

ANNUAL GOVERNANCE STATEMENT 2016/2017



1. Scope of Responsibility

Plymouth City 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 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

This Annual Governance Statement explains how the Council has complied with the requirements of Regulation 6(1) of the Local Government, England and Wales Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an annual governance statement.

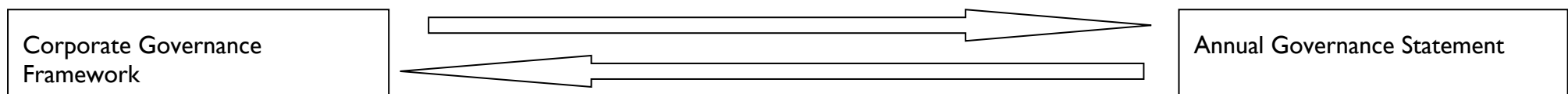
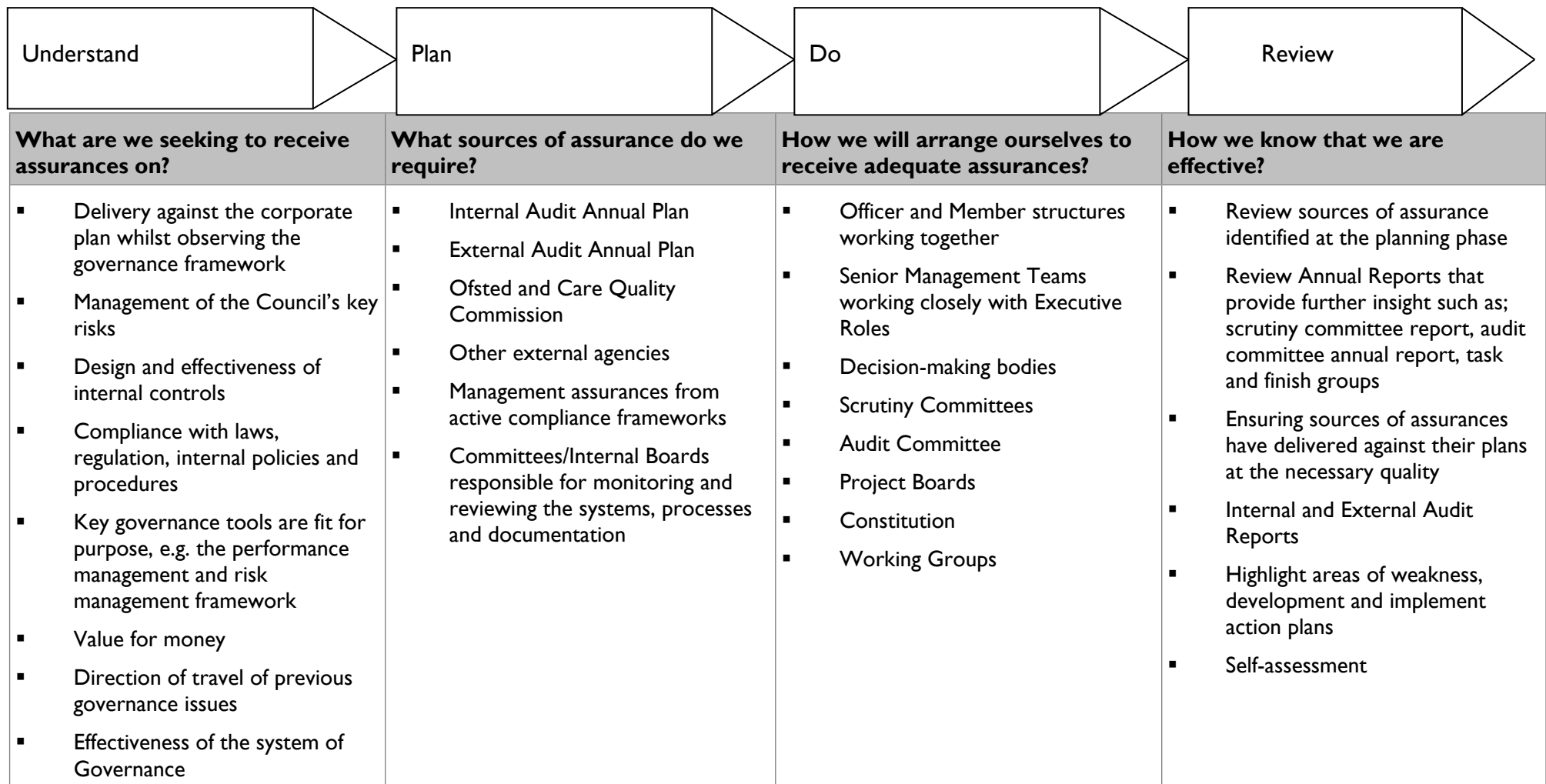
2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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 objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The governance framework has been in place at Plymouth City Council for the year ended 31 March 2017 and up to the date of the approval of the Annual Report and Statement of Accounts.

3. Assurance Cycle



4. The Governance Framework

The Council’s Corporate Governance Framework is consistent with the principles of the CIPFA/SOLACE 2016 Framework Delivering Good Governance in Local Government. Included within this framework are seven core principles of governance:

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law:-	Examples of assurances received:-
<p>Local government organisations are accountable not only for how much they spend, but also how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values to respect the rule of law. Behaviours and actions that demonstrate good governance in practice:-</p> <p>Behaving with integrity</p> <ul style="list-style-type: none"> ▪ Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation. ▪ Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles). ▪ Leading by example and using these standard operating principles or values as a framework for decision making and other actions. ▪ Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. <p>Demonstrating strong commitment to ethical values</p> <ul style="list-style-type: none"> ▪ Seeking to establish, monitor and maintain the organisation’s ethical standards and performance. ▪ Underpinning personal behaviours with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation. ▪ Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values. 	<p>Behaving with integrity</p> <ul style="list-style-type: none"> ▪ The Council’s evolving values of Fairness, Democracy, Responsibility and Partnership are defined and endorsed in the Corporate Plan and from the basis for policy making and performance management, both for the Council and organisations it commissions or contracts with. ▪ Elected Members are collectively responsible for the governance of the Council. Decision making and scrutiny of these decisions has been separated through the executive arrangements introduced by the Local Government Act 2003. ▪ The Constitution includes a statement on the roles of the Executive, Code of Conduct and Scheme of Delegation in place. ▪ Statutory Officers are also documented within the Constitution. The Chief Executive (Head of Paid Service) is documented within the Constitution and works with Members and Strategic Directors to deliver the council’s themes. ▪ Policies, procedures and guides provided on the staffroom intranet page, and are subject to regular or periodic review, depending on legislative or policy framework changes. <p>Demonstrating strong commitment to ethical values</p> <ul style="list-style-type: none"> ▪ Arrangements are in place for Members and Officers to register interest and manage conflicts of interest. ▪ The Council recognises that good governance is underpinned by shared values demonstrated in the behaviour of its Members, staff and partners.

<ul style="list-style-type: none"> ▪ Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation. <p>Respecting the rule of law</p> <ul style="list-style-type: none"> ▪ Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations ▪ Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. ▪ Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders. ▪ Dealing with breaches of legal and regulatory provisions effectively. ▪ Ensuring corruption and misuse of power are dealt with effectively. 	<ul style="list-style-type: none"> ▪ Equalities Policy in place, informed by equalities and diversity monitoring data which is updated annually (last updated January 2017). ▪ The Chief Auditor has overall responsibility for the maintenance and operation of the whistleblowing policy. This includes monitoring the policy and maintaining a record of the concerns raised and the outcomes, which will be reported to the audit committee as necessary in an anonymised format. ▪ The Members Code of Conduct and Protocol on Member/Officer Relations forms part of the Constitution. <p>Respecting the rule of law</p> <ul style="list-style-type: none"> ▪ The Assistant Director and Head of Legal Services is the Monitoring Officer responsible for ensuring that decisions are made in accordance with the Constitution. ▪ Directors have the primary responsibility for ensuring that decisions are properly made in line with the Scheme of Delegation. Standards of conduct and behaviour expected of Members and Officers exist and are communicated. Training programmes were in operation during the year to support good governance. ▪ The Corporate Fraud Team fulfils the Council’s statutory obligation to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption. ▪ HR Policy Team in place to ensure workforce policy framework is regularly reviewed, and accountable officers appropriately supported.
<p>Principle B – Ensuring openness and comprehensive stakeholder engagement:-</p>	<p>Examples of assurances received:-</p>
<p>Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication</p>	<p>Openness</p> <ul style="list-style-type: none"> ▪ The Council’s Fairness value sets out a corporate commitment

and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders. Behaviours and actions that demonstrate good governance in practice:-

Openness

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

Engaging comprehensively with institutional stakeholders

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

Engaging stakeholders effectively, including individual citizens and service users

- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
- Ensuring that communication methods are effective and members and officers are clear about their roles with regard to community engagement.

to openness and transparency.

- The Council has processes in place to demonstrate that decision makers followed due process, the decisions were properly documented and were taken having regard to all relevant considerations.
- Council staff were invited to give their views on proposals to reduce spending in an online survey which the Cabinet used to help inform decisions.
- Overview and Scrutiny Annual Report.
- The Council's Cabinet set out commitments that link to its Corporate Plan – progress on delivery is updated on the Council's website as they are delivered.

Engaging comprehensively with institutional stakeholders

- The Council's Partnership value sets out a corporate commitment to working with partners to deliver our common ambitions.
- Staffroom Page on Intranet
- Regular Team meetings
- Annual and regular staff performance discussions take place to enable line managers to help individuals see the connection between their contribution and the wider goals of the organisation and city.
- Plymouth City Council and NHS Northern Eastern and Western Devon Clinical Commissioning Group (NEW Devon CCG) integrated commissioning strategies.
- The Children and Young People's Plan (CYPP) is a strategic framework and describes the joint agency approach in the local authority area for services to children and young people, and sets out the vision and key priorities agreed by those agencies in helping children and young people to achieve the best outcome.

- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
- Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.
- Balancing feedback from more stakeholder groups with other stakeholder groups to ensure inclusivity.
- Taking account of the interests of future generations of tax payers and service users.

- The South West Devon Waste Partnership holds quarterly committee meetings, which rotate around the three areas of Plymouth, Devon and Torbay.
- The Heart of the South West Local Enterprise Partnership (HotSW LEP) was formed under the leadership of the private sector, supported by the local authorities from Devon, Plymouth, Somerset and Torbay, to create a powerful economic alliance.

Engaging stakeholders effectively, including individual citizens and service users

- The 'Framework for Working with Citizens and Communities' has been adopted as an approach to be taken by the Council, and was developed with input from the Plymouth Fairness Commission.
- Most Committee meetings including Full Council and Cabinet are webcast as part of our drive to make our decision making more open and transparent.
- The Plymouth & South West Devon Joint Local Plan early engagement processes and many different ways to capture people's views and opinions across the City
- The Health and Wellbeing Board framework has been informed by engaging with the public through surveys and visiting communities.
- Plymouth residents were asked to give their views about plans to address budget shortfall in the Big Decisions survey.
- There is a formal process for corporate complaints as well as Children's and Adults Statutory complaints.
- Feedback and complaint web pages.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits:-	Examples of assurances received:-
<p>The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available. Behaviours and actions that demonstrate good governance in practice:-</p> <p>Defining outcomes</p> <ul style="list-style-type: none"> ▪ Having a clear vision which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions. ▪ Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer. ▪ Delivering defined outcomes on a sustainable basis within the resources that will be available. ▪ Identifying and managing risks to the achievement of outcomes. ▪ Managing service user’s expectations effectively with regard to determining priorities and making the best use of the resources available. <p>Sustainable economic, social and environmental benefits</p> <ul style="list-style-type: none"> ▪ Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. ▪ Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints. ▪ Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. ▪ Ensuring fair access to services. 	<p>Defining outcomes</p> <ul style="list-style-type: none"> ▪ Members, working with officers, have developed a clear vision of their purpose and intended outcomes for citizens and service users. These are set out in the Corporate Plan for the Council, and at a high level in the Plymouth and South West Devon Joint Local Plan which looks ahead to 2031. ▪ The Medium Term Financial Strategy (MTFS) sets out how the Council will finance the priorities for the Council, having regard to the Plymouth & South West Devon Joint Local Plan and the Corporate Plan. ▪ Corporate Risk & Opportunity Management framework in place. ▪ Plymouth & South West Devon Joint Local Plan Working Group. ▪ Housing Needs Working Group. ▪ Corporate Parenting Working Group. ▪ Health and Wellbeing Board. ▪ Constitution, Civic and Member Development Working Group. ▪ Child Poverty Working Group. ▪ Regional Brexit Risks and Opportunities Working Group. <p>Sustainable economic, social and environmental benefits</p> <p>The Council collects and analyses data extensively to inform decision making and assess and mitigate risk, including its Joint Strategic Needs Assessment and a range of demographic and economic data.</p> <p>Recent operational examples of decisions made based on assessed need include:</p> <ul style="list-style-type: none"> ▪ The Council has commissioned a local voluntary and community

	<p>provider to facilitate and support the development of time banks.</p> <ul style="list-style-type: none"> ▪ Plymouth libraries have been commissioned to provide health and social care information hubs. ▪ Quality Assurance Improvement Team (QAIT) working with ‘Healthwatch’ Plymouth in order to gain independent feedback from residents and relatives of care homes. ▪ Extended opening hours at the First Stop Shop in New George Street, Register Office, four main libraries and the Contact Centre.
<p>Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes:-</p>	<p>Examples of assurances received:-</p>
<p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised. Behaviours and actions that demonstrate good governance in practice:-</p> <p>Determining interventions</p> <ul style="list-style-type: none"> ▪ Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided. ▪ Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills and assets and bearing in mind future impacts. <p>Planning interventions</p> <ul style="list-style-type: none"> ▪ Establishing and implementing robust planning and control cycles that cover strategic and 	<p>Determining interventions</p> <ul style="list-style-type: none"> ▪ Alternative options considered and rejected section within Committee Reports. ▪ The work of scrutiny in Plymouth is coordinated by Scrutiny Committees. To ensure that scrutiny is an independent process, this board has cross party representation and is chaired by a member from a different political group to the Leader of the Council ▪ ‘Have your say’ promotions ▪ Customer comments procedure ▪ Plymouth & South West Devon Joint Local Plan Facebook page. ▪ Planning eNewsletter. <p>Planning interventions</p> <ul style="list-style-type: none"> ▪ Plymouth City Council/NEW Devon CCG joint risk register. ▪ Risk & Opportunity Management Strategy and Policy in place. ▪ Collaborative working with community and voluntary sector to develop funding bids drawing in external funding to the City.

operational plans, priorities and targets.

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

Optimising achievement of intended outcomes

- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
- Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues of responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- Ensuring the achievement of 'social value' through service planning and commissioning.

- Complaints process is managed and tracked and enables regular reporting on performance to senior management.

- Corporate Plan Performance Framework

Optimising achievement of intended outcomes

- The Medium Term Financial Strategy (MTFS) sets out how we finance the priorities for the Council, having regard to the Plymouth Plan, the Corporate Plan and the uncertainties around a number of issues including the level of reductions in future funding from Central Government and the consequent changes required of the Council.
- The Wider Devon Sustainability and Transformation Plan sets out ambitious plans to improve health and care services for people across Devon in a way that is clinically and financially sustainable. Health and care organisations as well as Local Authorities across Devon have been working together to create the shared five-year vision to meet the increasing health and care needs of the population.
- Plymouth and South West Devon Joint Local Plan which will cover Plymouth City, South Hams District and West Devon Borough. The plan brings together work that has already been carried out separately by the three councils on the Plymouth Plan, South Ham's 'Our Plan' and West Devon's 'Our Plan'. The three plans will be integrated to create a single strategy.
- Plymouth City Centre Master plan.
- Plymouth Waterfront Master Plan.
- Under the Council's 'One System One Budget' integrated commissioning approach, social value is driven through four overarching commissioning strategies.

Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it:-	Examples of assurances received:-
<p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities. Behaviours and actions that demonstrate good governance in practice:-</p> <p>Developing the entity’s capacity</p> <ul style="list-style-type: none"> ▪ Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness. ▪ Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority’s resources are allocated so that outcomes are achieved effectively and efficiently. ▪ Recognising the benefits of partnerships and collaborative working where added value can be achieved. ▪ Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources. <p>Developing the capability of the entity’s leadership and other individuals</p> <ul style="list-style-type: none"> ▪ Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. ▪ Publishing a statement that specifies the type of decisions that are delegated and those reserved for the collective decision making of the governing body. ▪ Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each 	<p>Developing the entity’s capacity</p> <ul style="list-style-type: none"> ▪ We sold the Civic Centre and moved into more cost-effective accommodation. ▪ Benchmarking is an integral part of the performance management framework. ▪ There is an annual process to review and agree the Pay Policy in accordance with the Localism Act Section 38(1). ▪ Internal/External Audits ▪ Local Assurance Test ▪ The Council actively engages in partnership working to help deliver priorities - Partners and Partnerships are listed on the Council website. ▪ All services are being thoroughly reviewed and modernised, looking for efficiency savings. <p>Developing the capability of the entity’s leadership and other individuals</p> <ul style="list-style-type: none"> ▪ Our People Strategy 2016-2020. ▪ Annual staff survey undertaken to gauge employee satisfaction and assist in improving the organisation for employees as a place to work and consequently improve how the organisation performs. ▪ Annual staff ‘Star’ awards. ▪ Six council-wide workforce development priorities - management development; commercial finance; political awareness; customer focus; ICT and projects. ▪ £1m investment in workforce capability for 2016/17. ▪ Induction training is carried out for new Members and

<p>provides a check and a balance for each other's authority.</p> <ul style="list-style-type: none"> ▪ Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by; <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. • Ensuring personal, organisational and system wide development through shared learning, including lessons learned from governance weaknesses both internal and external. ▪ Ensuring that there are structures in place to encourage public participation. ▪ Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections. ▪ Holding staff to account through regular performance reviews which take account of training or development needs. ▪ Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. 	<p>employees.</p> <ul style="list-style-type: none"> ▪ eLearning training is utilized. ▪ Councillor training programme. ▪ Apprenticeship Programme in place.
<p>Principle F – Managing risks and performance through robust internal control and strong public financial management:-</p>	<p>Examples of assurances received:-</p>
<p>Local government needs to ensure that the organisation and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts,</p>	<p>Managing risk</p> <ul style="list-style-type: none"> ▪ Risk and Opportunity Management Strategy – risks are monitored quarterly and monitoring results ratified by Audit Committee. ▪ Decision making is supported by embedded risk management arrangements, with the Risk and Opportunity Management Strategy and Policy Statement reviewed annually. ▪ Risks are considered quarterly by Corporate Management Team, Cabinet and Audit Committee. ▪ Risk and Opportunity Management Annual Report.

promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority. Behaviours and actions that demonstrate good governance in practice:-

Managing risk

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

Managing performance

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

Robust internal control

- Aligning the risk management strategy and policies on internal control with achieving the objectives.
- Evaluating and monitoring the authority's risk management and internal control on a regular basis.
 - Ensuring effective counter fraud and anti-corruption arrangements are in place.
 - Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal

- Risk Management eLearning for staff.
- The internal audit plan is based on the high risks reported within the risk and opportunity registers.
- Joint integrated risk management framework between Plymouth City Council and NEW Devon CCG.
- Health, Safety & Wellbeing Steering Group.

Managing performance

- Key performance indicators.
- Staff appraisal system.
- Monitor administration's commitments.
- Corporate Plan Performance Framework.
- Project and performance management discipline in place for all major transformation and service improvement projects.

Robust internal control

- The Constitution makes it clear that management have the responsibility for operating a sound system of internal control. Internal Audit collaboratively works with services to make recommendations around improvement to the control environment.
- The Council's arrangements for providing economy, efficiency and effectiveness are reviewed by the external auditors on an annual basis. Their Annual Report provides a summary of the activity undertaken during the year.
- An effective Audit Committee is in place whose purpose is to provide independent assurance of the adequacy of the internal control environment, and to oversee the financial reporting process. The Audit Committee has two independent members.
- The Chief Internal Auditor supports the Audit Committee and reviews its effectiveness on an annual basis.

auditor.

- Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body;
- Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.
- That is recommendations are listened to and acted upon.

Managing data

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

Strong public financial management

- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.

Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

Managing data

- Information Lead Officer Group in place to direct work streams within the overall governance of information assets.
- Information Governance Manager and Corporate Records Manager in post.
- Management of Information Security Forum in place to ensure there is clear direction and visible management support for security initiatives.
- Information Security eLearning for staff.
- Information management strategy including data quality and data protection policies in place.

Strong public financial management

- The system of internal financial control is based upon a framework of regular management information, financial regulations, administrative procedures and a structure of delegation and accountability. The Medium Term Financial Strategy is updated each year and includes a risk assessment of budget option; the Medium Term Financial Strategy is agreed by Full Council.
- Medium Term Financial Strategy focuses on taking a view to 2019/20 of the range of major issues affecting the resources of Plymouth City Council.
- The Chief Finance Officer (s.151 officer), as documented in the Constitution, has responsibility for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and maintaining an effective system of internal financial control.

Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability:-	Examples of assurances received:-
<p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability. Behaviours and actions that demonstrate good governance in practice:-</p> <p>Implementing good practice in transparency</p> <ul style="list-style-type: none"> ▪ Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. ▪ Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand. <p>Implementing good practices in reporting</p> <ul style="list-style-type: none"> ▪ Reporting at least annually on performance, value for money and the stewardship of its resources. ▪ Ensuring members and senior management own the results reported ▪ Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an evidence to demonstrate good governance (annual governance statement). ▪ Ensuring that the framework is applied to jointly managed or shared service organisations as appropriate. ▪ Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations. <p>Assurance and effective accountability</p> <ul style="list-style-type: none"> ▪ Ensuring that recommendations for corrective action made by external audit are acted upon. ▪ Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon. 	<p>Implementing good practice in transparency</p> <ul style="list-style-type: none"> ▪ The Local Safeguarding of Children Board has full partner engagement and its work and records are published and accessible. ▪ The Adult Safeguarding Board has full partner engagement and its work and records are published and accessible. ▪ Committee agendas and minutes (Part I) are published on the Council’s website. <p>Implementing good practices in reporting</p> <ul style="list-style-type: none"> ▪ The Annual Report communicates Council’s activities and achievements, its financial position and performance. ▪ Every year the Scrutiny Board publishes a report on the achievements of the scrutiny function. The report is approved by the board and seen by the Council. ▪ Corporate Plan Performance Framework in place. <p>Assurance and effective accountability</p> <ul style="list-style-type: none"> ▪ Internal and External Audit findings are reported to Audit Committee. ▪ Annual Governance Statement reviewed by External Auditors ▪ The Audit Committee monitor and review the council’s corporate governance arrangements, financial reporting, internal control system, risk management system and internal and external audit functions.

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| <ul style="list-style-type: none"> ▪ Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. ▪ Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. ▪ Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. | |
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5. Review of Effectiveness

Plymouth City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Council is subject to a number of audits and inspections. These help to inform the development of a strong control environment and to develop risk management processes. The Council has an established Risk and Opportunity Management Policy.

In reviewing the current control environment, reports issued by external bodies (Audit and Inspection) and reports produced by Internal Audit (Devon Audit Partnership) have been reviewed to ensure that a comprehensive assessment of the current control issues has been made and that all potential areas of significant risk are being addressed within the internal control environment.

Directors complete an Assurance Questionnaire reviewing the control environment within their Department and the results of the questionnaires have been used to inform the assessment of significant governance issues for the Council.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the audit committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

6. Risk Management

The Council records the significant risks identified as potential threats to the delivery of its objectives within Strategic and Operational risk and opportunity registers and incorporate mitigation controls within action plans. Risks are formally monitored alternately every six months and reported to Corporate Management Team, Cabinet (for Strategic risks) and Audit Committee.

7. Areas of Significant Governance

A key element of the annual governance review process is also to identify any significant internal control issues. The Council has adopted the approach recommended by CIPFA which has identified what may be considered generally as a significant issue. These criteria are:

- The issue has the potential to seriously prejudice or prevent achievement of a principal objective;
- The issue may result in a need to seek additional funding to allow it to be resolved;

- The issue has the potential to result in significant diversion of resources from another aspect of the business;
- The issue may lead to a material impact on the accounts;
- The issue, or its impact, may attract significant interest or seriously damage the reputation of the Council;
- The issue may result in formal action being taken by the Section 151 Officer and/or the Monitoring Officer;
- The audit committee, or equivalent, has advised that it should be considered significant for this purpose, or
- The Head of Internal Audit has reported on it as significant in the annual opinion on the internal control environment.

This table describes the areas where significant governance is required for matters carried forward from 2015/16 and identified during 2016/17:

Key Governance Area	Lead Officer	Description	Reporting Through
Delivery of The Plymouth and South West Devon Joint Local Plan and Plymouth Plan	Strategic Director for Place	The concept of a single strategic plan for Plymouth was conceived in September 2012, when Cabinet approved a report setting out an innovative approach to the review of the City Council's adopted Core Strategy, taking the city's statutory development plan forward within the context of the government's new Local Plan system. This established the foundations for preparing the new Plymouth and South West Devon Joint Local Plan and explained how it will provide an integrated and holistic long term plan as to how the city and surrounding area will change between 2012 and 2031. The Joint Local Plan (JLP) covers the local authority areas of Plymouth City Council, South Hams District Council and West Devon Borough Council. The JLP and the Plymouth Plan provides a strategic policy framework for both people and place. The theme of providing quality of life for everyone in the city, runs through the heart of the plans, providing an effective and integrated strategic framework for addressing and responding to issues such as community safety, community cohesion, child poverty and equalities and diversity.	Cabinet
<p>Assurance Statement: Given that the Plan contains the Council's emerging Local Plan it must follow the statutory process for producing a Local Plan, including further consultation processes and eventually being considered by an independent Planning Inspector at an examination. The Plan will be considered against national regulations and guidance contained in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG). A Joint Member Steering Group is in place to ensure that key decisions needing to be made are taken back to the individual local authorities. The decision to move to a joint local plan (JLP) for Plymouth, South Hams and West Devon means that some consequential amendments will be required to the Plymouth Plan. The need to amend the Plymouth Plan also presents an opportunity to update the policies, reflecting new and updated evidence / data (where this is available), together with emerging priorities for the City Council and its partners.</p>			
Delivering Council services within the envelope of the resources provided in 2017-19 Medium Term	Interim Joint Strategic	The Council continues the Transformation Programme which is improving efficiency and reducing costs whilst still delivering benefits to the customer.	Transformation Portfolio Board;

Key Governance Area	Lead Officer	Description	Reporting Through
<p>Financial Strategy (MTFS)</p> <p>- The Council needs to deliver £37m of efficiencies over the next three financial years to 2019-2020</p>	<p>Director for Transformation & Change</p>	<p>Significant savings are focused in three key programmes:-</p> <ul style="list-style-type: none"> • Growth, Assets and Municipal Enterprise (GAME2) – This programme is investing in accelerating Plymouth’s economic growth, which will raise income through business rates and Council tax. It includes a wide range of initiatives to create more jobs and deliver more homes in Plymouth, guided by the Plymouth Plan and the Plan for Homes. We are also maximising the opportunities to increase income by making best use of our assets and taking a more commercial approach to the way we commission and run services. • One System, One Aim - This programme emphasises the need for preventative and early intervention services to improve health, thus reducing demand for services in the longer term to develop a sustainable system. • Transforming the Corporate Centre - This programme has been established to define and deliver an organisational service centre to deliver universal services and transactions with consistency and commonality, including delivery of digital service transformation across the entire organisation to enable channel shift and process. 	<p>Scrutiny Panels and Cabinet</p>

Assurance Statement: The Council adopted a Medium Term Financial Strategy for 2017/18 to 2019/20 in November 2016, with requirements and resources based on delivering against the vision and themes set out in the Corporate Plan. The MTFS links the revenue budget, capital programme and treasury management strategy and is based on a set of financial principles and objectives and is refreshed and updated on a regular basis. The Council work with treasury management advisors to fully understand the treasury management impact of Britain’s exit from the EU. The Corporate Plan allows the council to continue to manage its commitments within the revenue and capital envelope agreed. Due to transformation savings the Council has overcome the £65m gap identified in 2013.

Key Governance Area	Lead Officer	Description	Reporting Through
Reducing Health Inequalities to prevent our poorest residents continuing to live shorter lives as well as more years in ill health.	Director of Public Health	Reducing inequalities particularly in health and between communities is a long term priority for the City Council to support the delivery of the vision for Plymouth where an outstanding quality of life is enjoyed by everyone. 'Thrive Plymouth' framework was adopted by full council with links to the Plymouth Plan and Integrated Commissioning Strategies which provides a good foundation to achieve prevention in all services and decision making processes. We are working with major employers to embed an understanding and focus to reduce health inequalities reaching thousands of employees and children and young people via schools.	Health & Wellbeing Board
<p>Assurance Statement: The Sustainability and Transformation Plan (STP) is a strategic plan that covers the whole of wider Devon, including Plymouth, Devon and Torbay. The three top tier Local Authorities, two Clinical Commissioning groups (NEW Devon CCG and South Devon and Torbay CCG) and all the organisations covered by these CCGs are included in this footprint. The Collaborative Board supports the STP Board and is attended by the Leader and Chief Executive and there have been a number of meetings across wider Devon involving Overview and Scrutiny.</p>			

Key Governance Area	Lead Officer	Description	Reporting Through
Safeguarding children and protecting them from the risk of harm	Strategic Director for People	Every council has to set up a Safeguarding Children Board responsible for improving the wellbeing of children in the area. The boards are multi-agency and include representatives from partner organisations.	Plymouth Safeguarding Children Board
<p>Assurance Statement: Plymouth Safeguarding Children Board (PSCB) coordinates the work of everyone on the board to safeguard and promote the welfare of children in Plymouth and publishes policies and procedures for child protection. The Board has an independent Chair, (someone who doesn't work for social services) who works closely with the Director of Children's Services. The corporate Safeguarding Children Improvement Plan will be informed by self-assessment to include an assurance test. The Transformation Programme has risk registers for each work stream.</p>			
Public Sector organisations across the country are facing unprecedented challenges and pressures due to an aging population, increasing complexity of need and the requirement to deliver better services with less public resource. Plymouth and Devon also face a particular financial challenge because of the historic pattern of provision and pockets of deprivation and entrenched health inequalities. In order to meet the challenges facing Plymouth and support the wider challenged health economy work, New Devon CCG and Plymouth City Council have established a joint programme of work known as 'One System, One Aim'.	Strategic Director for People	Plymouth City Council and NHS Northern Eastern and Western Devon Clinical Commissioning Group (NEW Devon CCG) formed an integrated commissioning function on 1 April 2015, bringing together over £462 million of Plymouth City Council and NEW Devon CCG funding working towards a single commissioning approach, an integrated fund, and risk and benefit sharing agreements in order to deliver health and wellbeing services across the city. An integrated risk management framework is in place and the risk register aligns risks to the corporate objectives arising from the One System One Aim transformation project.	Health & Wellbeing Board and Cabinet
<p>Assurance Statement: A Section 75 agreement is in place across Plymouth City Council and NEW Devon CCG which covers the integrated fund of £462m, this includes the whole of the People Directorate budget and the Public Health commissioning budget. The Partners have established the Plymouth & West Devon Integrated Commissioning Board (PWICB) to provide oversight and leadership for delivery of the integrated commissioning function. PWICB is based on a joint working group structure and will ensure compliance with each Partner's Constitutions, standards of clinical and corporate governance and management and behavioural standards expected. The Health and Well Being Board will provide strategic oversight of partnership working between the Partners and shall make recommendations to the Partners as to any actions it considers necessary.</p>			
Potential negative impact of the various elements of Welfare Reform changes on addressing our priorities. Overall the changes will result in a significant financial loss to individuals and families across the Peninsula, with associated impacts on	Strategic Director for People	One of the main opportunities created by welfare reform impacts is the amount of prospects and openings for joint and co-operative working – many agencies and departments have come together to work with the Council including DWP and Crime Prevention Officers. Working towards minimising impacts of welfare reform helps the Council understand its	

Key Governance Area	Lead Officer	Description	Reporting Through
communities and services, particularly those that provide support to vulnerable people.		customer base and the issues they face. The Safer Plymouth Partnership will ensure close monitoring of ongoing work to minimise the impact of welfare reform, and consider what further support it can offer to mitigate any negative effects that may result in/lead to increases in criminal activity, for example serious acquisitive crime, domestic abuse, violent crime and substance misuse and develop and implement interventions to mitigate the impact.	
<p>Assurance Statement: The Safer Plymouth Partnership operates within a statutory framework with responsible authorities expected to work with other local agencies and organisations to develop and implement strategies to tackle crime, disorder, misuse of drugs and other substances and anti-social behaviour. Members that make up Safer Plymouth Partnership are representatives of Plymouth City Council, Devon and Cornwall Police, NHS Clinical Commissioning Group, Devon and Somerset Fire and Rescue, Devon and Cornwall Probation Trust and The Police and Crime Commissioner.</p>			
Risk that the Council will not meet its statutory duty for the completion of assessments within the deadlines in relation to Deprivation of Liberty (DoLs) referrals.	Strategic Director for People	All health and social care staff have a duty to be aware of and comply with the Mental Capacity Act 2005 (MCA) when working with anyone who might struggle to make a decision for themselves about their health or social care needs. This can include dementia, learning disabilities, brain injuries suffered from a stroke or any mental illness which might impair a person's ability to make decisions. Due to an increase in demand resulting from a legal judgement in 2014 which had a national impact, the Council (alongside the majority of authorities) is not meeting its statutory duty for the completion of assessments within the deadlines.	Plymouth Safeguarding Adults Board
<p>Assurance Statement: Risks are tracked via the risk register and a DoLs action plan is in place to deploy additional resource when required.</p>			
The Council meeting its obligations to keep citizen data secure and provide and display information in line with statutory requirements.	Interim Joint Strategic Director for Transformation and Change	Information is the raw material used by the Council to plan for and deliver all its services and reducing the risk that describes the availability and quality of information for staff, decision makers and citizen use, as well as the protection of sensitive information is a continuing process. An Information Lead Officer working group comprising of Information Lead Officers from each directorate are responsible for delivery of actions. The group report to a Senior Information Risk Owner who is a member of the senior management team.	Audit Committee
<p>Assurance Statement: The Information Lead Officer working group meet on a bi-monthly basis and will form part of a Project Board to progress the Information Management project which aims to modernise and streamline information management processes. Interim paper storage solutions have been implemented following the appointment of a Corporate Records Manager.</p>			

Key Governance Area	Lead Officer	Description	Reporting Through
Councils across Devon and Somerset are working with the Local Enterprise Partnership, the National Parks and health partners to develop proposals for Devolution to boost the prosperity of the whole area, referred to as the 'Heart of the South West'.	Assistant Chief Executive	In the Summer of 2015, Plymouth City Council, together with all the councils across Devon and Somerset worked together to submit a Statement of Intent to Government expressing the desire to explore a Devolution Deal that would transfer powers and funding from central Government, and enable greater influence over a wide range of public service areas. On 25 May 2016, a meeting was held between the leaders of Plymouth City Council, Somerset and Devon County Councils and the Mayor of Torbay Council, with the Secretary of State for Communities and Local Government. At that meeting, the Secretary of State offered to support and open up negotiations for a Devolution Deal, if each council, and the respective MPs covering the area were able to provide evidence of an 'in principle' agreement for the creation of a new Combined Authority to administer any Devolution Deal. Negotiations are expected to progress with a draft deal and business case being developed.	Cabinet
<p>Assurance Statement: The Heart of the South West (HotSW) comprises of 17 local authorities, two National Parks, the Local Enterprise Partnership and all three Clinical Commissioning Groups who have given their in-principle approval to set up a Combined Authority to support our devolution deal. A governance review is underway which will set out the powers, roles, functions, and operational arrangements for the Combined Authority and propose its relationships with and to key delivery partners nationally, locally and with neighbours. This review will form part of the Productivity Plan.</p>			
Delivery of a plan for waste that delivers increased recycling levels in Plymouth and ensures it meets the PFI targets agreed in the SW Devon Waste Partnership	Strategic Director for Place	The Council has started to reshape waste services with the optimisation of collection routes early in 2015. The next phase of the transformation of waste management aims to increase household recycling rates to 40% in the short term, improve performance levels, and meet the targets in the Energy from Waste partnership contract and to reduce the overall ongoing costs of the service in partnership with our residents. Modernisation of the service will be achieved through a range of interventions that will require changes in attitudes and other adjustments. Good engagement and communications are vital to ensure that the Council brings residents and staff along through this transition. The communications and engagement strategy has been developed and approved by the Project Board.	South West Devon Waste Partnership and Cabinet
<p>Assurance Statement: Whilst the majority of recycling initiatives have been delivered they have not achieved desired recycling rates which have recently decreased. New measures are being determined to improve recycling rates and we are engaging with Defra to deliver recycling improvements and monitor ongoing compliance. The modernisation of Waste and Street Services incorporates the citywide roll out of alternate weekly collections of household waste, and associated interventions to support the increase in recycling across the city.</p>			

8. Certification

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Cllr Ian Bowyer
Leader of the Council
Dated

Tracey Lee
Chief Executive
Dated:

Andrew Hardingham
Interim Joint Strategic Director
Transformation & Change (Section 151 Officer)
Dated: