a '..***need to be clear about the services we can and can't provide; sometimes other organisations will be better placed to meet your needs***

   Assurance received
   - Published Corporate Plan 2015-2020
   - Published Theme Committees Commissioning Plans 2015-2020
   - Published Customer Care Charter
   - Internal Audit & Anti-Fraud Strategy and Annual Plan and Risk Management Approach 2016-17 – supports the delivery of council's key objectives by providing an auditor judgement on the effectiveness of the management of the risks associated with delivery of the council's services.

2. **Members and officers working together to achieve a common purpose with clearly defined functions and roles**
   - Ultimate strategic direction and control lies with elected Members who collectively are responsible for the governance of the Council.
   - The council's constitution provides a summary and explanation of how the council operates. It documents the terms of references for Committees and the appropriate point of authority

for decisions, rules of procedure and various codes and protocols, including a protocol for working arrangements between officers and Members. Further documented is a scheme of delegated authority to officers. As such the constitution augments the statutory framework in setting out the council's decision making powers.

- As head of paid service the Chief Executive and the Chief Operating Officer along with Commissioning and Delivery Unit Directors works closely with elected Members to deliver:
  - ➢ strategic direction – ensuring all staff understand and adhere to the strategic aims of the organisation and follow the directions set by Members.
  - ➢ policy advice – act as principal policy advisers to Members to lead the development of work strategies to deliver set by Members.
  - ➢ partnerships – leading and developing strong partnerships to achieve improved outcomes and better public services for citizens and service users.
  - ➢ operational management – overseeing financial and performance management, risk management, people management and change management within the council.

  Assurance received
- The following are included in the council's constitution which is published document on our website;
  - Protocols for Member/officer relations
  - Functions delegated to committee s
  - Functions of authority delegated to officers
  - Who constitutionally are the designated Chief Officers and their functions as Statutory Officers
  - Regular briefings between chief officers, the leader r
  - Deputy Leader
  - Meetings with Committee Chairman take place in support of the committee system. There are also similar regular briefings between chief officer and members of the opposition.
- Development of the Corporate Plan: Members and officer working together in consultation with the local community and key stakeholders.

3. **Promoting values for the authority and demonstrating the values of good governance through upholding standards of conduct and behaviour**
- The council recognises that good governance is underpinned by shared values demonstrated in the behaviours of its Members, staff and partners.
- The codes of conduct and protocols set out in the constitution document the expected standard of conduct and personal behaviour of Members and staff.
- The council now has a Standards Committee with independent persons available to chair that determines alleged breaches of the Code of Conduct for Members
- Managing the risk of fraud - the council is committed to tackling fraud, abuse and other forms of malpractice. Allegations are investigated independently by the Corporate Anti-Fraud Team which ensures that the corrective action taken is robust.
- Contained with the Employee Handbook are relevant polices from the Counter Fraud Framework Manual, which sets out the council's Whistleblowing Policy Statement and Procedure and the Fraud Policy Statement and Procedure.
- The Assurance Director is the Monitoring Officer and is responsible for making sure that decisions are made not only in accordance with the constitution but are within the appropriate legal framework
- Contract Procedure Rules (CPRs) set out in the constitution, provide the governance structure within which the council may procure works, supplies and services.

- Standards of conduct and personal behaviour are communicated on a number of ways including the following:
    - ➢ Codes of conduct for Member's and officers set out in the Constitution.
    - ➢ Register of interests for both Members/officers with guidance
    - ➢ Declaration of gifts and hospitality with guidance
    - ➢ 'Our Stars' staff award is a scheme that recognise outstanding practice and those who go the extra mile for the good of our community. It further seeks encourage employees to contribute to new ideas and innovate.
- Published Corporate Complaints Policy
- Published guidance on complaints about (i) the conduct of a councillor, and (ii) council services.
- The whistleblowing policy aims to encourage staff and others to feel confident in raising serious concerns by providing clear avenues through which those concerns can be raised and reassuring staff who raise concerns that they will not be victimised if they have a reasonable belief and the disclosure was made in good faith.
- The counter-fraud guidance is designed to assist in both the detection and reporting of fraud.

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

- The decision making framework and scheme of delegated authority to officers are contained within the constitution and reviewed regularly. They make sure the committee and decision making processes are open, transparent and free from bias and conflict of interests.
- Committee work programme – this is a programme listing the decisions that will be made during the municipal year either by the committee or full Council. Further detailed in the document is the intended date of decision, a is brief description of the decision requested and the lead officer
- The council's risk management process is implemented across all Delivery Units, Re, CSG and major projects
- Senior officers (including the Section 151 Officer and the Monitoring Officer) support Members in the policy and decision making process by providing assessments and advice. The implementation of decisions is made in a manner that promotes the council's vision and values
- The Audit Committee provides independent assurance of the adequacy of the internal control environment, and to oversee the financial reporting process. Appointed to the Committee are two independent members

    Assurance received
- Publication of reports, decisions and committee procedure rules set out in the constitution.
- Monthly publication of theme committee work programmes
- Scrutiny and reporting on performance via the Performance and Contract Monitoring Committee
- Audit Committee Annual report which is ratified by Full Council
- Annual review of the Risk Management Framework
- Maintenance and monitoring of the Corporate Risk Register
- Internal Audit Opinion and CAFT Annual and Quarterly reports
- External Annual Audit Letter
- Internal Audit continues to review and report on Risk Management arrangements and provide a statement on the adequacy of risk management arrangements across the council.

5. **Developing the capacity of Members and officers to be effective**
  - Member Development sessions are held to brief Members on relevant areas of legislation on key areas and issues covering areas such as planning, safeguarding, growth and regeneration, new contracts, etc. Members may request attendance on relevant external courses, such as those run by the LGA or skills based training on public speaking, presentation skills etc.
  - The Management Academy is for approximately 200 of the council's managers. Its aim is to provide a range of learning and development solutions, and to build on manager's current skills, knowledge and behaviour.
  - Working with Ward Members, to ensure they are effectively involved in decision making and appropriately consulted with on issues they are concerned about and/or which are pertinent to their Wards.
  - Annual Staff Survey helps the organisation understand where possible changes can be made.
  - The Council is committed to ensuring that our staff receive a comprehensive induction which includes a video of the Leader introducing Barnet, introduction to the organisation but equally recognises that individual employees have to take ownership of this. Induction into Barnet focuses on five key areas:
    - On-boarding – this site is on the internet and once candidates have accepted an offer of employment they are provided with the link. This site contains information about the Council, how it operates, the services we provide, local information
    - Corporate Induction – this is a half day event led by the Chief Executive and finishes with a tour of the borough and a discussion about the corporate plan.
    - Local Induction – Each delivery unit holds a local event with a tailored programme centred on the Department and business units.
    - E Learning – takes new starters through a comprehensive programme of all areas staff need to have knowledge of e.g Health & Safety, Information management, Fraud awareness, HR, Finance, Procurement
    - Buddy scheme – upon arrival new starters are allocated a buddy who can navigate them around the building and support them during their first couple of months.

    Assurance Received
  - Member training and development.
  - Establishment of the Management Academy and Leadership Programme.
  - Each delivered unit is required to produce an Action Plan in response to the results of the annual staff survey – the plans are subsequently reported to Workforce Board.
  - Individual staff learning and development plans.
  - Corporate Induction for every new employee.
  - Ward Tours (every 6months or as *required*) – Each ward now has an officer from the Senior Leadership team assigned as the lead link officer who offers to meet or go out around the ward with the ward councillors and takes an interest in helping to resolve any issues.

6. **Engaging with local people and stakeholders**
  - The council regularly engages and consults with residents on a range of local and diverse issue.
  - The outcome and results of all consultations are published on the website and where it relates to a policy/strategy, the information is presented to the relevant Committee.
  - The Resident's Perception Survey (a survey with over 2000 residents from across the borough) is currently conducted twice a year to help inform our new performance management system more regularly.
  - Approval was granted in June 2014 for the allocation £100,000 per year over a 4 year period, - 2014/15-2017/18 - to each of the Area Committee. In July 2015 the Policy and Resources Committee approved expenditure of a 15% proportion of net Community Infrastructure Levy (CIL) income for each constituency to the Area Committee for that constituency, capped at a

total of £150,000 per Committee per year. This additional funding would be ring-fenced for spend on infrastructure schemes.

- This above is a Member led process, where members work with officers, local groups, organisations or individuals to write proposals that meet a local need.
- The Communities Together Network; This is a community resilience forum and is designed to operate at a proactive and reactive level in response to any emergency incidents, so that emergency services and the community can work together to monitor, understand, reduce and prevent community tension. It also forms part of the Council's continuing commitment and refreshed approach to equalities.

Assurance Received

- Business Planning 2016/17-2019/2020 - General Budget Consultation 2016/17. The final consultation finds are published and presented for consideration by Full Council as part of the Business Planning Report.
- Annual Equalities Report approved by Policy and Resources Committee
- Annual Resident Perception survey
- The Area Committee budget and application process has been by the Policy & Resources Committee and Community Leadership Committee respectively.
- The Communities Together Network Annual Report is considered by Community Leadership Committee and published on the council's website.

4. SIGNIFICANT GOVERNANCE ISSUES – 2015-16

This year has been a period of continued financial pressures. Despite this challenging environment, there have been achievements and improvement in the council's governance arrangements. Where we have identified areas for further improvement (see below) we will continue to take the necessary action to implement changes that will further develop our governance framework.

4.1 Elections

It is a statutory requirement that the process of administering and running elections is held entirely separately from politicians.

During the London Mayor and GLA elections on 5 May 2016, voters in Barnet experienced problems with voting during the morning of the elections as a result of incomplete electoral registers being sent to the 155 Polling Stations across the borough. This led to a number of voters not being able to cast their vote during the morning of the 5 May 2016 – for which the council apologised.

An independent review was commissioned into what the caused the problem. The final report was published and recommendations from the independent review were accepted by the Chief Executive and reported to Barnet Council's General Functions Committee on 9th June.

The recommendations were implemented prior to the referendum which was held on 23rd June and which ran effectively in Barnet. The Electoral Commission and Returning Officer for London were involved throughout to assure themselves of the appropriateness of the actions that the Council has taken.

It was also recommended and agreed that a wider external review of the elections and electoral registration function be carried out. External challenge and a public call for evidence will be part of this to ensure that public confidence is regained in the electoral

processes in Barnet. The outcome of the review will be reported back to General Functions Committee in November.

4.2   Information Technology (IT)
We recognise that Improvement is required to support services, with a particular focus on the IT service following a recent audit and service performance issues;

4.2.1   Two audits highlighted key issues with specific aspects of the council's IT service that is provided by CSG received :-

1.   IT Disaster Recovery (ITDR)
An audit was concluded in the last quarter of 2015/16 into the IT Disaster Recovery provision from CSG in relation of the requirements set out in the CSG contract. The limited assurance audit highlighted a number of areas of improvement:

➢ The governance of ITDR is not clear
➢ The disaster recovery requirements in the CSG are not being delivered by the ITDR project
➢ The inter-dependencies between systems has not been mapped and detailed recovery documentation is not available
➢ Interim ITDR arrangements are not documented or tested

Update
Good progress has been made in working to resolve the issues identified including (i) the continued roll out of the IDTR programme and (ii) an on-going exercise to re-baseline recovery requirements for applications under the scope of ITDR.
Key outstanding actions include;
• completion of the delivery of the WAN/LAN programme
• undertaking the testing and finalisation of planning documentation

A full review of the ITDR arrangements will be undertaken by our internal audit team once the project is completed with a follow on those recommendations rated as incomplete. Details of the outcomes of this review will be presented to senior management and Audit Committee as part of the Internal Audit, Progress Report 's throughout the year.

2.   IT Change Management
An audit was held in March 2016 to review the appropriateness and effectiveness of the Council's IT Change Management process, including related governance, policies, process, procedures and controls that are in place to manage changes to the IT applications and infrastructure that support the Council's services. The audit highlighted a number of areas for improvement;

➢ Process Lifecycle: *Control design*
➢ Change Testing & Validation: *Control design*
➢ Result of Sample Records Testing: *Operating effectiveness*
➢ Governance of IT Change Management: *Control design*
➢ Expectations Management: *Control design*

Update
Our internal Audit Team have begun to follow this up a using a 2 phased approach. The first Phase 1 conducted Quarter One 2016/17, included testing the findings that related to control design and findings where the due date for implementation had passed. A second follow up review is planned for Quarter 3 to follow up on the

outstanding actions. We are pleased to note that overall management has made good progress in resolving the issues identified in part of the Audit review.

Details of the outcomes of this review will be presented to senior management and Audit Committee as part of the Internal Audit, Progress Report's throughout the year.

4.2.2   Failure of the Library Management System
In March 2016 the Vubis library management system failed meaning that the following services became unavailable for residents and library staff: the library catalogue, online library accounts for reservations and online renewals, some ebooks, extended hours opening at Edgware Library, PCs for use by children and teenagers, and the stock / acquisitions model for library staff. The library management system has been rebuilt and provided back for testing to Libraries staff on 31st March 2016. Following thorough testing, the system was operational again to the public on 11th April, with the online catalogue and ability to renewal books online operational for residents on 6 May.

4.3   Human Resources
Unified Reward
The Unified Reward project's aim is to ensure that those that work for Barnet have a simpler, fairer, more flexible reward framework that rewards performance. After extensive negotiation with the Unions and consultation with staff a collective agreement has been reached and outputs from Unified Reward are now being implemented. In order to communicate accurately with staff on the individual impact of Unified Reward to them personally there was an extensive refresh of the Establishment list in order to ensure that 1,600 letters to directly Council employed staff were 100% accurate.   This extensive exercise has resulted in a very low error rate on individual staff letters.

We recognise that we need to have enhanced monitoring of how the council complies across its services on the management and HR practices including appraisals, health and safety compliance and management of sickness absence, with particular regard to;

4.3.1   Establishment lists
Certain areas of weakness around establishment lists were identified as part of an Audit review;
   ➢   inaccurate establishment data
   ➢   the current change process does not operate at a sufficient enough level to function as intended.

Update
Audit followed up the high priority recommendations identified and found that procedures had been revised appropriately and in accordance with audit recommendations. It should be noted that the Audit team have been unable to test the operating effectiveness of controls as whilst the new processes have been rolled out there was insufficient business as usual activity due to the additional extremely robust and stringent process that has been followed under Unified Reward.

Details of the outcomes of this review will be presented to senior management and Audit Committee as part of the Internal Audit, Progress Report's throughout the year.

4.3.2   Children's Social Worker Recruitment
Barnet like many local authorities nationally has experienced the pressures of trying to recruitment and retain sufficient children's social workers to meet the increasing demand and to improve practice. To address this a **r**ecent extensive recruitment Campaign 'More to Believe In' has now been supplemented with other recruitment initiatives which include converting current agency staff into permanent roles and recruiting through Barnet Works. This has successfully reduced vacancies levels in social worker recruitment by 35 in the last few months.

4.4   Safeguarding Risks - Social work practice (managing demand, transforming services)

Children's Social Care
Ensuring the best possible social care practice for our most vulnerable children is a priority for us. We want to ensure improvement in the quality and consistency of social work practice across Children's Services is to ensure that the needs of our most vulnerable residents are met effectively and efficiently. We will achieve this by;
- ➢ empowering and equip the social care workforce to understand the importance of our model of resilience-based practice
- ➢ ensuring that social workers have the tools to effectively carry out their tasks
- ➢ Ensuring there are sufficient high quality social workers in Barnet to meet needs and demands.

Adults Social Care
Providing Adult Social care services that are of consistently high quality is our top priority. The council is required to carry out a range of statutory duties under the Care Act 2014 and other key legislation, including Safeguarding vulnerable Adults. We will do this by:

- ➢ Developing of strengths based social work and occupational therapy practice is the priority in our adult social care service.
- ➢ Social workers will work more in communities and support individuals to prevent the escalation of need. Alongside this, the principles of 'Making Safeguarding Personal' will be embedded throughout the service in safeguarding practice. To support this practice development, a comprehensive staff development programme and refreshed quality assurance programme is being implemented.

5.   PREVIOUS YEAR'S SIGNIFICANT ISSUES UPDATE (20142015)
Set out below are the governance issues identified for monitoring within 2015-16.

5.1   Having reviewed these issues we no longer consider them significant issues for 2015-16 as all associated actions have either been implemented or in the process of being implemented

Review of the New Committee System.
5.1.1   The Constitution, Ethics and Probity Committee considered a report on the review of the Committee System and Constitution Review – Survey Results at their meeting on 16 November 2015:
http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=589&MId=8391&Ver=4

The Committee noted the outcome of the review

The Committee considered a further report on the Committee System Review and Constitution Review – Summary of Outcomes at their meeting on 17th March 2016:
http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=589&MId=8393
The Committee noted the outcome of the review
Actions arising from the review have been addressed as part of 'Constitution Review' report considered by the Constitution, Ethics and Probity Committee on a cyclical basis, or will be addressed at the next local election in 2018.

Information Management

5.1.2 Off Site Records Management

March 2016 saw the successful launch of the new robust archiving model. "Retention by Exception" will be adopted for the council's destruction model going forward. A definition of "RbE" will be included in the RM policy. Records disposal is affected by the Goddard (IICSA) Inquiry and affects instructions that need to be given to the off-site storage provider. The council continues to consider Goddard in its retention and disposal

5.1.3 Data Management

A review of the Records Retention & Disposal Policy has taken place.

5.1.4 Information Audit

Policies to cover Information Asset Management (IAM) and handling of the council's Information Asset Register (IAR) have been released. The infant register is based on the information survey and needs further work to develop it into a proper Information Asset Register. The register will be discussed with those senior officers identified as Information Asset Owners and development of the IAR will continue over the next few years. Retention is considered an aspect of IAM.

5.1.5 ICT Strategy

The ICT strategy was approved in November 2015. The governance structure for implementing the strategy has been approved, and roadmaps for the implementation of the strands of the strategy are in progress.

6. CERTIFICATION

To the best of our knowledge, the governance arrangements, as defined above have been effectively operating during the year with the exception of those areas identified in Section 4. We propose over the coming year to take steps to address the matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

SIGNED: _____   Date: _____
Leader of the Council

SIGNED: _____   Date: _____
Interim Chief Executive