

2022/23

HALTON BOROUGH COUNCIL - ANNUAL GOVERNANCE STATEMENT



What is Governance?

Governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance leads to:

- Effective leadership
- Good management
- Good performance
- Good stewardship of public money
- Good public engagement, and
- Good outcomes for our citizens and service users.

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Halton Borough Council acknowledges its responsibility for ensuring that there is a sound system of governance. The Council has developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Council Constitution and can be accessed on the Council's website.

The Council's governance framework aims to ensure that in conducting its business it:

- Operates in a lawful, open, inclusive and honest manner
- Makes sure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively
- Has effective arrangements for the management of risk
- Secures continuous improvements in the way that it operates

The system of internal control is a significant part of the Council's governance 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 Council's system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks occurring and the impact should they happen, and to manage them efficiently, effectively and economically.

What is the Annual Governance Statement?

The Council is required by the Accounts & Audit (England) Regulations 2015 to prepare and publish an annual governance statement. This is a public document that reports on the extent to which the Council complies with its own code of governance and explains how the Council has reviewed the effectiveness of its systems of internal control.

In this document the Council:

- Acknowledges its responsibility for ensuring that there is a sound system of governance
- Summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment
- Describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period
- Provides details of how the Council has responded to any issue(s) identified in last year's governance statement
- Reports on any significant governance issues identified from this review and provides a commitment to addressing them

The annual governance statement reports on the governance framework that has been in place at Halton Borough Council for the year ended 31 March 2023 and up to the date of approval of the statement of accounts.

How has the Annual Governance Statement been prepared?

The initial review of the Council's governance framework was led by a small core group of officers supported by other officers across the Council. The core group comprised:

- [The Operational Director – Legal and Democratic Services](#)

This post is designated as the Council's Monitoring Officer under section 5 of the Local Government and Housing Act 1989, as amended by paragraph 24 of schedule 5 Local Government Act 2000.

The Monitoring Officer is responsible for ensuring that that the Council acts and operates within the law.

- [The Operational Director – Finance](#)

This post is designated as the s151 Officer appointed under the 1972 Local Government Act.

The Operational Director – Finance is the Council's Chief Financial Officer and carries overall responsibility for the financial administration of the Council.

- [The Divisional Manager – Audit, Procurement & Operational Finance](#)

This post is responsible for the Council's internal audit arrangements, including the development of the internal audit strategy and annual plan and providing an annual audit opinion on the Council's governance, risk management and control processes.

In preparing the annual governance statement the Council has:

- Reviewed the Council's existing governance arrangements against its Local Code of Corporate Governance
- Considered any areas where the Local Code of Corporate Governance needs to be updated to reflect changes in the Council's governance arrangements and best practice guidance
- Taken account of various sources of assurance over the operation of the Council's governance framework
- Assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period

Management Team, which is chaired by the Chief Executive, has also reviewed the annual governance statement and considered the significant governance issues facing the Council.

The Audit and Governance Board provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework and internal control environment. As part of this role the Board reviews and approves the annual governance statement.

What are the key elements of the Council's Governance Framework?

The Council aims to achieve good standards of governance by adhering to the following key principles set out in the best practice guidance 'Delivering Good Governance in Local Government: Framework 2016':

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of 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 Council's capacity, including capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The following pages provide a summary of key elements of the Council's governance framework and explain how these principles were applied during 2022/23.

KEY PRINCIPLE:

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

SUPPORTING PRINCIPLES:

- Behaving with integrity
- Demonstrating strong commitment to ethical values
- Respecting the rule of law

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council has a Constitution that sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, proportionate, transparent and accountable. The Constitution was reviewed and updated in May 2022.
- One of the roles of the Audit and Governance Board is to promote high standards of member conduct. Members of the Board were kept updated during the year of standards issues that had arisen.
- The Operational Director – Legal and Democratic Services provided legal advice to the Council throughout the year as the Council’s Monitoring Officer. One of the key functions of that role is to ensure the lawfulness and fairness of decision-making. There are no known instances of the Council failing to comply with relevant laws and regulations during the 2022/23 financial year.
- The Council’s Local Code of Corporate Governance, which forms part of the Council Constitution, sets out the processes in place to ensure that officers behave in ways that exemplify high standards of conduct and effective governance. These arrangements are wide ranging and communicated by Management Team to staff in a variety of ways including; induction procedures, the employee code of conduct, Finance Standing Orders, Procurement Standing Orders, registers of interests, staff bulletins, registers of gifts and hospitality, whistle-blowing procedures, HR policies and fraud awareness training. The Local Code of Corporate Governance is subject to annual review.
- A complaints process exists for members of the public to raise concerns about standards exhibited by members which can be accessed through the Council’s website.
- All new employees undergoing the corporate induction process during 2022/23 were made aware of the Employees’ Code of Conduct. There is an established disciplinary procedure which is invoked when an employee deliberately breaches rules and/or commits acts of misconduct, which are considered sufficiently serious as to warrant formal investigation.

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council takes fraud, corruption and maladministration seriously and has established a suite of policies and processes which aim to prevent or deal with such occurrences. On 28 September 2022 the Audit and Governance Board received an annual report summarising the operation of the Council's counter fraud and corruption arrangements
- The Council publishes an annual Modern Slavery Act Transparency Statement that sets out the Council's actions to understand the potential modern slavery risks related to its business. It also explains the steps the Council has taken to ensure that no slavery or human trafficking takes place in its own business or through its supply chains.
- A corporate complaints procedure operated throughout the year to receive and respond to any complaints received. An annual report summarising the complaints received, trends and outcomes is presented each year to the Corporate Policy and Performance Board. The latest report, which covered 2021/22, was presented at the Board's meeting on 24 January 2023. Complaints received are used to inform the development of the Council's services and policies
- Arrangements exist to ensure that members and officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. These include:
 - Registers of disclosable pecuniary interests were maintained
 - Registers of gifts and hospitality were maintained
 - Opportunities to declare disclosable pecuniary interests and disclosable other interests were provided at the start of meetings.
- The Council's higher value procurement activity is undertaken in accordance with the Public Contracts Regulations 2015 (PCR 2015). Following the Cabinet Office publishing a Procurement Policy Note in February 2023, the Council has incorporated provisions within its procurement processes which allow for the discretionary exclusion of suppliers that fail to comply with the Modern Slavery Act 2015 and / or breach environmental, social, or labour law obligations.

KEY PRINCIPLE:

Ensuring openness and comprehensive stakeholder engagement

SUPPORTING PRINCIPLES:

- Openness
- Engaging comprehensively with institutional stakeholders
- Engaging with individual citizens and service users effectively

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- Information on the Council's performance, finances and the democratic running of the Council is routinely published on the Council's website. The Council also fully complies with the reporting requirements of the Local Government Transparency Code 2015.
- The Council's Constitution is published on the Council's website. It explains the Council's decision-making processes and delegated authorities. All key decisions taken by the Council are also publically available on the Council's website.
- The Council engages with key partners and institutional stakeholders in various ways. Formal partnerships include the Health and Wellbeing Board, the Safer Halton Partnership, the Halton Children's Trust and the Halton Learning Alliance. An executive director from the Halton Clinical Commissioning Group (CCG) is also a member of the Council's Management Team.
- The Health and Wellbeing Board provides a key forum for public accountability of the NHS, Adult Social Care, Children's Services, Public Health and other commissioned services relating to the wider determinants of health in Halton. The Board met on four occasions during 2022/23. Its work included:
 - Receiving updates on the One Halton Place Based Partnership, which included details of the senior leadership team and governance structures of One Halton and the various work streams that had been established
 - Receiving the Public Health Annual Report (2021/22)
 - Receiving the Adult Social Care Annual Report (2021/22)
 - Receiving the Halton Safeguarding Adults Annual Report (2021/22)
 - Being updated on the duty placed on Integrated Care Boards (locally NHS Cheshire and Merseyside) and their partner trusts to prepare a Joint Forward Plan by 30 June 2023

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- During 2022/23, Clinical Commissioning Groups were dissolved as a statutory requirement of the Health and Care Act 2022 and were replaced by Integrated Care Systems (ICS's). An Integrated Care System consists of an Integrated Care Board (ICB) and Integrated Care Partnership (ICP). From 1 July 2022 Halton became part of the ICS and ICB covering the whole of Cheshire & Merseyside, which includes nine local authority areas. Each area is required to establish a Place Based Partnership (PBP). Locally, this is known as 'One Halton', which brings together Halton stakeholders to work collaboratively on health and care arrangements. One Halton's future role is to:
 - Understand and work with Halton's communities
 - Join up and co-ordinate services around population needs
 - Address social and economic factors that influence health and wellbeing (wider determinants of health)
 - Support quality and sustainability of local services

One Halton has been developed to be a Joint Committee to the ICS. The ambition is for services to be commissioned as close to residents as possible.
- Engagement with citizens and service users is carried out using a variety of methods, including a range of survey techniques and sampling techniques. During 2022/23 the Council consulted on a range of issues, which included:
 - Electric Vehicle Charging: Consulting with road users about their vehicle ownership and whether they would consider switching to an electric vehicle, as well as their opinions on electric charging points in the Borough.
 - The Brindley Extension: Asking services users of the Brindley and the library if the new extension plans satisfy accessibility requirements.
 - Fit4Life Teens: Asking young people in the borough about healthy lifestyles, including exercise, sleep, how they like to learn and be supported around healthy lifestyles, and any barriers to living a healthy lifestyle.
 - Housing and community businesses: An opportunity for residents of Runcorn Town Centre to give their feedback about housing and business possibilities in the area.
 - Spike Island Play Equipment: Asking parents of children with additional needs to gauge their thoughts on play equipment in Halton's parks and to get their ideas for improvements, specifically to Spike Island if finances allow.
 - Supported Housing: An opportunity for staff, parent carer and tenants to feedback about the service.
 - Reconnecting Runcorn Creative and Digital Skills Centre: Asking residents of Halton about their knowledge of creative and digital community and voluntary organisations, statements about Runcorn Town Centre, access to Runcorn Town Centre and any ideas for the proposed centre.
 - Foster Carer Training: An opportunity for foster carers to feedback about the different types of training offered.
- In setting its budget the Council listens to the views of the public and the experience of elected members through their ward work. Individual consultations took place in respect of specific budget proposals and equality impact assessments were completed where necessary.

KEY PRINCIPLE:

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

SUPPORTING PRINCIPLES:

- Defining outcomes
- Sustainable economic, social and environmental benefits

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The long-term vision for Halton is set out in the Council's Corporate Plan, which defines the Council's priorities and how it hopes to achieve them. It also explains the Council's values and principles. Whilst the priorities contained within the existing plan remain relevant, the plan is due to be updated. During 2022/23, the decision was taken that an extensive consultation exercise would be undertaken with key stakeholders in developing the new Corporate Plan. This is to take place during 2023/24 with the new Corporate Plan being developed for 2024/25.
- The Council's Corporate Planning Framework provides the means by which the Council's activities are developed and monitored. A regular system of reporting to the Council's Management Team, Executive Board and Policy and Performance Boards records progress against key business plan objectives and targets.
- Directorate and Departmental Business Plans were produced for 2022/23 that described key developments and emerging issues relating to each department of the Council. The plans formally set out key objectives, milestones and measures for each business area.
- On 14 April 2022, the Executive Board formally approved a Climate Change Strategy & Action Plan for the Council's operations and activities. The Action Plan is predominantly focused on reducing the Council's own carbon production. However, during the lifetime of the Plan, the Council has committed to broaden the scope and develop proposals to provide a broader Borough-wide Strategy.
- On March 16 2023, the Council's Executive Board approved the principles set out in the LCR Zero Waste 2040 Strategic Framework to reduce waste related carbon emissions. The Board also approved continued partnership working with Merseyside Recycling and Waste Authority (MRWA) and the other LCR local authorities to deliver action to meet our individual and collective climate targets and objectives.
- During 2022/23 the Council committed to a project to extend the Council's existing Solar Farm and create a micro grid connecting the Municipal Building, Lowerhouse Lane depot and the new leisure centre in Moor Lane. The project will include a battery storage scheme in order to maximise the use of solar PV power overnight and support the use of heat pumps at the new leisure centre. It will also provide an EV electrical charging infrastructure at Lowerhouse Lane Depot to enable electrification of the Council's vehicle fleet.

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council routinely publishes information on the Council's vision, strategy, plans, finances and performance on its website.
- The Council has continued to generate social value through its procurement activity. Details of the Council's approach to social value in procurement, and examples of outcomes achieved, were shared in the Procurement Update report to the Audit and Governance Board on 28 September 2022.

KEY PRINCIPLE:

Determining the interventions necessary to optimise the achievement of the intended outcomes

SUPPORTING PRINCIPLES:

- Determining interventions
- Planning interventions
- Optimising achievement of intended outcomes economic, social and environmental benefits

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council's Corporate Planning Framework in operation during the year provided the means by which the Council's activities were developed and monitored.
- There is a well-established overview and scrutiny framework with six Policy and Performance Boards (PPBs) aligned to the Council's six corporate plan priorities. They hold the Executive to account, scrutinise performance and develop policy proposals for consideration by the Executive. The Lead Member for Scrutiny also meets regularly with the S31 Scrutiny Officer and chairs the Scrutiny Chairs Group, comprising the Chairs of each of the Scrutiny Boards.
- Performance monitoring reports were produced throughout the year recording progress against key business plan objectives and targets. These reports were presented to the Council's Management Team, to the Executive Board, and to the Policy and Performance Boards.
- The Council operates a corporate complaints procedure and specific complaints procedures for Adult Social Care, Children's Social Care, schools, and complaints relating to elected members. These procedures allow the Council to identify areas where things may have gone wrong and to put them right and prevent them from happening again.
- The Council aims to ensure that the purchase or commissioning of goods, services or works required to deliver services is acquired under Best Value terms. The Council's procurement activity is undertaken in line with the Council's Procurement Strategy and within clearly defined rules set out in Procurement Standing Orders, which are reviewed and updated annually.
- The Council's internal audit team carried out a comprehensive programme of audits during the year reviewing both front line and support services. The implementation of recommendations arising from the work of internal audit assists the Council in identifying and managing risks that may impact on the achievement of intended outcomes. Implementation of agreed actions from internal audit reports is monitored by the Audit and Governance Board through a robust follow up process.

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council recognises that it has a responsibility to manage both internal and external risks as a key component of good corporate governance. Risk is defined as being the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. In order to manage risks effectively the Council operates a formal process to identify, evaluate and control risks. The Council's Corporate Risk Register summarises the key strategic risks faced by the Council and includes details of arrangements established to ensure that intended outcomes are achieved.
- The Council continued to implement a Children and Young People's Improvement Plan in response to the OFSTED inspection in October 2021. The plan sets out how the Council will ensure that children and young people in Halton are safeguarded and achieve the Council's aspiration that all its services for children and young people are good or better.

KEY PRINCIPLE:

Developing the Council's capacity, including capability of its leadership and the individuals within it

SUPPORTING PRINCIPLES:

- Developing capacity
- Developing leadership
- Developing the capability of individuals

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council retained the North West Charter for Elected Member Development Exemplar Level status. Elected members were also provided with the opportunity for an annual review to identify their development requirements, which are set out in a Member Action Plan.
- The Council has a Member Development Group that monitors key performance indicators in relation to member development. Its remit also includes raising awareness of learning and development updates. The group also provides a forum for members to raise any other training or support issues to help them in their roles.
- Members of the Audit and Governance Board received training during the year to assist them in their role as the Council's Audit Committee.
- The Council operates ongoing processes to identify the personal development needs of employees. The information gained from these processes is used to inform the design of the corporate training programme and to source specialised professional training.
- The Council operates a Leadership and Management Framework to ensure continuous development of those employees who do not require a recognised leadership qualification. The framework comprises 39 leaders and managers and specific modules include:
 - The Manager's Role in Change Management
 - Developing and Leading High Performing Teams
 - Conflict Resolution
 - Leadership Skills for Effective Partnerships
 - Influencing Skills
 - Problem Solving and Negotiation Skills
 - Working Effectively with Elected Members
 - Understand organisational policies & procedures, which included finance, payroll, ICT and information governance, and procurement.

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council's Organisational Development Team offers continuous leadership development through its accreditation with ILM (City & Guilds). Specific qualifications were delivered during 2022/23, such as Level 3 in Leadership and Management. As a result, 23 employees developed specific skills and knowledge regarding leadership and gained recognised qualifications.
- The Council provides performance coaching training to support leaders, managers and employees to maximise potential and enhance performance. During 2022/23, 30 leaders have taken advantage of the training to focus on improving their leadership capabilities.
- The Council offers its employees the opportunity to apply for funding to support their academic development that is linked to the Council's priorities, thereby increasing individual capacity and supporting succession planning. During 2022/23, the Council supported 17 employees to gain a variety of academic qualifications, such as Masters Degrees, BA Degrees and Diplomas.
- The Council is maximising the Apprenticeship Levy by commissioning MSc in Leadership & Management qualifications to seven employees that will support leadership succession planning as identified in the Organisational Development Strategy.

Further qualifications accessed through the Apprenticeship levy in 2022/23 were:

- Social Work Degree L6 x 3
- Finance Assistant L2 x 2
- Business Administrator L3 x 1
- Horticulture L2 x 2
- Quality Practitioner L4 x 1
- Heavy Vehicle Service & Maintenance Technician L3 x 1

KEY PRINCIPLE:

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

SUPPORTING PRINCIPLES:

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council provides decision-makers with full and timely access to relevant information. The executive report template requires information to be provided explaining the policy, financial and risk implications of decisions, as well as implications for each of the corporate priorities and any equality and diversity implications.
- The Council has a well-established Audit Committee (the Audit and Governance Board), which met regularly during 2022/23. The Board has clearly defined responsibilities and provides oversight and challenge in regard to the Council's governance, risk management, audit, efficiency and improvement, accounts, procurement, and counter fraud and corruption arrangements.
- The Council has embedded risk management arrangements. Directorate and corporate risk registers outline the key risks faced by the Council, including their impact and likelihood, along with the relevant mitigating controls and actions. The Corporate Risk Register was reviewed and approved by the Audit and Governance Board at its meetings on 6 July 2022 and 23 November 2022. The Council's risk management processes are also used to inform the work of internal audit. The Council's risk management arrangements were also reviewed during the year by Zurich Resilience Solutions. The purpose of the review was to provide critical friend feedback by highlighting areas of development and to identify strengths to provide assurance.
- The Council has a Head of Internal Audit and a continuous internal audit service, which has been externally assessed as conforming to the Public Sector Internal Audit Standards. Internal audit plays a key role in reviewing and improving the effectiveness of the Council's risk management, governance and control arrangements. No restrictions are put on the role of internal audit and management regularly engages internal audit to examine specific areas which are causing concern.

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Head of Internal Audit provides an annual opinion on the Council's risk management, control and governance processes. The annual opinion is based upon the internal audit work completed during the year. The opinion covering 2021/22 was presented to the Audit and Governance Board on 6 July 2022 and concluded that the Council's risk management, control and governance processes that were in place during 2021/22 were considered to be adequate and to have operated effectively during the year.
- The Council has a well-established information governance framework. The Data Protection Officer is supported by the Information Governance Service, which plays a key role in ensuring that the Council remains compliant in data protection and security arrangements. The Information Governance Service is responsible for, and oversees, data management and risk, corporate data security policies, staff training and the production of monitoring reports and annual reports to the Council's Senior Information Risk Owner. The Council had no cause to report any data breaches to the Information Commissioner's Office during 2022/23.
- Ongoing pressures within demand-led services, especially Adults and Children's Social Care, meant that significant overspending against budget was forecast for the year. Spending continued to be closely monitored and tightly controlled with regular reporting to the Chief Officers Management Team and Executive Board. Regular transaction and forecasting reports were shared with service managers and a budget recovery plan was implemented within the Adult Services Directorate to help manage the forecast overspend. Similar recovery plans will be implemented in Children's Services during 2023/24 to help manage the level of net spend within the directorate.
- The Council produces a Medium Term Financial Strategy (MTFS), which is refreshed each year. The Strategy covering the period 2023/24 – 2025/26 was approved by the Executive Board at its meeting on 17 November 2022. The MTFS represents the "finance guidelines" that form part of the medium term corporate planning process. These guidelines identify the financial constraints which the Council will face in delivering its key objectives over a three-year period, and are an important influence on the development of the Corporate Plan, Service Plans and Strategies.
- Quarterly reports on the Council's overall capital and revenue net spending position together and forecast outturn position were presented to the Executive Board throughout the year.
- The Council produces an annual Capital Strategy which provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability. The Strategy is reviewed and approved annually by Executive Board.
- In compliance with the requirements of the CIPFA Prudential Code and the CIPFA Treasury Management Code, the Council produces an annual Treasury Management Strategy Statement. This sets out the Council's strategy for borrowing and also includes an Annual Investment Strategy; which sets out the Council's policies for managing its investments. The strategy enables the Council to maximise its financial yield whilst keeping within the principles of security and liquidity as set out in the Prudential Code. The Treasury Management Strategy Statement is reviewed and approved annually by Executive Board. A half-yearly update report and annual report on treasury management activity is also provided to the Executive Board.

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council operates a robust performance management framework with performance monitoring reports being produced each quarter recording progress against key business plan objectives and targets. The reports were presented to the Council's Management Team, to the Executive Board and to the Policy and Performance Boards.

KEY PRINCIPLE:

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

SUPPORTING PRINCIPLES:

- Implementing good practice in transparency
- Implementing good practice in reporting
- Assurance and effective accountability

EXAMPLES OF HOW WE DID THIS IN 2022/23:

- The Council complies with the Local Government Transparency Code 2015 and publishes a wide range of information on its website. This includes details of meetings, minutes and agendas, policies and plans, the Council Constitution, the Statement of Accounts, details of members' allowances and expenses, details of senior staff pay, contract awards, and details of land and building assets.
- The Council operates clear and effective processes for dealing with Freedom of Information (FOI) requests and Subject Access Requests (SAR).
- All Council meetings are open and can be attended by members of the public with the exception of those where confidential or personal matters may be disclosed.
- On 8 February 2023, the Council's external auditor issued a 2020/21 unqualified audit opinion, Value for Money assessment and National Audit Office (NAO) Assurance Statement enabling the audit of the Council's 2020/21 financial statements to be closed. The VFM assessment provides assurance that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- On 1 March 2023, the Council's external auditor issued a 2021/22 unqualified audit opinion and NAO Assurance Statement. The VFM assessment was subsequently issued on 11 May 2023. This again confirmed that the Council's external auditor has not identified any significant weaknesses with the Council's governance arrangements or the arrangements in place to improve economy, efficiency and effectiveness.
- The Council has established various ongoing arrangements that provide effective assurance. These include the work of Internal Audit, the Council's risk and performance management arrangements, the work of the Information Governance Group, the work of the Policy and Performance Boards and the work of the Audit and Governance Board.

EXAMPLES OF HOW WE DID THIS IN 2022/23:

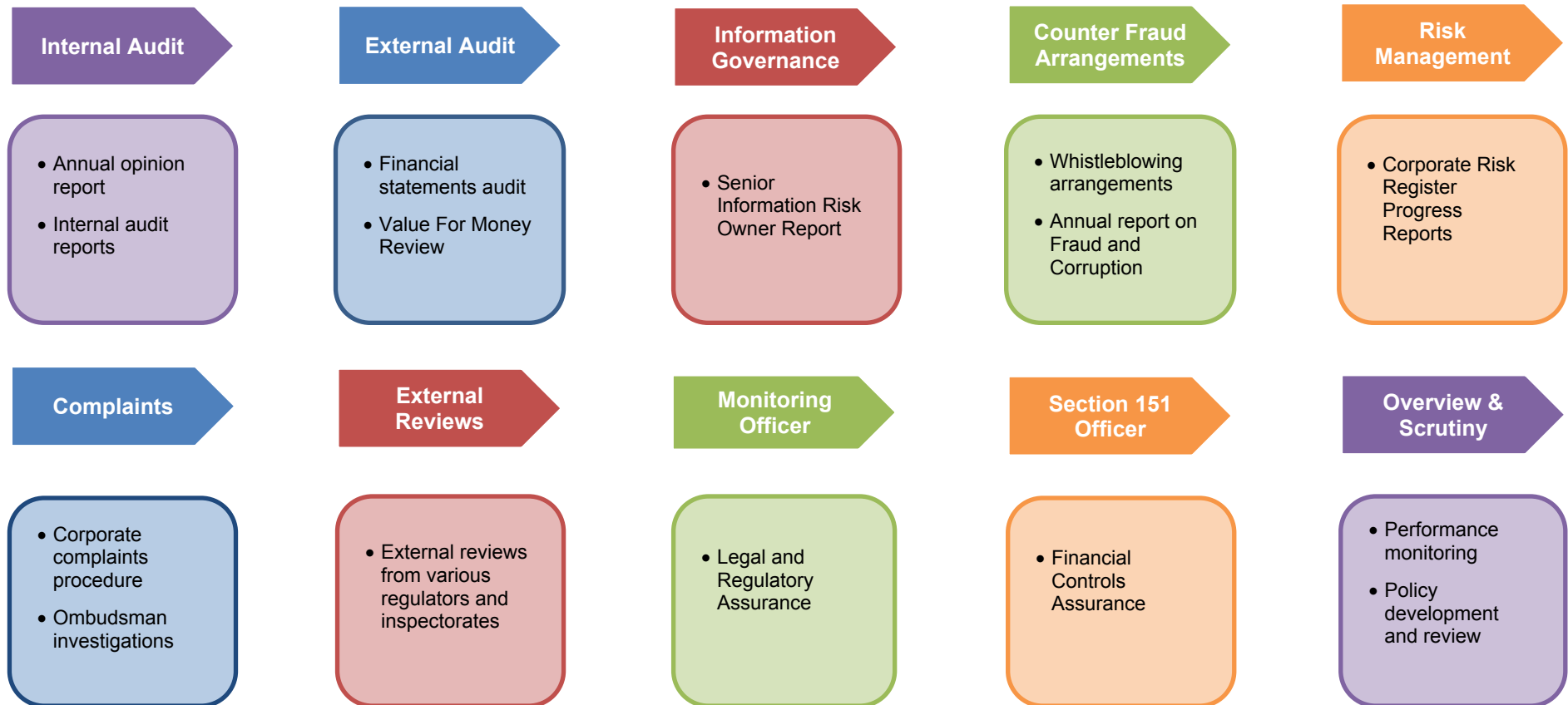
- The Adult Social Care Annual Report is an embedded part of the reporting cycle for the Council and, whilst not a mandatory requirement, it is recognised as being good practice by the Association of Directors of Adult Social Services (ADASS). The 2021/22 report, which was presented to Executive Board on 19 January 2023, included information on the successes and achievements across Adult Social Care, details of progress against performance metrics, some of the challenges faced, how the Council responded to community needs, and details of future activities to be further developed. It also served as a review mechanism for Adult Social Care to consider as part of ongoing continuous service improvement measures.
- The Council operates a whistleblowing procedure and has well-publicised arrangements for employees and the wider community to raise any concerns relating to fraud, misconduct or other issues. Five whistleblowing complaints were received during the year and 44 referrals from members of the public. All whistleblowing complaints and referrals received were assessed and investigations undertaken where sufficient information was provided.

What are the roles of those responsible for developing and maintaining the Governance Framework?

Council	<ul style="list-style-type: none">- Approves the Corporate Plan- Approves the Constitution- Approves the policy and budgetary framework
Executive Board	<ul style="list-style-type: none">- The main decision-making body of the Council- Comprises ten members who have responsibility for particular portfolios
Audit and Governance Board	<ul style="list-style-type: none">- Designated as the Council's Audit Committee and provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework, procurement strategy and internal control environment.- Promotes high standards of member conduct
Policy & Performance Boards	<ul style="list-style-type: none">- There are six Policy & Performance Boards aligned to the Council's six Corporate Plan priorities- They hold the Executive to account, scrutinise performance and develop policy proposals for consideration by the Executive
Management Team	<ul style="list-style-type: none">- Implements the policy and budgetary framework set by the Council and provides advice to the Executive Board and the Council on the development of future policy and budgetary issues
Internal Audit	<ul style="list-style-type: none">- Provides assurance over the Council's governance, risk management and control framework- Delivers an annual programme of audits- Makes recommendations for improvements in the management of risk and value for money
Managers	<ul style="list-style-type: none">- Responsible for maintaining and developing the Council's governance and control framework- Contribute to the effective corporate management and governance of the Council

How does the Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance framework including the system of internal control. The key sources of assurance that inform this review are outlined below:



How has the Council addressed the governance issues from the 2021/22 Annual Governance Statement?

The 2021/22 annual governance statement contained six key governance issues. Details of these issues and how they were addressed are provided below:

Issue:

Corporate Plan

The long-term vision for the Council is set out in the Council's Corporate Plan, which defines the Council's priorities and how it hopes to achieve them. The current Corporate Plan has expired and work is underway in developing an updated version of the Corporate Plan during 2022/23.

What we did:

Following a joint meeting of Executive Board and the Council's Management Team in December 2022 it was agreed that the Council would adopt an interim plan until March 2024 in order to provide adequate opportunity for meaningful consultation on the Council's future priorities to take place.

Please see the following section on 'Governance Issues for 2023/24' for further information on what is planned.

Issue:

Organisational Structure

The Council appointed a new Chief Executive who started in his role in April 2022. The role of the Chief Executive, assisted by the senior management team, involves the day to day leadership and management of the Council and responsibility for delivering the priorities set out within the Corporate Plan.

Since arriving in April 2022, the Chief Executive has taken the opportunity to reflect on the Council's senior management structure. This was to ensure that the Council is in the best position to respond to the changing environment in which it operates. That includes ensuring that the Council has senior oversight of its key priorities and that there is strong corporate support to underpin the functions of the organisation.

To achieve this, in consultation and with the agreement of the Council's Leader, the organisation is to move from the existing two directorate model, to a new five directorate structure.

The new structure is designed to ensure a clear focus on the delivery of priorities that have and will continue to emerge. It will also enable the Council to build on its successes and take advantage of new opportunities.

The five new directorates are:

- Adults Directorate
- Chief Executive's Directorate
- Children's Directorate
- Environment & Regeneration Directorate
- Public Health Directorate

What we did:

The new five directorate organisational structure for the Council was implemented with effect from 1 December 2022.

Issue:

Funding

The Council continues to face significant financial challenges over the coming years. Demand for Council services, particularly within social care, continues to rise; costs are increasing rapidly with pay and price inflation and there are income shortfalls across many service areas. Whilst the impact of the Covid-19 pandemic is much reduced, the Council is bearing ongoing costs for which there is no Government funding, which adds pressure to the Council's budget.

Looking forward there remains huge uncertainty regarding the Government's plans for the future funding of local government. A number of proposed changes to the funding regime have been deferred, including the Fair Funding Review and the national roll-out of business rates retention. It is still unclear whether or not Government will return to these proposals.

This makes financial planning extremely difficult at the current time. The Medium Term Financial Strategy forecasts that the Council may need to identify £25m of budget savings in order to set balanced budgets for the three years commencing 2023/24.

To achieve permanent, sustainable, budget reductions of this magnitude will require fundamental changes to how the Council operates and delivers services. Utilising specialist, external support the Council is currently developing a three-year Transformation Programme, in order to bring about such changes via a number of work streams. This work includes supporting the implementation of the Children's OFSTED improvement plan and bringing Children in Care costs under greater control.

In light of these financial pressures, a key challenge for the Council is to maintain sufficient service capacity and robust governance arrangements in order to continue to deliver its corporate objectives and strategic priorities for 2023/24 and beyond.

What we did:

Spending during 2022/23 was closely monitored and reported upon. Continued spending pressures upon demand-led services, especially Adults and Children's Social Care, led to an overall outturn overspend of £4.4m against budget. However, this was significantly less than the £7m forecast at the end of quarter three. The Council's robust governance arrangements were essential in delivering this improved outcome.

The Members' Budget Working Group met regularly during 2022/23 to consider budget saving proposals in the context of the Council's corporate objectives and strategic priorities. Fundamental to their assessment was a desire to protect the borough's most vulnerable residents and the services provided to them. Savings proposals were considered and recommended to Executive Board and Council which covered a three year period, in order to provide additional time for more challenging proposals to be fully developed and implemented.

Given the scale of the financial challenge facing the Council, external support and expertise was commissioned during the year to develop a three year Transformation Programme "Reimagine Halton". This is intended to fundamentally change the way many services are delivered and make them more cost effective.

Despite significant funding constraints and increasing demand for services resulting in the need to make significant budget savings, the Council was able to set a balanced budget for 2023/24.

However, it was necessary to utilise £8.4m of one-off reserves to achieve a balanced budget. This approach was agreed by Council in order to provide time for the Transformation Programme to be developed and implemented, which it is estimated will deliver at least £20m of budget savings over three years. The implementation of the Transformation Plan and approved budget savings proposals, will be monitored regularly by Executive Board and the Budget Working Group.

Issue:

Children's Services

An improvement notice was issued to Halton Borough Council following an OFSTED inspection in October 2021. Two areas were for priority action.

- The assessment and management of risk to children, including the frequency of visits to children, in line with assessed risk and needs
- Management oversight and supervision to provide effective support and challenge

In response to the inspection the Council has developed a Children and Young People's Improvement Plan. The plan sets out how the Council will ensure that children and young people in Halton are safeguarded and achieve the Council's aspiration that all its services for children and young people are good or better.

This Improvement Plan sets out key actions that focus on what the Council needs to do to ensure that its work makes a difference to the children, young people and families that are supported and safeguarded.

Progress in implementing the Improvement Plan will be monitored through the Halton Improvement Board. The Board consists of the Council's key partner agencies and corporate colleagues who have a vital role to help create the environment where good social work can flourish.

The responsibility to implement the agreed actions in the Improvement Plan sits with all staff throughout the organisation who have shared accountability for the outcomes achieved for children and families. The accountable lead officers for delivering the plan and driving improvements will, through the Children and Young People Service Improvement Meeting (CYPSIM), ensure tasks are completed, risks assessed and progress reported to the Improvement Board.

What we did:

The Children's Improvement Board meets monthly to oversee progress with responding to the issues raised by the OFSTED inspection. The Board is independently chaired and includes: the Chief Executive, Executive Board Portfolio Holder for Children's, Director of Children's Services, representatives from the DfE, representatives from Children's Services and other Council departments, Schools, Police, Health and other Partner Organisations. A detailed improvement action plan has been developed and is being closely monitored and updated on an ongoing basis.

Issue:

Central register of gifts, hospitality and interests for Members

In the external auditor's Annual Report 2020/21 it was noted that the transparency of the registers of gifts, hospitality and interests for members could be improved if they were more clearly signposted for the public to view on the Council website.

What we did:

The Council is currently exploring publishing the registers of gifts, hospitality and interests online and it is anticipated that this issue will be addressed early in 2023/24.

Issue:

CIPFA Financial Management Code

The CIPFA Financial Management Code (The Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The Code therefore sets the standards of financial management for local authorities.

The Code is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to manage:

- the short, medium and long-term finances of a local authority
- financial resilience to meet foreseen demands on services
- unexpected shocks in their financial circumstances

Each local authority is required to demonstrate that the requirements of the Code are being satisfied. Demonstrating this compliance with the Code is a collective responsibility of elected members, the Chief Finance Officer and their professional colleagues in the leadership team.

The Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances. Good financial management is proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services.

It is intended that work will be undertaken during 2022/23 to ensure that the Council complies with the CIPFA Financial Management Code. This will take the form of a self-assessment against the key questions included in the Financial Management Code. An action plan will be produced to address any areas requiring further development.

What we did:

Work in completing the self-assessment against the CIPFA Financial Management Code remains ongoing. It is anticipated that this will be completed in 2023/24 and an action plan will be produced to address any areas for further development.

What are the governance issues for 2023/24?

The Council's governance arrangements are kept under constant review and the following Action Plan sets out key areas of focus for the Council in maintaining and developing its governance arrangements in 2023/24.

Issue	Lead Officer	Timescale
<p><u>Corporate Plan</u></p> <p>The Council's current Corporate Plan is an expired version. In light of the changes brought about by the COVID-19 pandemic, the shifting national political and economic landscape, and the ever increasing challenges, facing the organisation it was thought timely to reconsider the Council's priorities and set a new plan for the coming 3 to 5 years. This will also tie in with the emerging transformation work around 'Reimagine Halton'.</p> <p>In order to provide adequate opportunity for meaningful consultation, and ultimately produce a Corporate Plan which is totally unique and meaningful to the people of Halton, it has been decided to adopt an interim plan. During this time consultation will take place with all community groups, voluntary groups, partner agencies etc. and will be deemed 'The Big Conversation'.</p> <p>'The Big Conversation' is all about engaging with the public so that they understand the challenges that the Council is facing. It is an approach between the Council and everyone who lives or works in Halton to work together in order to create an improved borough in all aspects of everyday life.</p> <p>During this period of transition it is important to point out that Halton Borough Council will continue to deliver its statutory services and work towards achieving its current Corporate Plan priorities, more specifically, looking after Vulnerable People and Children, as well as focusing on Urban Renewal and the Environment.</p> <p>In terms of timescales, an interim Corporate Plan will be in place until the end of March 2024, with a new Corporate Plan taking effect as from April 2024.</p>	<p>Chief Executive</p>	<p>31 March 2024</p>

Issue	Lead Officer	Timescale
<p><u>Risk Management</u></p> <p>During 2022/23, Zurich Resilience Solutions (ZRS) were commissioned to review the Council's Corporate Risk Register. The review provided an objective view on the quality and relevance of the risk information contained within it and assessed the following areas:</p> <ul style="list-style-type: none"> • Structure • Scope & Content • Risk Descriptions • Controls & Scores <p>The process also involved benchmarking against other comparable public sector organisations.</p> <p>Each of the categories reviewed was given a RAG (red, amber, green) rating in order to articulate strengths and development areas. Observations and recommendations to support the further development of the risk register were also made and will be implemented during the course of 2023/24.</p> <p>ZRS also conducted a review of the Council's Risk Management Policy and Toolkit. The purpose of the review was to provide critical friend feedback by highlighting areas of development and to identify strengths to provide assurance. Although ZRS concluded that the Risk Management Policy was fit for purpose, an opportunity was identified to move away from a traditional document and to develop a more dynamic and relevant document. This will be addressed in 2023/24 in a refresh of the policy.</p> <p>Similarly, ZRS concluded that the Risk Management Toolkit was clear and contains best practice information. However, opportunities were identified to modernise the document and to include more infographics to help improve its accessibility. Again this will be addressed in 2023/24.</p>	<p>Corporate Director - Chief Executive's Delivery Unit</p>	<p>31 March 2024</p>

Issue	Lead Officer	Timescale
<p><u>Transformation Programme</u></p> <p>The Council designed a transformation programme in the latter half of 2022/23, branded 'Reimagine Halton'. It is a three-year transformation programme focused on achieving a way of working that promotes independence, is affordable and sustainable. It builds on the Council's many strengths; and will make Halton a more resilient place externally and internally.</p> <p>From a governance perspective, the programme was approved for implementation at Full Council in March 2023. It formally commenced on 1 April 2023, and is an addition to the Council's establishment using a mix of seconded employees from other service areas and external expertise. The programme is funded through a capitalisation order of £7m across the period April 2023 to March 2026. The programme is tasked with saving £2m in 2023/24, £8m in 2024/25 and £10m in 2025/26.</p> <p>The Executive Board is the accountable Board for the delivery of the programme and monthly reporting and dialogue will take place between the programme and the Executive Board.</p> <p>Portfolio Holders will have involvement in transformation projects that fall within their areas of responsibility. Governance arrangements have been developed and will be applied to each project within the programme to ensure clarity, transparency and accountability. In addition there will be a bi-monthly update to all Elected Members, commencing July 2023.</p>	<p>Corporate Director - Chief Executive's Delivery Unit</p>	<p>Ongoing</p>

Issue	Lead Officer	Timescale
<p><u>Children’s Services</u></p> <p>In response to the Ofsted improvement noticed issued in October 2021, the Council has developed a Children and Young People’s Improvement Plan. This sets out how the Council will ensure that children and young people in Halton are safeguarded and achieve the Council’s aspiration that all its services for children and young people are good or better. It also details key actions that focus on what the Council needs to do to ensure that its work makes a difference to the children, young people and families that are supported and safeguarded.</p> <p>Progress with implementing the Improvement Plan is monitored through the Halton Improvement Board. The Board consists of the Council’s key partner agencies and corporate colleagues who have a vital role to help create the environment where good social work can flourish.</p> <p>Responsibility to implement the agreed actions in the Improvement Plan sits with all staff throughout the organisation who have shared accountability for the outcomes achieved for children and families. The accountable lead officers for delivering the plan and driving improvements will, through the Children and Young People Service Improvement Meeting (CYPSIM), ensure tasks are completed, risks assessed and progress reported to the Improvement Board.</p> <p>One of the key workstreams within the Transformation Programme also relates to supporting the improvement of Children’s Services. It has been recognised that additional capacity was required to provide support and challenge to the service in order to achieve the objectives of the Ofsted Improvement Plan. The workstream provides that capacity, enabling a high challenge / high support scenario to provide resources to explore, design, and implement transformation-related initiatives alongside those being brought about in an operational context by the services themselves.</p> <p>This is designed to provide a level of innovation and pace to the improvement trajectory that could not be achieved in a ‘business as usual’ environment. The governance of this activity is the same as that applied to other projects within the Transformation Programme.</p>	<p>Executive Director – Children’s</p>	<p>Ongoing</p>

Certification

We have been advised on the implications of the review of the effectiveness of the governance framework by the Audit and Governance Board. The review provides good overall assurance that the Council's arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Specific opportunities to maintain or develop the Council's governance arrangements have been identified through this review. We pledge our commitment to addressing these issues over the coming year and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Halton Borough Council:

Stephen Young - Chief Executive

Mike Wharton - Leader of the Council

Date -

Date -