

GOVERNANCE STATEMENT 2017/18

A SCOPE OF RESPONSIBILITY

South Derbyshire District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act of 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Council has formulated a Local Code of Corporate Governance which is based on the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.

This Annual Governance Statement explains how South Derbyshire District Council has complied with the Local Code of Corporate Governance and also meets the requirements of Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, in relation to the publication of a statement on internal control.

B THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The Governance Framework comprises:

- The systems and processes, culture and values, by which the Council is directed and controlled.
- 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 economical, efficient and effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process, designed to identify and prioritise the risks to the achievement of the Council's policies, aims and strategic objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, in order to manage them efficiently, effectively and economically.

The Governance Framework detailed in this Statement has been in place at South Derbyshire District Council for the year ended 31st March 2018, up to the date that the Annual Report and Statement of Accounts were approved.

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C THE GOVERNANCE FRAMEWORK AT SOUTH DERBYSHIRE DISTRICT COUNCIL

The key elements of the systems and processes that comprise South Derbyshire District Council's Governance Framework are set out in the following sections.

Decision Making

The Council operates under a Constitution. This sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. It sets out the individual roles and responsibilities of Members and the three statutory officers (i.e. the Head of Paid service, the Chief Finance Officer and the Monitoring Officer).

The Full Council makes decisions on key policies and sets the budget and levels of local taxation for the Council's services. The Constitution includes the delegation from Full Council down to the Policy Committees and provides a Scheme of Delegation to Officers.

Policy Making

This is facilitated through 3 policy committees which are responsible for the main service areas of the Council and are:

- Environmental and Development Services
- Housing and Community Services
- Finance and Management

Each Committee is governed by its own Terms of Reference, as laid down in the Constitution. Meetings of these committees are open to the public, except where issues of an exempt nature are being disclosed.

An Overview and Scrutiny Committee has 'call-in' powers to consider the appropriateness of Policy Committee decisions. It also shadows the policy committees, supports policy development and review, together with carrying out external reviews on issues that affect South Derbyshire.

Six Area Forums, a Parish Liaison Meeting and a Flood Liaison Meeting are well established and these meet throughout the year. These forums are designed to improve community involvement in decision-making and provide a continuous link with local residents, parish councils, the voluntary sector and other public bodies.

Governance and Accountability

The Council designated the Legal and Democratic Services Manager as its Monitoring Officer during 2017/18.

It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of the Council's Paid Service (the Chief Executive) and Chief Finance Officer, the Monitoring Officer will report to Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration.

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Such a report would prevent the proposal or decision being implemented until the report has been considered.

In addition, the Council operates 2 regulatory committees; a Planning Committee focusing on development control (planning applications and enforcement) together with a Licensing and Appeals Committee.

Furthermore, a Standards Committee, which contains independent (of the Council) members, oversees the conduct of elected councillors.

Accountability for the use of public funds and service provision is largely undertaken through the annual publication of a Statement of Accounts and an Annual Report.

The Local Code of Corporate Governance

The Council has adopted a National Code developed by CIPFA/SOLACE. The Code is subject to regular six monthly reviews by Senior Officers reporting to the Audit Sub-Committee. This helps to inform this Governance Statement.

Standards of Financial Conduct

Financial management is conducted in accordance with financial regulations and procedural rules, as set out in Part 4 of the Constitution. The Council has designated the Strategic Director of Corporate Resources in accordance with Section 151 of the Local Government Act 1972.

This Officer is responsible for making arrangements for the proper administration of financial affairs in accordance with best professional practice.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

In addition, under the Code of Audit Practice, the Council has a responsibility to ensure that its affairs are managed in accordance with proper standards and to prevent and detect fraud and corruption. The Council has adopted a Fraud and Corruption Strategy.

The financial management system includes:

- A Medium Term Financial Plan
- An annual budget cycle incorporating Council approval for revenue and capital budgets, together with a Treasury Management Strategy
- Financial Procedure Rules that are reviewed as required
- Process and procedure guidance manuals
- Annual Accounts supporting stewardship responsibilities, which are subjected to external audit and which follow Proper Accounting Practice and International Financial Reporting Standards
- Regular budget monitoring by budget holders through monthly financial monitoring reports
- Identification of financial risks that are regularly reviewed and updated

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Standards of Overall Conduct

Members and Officers of the Council operate under codes of conduct. These codes provide a set of standards of conduct expected of employees at work and for councillors in performing their public duties. In addition, both Members and Officers are required to declare interests and register gifts and hospitality which are valued at over £100.

The codes take into account the requirements of the law and the provisions of official conduct in the appropriate National Conditions of Service (for employees).

The Council Leader and the Chief Executive are the Corporate Governance Champions for Members and Officers respectively, designed to create a climate of openness, support and respect, promoting a strong ethical culture and upholding the values of good governance.

The Standards Committee hears Member Code of Conduct complaints referred by the Monitoring Officer in line with the procedure for considering such complaints. These are complaints against elected Members of the District Council and elected or co-opted Members of the Parishes of South Derbyshire. The Standards Committee is also informed of complaints not referred to them for consideration and dealt with by Monitoring Officer, with a summary of the outcome in relation to each matter.

Development of Members and Officers

Members and officers receive a formal induction tailored to their role in the Council, including when they take on new roles. The Council has adopted an e-induction system for Officers and induction training is undertaken by Members at the beginning of each four year term of office. Member role profiles exist under Section 6 of the Constitution.

Members also have access to regional training courses and seminars organised through the forum of East Midlands Regional Councils.

In addition, on an annual basis, existing and new Members of the Planning and Licensing & Appeals Committees must attend training sessions to enable them to continue to sit on these Committees, to ensure that they are fully briefed on all new developments in these areas.

The Council provides a full range of development opportunities for Members with ad-hoc training and briefing sessions.

Establishing Council Objectives

These are set out in the Council's Corporate Plan. This is effectively the Council's business/forward plan, set for five years and reviewed on an annual basis. This plan sets out the Council's vision for South Derbyshire, its values and the priorities for delivering services for local communities.

The Sustainable Community Strategy for South Derbyshire (2009-2029) is co-ordinated by The South Derbyshire Partnership. This sets out the District wide priorities across a range of public service providers that include the District Council, County Council, Police, Health Authority and the Voluntary Sector.

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This plan aims to improve the overall economic, social and environmental wellbeing of South Derbyshire by addressing issues that are important to the local community, businesses and service providers. The Strategy was refreshed in 2017 and can be accessed at:

<https://www.south-derbys.gov.uk/assets/attach/1891/Sustainable%20Community%20Strategy.pdf>

Compliments and Complaints

The Council has a Corporate Compliments and Complaints Policy. This is used to help identify service improvements from compliments, complaints and other comments received. Information is collated centrally and reported half yearly to the Finance and Management Committee, where performance can be challenged and areas for improvement identified.

Arrangements are also in place for dealing with and monitoring Ombudsman's complaints and reporting annually to Full Council.

The Council also has arrangements in place for whistleblowing to which staff and all those contacting the Council have access. The confidential reporting code is reviewed regularly and publicised.

Organisational Assessment and Performance Review

The Council has in place a range of Key Performance Indicators (KPIs) which it uses to measure performance. Indicators are developed for each of the Council's main priorities in the Corporate Plan, alongside specific indicators in service plans.

Each year, the Council's External Auditors are required to consider whether the Council has put in place "proper arrangements" to secure economy, efficiency and effectiveness on its use of resources. This is known as the "value for money conclusion".

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise the Council's arrangements to:

- Take informed decisions
- Deploy resources in a sustainable manner
- Work with partners and other third parties

In drawing their conclusion, the Auditors consider the financial resilience of the Council and its past record of delivering financial management.

Data Quality

A key element of reporting performance is the information that underpins it, i.e. data quality. This is to ensure that the Council's arrangements for recording and collecting information are robust so that the evidence and management information is reliable. The Council has adopted a Strategy to govern data quality and its arrangements are subject to regular review, including an annual audit.

Data Management

The Council has Records Management and Document Retention Policies that direct how the Council manages personal and other data that it holds and processes. These policies were reviewed and

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updated in 2017/18 in readiness for the introduction of the General Data Protection Regulation on 25th May 2018.

Business Change

To support service delivery, the Council has Procurement and Business Change functions. These Council Units are intended to co-ordinate greater efficiency and effectiveness in the use of Council resources.

Procurement

A central procurement unit (which became part of a Shared Service Arrangements on 1st January 2018) also ensure that purchasing is legal, ethical and accountable and is carried out in accordance with regulatory and legislative requirements.

Continuous Service Review

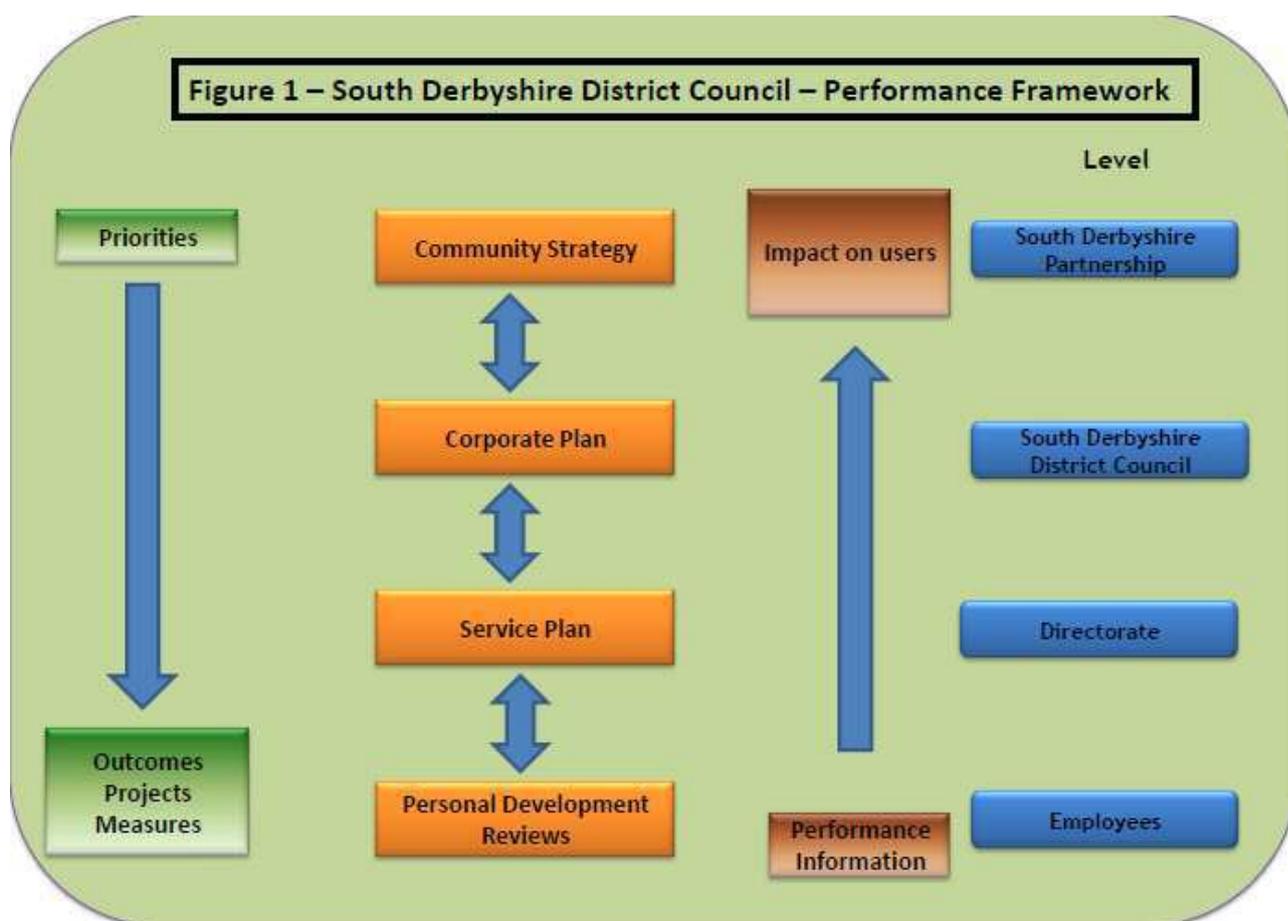
The Council continuously reviews, in various ways, its service areas. This is designed to identify transformation and efficiency opportunities to ensure that services remain efficient and effective as possible.

A key aim is to identify efficiency savings and in particular cashable/budget savings without adversely affecting service delivery.

Managing Performance

The Council's performance framework is largely developed from national requirements and regulatory frameworks, together with local issues that are emerging from its own planning framework. An outline of the framework and its components is shown in Figure 1, below.

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The **Community Strategy**, currently covering a 20-year period to 2029, sets the long-term vision and community aims for several public and community agencies in South Derbyshire.

The Council's **Corporate Plan** describes how the Council provides services to support the Community Strategy and focuses resources on key priorities, together with actions for improvement. This is an integral part of the Council's Performance Management Framework and the actions set out how key priorities are delivered together with measures of success. The development of the Corporate Plan takes place alongside the development of the Medium Term Financial Plan to ensure that the corporate priorities are fully resourced.

Service Plans are the cornerstone of the performance framework and demonstrate how each section of the Council will deliver improvements in line with priorities detailed in the Corporate Plan.

Personal Development Reviews provide employees with a clear understanding of how their work is enabling the Council to deliver the priorities detailed in the Corporate Plan, together with identifying their own individual training needs.

Partnership Working

The Council works in partnership with many other public agencies, including the voluntary sector, together with private organisations to deliver its services. The extent of these partnerships varies across the Authority.

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The Council's most significant partnerships are the South Derbyshire Partnership and the Safer South Derbyshire Partnership for Derbyshire. These partnerships are properly constituted and Committees are established (comprising representatives of the Council) who monitor and review progress.

The governance arrangements include a constitution and terms of reference. They have annual action plans which are monitored and reported quarterly to the relevant Strategic Boards. The Council receives annual reports on their performance which identifies the outcomes of partnership work and the financial implications of their work undertaken.

Risk Management

The Council has adopted a Risk Management Policy Statement, which sets out the principles, responsibilities and commitment to dealing with risk. Backed-up by a detailed framework, it is effectively the process for the management of risk throughout the Council.

The Council, through its service planning process, has a system for identifying and evaluating significant risks. Each Service maintains an operational risk register and this is developed and maintained by Officers involved in planning and delivering services.

In addition, the Council's Corporate and Financial Plans identify and evaluate risk at a more strategic level. Furthermore, evaluation of proposals for new spending and capital investment includes a risk assessment analysis. The Council's risk management process provides a framework to embed risk within services. It also includes guidance for managers in assessing and treating risk.

Business Continuity

The Council's arrangements are overseen by a Resilience Liaison Forum and this includes training and awareness briefings in the event of an incident. The Council is supported by Derbyshire County Council's Emergency Planning Unit.

Internal Audit

Under the Account and Audit Regulations 2015, the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. This should take into account public sector internal auditing standards or guidance.

The Council employs the services of the Central Midlands Audit Partnership (CMAP) to provide its Internal Audit function.

This function provides an independent evaluation on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

Internal Audit works in accordance with an annual plan, agreed with and monitored by Members and Senior Officers. It provides opinions on internal controls in place to manage risks across the Council's activities. Its plans and outputs are monitored and challenged by the Council's Audit Sub-Committee.

Internal audit is the main means by which the Council obtains assurances that systems are operating effectively. Internal Audit is required to issue an Assurance Statement (Annual Report) each year that provides an assessment of the Council's internal control system.

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Health and Safety

The Council has a Health and Safety Policy and an Annual Action Plan that sets out the Council's commitment to health and safety and identifies those positions with responsibility under the policy. There is also a quarterly Employee Health and Safety Committee, where representatives from the trade unions meet with service managers and Members. The Committee monitors policies, work practices and reviews accident statistics.

The Council's Audit Sub-Committee

Under its terms of reference, the Committee independently reviews the assurance of the adequacy of the risk management framework and the associated control environment.

It also provides independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment. The Sub-Committee also oversees the Authority's corporate governance arrangements in relation to financial matters.

External Scrutiny

Ernst & Young LLP (EY) is the Council's appointed external auditor. Besides auditing the accounts and financial statements of the Council, they also focus on more strategic performance and financial management arrangements. This includes reviewing arrangements in place for securing Value for Money.

The Audit Sub-Committee and Officers of the Council meet regularly with the external auditors to discuss planned and on-going external audit activity through the Annual Audit Plan. The Annual Audit Letter, which is considered by a meeting of the Full Council, summarises the conclusions and significant issues arising out of their audit.

Information Communication Technology (ICT)

The Council would not be able to operate without an effective ICT infrastructure in place. The Council's ICT Strategy is designed to ensure that the appropriate infrastructure is in place to enable the Council to deliver its services effectively and implement the Council's Corporate Plan.

Therefore, the ICT Strategy is aligned to the strategic objectives of the Council, with technology being used as an enabler of business change to support the Council's priorities. The ICT infrastructure in place enables the Council's service areas to concentrate on delivering their customer and business requirements.

Appropriate safeguards are in place to ensure the integrity of the Council's ICT infrastructure and this is subject to an annual audit and independent health check. In addition, the Council complies with national best practice for security as contained within the Public Services Network (PSN) Code. Under this Code, the Council's ICT security arrangements are tested and reviewed each year by an independent organisation, approved for such work.

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Transparency in the Publication of Information

The Council is required to publish a wide range of information on its services. The Council accounts for the use of resources and publishes this in an Annual Statement of Accounts.

The Council also publishes an Annual Pay Policy Statement which details the pay and remuneration of senior officers, together with the relationship between the pay of the highest paid officer and other officers. This Statement is approved by the Council in April each year.

From 2017/18, the Council was also required to comply with regulations regarding the “Gender Pay Gap”. The Council published this in March 2018.

In addition, the Council also publishes various data sets and information in accordance with Council’s Transparency Agenda. This includes details of all payments (excluding those to employees) in excess of £250, details of procurement card transactions, together with remuneration and expenses paid to Members. There are also details regarding assets owned, including council housing.

This information is available on the Council’s web-site in the “**Open Data and Transparency**” section.

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D REVIEWING THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework, including the system of internal control. This is the responsibility of the Council's Leadership Team, who has responsibility for the development and maintenance of the governance environment. The Leadership Team contains the Council's Chief Executive, two Strategic Directors, together with the Legal and Democratic Services Manager in their role as Monitoring Officer

The Leadership Team works closely with Elected Members to deliver the Council's vision and values. The review of effectiveness is informed by the work of the Council's Leadership Team. This is supplemented by Internal Audit reports on work conducted through the year, from recommendations made by the External Auditor, together with any other review agencies and inspectorates.

As part of an on-going review, the overall framework was strengthened in 2017/18 following a work programme arising out the Governance Statement for the previous year 2016/17. Actions are detailed in **Section E**.

The overall processes and indicators that have been applied in maintaining and reviewing the effectiveness of internal control during the year 2017/18 are set out in the following sections.

Overall Corporate Governance

The Council continued to apply its Local Code of Corporate Governance based on recommended best practice, as developed by CIPFA/SOLACE. This Code sets out the systems by which the Council directs and controls its functions. It was reviewed twice during the year with a work programme, monitored by the Audit Sub Committee, being progressed to maintain and improve overall Governance.

ICT Security

During 2017/18, work continued in order to comply with the Government's Public Sector Network (PSN) security standard. Regular liaison continued with the Government's Cabinet Office and Department for Works and Pensions.

There were no major security incidents during 2017/18. However, the Council is aware that there is a constant risk of computer viruses and potentially hacking through external emails. Although the Council's security system filters these away, regular communications are sent out internally to remind staff to be vigilant.

In 2017/18, an audit of the Council's computer back-up arrangements identified areas to be strengthened. Work commenced in 2017 and will continue in 2018.

The System of Internal Audit

Internal Audit is responsible for monitoring the quality and effectiveness of internal control. They review all fundamental financial systems each year and other systems over a five yearly cyclical period. This is based on a risk assessment of each service area.

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Internal Audit reports to the Council's Audit Sub-Committee on a quarterly basis. The reporting process requires a report of each audit to be submitted to the relevant service manager.

The report includes recommendations for improvements that are included within an action plan and require agreement or rejection by managers. The process includes reviews of recommendations by the auditors through a tracking system, to ensure that they are acted upon.

Under its terms of reference, the Audit Sub-Committee considers in detail any recommendations that are found to have a potentially "high-risk" impact on the Council's control environment. These are subject to on-going monitoring until all recommended actions have been implemented.

Reports to the Audit Sub-Committee provide an overall assurance rating of each system or service area subject to audit. This includes a statement as to whether there are any possible implications for the Annual Governance Statement.

Internal Audits 2017/18

All audits completed and reported to the Audit Sub-Committee during 2017/18 found no material weaknesses which could affect the Council's Governance framework. Two reports provided a "Limited" Assurance Rating in internal control. These audits related to the computer back-up server and contracts in Housing Services.

Several recommendations were made to strengthen arrangements and relevant actions still outstanding are due to be completed in 2018. Management action is being followed-up by Internal Audit to ensure that the recommendations are implemented.

Procurement and Contract Management

The Council joined a Shared Service Arrangement (SSA) on 1st January 2018 to deliver its Procurement function. The SSA comprises 4 other local authorities in Derbyshire, together with a NHS Trust and a local College. Besides generating savings through economies of scale, the Council joined the SSA to benefit from greater resilience and to strengthen compliance.

This followed issues found by Internal Audit arising from investigations into certain procurement and contract management practices in 2016/17. These matters were reported in detail by Internal Audit in 2016/17.

Internal Audit undertook a follow-up review in April 2018 to test the extent of how far new practices and procedures had become embedded. Their review is reported in their Annual Report.

Value for Money

The issues in 2016/17 had an adverse impact on the Council's Value for Money Assessment. In November 2017, the External Auditor also issued a qualified "except for" opinion on the Council's arrangements for securing Value for Money.

Having considered the Council's arrangements to take informed decisions, deploy resources in a sustainable manner and to work with partners and other third parties, their review identified that there were weaknesses in the Council's arrangements to work with partners and other third parties,

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specifically in relation to contractual arrangements for procuring supplies and services effectively to support the delivery of strategic priorities. The report (Annual Audit Letter) of the External Auditor is available at:

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2060/Committee/439/Default.aspx>

The Effectiveness of Internal Audit

The Council has adopted the Public Sector Internal Auditing Standards as set out by the regulatory body (CIPFA). This requires Internal Audit to operate within an Internal Audit Charter, together with a Quality Improvement and Assessment Programme. The Charter is reviewed each year and is reported alongside the annual Internal Audit Plan.

Under Auditing Standards, the Audit Partnership (CMAP) is subject to an independent quality assessment of their operational effectiveness at least once in every 5 years. The last review was completed and reported in 2016/17. In September 2017, the external reviewer provided an update on the overall conformance with Auditing Standards. This assessed the Audit Service as generally conforming to all approved standards.

The review in 2016/17 led to a longer-term change and improvement programme being implemented. Performance against this programme is reported to an Operational Board which oversees the performance of (CMAP) in conjunction with other partners.

Some longer-term development work is on-going regarding the management structure and approach to audit work to increase resilience to each of the partner organisations.

Annual Internal Audit Report on the Council's System of Internal Control

Under the Code of Practice for Internal Audit in Local Government in the United Kingdom (2006) the Head of Internal Audit (HIA) provided their annual report regarding their overall opinion on the Council's system of Internal Control.

The report for 2017/18 was considered by the Audit Sub-Committee on 30th May 2018. This concluded that:

*“Based on the work undertaken during the year, the HIA reached the overall opinion that there is an **Adequate System of Internal Control Subject to Reservations** – A number of findings, some of which are significant, have been raised. Where action is in progress to address these findings and other issues known to management, these actions will be at too early a stage to allow a satisfactory audit opinion to be given”.*

Communication

Corporate communication covers the full range of media management, publications, external and internal communications. By targeting communication activities, the Council can enhance its reputation and profile at a local and national level in its role as a community leader.

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Good corporate communications can encourage people to feel positively about the Council because they are better informed, have higher levels of satisfaction and can make an assessment on whether they are getting value for money.

The Council's Communications Strategy and Action Plan is reviewed and updated on an annual basis. It is reported to and considered by the Council's Finance and Management Committee in June each year.

A series of media campaigns are also undertaken by the Council each year. During 2017/18, these included:

- *Working with partner agencies including South Derbyshire Citizens Advice to further initiatives that support the vulnerable, such as the Safe Place initiative.*
- *Publicising successful prosecutions and enforcement actions supported by or initiated by the Council. For example, Criminal Behaviour Orders and fly-tipping prosecutions.*
- *Supporting the implementation of the Physical Activity, Sport and Recreation Strategy, with a focus on the wide variety of facilities, activities, events and opportunities available in South Derbyshire for people of all ages.*
- *Targeting campaigns across all channels to reach new audiences and educate residents – particularly those on new housing developments - on the importance of recycling, composting and reducing the amount of waste sent to landfill.*
- *Publicising Area Forums and other opportunities for community/tenant involvement, while arming staff with the knowledge of how to reach residents and volunteers through digital/social media channels.*
- *Focusing on South Derbyshire's unique position at the heart of The National Forest, working with partners to promote our rich and diverse culture.*
- *Promoting events and initiatives that help town centres to thrive, such as the International Food and Drink Festival and Christmas Lights Switch On.*
- *Through the new website, online forms and channel shift, shaping and improving campaigns/services around customer demand and expectation. This included offering broader choice and flexibility for residents to transact and interact with us.*

The Council continued to make extensive use of social media to communicate and promote community events.

In addition, the Council implemented a new website during 2017/18 to make it more modern and user friendly, together with providing greater opportunities for people to transact on-line.

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Consultation

The Corporate Plan is informed by consultation and is based on the views of stakeholders including local people, voluntary and community groups, together with local businesses.

The Council's Consultation Strategy aims to coordinate consultation activities between the services within the Council and with key partners, to ensure that residents' views are used effectively to inform council decision-making. This Strategy is reviewed and updated on an annual basis.

During 2017/18, there was a wide-ranging series of consultation in order to inform service provision. The main areas of consultation focused on:

- *May 2017 – Those who took part in The National Forest Walking Festival were asked to rate their experience and feedback any observations as part of a wide ranging evaluation exercise.*
- *July 2017 - Planning consultations took place across the District covering potential green spaces, design and affordable housing.*
- *July 2017 - A series of 'Repairs Roadshows' were held as the Housing Service looked to improve the service it offers to tenants.*
- *July 2017 – Feedback was invited on the 'main modifications' and an updated sustainability appraisal to the Local Plan Part 2 – a blueprint that will allocate sites in the District for developments of fewer than 100 homes and provides policies to help determine planning applications up to 2028.*
- *August 2017 – Participants, all with different requirements, background and experience, tested the usability of the new Council website. This included scenarios relating to popular tasks, services and transactions to offer constructive feedback on how it could be enhanced even further.*
- *January/February 2018 – Residents were invited to comment on budget and spending plans for 2018/19 through the Area Forums.*
- *March 2018 - Proposals to introduce a Public Spaces Protection Order (PSPO) to prevent vehicles from gaining access to a fly-tipping site.*

The Constitution

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure that its aims and principles are given full effect. Major changes to the Constitution have to be approved by Full Council and reflect any changes to the Council's structure and responsibilities.

Changes to the Constitution in 2017/18 included an update to the Conflicts of Interest Policy and the insertion of an Ethics Statement.

The Conflicts of Interest Policy included additional guidance to ensure transparency and integrity, where there is officer responsibility for engaging or supervising contractors. The amendment was approved by the Full Council on 26th February 2018.

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The introduction of an Ethics Statement was to provide guidance with regard to the standard of ethical behaviour expected from officers.

Culture and Ethics

The introduction of the Ethics Statement followed an Internal Audit review, from which four recommendations were made to strengthen culture and ethics amongst Council officers. Two of these recommendations were implemented during the year. In addition to the Ethics Statement, updated guidance was written to ensure that due regard is given for the Equality Act 2010 when implementing service changes and policy direction.

The remaining two recommendations regarding raising awareness are planned to be completed during 2018/19.

Work of the Overview and Scrutiny Committee

Under the Constitution, the Overview and Scrutiny Committee has the power to “call in” a decision, which has been made by a policy committee but not yet implemented, to enable them to consider whether the decision is appropriate.

No decisions were called in during 2017/18.

The Overview and Scrutiny Committee also scrutinises key service issues and priorities in the Corporate Plan, recommending and reporting back actions to the main policy committees.

Their annual report to Full Council set out details of the Committee’s work and outcomes during the year. The Annual Report for 2017/18 is available at:

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2166/Committee/465/Default.aspx>

In particular, the Committee scrutinised and supported the following areas:

- *Regulation of Investigatory Powers Act (RIPA) 2000*
- *Review of Funding to Voluntary & Community Sector Organisations*
- *Review of Area Forums / Safer Neighbourhood meetings*
- *Review of Etwall Leisure Centre Contract / Community Use*
- *Review of Grounds Maintenance Services, Street Scene and Waste Collection*
- *Review of Approach to Customer Services / Engagement*
- *Budget Proposals 2018/19*
- *Development contributions to Public Health*
- *Member IT Provision*
- *Section 106 Health Based NHS Contributions*
- *Recreation Facilities in Rural Villages*

Propriety in the Conduct of Council Business

In respect of 2017/18, the following matters are noted.

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Complaints

There were no cases of maladministration found against the Council. The annual report of the Local Government Ombudsman is available at:

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2059/Committee/439/Default.aspx>

Code of Conduct

There were no breaches of the Member Code of Conduct. There was one breach of the Employee Codes of Conduct which was dealt with under the Council's Disciplinary procedure.

Register Of interests

There were no issues raised in the year regarding the register of interests and declarations of gifts/hospitality which required formal investigation.

Whistleblowing

There were no matters raised under the Council's Whistleblowing Policy in 2017/18.

Data Protection

There were no security breaches under Data Protection which required reporting to the Information Commissioners Office.

Health and Safety

There were 3 reportable accidents under Health & Safety Regulations during 2016/17 involving either council employees or members of the public. This compares with 2 in 2016/17, 7 in 2015/16, 5 in both 2014/15 and 2013/14, 3 in 2012/13 and 10 in 2011/12.

Following investigation of each accident, risk assessments were reviewed and updated as appropriate.

Legal Claims – Planning Appeals

These arose where refusal by the Council's Planning Committee for residential development was subsequently overturned on appeal by the Government's Planning Inspectorate.

In these instances the Council incurs legal costs and makes a provision in its accounts to meet any associated liability.

Contractor Claim

A claim was submitted by a contractor to the Employment Tribunal. The Court determined the matter and the claim was subsequently struck out.

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Monitoring Performance

The Performance Management framework specifies the performance monitoring regime. A “traffic light” monitoring system is used to highlight areas at risk of not being achieved.

During the year, policy committees received quarterly performance monitoring reports and agreed remedial measures in action plans where these were necessary. In addition, the Finance and Management Committee received quarterly financial monitoring reports. Performance reporting includes a review of both service and corporate risks.

Service Recognition

Several areas of the Council’s work is regularly reviewed independently and recognised as being of an excellent standard. The following awards are currently relevant to the Council’s activities.

Health and Safety - the Council has attained the Gold Award in the Royal Society for the Prevention of Accidents (RoSPA) Occupational Health and Safety Programme. This is in recognition of an excellent safety record. The Award is only given to those organisations that have demonstrated their commitment to continuous improvement in accident and ill health prevention.

Environmental Management – the Council has attained an international standard for its approach to reducing the carbon footprint in its own services and for supporting work across the District.

Leisure Facilities – the Council has attained a Green Flag Award for one of its urban parks acknowledging how well it is maintained and managed and for providing good facilities.

Food Waste Initiatives – in partnership with Sainsbury’s, the Council received the national Green Apple Award in 2017/18 for its work on reducing food waste and environmental educational activities.

Business Continuity

There were no major incidents during 2017/18 which necessitated the Council invoking its Business Continuity procedures.

GOVERNANCE STATEMENT 2017/18

E KEY GOVERNANCE MATTERS FOR SOUTH DERBYSHIRE

The Council operates within a changing environment with constant development in electronic communications and increasing public expectations, together with additional demand on its services due to Growth.

Consequently, Governance needs to be subject to constant review to take account of changing circumstances. Good governance is a key outcome underpinning the Council's Corporate Plan.

Some areas for review were identified in the Governance Statement for 2016/17 to strengthen the Council's arrangements and these were addressed in 2017/18. In particular, these related to data management and procurement as detailed earlier in this Statement.

These actions were noted by the Audit Sub-Committee on 30th May 2018 following consideration of the half-yearly review of the Local Code of Corporate Governance.

Work Plan 2018/19

The areas identified for development during 2018/19 are:

- Continue to review on a 6-monthly basis the Local Code of Corporate Governance.
- Raise awareness of Culture and Ethics amongst Officers by promoting the new Ethics Statement to ensure the expected standards of behaviour are communicated, implemented and maintained throughout the Council.
- Commission an External Peer Review to develop the Council's capacity in a period of significant change. This has been identified in the Local Code of Corporate Governance as good practice.

These developments are set out and included in the Governance Work Plan for 2018/19 in **Appendix 1**.

GOVERNANCE STATEMENT 2017/18

APPENDIX 1: GOVERNANCE WORK PLAN 2018/19

Work Area	Timescale	Lead Officers	Corporate Plan Priority
Continue to review the Local Code of Corporate Governance and to monitor the Governance Work Plan for the year	½ yearly review	Legal and Democratic Services Manager	Maintain Proper Corporate Governance
Undertake a staff survey and hold briefing sessions to promote the Council's Culture and Ethics Framework	November 2018	Chief Executive and Strategic Directors	Maintain Proper Corporate Governance
Undertake an external Peer assessment	March 2019	Chief Executive	Maintain a skilled workforce