

Supplement - Annual Governance Statement and Officer Exec Decisions reports for Audit and Governance Committee - Wednesday 29 June 2016

7. Annual Governance Statement 2015/2016 (Pages 3 - 10)

14. Officer Executive Decisions Feb 2016 to June 2016 (Pages 11 - 16)

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To: Audit & Governance Committee

Date: 29 June 2016

Item No:

Report of: Head of Law and Governance

Title of Report: 2015/16 Annual Governance Statement

Summary and Recommendations

Purpose of report: To present the 2015/16 Annual Governance Statement for approval

Report Approved by:

Finance:

Legal:

Policy Framework: None

Recommendation: That the 2015/16 Annual Governance Statement be approved

Appendix 1 – Annual Governance Statement 2015/16

Introduction

1. The Authority is required by the Accounts and Audit Regulations 2015 to review, annually, its internal controls environment and produce an Annual Governance Statement (“the AGS”). The Committee is required to consider and, if satisfied, approve the AGS. The AGS forms part of the Council’s statement of accounts and is attached to the report as an Appendix.

Recommendation

2. That the 2015/16 Annual Governance Statement be approved.

Financial implications

3. There are no financial implications arising from the report.

Legal implications

4. The Annual Governance Statement explains how Oxford City Council meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

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Annual Governance Statement – 2015/16 Financial Year

1. Oxford 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. It 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.
2. In discharging this overall responsibility, Oxford City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
3. This statement explains how Oxford City Council meets the requirements of The Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

4. The governance framework comprises the systems and processes and cultures 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, cost effective services.
5. 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 Oxford City 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.
6. The governance framework has been in place at Oxford City Council for the year ended 31st March 2016 and up to the date of the approval of the accounts.

The Governance Framework

7. The Corporate Plan 2016-2020 reaffirms the City Council's ambitions to make Oxford a world-class city for everyone. This ambition was developed with partners across the city, including business, community organisations, the health and education sectors and the County Council. It also sets out the Council's plans for transforming the way that the Council performs. The

aspiration is to be a world-class council, delivering high quality services and providing excellent value for money. This Corporate Plan was adopted by Council and sets out the changed policy and financial contexts in which the Council is working and the City Council's response to this changed environment. Previously the 2015-19 plan was in place.

8. The City Council's priorities for the next four years are:

- A vibrant and sustainable economy
- Meeting housing needs
- Strong and active communities
- A clean and green city
- An efficient and effective council

Council has also adopted and published targets for the Corporate Plan measures.

9. The Council has embedded its use of CorVu as a tool for the recording, reporting and analysis of performance and risk. The Council continues to use CorVu for financial reporting and for integrated financial, performance and risk reporting to the City Executive Board on a quarterly basis.
10. A number of Programme Boards were in place throughout 15/16 and provided effective oversight of the large number of projects on-going. The Council continued to use a Prince 2 approach to programme and project management.
11. During 2015/16 the Council embedded the new Capital Gateway framework that is intended to enhance both Project Sponsors' and Project Managers' compliance with excellent project management practices, together with ensuring greater successful delivery of the Council's capital projects. Project Managers and other officers with linkages to the Council's capital programme are required to attend Capital Gateway training so that they are familiar with both the documentation required by the new process and the tasks demanded at each stage (gateway) of delivery.
12. In the last year the Council:

- implemented the Universal Credit programme;
- undertaken a Home Choice pilot project;
- opened the new Rose Hill Community Centre;
- carried out a scheme to replace or refurbish all of the Council Sports Pavilions;
- introduced a new leadership and management development scheme;
- introduced a system for Individual Electoral Registration;
- undertaken the OxFutures Project;
- participated in the Northway and Marston Food Alleviation Scheme;
- received the following external accreditations: Customer Service Excellence for the Revenues and Benefits team, the legal team within Law & Governance retained its LEXCEL accreditation, the Environmental Sustainability team gained ISO 9001 and ISO14001,

Green Flag status, ISO9001 and ISO 14001 for the Council's parks, QUEST for the Council's Leisure Centres, Payroll Quality Partnership, Payroll Assurance Scheme, ISO9000 for Housing and Property Services, CSE and ISO9000 for Planning and Regulatory Services and Direct Services gained the following accreditations: The Gas Safe Register (formerly CORGI), NICEIC (the electrical accreditation body), BM TRADA ISO9001:2008, BM TRADA ISO14001, Customer Service Excellence for Direct Services, Constructionline and has a registered MOT and ATF Testing Station.

13. Clear schemes for delegation for Council, the City Executive Board and Officers are set out in the Council's constitution. The role, purpose and terms of reference for the Scrutiny Committee and Audit and Governance Committee are also set out in the constitution as are protocols for effective communication and access to and use of information. The constitution is reviewed annually.
14. The Council has adopted a Code of Conduct for Officers and local member protocols in relation to Member/Officer relations, planning and the use of IT. The Council also adopted a Code of Conduct for Members (in cooperation with all of the Oxfordshire Authorities) and local complaint handling arrangements in response to legislative changes introduced to the ethical standards regime within local government. The Council has retained a Standards Committee and appointed Independent Persons to advise the Monitoring Officer and Standards Committee in relation to complaints of breaches of the Code of Conduct for Members.
15. The Council has an induction and training process in place for both Members and Officers joining the Council. During 14/15 the authority undertook a detailed review in two areas of member support: training and provision of information and the results of this review were implemented in 2015/16.
16. The framework agreed covers a rolling four year period with basic training happening every two years (in election years) and training in other years set to enhance members' skills. 2015/16 was a skills enhancement year and feedback from members was "good" and "very good" across all areas. Officers also re-commissioned basic training during 2015/16 ready to be delivered in May 2016. This re-commissioning focused on the needs of members to successfully deliver on their role.
17. A "Member Guarantee" was also developed and delivered. This provides for a monitored process guaranteeing members a response to their enquiries within five days. The outcomes from this are being monitored at Director level.
18. A broad internal training programme of courses is run each year for officers as well as specific professional training. Compliance with Continuing Professional Development requirements of staff is monitored by individual officers; the Council provides sufficient resources to fund this.

19. Council and the Executive review annually their schemes of delegation and the terms of reference of their committees (if any). All reports to decision making bodies are approved in accordance with the requirements of a report clearance protocol so as to ensure that legal, financial and other risks are properly identified and articulated. There are comprehensive contract, financial and employment rules in the constitution. Each report to the City Executive Board is accompanied by a risk register and an equality impact assessment (where appropriate).
20. The Council has established an Audit and Governance Committee with terms of reference that comply with CIPFA's guide. The Committee receives regular internal and external audit reports, is effective and is contributing to improving the internal control environment of the Council. The members of the Committee have received special training in order to promote their independent questioning skills.
21. The Council has a coherent accounting and budgeting framework which includes the monthly monitoring and publication of spend against budget. The Medium Term Financial Plan and budget setting is underpinned by the constitution, prioritisation and savings action plans which are regularly reviewed and updated by the Executive.
22. The Monitoring Officer and Chief Finance Officer have had no cause to issue reports in exercise of their statutory powers in the 2015/16 financial year. The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
23. The Council has adopted a Whistleblowing Policy. The Policy is published within the Council's Constitution and is periodically reviewed by the Monitoring Officer. The Council also operates a corporate complaints system. The Council has sought to integrate the corporate complaints process with its CRM system so as to ensure the consistent capturing and reporting of customer feedback.
24. There was one formal report issued by the Local Government Ombudsman against the Council in this year relating to how the Council had administered the St Giles' Fair.
25. The terms of reference of the Audit Committee have recently been amended so that in future it will receive reports on such matters. The Audit and Governance Committee also receives quarterly reports on all allegations of fraud or corruption.
26. The Council has set out in its Corporate Plan the importance of partnership working and identified its key strategic partnerships. Political and managerial

leadership is communicated and where appropriate co-ordinated between the public bodies serving the residents of the city. The Authority has adopted and published a consultation framework.

Review of Effectiveness

27. The Authority 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.
28. In preparing this statement each service area has completed and each Head of Service has signed an assurance checklist. The checklist covers the following areas:-

Risk Management
Business Performance and Development
Projects and project management
Financial management
Fraud
Procurement and contract management
Human resources
Equality and Diversity
Data quality and security
Health and safety
External accreditations
Review and documentation of business critical processes

29. The checklist asked each Head of Service to draw attention to any matters in respect of which internal controls were not working well and required a positive assurance that apart from those areas which were identified for improvement that the controls within the service had been, and are, working well. Each service gave a positive assurance.

Awards/Recognition

30. The following awards were earned by the Council in the year April 2015 – March 2016:
 - Gold performance award for address data;
 - The Youth Ambition Team won Best Sports Development Project at the Oxfordshire Sports Awards
 - Silver prize in the Local Authorities Best Practice Category of the Green Apple Environment Awards
 - Best Recycling/Waste project in the Public Sector Sustainability Awards

- Award in the city category for Thames and Chilterns region and won silver award for the City category in the Britain in Bloom awards
- Gold for Town Hall, Littlemore, Knights Road, Abingdon Road, Wolvercote, Cowley Road, St Clement's, Bury Knowle Park, Market Street and Gloucester Green in the Loo of the Year Awards;
- Gold Stray Dogs Award in the RSPCA Community Animal Welfare Footprint Awards;
- Local Authority Air Quality Initiative of the Year in the National Air Quality Awards;
- Public Sector Fleet of the Year in the Green Fleet of the Year Awards;
- Horticulture Apprentice of the Year, Council of the Year and Best Housing, Regeneration or New Build Initiative Award in the Association of Public Sector Excellence (APSE) Awards;
- Bronze in the Gold Standard Challenge for its commitment to preventing homelessness with the Practitioner Support Service;
- Green Flag status for Blackbird Leys, Cutteslowe & Sunnymead, Hinksey, Florence and Bury Knowle parks and St Sepulchre's Cemetery in the Green Flag Awards;
- Customer Service Excellence accreditation for City Development, Rents, Benefits, Revenues and General licensing
- Gold Employer of the Year in the 250+ employees category and Overall Winner in the Investors in People Awards;
- Winner in Innovation in community and commercial food waste collection category in the UK AD & Biogas Industry Awards 2015; and
- Runner up in the Air Quality Initiative category for the Low Emission Zone initiative (in partnership with Oxfordshire County Council) in the Energy Saving Fleet Hero Awards

Significant Governance Issues

31. The control framework described above facilitates the identification of any areas of the Council's activities where there are significant weaknesses in the financial controls, governance arrangements or the management of risk. Overall, it concluded that controls are operationally sound. The annual report from the Council's internal Auditors, which will be reported to the Audit and Governance Committee in June 2016, confirms that, based on the evidence of the audits conducted, there are no signs of material weaknesses in the framework of control.

To: Audit and Corporate Governance Committee
Date: 29 June 2016
Report of: Head of Law and Governance
Title of Report: Officer Executive Decisions published between 20 February 2016 and 15 June 2016

Summary and recommendations	
Purpose of report:	To inform the committee of the Officer Executive Decisions taken in the last quarter.
Corporate Priority:	None.
Policy Framework:	None
Recommendation: That the Committee note the report and the decisions taken.	

Appendices	
Appendix 1	Officer Executive Decisions published between 20 February 2016 and 15 June 2016

Introduction and background

1. At the meeting in December 2015, the Committee asked for a list of officer executive decisions taken to be included in the agenda.
2. If an officer executive decision is a key decision; notice that it will be taken is included in the Council's forward plan, available on the website.
3. When Committee Services are notified that an officer executive decision has been taken, this is published separately on the Council's website and notification is sent by email to all councillors.
4. The Constitution sets out the scheme of delegation to the Board and to officers.

Decisions taken

5. Appendix 1 lists the decisions taken showing the date from which the decision was effective.

Implications

6. There are no financial, legal or other implications in this report.

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Background Papers: None

Appendix 1 – Officer Executive Decisions published between 20 February 2016 and 15 June 2016

AWARD OF THE PROVISION OF A FURNISHED TENANCY SCHEME CONTRACT	
Date decision made:	4 Feb 2016 (published 23 Feb 2016)
Decision taker	Executive Director for Regeneration and Housing
Is this a Key Decision?	Yes It is significant in terms of its effect on communities living or working in an area comprising two or more wards
Reason for decision	<p>The decision to award the Furnished Tenancy Scheme to Furnished Homes T/A Underley Furnishings has been made. The total contract value for the first 3 years will not exceed £993,720.</p> <p>The City Executive Board agreed to Delegate authority to the Executive Director Regeneration & Housing, after consultation with the Monitoring Officer and s151 Officer, to award the Furnished Tenancy Scheme contract to the supplier selected following completion of the EU-compliant open tender process for the provision of household goods and furnishings to Council tenants. This was agreed on 12th November 2015.</p> <p>The decision was taken on Thursday 4 February 2016 and the contractors notified, however the decision could not be advertised until after the 10 day Alcatel standstill period had passed.</p>
Alternative options considered:	Choice of contractor.
Wards affected	All Wards
Declared conflict of interest:	None

TEMPORARY AGENCY STAFF CONTRACT AWARD	
Date decision made:	12 April 2016 (published 29 April 2016)
Decision details	<p>On 9 July 2015 the City Executive Board resolved to GRANT delegated authority to the Executive Director of Organisational Development and Corporate Services to award a new temporary agency staff contract.</p> <p>Decision was given to award a contract to Reed Specialist</p>

	Recruitment Ltd for the provision of temporary agency staff following a procurement process for 3 years with an option to extend for a further period of 2 years. Estimated contract value approx. £14,900,000.
Decision taker	Executive Director for Organisational Development and Corporate Services
Is this a Key Decision?	Yes It is significant in terms of its effect on communities living or working in an area comprising two or more wards
Reason for decision	To ensure that spend is under contract and that the Council receives best value for money.
Alternative options considered:	The Council requires temporary agency staff as part of its overall workforce. Different routes to market were considered as part of the Procurement Strategy.
Wards affected	All Wards
Declared conflict of interest:	None

REVIEW OF HOMELESS DISCHARGE INTO THE PRIVATE RENTED SECTOR POLICY	
Date decision made:	21 April 2016 (published 21 April 2016)
Decision details	<p>The original Homeless Discharge into the Private Rented Sector Policy was approved by CEB in Feb 2013. Following a Supreme Court judgement it needs to be reviewed in order to ensure that the policy reflects the changes to legislation and practice.</p> <p>The review has resulted in the following changes:</p> <p>The Council will usually consider a Private Sector Offer to homeless applicants. The 2013 policy explains the criteria to be used when considering whether an out of area offer would be considered suitable. It is clear from the Supreme Court Judgement (Nzolameso v Westminster 2015) that the 2013 policy places insufficient emphasis on the disruption to a child's education that could occur whether or not that child is approaching GCSE exams. The key change to the 2016 policy is to reflect this and ensure that disruption to a child's education and support is considered and addressed in decision making.</p> <p>There are some additional minor changes to the preamble and explanation to the criteria Oxford City Council considers in all cases. There are also changes to reflect the improved standards of accommodation in any accommodation that the</p>

	Council offers to homeless applicants in the private sector and a revised definition of fit and proper landlord. <u>The updated policy can be found here.</u>
Decision taker	Head of Housing and Property
Is this a Key Decision?	Yes It is significant in terms of its effect on communities living or working in an area comprising two or more wards
Reason for decision	The original policy was approved by CEB in Feb 2013. Following a Supreme Court judgement it needs to be reviewed as otherwise it could be subject to challenge.
Alternative options considered:	
Wards affected	All Wards
Declared conflict of interest:	None

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