



**IPSWICH**  
BOROUGH COUNCIL

**ANNUAL GOVERNANCE STATEMENT**  
**YEAR END 31 MARCH 2018**

## **Scope of responsibility**

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Ipswich Borough Council (IBC) 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 in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

IBC's Code of Corporate Governance is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, and this Statement explains how the Council has complied with the Code and meets the requirements of Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

## **The purpose of the governance framework**

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The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its 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 a process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

## The governance framework

The following aligns with governance good practice, and identifies with the seven core principles against which local authorities review their governance arrangements.

This Annual Governance Statement covers the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018. Evidence supporting the core principles are interchangeable throughout this Statement.

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### **Core Principle 1 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

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Standards of conduct and behaviour expected of councillors and officers of Ipswich Borough Council, its partners and the community are defined and communicated through codes of conduct and protocols. These include:

- Councillors' code of conduct
- Employees' code of conduct
- Corporate Values
- An effective performance management system
- Staff performance development review, linked to corporate and service objectives, is undertaken through the HR Performance Management System
- Anti-fraud, Anti-corruption, Anti-bribery policy
- Councillor/Officer protocols
- Audit & Governance Committee
- Strategic Overview & Scrutiny Committee

The Council's decision-making framework and delegation arrangements to the Executive, committees and senior officers are set out in full in the Council's Constitution. The terms of reference for the two Joint Committees are also set out in the Constitution and are supplemented with a written partnership agreement that sets out the decision making and management framework for the services delivered in partnership with other neighbouring authorities. The Council's Forthcoming Decisions List in respect of Executive business items has rules and processes in place for consultation and taking legal and financial advice before taking decisions.

The Council is required to keep its Constitution under review. The Monitoring Officer undertakes reviews as necessary in consultation with the Constitution Working Group and recommends any changes considered appropriate. During 2017/18 there were no alterations to the Council's Constitution except for the creation of a time limited committee, Human Resources Panel.

The Monitoring Officer is an experienced senior manager in local government as well as the Council's Chief Operating Officer. She has appointed deputy monitoring officers to discharge the duties in her absence. The function of the monitoring officer is described in the Council's Constitution.

The Monitoring Officer provides advice and training regarding compliance with the principles of Ethical Conduct within the Council and is supported by the Audit & Governance Committee of the Council.

During 2017/18 Councillor conduct issues were dealt with informally by the Monitoring Officer in association with the relevant Group Leader.

Responsibility for ensuring that an effective system of internal financial control is maintained and operated rests with the Section 151 Officer. The systems of internal financial control provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The 'CIPFA Statement on the Role of the Chief Financial Officer in Public Service Organisations' recommends that the Section 151 Officer is a member of the Council's senior management team.

The role of the S151 Officer included being a full member of the Council's Transformation Board together with a standing invite and access to all papers for Corporate Management Team. He signed off all Executive and Council reports with financial implications and met regularly with the Council's Monitoring Officer (who is also the Chief Operating Officer) to discuss any matters of concern. The S151 Officer was able to

## The governance framework

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approach the Chief Executive on any matter and directly liaised with the Portfolio Holder and Leader on financial matters.

The S151 Officer oversees the following processes within the Council:

- Monthly monitoring of income and expenditure against the annual budget;
- Business Planning process
- The setting of annual budgets;
- The Medium Term Financial Plan (rolling four years) reflecting the funding agreement;
- The monitoring of finances against the Medium Term Financial Plan;
- A mid-year review of the annual budget;
- Setting of financial and performance targets;
- Managing risk in key financial service areas;
- Clearly defined capital expenditure guidelines;
- Regular reporting of the Council's financial position to Councillors.

Ipswich Borough Council has a duty to ensure that it acts in accordance with the law and regulations in the performance of its functions. It has developed policies and procedures for its officers to ensure that, as far as possible, all officers understand their responsibilities both to the Council and to the public. Two key documents are the Financial Regulations and the Contract Standing Orders, available to all officers via the Council's Intranet, as well as available to the public as part of the Constitution, which is published on the Council's website.

National legislation is still paramount, such as the requirement, when constructing a budget, to report on the robustness of estimates and the adequacy of the proposed financial reserves (Local Government Act S25-27).

Other documentation includes corporate policies on topics such as Equality and Diversity, Customer Access, Data Protection and Anti-Fraud. All policies are subject to internal review to ensure these are adequately maintained. The Council keeps all staff aware of changes in key policies by means of alerting them in regular 'staff news' bulletins, and where appropriate, arranging training for all or key councillors or staff. Major policies are listed in the Council's policy framework.

In 2017/18 the following policies and strategies were reviewed and approved:-

- Risk Management Strategy
- Ipswich Council Tax Reduction Scheme
- Housing Strategy
- Environmental Health Enforcement Policy
- Corporate Information Security Policy
- Email Usage Policy
- Internet & Telephony Usage Policy
- Password Policy
- Protective Marking Policy

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### **Core Principle 2 - Ensuring openness and comprehensive stakeholder engagement**

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The IBC Constitution outlines how the Council operates, how decisions are made and the procedures which are to be followed to ensure that these are efficient, transparent and accountable to local people. The Executive is responsible for most decisions.

The Executive is made up of the Leader and seven Portfolio Holders. Key decisions are required to be published in advance in the Executive's Forthcoming Decisions List, and are generally discussed in a meeting open to the public. This list is published weekly.

All decisions must be in line with the Council's overall policies and budget. Any decisions the Executive wishes to take outside the budget or policy framework must be referred to full Council to decide.

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## The governance framework

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The Council's Strategic Overview & Scrutiny Committee supports and monitors the work of the Executive. A "call-in" procedure allows the Committee to review Executive decisions before they are implemented, presenting challenge and the opportunity for a decision to be reconsidered, although in 2017/18 there were no "call-ins".

Five Area Committees provide opportunities for local people to engage with discussion and decisions affecting their neighbourhoods. The Area Committees also discharge some executive functions in line with their terms of reference. These committees each have Councillor representation and provide a chance for local residents to influence Council decision making, share opinion and contribute to positive changes in their neighbourhoods.

Council Officer Key Decisions are published on the Council's website.

The Council's website contains information and data on how public money is spent, who we are and what we do.

The Partnership Framework sets out how partnerships should be assessed and managed to ensure effective and efficient governance systems and controls.

The Council's annual Business Planning process requires the regular review of all the partnerships in place for each service. Each review is expected to consider all governance issues and examine the effectiveness of each partnership. Continuous review and challenge of the applied process will inevitably lead to improvements to governance arrangements.

Processes continue to be strengthened to provide assurance that the systems and controls in operation over the governance of partnerships are effective and efficient in the future. A Partnership Register exists and is updated throughout the year as necessary and annually as part of the Business Planning process.

Ipswich Borough 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 Heads of Service 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.

This review is informed by:

- the work of the Internal Auditors and the Head of Internal Audit's Annual Report;
- the work of Heads of Service and operational managers within Ipswich Borough Council who have responsibility for the development and maintenance of the governance environment;
- the external auditors in their Annual Audit Letter and other reports;
- the results of any other external inspection reports.

A Social Media strategy is in place, together with an Equality and Diversity Policy helping to ensure that all groups in our community have a voice, can be heard and are suitably consulted (examples include Petitions, Area Committees, Equality Impact Assessments, Statement of Community Involvement). The Council publishes a list of forthcoming key Executive Committee decisions on its website with details of who to contact. In addition, Committee reports have a mandatory section for officers/councillors to complete which explains what consultation was undertaken - and the outcome - in relation to the proposed decision to be made.

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### **Core Principle 3 - Defining outcomes in terms of sustainable economic, social and environmental benefits**

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The Council's Corporate Plan – Building a Better Ipswich - and its Priorities sit at the top of the Council's Golden Thread and all Council activities are associated with the Plan's Priorities. The current Corporate Plan was adopted by Council in March 2017 and came into effect on 1<sup>st</sup> April 2017.

The Plan sets out the Council's aspirations and priorities for Ipswich with its vision and objectives translated through service group business planning and service area operational planning. Review mechanisms are in place to monitor progress via the Corporate Plan Delivery, including identifying risk at a strategic level by

## The governance framework

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Corporate Management Team, and service area risk monitoring/review by Heads of Service and operations managers.

The Corporate Plan Delivery monitor was developed for Building a Better Ipswich and achievements against its Priorities and the Council's direct contributions are maintained and monitored through the performance management framework, business planning processes, annual assurance statements for each service grouping and the performance manager system.

Financial planning is underpinned by business planning, with increased expenditure in any service area being justified to the Corporate Management Team, and where necessary approved by the Executive. Key to the business planning process is a requirement to demonstrate planning for continuous improvement over several financial years. Reviews of every service provided by the Council include quality and cost considerations. A zero-based budgeting programme covering every Council service has been completed.

Ipswich Borough Council through its budgetary monitoring and control processes ensures that financial resources are being used to their best advantage, via regular management reporting to the Corporate Management Team and Councillors.

Corporate Management Team is tasked with prioritising resources to ensure that the objectives within the Corporate Plan are supported by the individual business plans, and that improvements are in line with corporate objectives.

Economic, effective and efficient use of resources is subject to review through service reviews, the work of both Internal and External Audit and through independent external review. Benchmarking and use of comparative techniques is used. The Council continues to benchmark on specific metrics through the Local Government Association (LGIInform) with quarterly summary reports provided by the LGA.

The Council's Complaints process was reviewed and revised in 2017 through business process reengineering. The review took into consideration internal and external customer response rates. The revised process now makes it easier for customers to submit a complaint online and track its progress due to the process being wholly electronic. Service areas have complaints 'champions' who monitor/maintain complaint information/data.

The Council's Risk Management Strategy outlines levels of responsibility for identifying and managing risk. The document is reviewed annually by the Audit & Governance Committee.

The Council's Business Process Reengineering Schedule was completed which provided a £500k efficiency savings towards to the Mid-term financial plan 'big ticket' item. This was through stripping out back office inefficiencies by moving services to digital by default and removing the manual administration processes. The launch of the My Ipswich customer portal has assisted customers to complete requests/transactions online. Migration of customer contact to online has reduced face-to-face and telephony contact.

During 2017/18 the Agile programme delivered in excess of 300 mobile devices across all council services areas, primarily for staff based in Grafton House.

Through changes in working practices, maximisation of desk space and a review of service area storage requirements the programme was able to release the remainder of 4th Grafton House for lease by the end of January 2018. Further to this, a temporary location was also made available for the Customer Contact Centre during the Cornhill works.

From April 2018 the remainder of 4<sup>th</sup> Floor Grafton House will be leased generating an annual saving in service charges of £27,876 and an annual revenue of £92,723.

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### **Core Principle 4 - Determining the interventions necessary to optimise the achievement of the intended outcomes**

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The Council's Risk Management Strategy and its associated Action Plan was reviewed in 2017 and considered through Audit & Governance Committee, followed by Executive approval in February 2018.

## The governance framework

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Risk management is a fundamental part of all functions carried out by the Council. A risk management toolkit is also available as guidance for identifying and managing areas of risk which may impact on the Council's objectives.

Audit & Governance Committee, working alongside officers (as detailed in the Constitution) provides independent assurance to the Council that its overall governance arrangements are working effectively and reviews the arrangements that exist to safeguard the Council's money and assets and to provide proper value for money; manage the Council's exposure to risk having regard to its control environment including potential exposure to fraud and corruption; and ensure the adequacy of the Council's financial reporting processes.

The Strategic Overview & Scrutiny Committee continues to review and scrutinise decisions taken by the Executive and reviews the services provided by the Council and its partners. The chair of the committee is appointed from opposition councillors and works in conjunction with all of the councillors on the committee to develop an annual work programme. The committee is supported by the Chief Executive who acts as lead officer. Strategic Overview & Scrutiny Committee receive half-year and end year performance, together with progress on delivery of the Council's corporate plan priorities, via Portfolio Holder reports.

Suggested topics for the work programme are discussed with the Strategic Overview & Scrutiny Committee Steering Group (steering group consists of the Chair and Vice-Chair of Strategic Overview & Scrutiny Committee plus cross-party representation), and relevant officers to prepare a scope of work. The reviews are then carried out by small Task & Finish Groups with outcomes being reported back to the main Committee and recommendations being made to Executive.

The Executive is responsible for most decisions and makes decisions which are in line with the Council's overall major Policies framework and Budget. Should the Executive wish to make a decision which is outside the framework or budget, this must be referred to Council.

Each of the Council's Heads of Service develop annual business plans in consultation with operations managers. Plans focus on contributions to the Corporate Plan, performance, key activities for the coming year, challenges/risks covering changes affecting the service group and service group finance/budget.

Operations managers develop operational plans which set out their key service aims for the coming year together with risk, performance management and finance/budget associated with the delivery of their service.

Through performance reporting, corporate and key service objectives are monitored to ensure that performance targets and indicators are being achieved. Local performance indicators and annual key activities are individually linked to the corporate plan priorities and measured/monitored through the corporate Performance Manager System and the business and operational planning processes. All performance indicators are reviewed annually as part of the business planning process.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the segregation of duties, management supervision and a system of delegation and accountability. Ongoing development and maintenance of the various processes may be the responsibility of other managers within the Council.

The Council's corporate plan feeds into the preparation of budgets and is accompanied by the Medium Term Financial Plan (MTFP). Executive Councillors receive regular updates on performance and budget, eg via regular portfolio holder meetings with heads of service and operational managers.

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### **Core Principle 5 - Developing the Authority's capacity, including the capability of its leadership and the individuals within it**

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The Council provides a complete programme of learning and development for councillors that includes a comprehensive induction programme for new councillors. Development representatives from each political group along with the Leader of the Council regularly meet with the officer responsible for Councillor development to progress all development related issues. At this meeting Councillor development needs are identified and events planned to meet those needs.

## The governance framework

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During 2017/18 there was a break in the Councillor Training Programme owing to a period where the previous officer responsible had left the Council and the appointment of a replacement officer. Plans are in place to ensure that a full programme is developed for 2018/19.

Performance reporting is maintained to Portfolio Holders and Strategic Overview & Scrutiny Committee. This process includes progress against key performance indicators and activity, together with risk management, against the corporate plan priorities during the year.

The role and duties of the head of paid service are discharged by the Chief Executive. The function of the head of paid service is described in the Council's Constitution.

As part of the year-end process a Service Assurance Statement is provided by all Heads of Service, detailing assessment of their services. They are required to give assurance that risks have been identified, sound business arrangements operate in their service areas, and that the service is subject to monitoring and review in order to assess performance. Service Assurance Statements are a key element in all Head of Service Business Plans.

Annual Operational Plans identify the service area requirements for workforce planning in the coming year. This covers workforce planning issues and actions proposed to ensure the service is delivered. Regard is paid to service area performance, employee leadership development, potential workforce issues in the coming year together with potential actions to remedy.

Employee engagement is planned and monitored through operational plans following the implementation of the Employee Survey Action Plan and employees are involved in the development of operational plans, with employee engagement plans developed and tailored to the service.

The Council continues to benchmark on specific metrics through the Local Government Association (LGIInform) with quarterly summary reports provided by the LGA. In the coming year it is planned to develop a further benchmarking programme following a review of performance measures.

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### **Core Principle 6 - Managing risks and performance through robust internal control and strong public financial management**

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The Council's performance framework is regularly reviewed and appropriate amendments made. The Corporate Plan and key activities, Heads of Service plans and service plans are all subject to review. All Business Plans report on the Council's performance against key priorities and outline priorities and targets for the forthcoming year.

The Council's Corporate Risk Register is reviewed and agreed annually by Corporate Management Team and monitored monthly. In addition the Register is reviewed twice-yearly by Audit & Governance Committee.

The Corporate Risk Register is monitored by Corporate Management Team and newly identified risks are included in the register for review and monitoring. Exception reporting is forwarded to Executive through Corporate Management Team.

Heads of Service and operational managers review their service group and service area risks as part of the business and operational planning process. This review process also identifies any areas of risk which require monitoring via the Corporate Risk Register.

The committee report template includes a mandatory risk section for officers to complete - identifying risk associated with the report subject, ensuring clarity for councillors and officers.

Performance is managed through a number of measures:

- Corporate Management Team monitor the CMT Dashboard on a monthly basis. The Dashboard contains four key areas of content, ie: Performance, Finance, key Projects, Corporate Risk.
- Quarterly and end year performance indicator reporting to Heads of Service via the Council's Performance Manager System.

## The governance framework

- Half-year and end year performance and corporate plan delivery reporting to all Portfolio Holders and Strategic Overview & Scrutiny Committee.

Risk Management – The Council's Corporate Risk Register is reviewed and monitored every month by Corporate Management Team. In addition the Register is reviewed twice-yearly by Audit & Governance Committee. Heads of Service and operational managers review their service group and service area risks as part of the business and operational planning process. This review process also identifies any areas of risk which require monitoring via the Corporate Risk Register. The committee report template includes a mandatory risk section for officers to complete - identifying risk associated with the report subject, ensuring clarity for councillors and officers.

Senior Information Risk Owner (SIRO) – The Council has a designated SIRO (the Head of Internal Audit) who has responsibility for the Councils information management (governance) framework and acts as the champion for information risk. The SIRO aims to mirror the model prescribed by central government (Cabinet Office). Following this 'best practice' approach allows for uniformity across the public sector as it strives to meet the competing demands of further transparency and public/private engagement in contrast to increased cybersecurity threats and the need to prevent data leakage. Information governance has become a core part of the administrative process as the need to protect customer's information, whilst simultaneously operating in a rapidly evolving technological and information sharing age has become critical. By treating information as a business priority and not as an ICT or technical issue, we can ensure that risks are addressed, managed and capitalised upon. Ipswich Borough Council has created an outcome-focussed and holistic strategy for managing and shaping the way it uses its essential information

SIRO Annual Report - The following paragraphs represents the SIRO Annual Report. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed.

Information Governance – Information is treated as a priority by the Council which acknowledges that information is of value to enable effective and efficient outcomes for all stakeholders.

Data Quality - The importance of data quality is communicated at all levels throughout the organisation, including an understanding provided through available workshops covering business planning and the Council's performance and risk management framework.

Designated Posts – Posts have been established and filled i.e. Data Protection Officer, Senior Information Governance Officer, and Information Security Advisor.

Policies - A number of key information governance documents have been refreshed and promoted throughout the organisation ie Corporate Information Security Policy, Email Usage Policy, Internet and Telephony Usage Policy, Password Policy and Protective Marking Policy. Additional guidance is planned for 2018-19, including cyber security protection.

Compliance - The Council is currently in the process of renewing its compliance with the Central Government Public Service Network (PSN) information security requirements (this is a mandatory annual process). The Council is also acting on advice from the new Cyber Security Information Sharing Partnership and National Cyber Security Centre. Information is shared securely with our partners also using the Government Digital Service. The Council is also compliant with the ePayment Card Industry Standards (PCI) for another year.

Training - Data Protection Act and Freedom of Information Act training has been redesigned to take account of changes in the law, ie the General Data Protection Regulations, appropriate awareness training for all employees has and will continue to take place alongside specialist training in Cyber Security Awareness training.

Data Protection Act 1998, General Data Protection Regulations and UK Data Protection Bill - The Council acknowledges that information is a priority, which aids the delivery of its services effectively and efficiently. Moreover, protecting personal data is the overarching responsibility of the Council to meet obligatory legal duties and to fulfil its public service duty to each individual.

## The governance framework

Data Breaches - As a result of more stringent reporting mechanisms being introduced in advance of the new legislation, three data breaches involving Ipswich Borough Council information have been reported to and investigated by the Information Commissioner during the year. The Information Commissioners Office has been satisfied with how each case has been managed and the lessons learned have been implemented in amending processes and delivering training. There have been 7 minor Information Security Incidents reported; control measures are now in place and operating effectively. There is recognition that the process of capturing and reporting any breaches is now operating effectively.

Freedom of Information Act (FOI). A management solution using the Council's Customer Relationship Management system is in operation. Over 750 FOI requests (including 40 Environmental Information Regulations requests) were received by the Council in 2017-18; 93% answered within 20 days. No breaches or complaints have been reported to or investigated by the Information Commissioners Office.

### **Core Principle 7 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Internal Audit Services - Works in accordance with the Public Sector Internal Audit Standards 2016, and the Internal Audit Team operates under a Charter. Internal Audit reviews and appraises the adequacy, reliability and effectiveness of internal control within systems and recommends improvement. It also supports management in developing systems, providing advice on matters pertaining to risk and control and governance. The controls created by management are evaluated to ensure:

- Council objectives are being achieved;
- Economic and efficient use of resources;
- Compliance with policies, procedures, laws and regulations;
- The safeguarding of Council assets; and
- The integrity and reliability of information and data.

The Head of Internal Audit - Is responsible for reviewing and reporting on the adequacy of the organisation's control and governance environment, with a responsibility direct to the Audit and Governance Committee, including the arrangements for achieving value for money in accordance with CIPFA's 'The Role of the Head of Internal Audit in Public Service Organisations'. At Ipswich Borough Council this role reports to the Head of People and Governance as well as the Chief Executive when necessary, with free and open access across the entire executive and non-executive positions. The Head of Internal Audit and Audit Manager at Ipswich Borough Council are shared with Suffolk Coastal and Waveney District Council via the contracted Audit Partnership arrangements.

The Head of Internal Audit Annual Opinion - Based on the work undertaken by Internal Audit Services throughout the year, in conjunction with previous years' work, current risk assessments, and the Heads of Service Assurance Statements, the Head of Internal Audit is able to place reasonable assurance on the systems of internal control in place. However, two key areas, where governance and controls require further improvement have been reported by the Head of Internal Audit in the areas of Asset Management and Procurement. Improvements are being actively addressed and this is captured within this statement under significant governance issues - improvement plan.

External Audit - The Council's auditors, Ernst & Young LLP (EY), independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and provide a value for money judgement. In reaching an opinion EY take account of statutory requirements, national standards, their own audit work and the reports of Internal Audit. The Council aims to achieve an unqualified audit opinion for the financial year 2017-18 and will respond to any improvements suggested by our Auditors.

Whistleblowing - A 'Whistleblowing' Policy is in place. The Head of Internal Audit is responsible for the policy and has oversight of the procedures and investigations; including reporting formally upon the status of any Whistleblowing cases to the Audit and Governance Committee.

Complaints and Compliments- The Council have a complaints and compliments procedure with formal complaints monitored quarterly through Corporate Management Team.

## The governance framework

Audit & Governance Committee - The Audit & Governance Committee's terms of reference and work programme aim to follow CIPFA best practice. The Committee receives regular updates from the Head of Internal Audit, the Chief Finance Officer and External Audit on the assurance which can be placed against various systems and processes reviewed during the year.

Local Government Transparency Code – The Council aims to comply with this Code by ensuring local people can now see ( a link on the Councils Internet page) and access data covering:

1. How money is spent – for example, all spending transactions over £500, all Government Procurement Card spending and contracts valued over £5,000;
2. Use of assets – ensuring that local people are able to scrutinise how well their local authority manages its assets enabling local people the information they need to ask questions about how their authority is managing its housing stock to ensure it is put to best use;
3. Decision making – how decisions are taken and who is taking them, including how much senior staff are paid, and,
4. Issues important to local people – for example, parking and the amount spent by an authority subsidising trade union activity.

### Going Forward

Like all Councils we are presented with many Information Governance challenges, both internal and external, with regard to assuring our digital communication aims, such as an Information Sharing Framework and Register, and the introduction of the General Data Protection Regulations in May 2018. The Council acknowledges the changing risks and opportunities around information governance and is actively working on continued compliance with the Cabinet Office guidance.

The Council maintains focus on the following areas:

- *Income generation - determining and agreeing 'big ticket' items for financial savings and income generation*  
The Medium Term Financial Plan, agreed by Council in February 2017 identifies a range of "big ticket" items designed to achieve cost reductions or improvements in income.
- *Ensure robust implementation plans for the 'big ticket' items are in place within the Transformation Programme to deliver and communicate these items*  
The 'big ticket' items are incorporated into the Transformation Programme and reported on monthly to the Transformation Board / Corporate Management Team as part of the financial performance dashboard.

### Wholly owned Companies

At 31<sup>st</sup> March 2018 the Council had four wholly owned Companies – Ipswich Borough Assets Ltd, Ipserv Ltd, Ipswich Buses Ltd and Handford Homes Ltd.

In March 2017, Executive agreed the recommendations of a Governance Review of Council owned companies which included the modernisation of the Articles of Ipswich Buses, together with the introduction of reserved matters. It determined to require all companies to carry out a skills audit of their Boards and to submit annual reports and business plans to the shareholder each year.

The skills audits are now complete and the shareholder and Board Chairs will consider what changes may need to be made to the Boards of each company during 2018. Business Plans for Ipswich Buses, Ipswich Borough Assets and IPSERV have been presented to Executive. A plan for the Council's newest company, Handford Homes Ltd, is under development.

## The governance framework

In summary the Governance arrangements for each company are:

### Ipswich Buses

- First incorporated in 1986
- Six Directors including two independent of the Council
- Chief Executive as the Shareholder's representative
- Clear Articles of Association
- Reserved matters clearly indicating what requires a decision from the Shareholder (via an Executive meeting) or from the Shareholder's representative
- Annual report and business plan submitted to Shareholder
- Scheme of delegation
- Audited by KPMG
- Part of Group accounting structure for IBC
- Has some financial relationships with IBC secured by debenture or other secured loan agreement
- Shares Company Secretary with other Council owned companies
- Intra-group agreements in place for support services

### Ipswich Borough Assets

- First incorporated in 2016
- Five Directors
- Chief Operating Officer as Shareholder's representative
- Clear Articles of Association and Reserved Matters
- Annual report and Business Plan submitted annually to shareholder
- Shares Company Secretary with other Council owned companies
- Audited by EY
- Part of group accounting structure for IBC
- Financial relationships with IBC secured through formal loan agreements
- Intra-group agreements in place for support services

### Ipserv

- First incorporated in 2017
- Five Directors
- Chief Operating Officer as Shareholder's representative
- Clear Articles of Association and Reserved Matters
- Annual report and Business Plan submitted annually to shareholder
- Shares Company Secretary with other Council owned companies
- Audited by EY
- Part of group accounting structure for IBC
- Financial relationships with IBC secured through formal loan agreements
- Intra-group agreements in place for support services
- Scheme of delegation

### Handford Homes

- First incorporated in July 2017
- Five Directors
- Chief Operating Officer as Shareholder's representative
- Clear Articles of Association and Reserved Matters
- Annual report and Business Plan to be submitted annually to shareholder
- Shares Company Secretary with other Council owned companies
- Audited by EY
- Part of group accounting structure for IBC
- Financial relationships with IBC secured through formal loan agreements
- Intra-group agreements in place for support services

It should be noted that over the years the Council has registered a number of other companies in order to protect names should they be required in future. These are being reviewed and none are trading.

## The governance framework

Arrangements for these companies are kept under constant informal review as the companies develop. For example, in 2018/19 Ipserv has acquired a subsidiary.

### Improvements during the year 2017/18

In the period covered by this Annual Governance Assurance Statement, improvements have been made to the Council's arrangements in respect of the following areas, which had been previously identified as areas we could improve or challenges for the Council to overcome:

Issue	Improvement Plan	Progress to date
Asset Management Strategy requires updating	<ul style="list-style-type: none"> <li>▪ The Asset Management Strategy is being realigned with the Council's Corporate Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Various asset management plans assessed from around the country, and specific scope of IBC plan identified.</li> <li>• Prior to first draft of AMP 2018 – 2023, recommendations made to senior management and Property Portfolio Holder</li> </ul>
Parking Services System requires replacement	<ul style="list-style-type: none"> <li>▪ Ensure the new system is fit for purpose</li> </ul>	<ul style="list-style-type: none"> <li>▪ Executive approved an upgrade of the Car Park ticket machines. Implementation schedule now being agreed.</li> </ul>
Delivery of Medium Term Financial Plan with potential reductions in government funding	<ul style="list-style-type: none"> <li>▪ Regular budget monitoring and appropriate corrective actions</li> <li>▪ Monitoring Central Government proposals to change business rate landscape, providing consultation responses as appropriate</li> <li>▪ Robust management practices</li> <li>▪ Financial planning and risk management through business and operational planning processes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Part of the Suffolk pilot scheme for business rate retention and managing the process via the SCFOA and SCAN networks involving neighbouring authorities</li> <li>▪ Target set for 2018/19 to assess the impact of the pilot scheme on IBC revenue stream</li> <li>▪ Secured loans to wholly owned companies are generating sustainable income streams.</li> <li>▪ IPSERV is up and running with plans for future revenue streams in progress</li> <li>▪ Council tax was also increased by the maximum amount.</li> </ul>
Business Continuity management	<ul style="list-style-type: none"> <li>▪ Emergency HQ has IT disaster recovery in place</li> <li>▪ Review of all business continuity plans to ensure sufficient</li> <li>▪ Cyclical training of staff at strategic, tactical and operational level</li> </ul>	<ul style="list-style-type: none"> <li>▪ IT disaster recovery – Threat card for loss of ICT and loss of Grafton House in place along with an individual service plan for ICT (all documents are programmed for update during 2018)</li> <li>▪ Business Continuity plans are in place and are currently subject to review</li> <li>▪ Relevant training for employees at strategic and operational level is ongoing – delivered via JEPU</li> </ul>

## The governance framework

Issue	Improvement Plan	Progress to date
House Build Programme	<ul style="list-style-type: none"> <li>▪ Assess delivery options and obtain corporate decision on appropriate delivery mechanism</li> <li>▪ Continue to evaluate potential new sites for purchase</li> <li>▪ Establish council wholly owned housing company</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Council's wholly owned company 'Handford Homes' has been established and is progressing with its first two sites.</li> <li>▪ The smaller housing sites pipeline progresses with additional sites being reviewed for suitability and progressed where possible.</li> <li>▪ Procurement of design and contractors continues with Design and Build contracting, enabling a standardised type of property to be developed.</li> </ul>
Increase in customer demand and expectation, eg Universal Credit	<ul style="list-style-type: none"> <li>▪ Helping tenants prepare for Universal Credit rollout</li> <li>▪ Development of a new Customer Access Strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ An additional fixed term FTE customer services advisor to be in place ready for the roll out of UC Full Service</li> <li>▪ Leaflets being sent with tenant billing explaining about UC and what it means to them</li> <li>▪ IBC developed UC webpage with lots of useful info directed at tenants and other likely UC claimants</li> <li>▪ Working with IHAG to provide claimants with personal budgeting support</li> <li>▪ Promotion of the council tax reduction scheme and use of discretionary housing payments</li> <li>▪ New Customer Access Strategy 2018-21 is live. Working with Communications &amp; Marketing team on launch internal and external.</li> </ul>
Council wholly owned companies	<ul style="list-style-type: none"> <li>▪ Ensuring suitably qualified and trained directors</li> <li>▪ Review of governance and contractual arrangements</li> <li>▪ Section 151 Officer review of accounts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Skills audits of all Boards complete and assessment being made of any changes/ development required as a result</li> <li>▪ Director training provided to Directors of all companies</li> <li>▪ Business Plans for three companies submitted to Executive</li> <li>▪ Contracts/intra-group agreements in place between companies / the council to ensure clarity and robustness of arrangements between them</li> <li>▪ Shareholder representatives monitor progress of companies and liaise with Leader as necessary</li> <li>▪ Plans in place for Zurich to review risk management by all parties in relation to company affairs during 2018</li> <li>▪ S151 to review accounts as part of closure of IBC Group accounts</li> </ul>

## The governance framework

Issue	Improvement Plan	Progress to date
Implementation of the Agile Working Programme	<ul style="list-style-type: none"> <li>▪ Project plan developed and reviewed regularly</li> <li>▪ Weekly project board meetings</li> <li>▪ Weekly meetings with project sponsor</li> </ul>	<ul style="list-style-type: none"> <li>▪ During 2017/18 the Agile programme delivered in excess of 300 mobile devices across all council services areas, primarily for staff based in Grafton House.</li> <li>▪ Through changes in working practices, maximisation of desk space and a review of service area storage requirements the programme was able to release the remainder of 4th Grafton House for lease by the end of January 2018. Further to this, a temporary location was also made available for the Customer Contact Centre during the Cornhill works.</li> </ul>
Development of agreed People Strategy	<ul style="list-style-type: none"> <li>▪ Develop an agreed People Strategy to include workforce planning and succession management.</li> <li>▪ Review existing business processes to support modernisation in key back office areas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ People Strategy has been developed and is due for adoption by Council in July 2018</li> <li>▪ Review of existing business processes will continue into 2018/19.</li> </ul>
Major projects - Delivery - Funding - Viability - Market demand less than expected	<ul style="list-style-type: none"> <li>▪ Robust cost estimates</li> <li>▪ Active project management</li> <li>▪ Proactive marketing</li> <li>▪ Setting of appropriate contingencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost estimates for major projects always have an appropriate level of contingency (commensurate with risk and complexity) and are checked by an external Quantity Surveyor prior to funding bids.</li> <li>▪ Every major project has an internal project manager to manage the project for the term of its life (inception to post-handover).</li> </ul>
Fixed Assets System (RAM) - significant manual intervention required to provide year-end figures	<ul style="list-style-type: none"> <li>▪ Liaison with system supplier to improve processes</li> </ul>	<ul style="list-style-type: none"> <li>▪ The supplier came in during March 2017 and a number of amendments were made to the system. The amended system was used to close the accounts for 2016/17 and auditors were happy that we were compliant. There were no manual interventions needed to provide the year end figures.</li> </ul>

The Audit & Governance Committee will review this document in July 2018 and comment upon the effectiveness of the governance framework.

## The governance framework

### Significant governance issues

On the basis of assurance statements produced by the Heads of Service and the Council's Corporate Risk Register (CRR), we are satisfied that the Corporate Governance arrangements for Ipswich Borough Council are adequate and operating effectively. We always keep matters under review with the intention to improve processes in 2018/19 in the following areas:

Issues/Challenges Identified	Improvement Plan
Agresso Upgrade implementation and benefit realisation	<ul style="list-style-type: none"> <li>• Robust procurement process with well thought through specification</li> <li>• Implementation Programme to be developed which considers user and business needs, phasing, training etc</li> <li>• Culture change programme to ensure tasks and accountabilities sit in the right place and are understood</li> </ul>
Procurement compliance and improvement	<ul style="list-style-type: none"> <li>▪ Update procurement procedure notes in accordance with recommendations of recent audit report</li> <li>▪ Roll-out the recently revised, improved and updated procurement guidance for managers</li> <li>▪ Work to improve the detail and content of the contracts register to facilitate better contract management</li> <li>▪ Once relevant Agresso modules implemented improve management reporting to drive savings</li> </ul>
Implement new welfare reform legislation (eg. Universal Credit)	<ul style="list-style-type: none"> <li>▪ Monitor impact following the local implementation and respond appropriately</li> </ul>
Successfully implement the new duties from the Homeless Reduction Act 2017	<ul style="list-style-type: none"> <li>▪ Task group, resources and action plan established</li> <li>▪ Monitor impact on resources</li> </ul>
HR Information System implementation	<ul style="list-style-type: none"> <li>▪ System will go live in May 2018, across the organisation and voluntary bodies</li> <li>▪ Legacy System will run in parallel as an assurance to go-live</li> <li>▪ Communications Strategy</li> <li>▪ May deadline for completion of project phase 1</li> </ul>
Continued implementation of the Agile Working Programme including outstation scoping, completion of Agile roll-out	<ul style="list-style-type: none"> <li>▪ Project plan review regularly</li> <li>▪ Weekly project board meetings</li> <li>▪ Weekly meetings with project sponsor</li> <li>▪ Review of communications plan</li> </ul>
Implementation of People Strategy, including workforce development/planning	<ul style="list-style-type: none"> <li>▪ Full Council (July 2018) - Strategy approval/adoption</li> <li>▪ Implementation from August 2018.</li> </ul>
Improve Information Management	<ul style="list-style-type: none"> <li>▪ Continue to implement the requirements detailed in the new Regulations, the content of some of which will not be known until publication in 2018</li> </ul>

## The governance framework

Issues/Challenges Identified	Improvement Plan
Staffing, Sport & Leisure – Income targets	<ul style="list-style-type: none"> <li>▪ Review of the pricing increases made in June 2017 to be undertaken in June 2018</li> <li>▪ Review of the current membership scheme following changes in June 2017 to ensure that it meets market demand.</li> <li>▪ Review of the current programme to ensure that we provide activities required.</li> <li>▪ Development of the Physical Activity Strategy.</li> </ul>
Parks & Cemeteries – Modernisation of working practices and income generation	<ul style="list-style-type: none"> <li>▪ Review of service structure</li> <li>▪ Customer acquisition plans to be developed</li> </ul>
Asset Management Strategy	<ul style="list-style-type: none"> <li>▪ Provide a revised Asset Management Plan</li> <li>▪ Aim to increase property income, year on year, over next 5 years, by acquisition, disposal and good estate management</li> </ul>
Ipswich Garden Suburb – strategic urban extension aimed at delivering significant proportion of housing growth within the borough; delivery of the scheme is led by private sector and key strategic infrastructure required to be provided in a timely manner	<ul style="list-style-type: none"> <li>▪ Continue to work towards a delivery mechanism acceptable to all stakeholders</li> <li>▪ Resolutions to grant outline planning permission in place</li> <li>▪ Delivery Board to be set up</li> </ul>
House Build programme – delivery of new council homes	<ul style="list-style-type: none"> <li>▪ Handford Homes' established and progressing with its first two sites</li> <li>▪ The smaller housing sites pipeline progresses with additional sites being reviewed for suitability for delivery</li> <li>▪ Procurement of design and contractors continues with Design and Build contracting, enabling a standardised type of property to be developed</li> </ul>

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.

**Signed:** ..... **Date:** .....  
Council Leader on behalf of Ipswich Borough Council

**Signed:** ..... **Date:** .....  
Chief Executive on behalf of Ipswich Borough Council