

Annual Governance Statement 2018-2019

Scope of Responsibility

The City of Wolverhampton 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 in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Council has a Local [Code of Corporate Governance](#), which is being revised in line with the latest principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The new principles have been adopted in this statement.

The Council is also responsible for the strategic management and administration of the *West Midlands Pension Fund* with the Council's Managing Director, Monitoring Officer and Section 151 Officer holding specific responsibilities for supporting both the members of the Pensions Committee and the Local Pension Board in their role.

Wolverhampton Homes is the Council's Arm's Length (Housing) Management Organisation (ALMO) and is a company wholly owned by the Council. The control of the ALMO is through the Board which has representatives drawn from 1/3 council, 1/3 tenants and 1/3 independent. There is a Management Agreement between the Council and Wolverhampton Homes which sets out the contractual and governance arrangements between the parties.

WV Living is a private limited company, which has been set up by the City of Wolverhampton Council, to develop and build a new range of homes within the city. Therefore, the company are required to submit separate accounts via Companies House. Senior Officers from the Council are directors of the company and formal governance arrangements have been established in an articles of association.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Risk management and internal control are a significant part of the governance framework and are designed to manage risk to a reasonable level. They 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 systems of risk management and internal control are 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 the Council for the year ended 31 March 2019 and up to the date of approval of the annual report and statement of accounts.

On 3 April 2019 The City of Wolverhampton Council approved a new Council Plan for 2019-2024, to replace the existing Corporate Plan 2016-2019. The plan will build on the Council's transformation journey with a focus on delivering the following improved outcomes for the City:

Council Plan

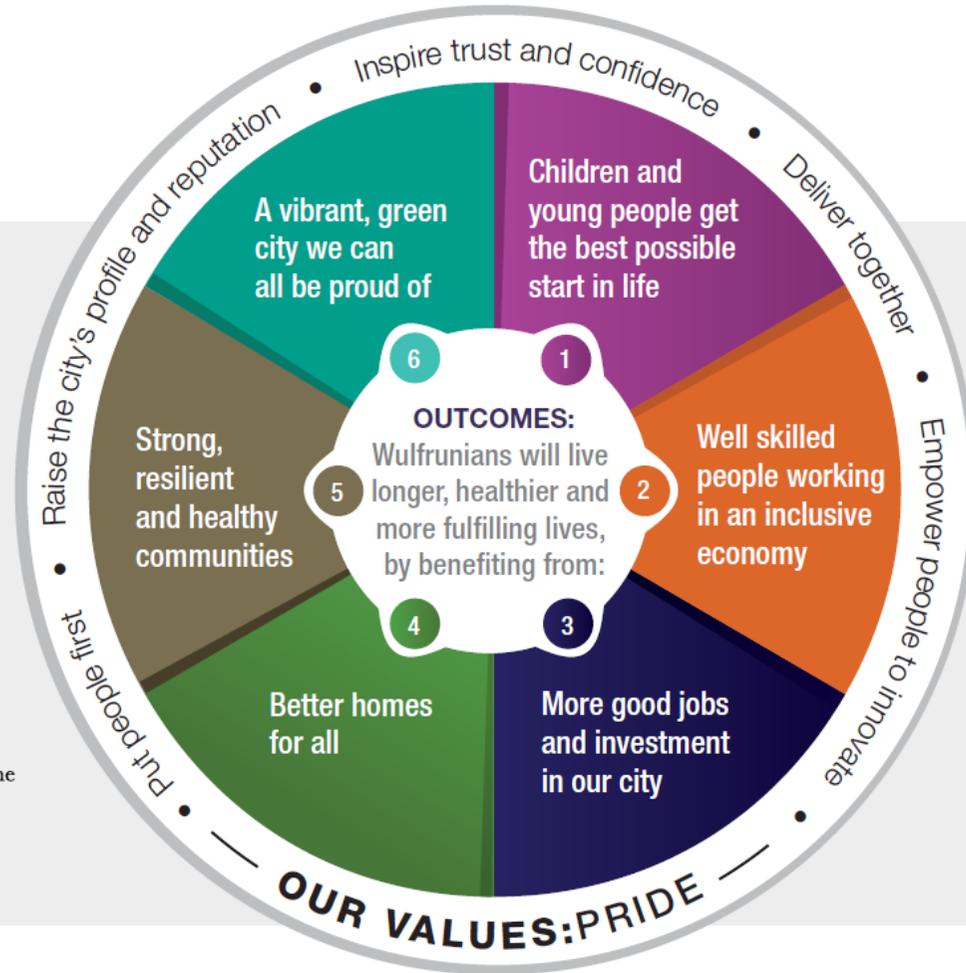
Working together to be a city of opportunity and to deliver our contribution to Vision 2030

CITY OF
WOLVERHAMPTON
COUNCIL



Wolverhampton for Everyone
a people powered city

'Connecting people, places and communities to unlock potential and create change'



A full copy of the [Council Plan](#) can be found here

These are underpinned by the governance environment. This environment is consistent with the core principles of the new CIPFA/ SOLACE framework. In reviewing the Council's priorities and the implications for its governance arrangements, the Council carries out an annual review of the elements that make up the governance framework to ensure it remains effective.

The key elements of the systems and processes that comprise the Council's governance framework, and where assurance against these is required, are described below.

Core principles of the CIPFA/ SOLACE framework	Assurances required	Governance framework providing assurance	Review of Effectiveness	Issues identified
<ul style="list-style-type: none"> Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. Ensuring openness and comprehensive stakeholder engagement. Defining outcomes in terms of sustainable economic, social, and environmental benefits. Determining the interventions necessary to optimise the achievement of the intended outcomes. Developing the entity's capacity, including the capability of its leadership and the individuals within it. Managing risks and performance through robust internal control and strong public financial management. 	<ul style="list-style-type: none"> Delivery and communication of an agreed corporate plan Quality services are delivered efficiently and effectively Clearly defined roles and functions Management of risk Effectiveness of internal controls Compliance with laws, regulation, internal policies and procedures Value for money and efficient management of resources High standards of conduct and behaviour Public accountability Published information is accurate and reliable 	<ul style="list-style-type: none"> The Constitution (including Head of Paid Service, Chief Financial Officer and Monitoring Officer) Council, Cabinet and Committees Audit and Risk Committee Scrutiny function Standards Committee Internal and External Audit Strategic Executive Board Wider Leadership Team Directors Assurance Statements Corporate and Business plans Medium Term Financial Strategy Corporate Risk Register and Assurance Map Codes of Conduct Whistleblowing and other anti-fraud related policies Financial and Contract Procedures Rules 	<ul style="list-style-type: none"> External Audit Report to Those Charged with Governance (ISA 260) Report – unqualified opinion Annual Internal Audit Report - unqualified opinion Annual Audit and Risk Committee Report to Council Latest LGA Corporate Peer Review – positive outcome 2017 Ofsted inspection of Children's Services – judged "Good". Annual Statement of Accounts Local Government Ombudsman Report Scrutiny reviews 	<ul style="list-style-type: none"> Medium Term Financial Strategy Procurement, Contract Management and Monitoring Corporate Landlord Civic Halls General Data Protection Regulations Tenant Management Organisations Residential Site Management Combined Authority

Core principles of the CIPFA/ SOLACE framework	Assurances required	Governance framework providing assurance	Review of Effectiveness	Issues identified
<ul style="list-style-type: none"> Implementing good practices in transparency, reporting, and audit to deliver effective accountability. 	<ul style="list-style-type: none"> Implementation of previous governance issues 	<ul style="list-style-type: none"> modern.gov (the council's committee management information system) 	<ul style="list-style-type: none"> Annual Governance Statement – including the follow up of previous year issues 	

The Review of Effectiveness

The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of councillors and senior officers within the Council who have responsibility for the development and maintenance of the governance framework including Internal Audit's annual report, the Scrutiny function and also by reports made by the Council's external auditors and other review agencies and inspectorates. The above table helps illustrate this framework, where assurance is provided and the processes through which the effectiveness of these arrangements are reviewed.

Opinion for 2018-2019

The review of effectiveness has found the arrangements for the governance framework to be fit for purpose.

A key component of the review is through the work of the Council's Audit and Risk Committee and during the year the Committee continued with its new initiatives, helping to ensure that the Council had a modern, effective and risk focussed Committee. During the year they:

- Maintained the focus of the Committee on the Council's risk management arrangements, gaining an increased assurance that the Council was managing its risks well. This also involved the Committee 'calling-in' certain risks and their risk owners, for a more detailed review.
- Maintained a strong working relationship, through regular progress meetings, with the Council's External Auditors Grant Thornton, the Internal Auditors and Senior Officers. There was also had further engagement with Grant Thornton, through regular consideration of their informative Audit Committee Update publications at Committee meetings.

Internal Audit

Internal Audit has reviewed itself against the governance arrangements set out in the CIPFA Statement on the Role of Head of Internal Audit and the Council is able to confirm that the arrangements conform to these requirements. The Council is also able to confirm compliance with the Public Sector Internal Audit Standards through the results of an independent validation of the Council's self-assessment exercise and as reported to the Audit and Risk Committee in 2018.

Internal Audit has concluded that based on the work undertaken during the year on areas of key risk, the implementation by management of the recommendations made and the assurance made available to the Council by other providers as well as directly by Internal Audit, it can provide reasonable assurance that the Council has adequate and effective governance, risk management and internal control processes".

Managing the risk of Fraud and Corruption

With regards to the CIPFA Code of practice on managing the risk of fraud and corruption - having considered all the principles, the Council is satisfied that it has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. The activities undertaken in this area were primarily led during the year by the Audit and Risk Committee.

CIPFA's Statement on the Role of the Chief Financial Officer in Local Government

The role of the Council's Section 151 Officer has been assessed against the CIPFA Statement and found to be compliant

Key Changes to the Governance Framework

There were no key changes to the governance framework during the year. However, on 3 April 2019 The City of Wolverhampton Council approved a new Council Plan (see above) and a new senior management structure as follows:



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Oversight and assurance of portfolio of directorships

- Vision 2030
- Council Plan
- Our Council Programme
- Financial Strategy
- Corporate Governance
- Assurance Framework
- Positioning the City
- Inward Investment
- Regional & Sub-Regional Work
- Stakeholder Engagement Framework
- Black Country Transport
- West Midlands Pension Fund



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- Future Strategy and Policy Development
- Our Council Programme and Council Plan
- Strategic Partnerships
- Insight & Performance
- Corporate Assurance
- Public Services Reform
- West Midlands Combined Authority
- ASCA/LEP
- Digital Infrastructure and Data

Regional roles



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- Investment and Financial Management
- Governance and Operations



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- Major transport projects
- Transport Strategy & Policy
- Transport Funding
- Local Enterprise Partnership - Transport
- Combined Authority - Transport



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- Section 151 Officer
- Audit Services
- Strategic Financial Advice & Support
- Revenue & Benefits
- The Hub
- Financial & Investment Strategy
- Commercial Business Improvement Programme
- Procurement & Commercial Services



Vacant
Director of Governance Monitoring Officer

- Monitoring Officer
- Democracy
- Legal Services
- Equality & Diversity
- Electoral Registration
- Elections & Referends
- Information Governance
- Councillor Support
- Mayoral Support
- Organisational Development



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- Corporate Relationship Management
- Media Enquiries
- Promoting the City of Wolverhampton
- Digital Engagement / Social Media
- Internal Communication & Engagement
- Corporate Campaign Planning
- Events Strategy & Delivery
- City Marketing
- Web Services



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- City Development
- Local Economy
- Enterprise
- City Planning
- Visitor Economy



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- Client - WV Living
- Client - Wolverhampton Homes
- Client - Tenant Management Organisations
- City Housing Strategy
- Homelessness Prevention Strategy
- Housing Development & Growth
- Private Housing & Improvement
- Housing Policy & Insight
- Temporary & Independent Living Accommodation



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- Oversight and assurance of services**
- ICT
 - Corporate Landlord
 - Voluntary & Community Sector Officer Champion
 - Resettlement Programme
 - Wolverhampton for Everyone
 - Customer Services



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- Assessment & Support
- Planning for all adults
- Adult Safeguarding/MASH
- Adult Care Protection
- Better Care/Integrated Working with Health
- Principal Social Worker
- Community Financial Support
- Adults Commissioning
- Emergency Duty Team
- Approved Mental Health Practitioners & Assessments
- Independent Living Services
- Carers Support



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- Children in Need & Child Protection
- Disabled Children & Young People
- MASH
- Children & Young People in Care
- Youth Offending
- Early Intervention
- Education Psychology
- Headstart
- Safeguarding
- Children's Commissioning



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- Public Health
- Community Safety & Community Cohesion
- Health Improvement
- Transformation & Health Protection
- Intelligence & Evidence
- System Resilience
- WV Active
- Resilience
- Employee Wellbeing
- Public Health Commissioning



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- School Improvement
- School Organisation
- Special Educational Needs & Disability Commissioning
- Skills & Employability
- Adult Education
- Public Health Strategy for Learners
- Market Shaping
- Apprenticeships



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- City Transport
- Environmental Services
- Business services
- Waste & Recycling
- Registrar Office
- Coroner
- Sustainability & Energy
- Customer Services



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- Advice on Human Resources
- Occupational Health
- Administration of HR Panels
- Strategic & Operational HR Support
- Employee Relations
- Pay & Reward
- Recruitment & Retention
- Trade Union Engagement



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- Projects & Programmes
- Business Improvement
- Transformational Change
- Business Support Unit
- Executive Support
- Political Assistants

West Midlands Pension Fund

The West Midlands Pension Fund has completed its own “Assurance Framework – Supporting the Annual Governance Statement” which identified that there had been no adverse matters arising from the work behind their assurance framework.

Wolverhampton Homes

Wolverhampton Homes have included a Statement of Corporate Governance within the Company’s Financial Statements for 2018-2019. This states that the control framework has been reviewed by the Company’s Audit and Service Delivery Committee on behalf of the Board of Wolverhampton Homes and found to be effective. The review included an assurance statement from the Company’s internal auditors.

Progress on the Governance Issues from 2017-2018

The table below describes the governance issues identified during 2017-2018 and the progress made against these during 2018-2019. While a number of issues have been carried forward to 2019-2020, these often relate to a range of on-going activities that develop as issues are addressed and programmes continue.

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p><i>Savings Targets</i></p> <p>This continues to be a key area for the Council to manage as it is faced with finding savings of £19.5 million by 2019-2020.</p>	<p>On 17 October 2018, Cabinet approved that:</p> <ul style="list-style-type: none"> • Budget Reduction and Income Generation proposals amounting to £695,000 in 2019-2020 proceed to formal consultation and scrutiny stages of the budget process • That Financial Transactions and Base Budget Revisions totalling a net reduction of £4.7 million in 2019-2020 be incorporated into the 2019-2020 draft budget <p>Cabinet also approved a number of changes to items in the Medium Term Financial Strategy. As a result of the recommendations Cabinet also approved that further options are explored between October 2018 and January 2019 to address the updated projected budget deficit of in the region of £6.0 million for 2019-2020 based on the Council's high-level strategy.</p>	<p>Council approved a balanced budget for 2019-2020 without the use of general reserves. It is estimated that further savings of £27.3 million are required in 2020-2021 rising to £40 – 50 million over the medium-term to 2023-2024.</p> <p>Council approved that work starts on developing budget reduction and income generation proposals for 2020-2021 onwards in line with the Five Year Financial Strategy, with progress reported back to Cabinet in July 2019. It is important to note that projected budget deficit assumes the achievement of budget reduction proposals amounting to £9.6 million over the five year period 2019-2020 to 2023-2024. It is also important to note that a number of assumptions have been made with regards to the level of resources that will be available to the Council, and that there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities over the forthcoming Comprehensive Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in the</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
		<p>Government's allocation of funding to the Council would have significant detrimental impact and further increase the budget deficit forecast of the medium-term.</p> <p>Carried forward</p>
<p><i>Procurement, Contract Management and Monitoring</i></p> <p>Following the establishment of the contract monitoring team, contract management training is being rolled out across service teams and being tailored to their specific requirements.</p>	<p>The Commercial Team has held a number of internal contract training sessions. In addition, collaboration is taking place between Procurement and Commercial to establish external training for selected officers within the authority. Support is also provided as required to officers.</p>	<p>This will remain ongoing due to the changes to regulation and legislation, particularly in the light of our exit from the EU.</p> <p>Carried forward</p>
<p><i>Combined Authority</i></p> <p>The devolution deal 2 agreed in November 2017 covers a number of areas where the Government has committed to support the West Midlands as it develops its Local Industrial Strategy to drive regional economic growth. The deal sets out a number of initiatives on public service reform, ways in which the West Midlands could have more control of financing its activities, new arrangements for the adult skills budget and agreed governance changes, including a commitment to integrate the West Midlands Fire and Rescue Service into the Combined Authority, whereby a public consultation has been completed and will be submitted to the Secretary of State alongside</p>	<p>Transport</p> <p>Transforming Cities Funding (TCF)</p> <ul style="list-style-type: none"> As part of the TCF, the West Midlands Combined Authority will receive capital funding of £250 million from the national fund total of £1.7 billion. Funding will be provided over four years to 2021-2022, and will be a single grant to the West Midlands. The Black Country is the main beneficiary from the Transforming Cities Funding. In addition to the £207 million already allocated to the Wednesbury to Brierley Hill Metro Extension, the Black Country received £25.43 million of the remaining £43 million. 	<p>Transport</p> <p>The situation remains as per the mid-year update.</p> <p>Skills and Productivity</p> <p>City partners have worked together to develop bids for AEB funding for the city. The overall strategy has been to improve the relevance and accessibility of local AEB funded skills provision to meet both resident and business need and to make better connections between AEB funded provision and other skills and</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>the draft Scheme. A delivery plan for the devolution deal has been developed and work is underway to plan delivery impact within Wolverhampton.</p> <p>A devolution deal for the adults skills budget is also progressing. The Adult Education Budget (AEB) grant funds activity in Further Education (FE) Colleges, Local Authority Adult and Community Learning services and at a much smaller scale through contracts with private training providers. Key Features include implementing a governance structure that ensures the Combined Authority is engaged with the Department so that there is an understanding of how post 16 policy aligns to AEB allocations and helping to achieve objectives for adult funding.</p> <p>In March 2018, the Chancellor announced in the Government's Spring Statement, a Housing Deal for the Combined Authority, of £350 million of new Government funding to support the delivery of new homes in the West Midlands. The funding will deliver infrastructure to support the development of priority sites including in and around Wolverhampton.</p> <p>Following discussions with Birmingham City Council, it has been agreed from a governance perspective that the transport plan, operations and infrastructure delivery for the Commonwealth games will be led by Transport for West Midlands with Birmingham City Council</p>	<ul style="list-style-type: none"> This will benefit schemes including highways development (A4123, A454 and A449), Birchley Island, Dudley interchange and the Cycling Programme. <p>Skills and Productivity</p> <p>Adult Education Budget:</p> <ul style="list-style-type: none"> In June 2018, the WMCA Board agreed the West Midlands Regional Skills Plan which sets out how WMCA will work with local partners and providers to better deploy AEB to meet the needs of residents and businesses. The WMCA's AEB allocation for 2019-2020 will be confirmed by the Department for Education (DfE) in January 2019, and will be based on actual delivery to West Midlands residents in 2017-2018. <p>Housing and Land</p> <p>Housing First</p> <ul style="list-style-type: none"> WMCA had been awarded £9.6m for the delivery of Housing First for the period 2018-21. Constituent Authorities had agreed to deliver 225 housing units per year, for three years, in order to conduct the pilot. <p>Cohesion and Integration – PSR</p> <p>West Midlands 5G</p> <ul style="list-style-type: none"> The WMCA has successfully bid for regional 5G test bed status as part of the Government's Urban Connected Cities programme, which is a DCMS-led 	<p>employment funding which is operating within the city.</p> <p>An innovative partnership bid for AEB funding has been developed between Adult Education Wolverhampton and the Wolverhampton Learning Platform (five local Voluntary sector providers) to deliver coordinated offer in community venues across the city. The offer includes ESOL, Basic skills, Employability, Vocational first steps training as well as support for residents with health related barriers to learning and work.</p> <p>The college and Adult Education Wolverhampton have also submitted growth bids for AEB so we are hoping to see more effective and targeted skills provision going forward - better linked to local growth sectors and better coordinated across the various levels of skills from entry to advanced.</p> <p>We expect to gradually grow the local delivery of high quality and relevant skills provision over the next three years of funding and to have, over time, much more local influence over all AEB funded provision so that we can create efficiencies, develop better skills</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>leading on infrastructure delivery. There are a number of named funded schemes in the bid, including the completion of the Metro in Wolverhampton city centre.</p>	<p>programme to accelerate the deployment of 5G next-generation mobile connectivity in the UK.</p> <ul style="list-style-type: none"> The proposal is for the Black Country to have a test bed focussed on Industry 4.0. <p>Economic Growth</p> <p>Town Centres Programme</p> <ul style="list-style-type: none"> Bilston has been agreed as one of the first wave centres agreed at the Housing & Delivery Board on 25 October. First wave centres will benefit from WMCA resources in terms of funding and staff resource and act as a test bed for interventions. <p>Cultural Development Fund</p> <ul style="list-style-type: none"> Cultural Development fund bid, managed by Arts Council England has been submitted by CWC and partners including the University of Wolverhampton. If this bid is successful it will Complement's WMCA's Regional Skills Plan ambition to increase digital skills to support the growth of the creative tech businesses. <p>Environment</p>	<p>pathways and support more connection to jobs through skills provision.</p> <p>Housing and Homelessness Prevention Strategy</p> <ul style="list-style-type: none"> The Cabinet in September 2018 approved the City's new Homelessness Prevention Strategy and Action Plan, which supports the delivery of the WMCA homelessness prevention funding streams in partnership with over 20 City Partners. The Cabinet Member for City Assets and Housing attends the WMCA Members Advisory Group for Housing and Homelessness Prevention which oversees, amongst other housing programmes, the Housing First Pilot Fund. The City of Wolverhampton is part of the WMCA Homelessness Prevention Task Force (Director/ Head of Service) and WMCA Housing First Working Group (Manager/Officer) The City of Wolverhampton, Housing First Pilot commenced in January 2019, with the first rough sleeper resettlements taking place in Q4 2018/19.

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
	<p data-bbox="831 252 969 284">Air Quality</p> <ul data-bbox="880 320 1507 587" style="list-style-type: none"> <li data-bbox="880 320 1507 451">• Some air quality powers conferred in original devolution agreement. Devo 2 gives the WMCA the same legal powers as the local authorities on air quality <li data-bbox="880 456 1507 587">• Air Quality is linked to the smart city programme, and planned investment in connectivity infrastructure such as 'smart streetlights' that can help support this. 	<ul data-bbox="1597 256 2083 421" style="list-style-type: none"> <li data-bbox="1597 256 2083 421">• The City of Wolverhampton ALMO landlord management agent, Wolverhampton Homes, is also a Housing First accommodation provider. <p data-bbox="1547 491 1848 523">Housing Growth Deal</p> <ul data-bbox="1597 560 2089 1369" style="list-style-type: none"> <li data-bbox="1597 560 2089 691">• A 'Shadow Board' for the Walsall to Wolverhampton Housing Growth Corridor was established in September 2018. <li data-bbox="1597 695 2089 895">• WMCA secured Investment Board approval for the WMCA Housing Growth Corridors in November 2018. Additional approvals were secured by WMCA from HM Treasury also at this time. <li data-bbox="1597 900 2089 1369">• The Cabinet in January 2019 approved the corporate governance, programme support resourcing (for 2019-21) for the Walsall to Wolverhampton Housing Growth Corridor ('Housing Deal') and Strategic Partnership Board, Chaired by the Cabinet Member for City Assets and Housing, with representation from Walsall MBC, WMCA, Homes England and the Black Country Consortium as well as thematic partners (such as

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
		<p>Education/ Health/ Employment/ Environment).</p> <ul style="list-style-type: none"> • WMCA have produced and consulted on, in March 2019 a Strategic Investment Framework to support prioritising funding and the delivery of programmes, including the 'Housing Deal'. • W2W Partnership Business Cases are being prepared for the Phase 1 Programme (2019-21) for consideration by WMCA from June 2019. • The W2W PMO Partnership Team is being recruited (commenced April 2019). • W2W Delivery Group meets every two weeks with Walsall MBC, WMCA and Homes England representation. <p>Cohesion and Integration – PSR</p> <p>WMCA have signed a grant agreement with DCMS for the Urban Connected Communities programme, which is designed to accelerate the deployment of 5G technology. A number of papers on the governance to support the WM5G initiative have been to WMCA Programme Board, and the Managing</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
		<p>Director has been asked to be a Director on the WM5G company.</p> <p>The Black Country test bed will be focussed on construction, and is based at the Springfield campus. Further work is underway with WM5G, LEP and University of Wolverhampton in finalising the test bed activity. Other programme workstreams include 'barrier busting' initiatives, and through the council's 'digital infrastructure programme' there is a clear approach to how we are supporting the acceleration of digital infrastructure roll out</p> <p>Economic Growth</p> <p>Town Centres Programme</p> <ul style="list-style-type: none"> • Bilston town centre programme is progressing with an action plan in development. The acquisition of the Pipe Halls building is being undertaken. <p>Cultural Development Fund</p> <ul style="list-style-type: none"> • The Cultural Development Fund bid was recommended for funding by Arts Council England, but

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
		<p>unfortunately was not successful in being funded following the ministerial decision process. The Council and wider partners are seeking other funding mechanisms for what is acknowledged as a strong bid.</p> <p>Environment</p> <p>The Smart Streetlight project is now in delivery.</p>
<p><i>Corporate Landlord</i></p> <p>A draft Strategic Asset Plan has been produced and is to be finalised by the end of June 2018. The Disposal Programme for 2018-2019 and 2019-2020 has been identified and the delivery of the programme is in progress. Focal 365 has been implemented, data migration and cleansing is in progress and the system is being utilised.</p>	<p>The Strategic Asset Plan was approved at Cabinet in October 2018 and has been published on the Council's internet site.</p> <p>The disposal programme continues to be delivered and to date £1.18 million has been achieved with a further £8.9 million to be achieved during 2018-2019.</p> <p>Focal 365 is due to be launched initially across Corporate Landlord by the end of November 2018.</p>	<p>The Asset Plan has been approved and the Council is in the process of ensuring the data is kept up to date. The transfer of all data is a significant undertaking and will need more time to fully implement.</p> <p>Carried forward</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p><i>Cyber Security</i></p> <p>Maintaining robust, secure and up-to-date technology defences continues to be the Council's first line of defence against cyber-attacks. Regular maintenance of the cyber security technical defences is required to address identified vulnerabilities. System back-up's will continue to be undertaken in accordance with agreed time-tables and practise restores to the Council's non-production area are ongoing to ensure that back-ups have been undertaken correctly and can be restored.</p> <p>Preparation for the next PSN Certification has begun, the certification is due in June. Prior to this internal and external health checks will be undertaken to identify any vulnerabilities which will then be addressed prior to the renewal of the certification.</p> <p>An independent body will be commissioned to undertake a health-check review, once completed any recommendations arising from this will be actioned.</p> <p>Information Security and Cyber-Security policies will continue to be regularly reviewed and updated to ensure they are keeping pace and addressing potential threat opportunities.</p>	<p>Regular maintenance and updates of the Council's cyber security technical defences continues to address any identified vulnerabilities.</p> <p>Rigour around system and data backups continues with regular practice restores to non-production environments.</p> <p>PSN certification has been gained again for 2018-2019 and best practices regarding people, process and technology perspectives will continue to be applied to ensure compliance during 2019-2020.</p> <p>Independent security practitioners will continue to be commissioned to check the robustness of the Council's cyber defences and to advise on methods/actions to strengthen them where appropriate.</p> <p>Employee awareness of potential threats and good working practices, through mandatory and associated training will continue in order to enhance the understanding of cyber security and good working practices, helping to minimise the opportunities</p>	<p>A Cyber security iperational group was set up and introduced to address current and potential future cyber security issues.</p> <p>As part of the work of the group, action plans have been produced and work is ongoing to support the overarching cyber security risk assessments reported through the Audit and Risk committee.</p> <p>Cyber security awareness raising has taken place through the Council's internal communication mechanism, with the main focus being around the identification of phishing emails.</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>Employee awareness of potential threats and good working practices, through mandatory and associated training will continue in order to enhance the understanding of cyber security and good working practices, helping to minimise the opportunities.</p>		
<p><i>Project Governance including the Civic Halls</i></p> <p>In January 2018, the Council approved a further £23.7 million for a new scheme for the Civic Halls on the basis of a revised business case to address significant building fabric, structural and management issues following detailed technical surveys and reviews that were undertaken in 2017. Additional works include a substantial number of items not included in the original scheme such as a new electrical and engineering system, major structural work, including a new roof and the latest safety and security measures.</p> <p>A new governance and project management structure is being put in place, commensurate with the scale and complexity of this scheme, including the appointment of a more experienced Project Manager and a specialist in risk management. The new project includes a range of work-streams alongside the main</p>	<p>The new governance structure and project management structure for the Civic Halls has now been fully implemented and is helping to driving delivery of the project. The mechanisms of the Civic Halls new governance structure have also been implemented into other construction projects (Refer to the Internal Audit Report - Lessons Learnt).</p> <p>The Project and Works team have worked closely with the Programme team to develop a construction project assurance process The RIBA gateway process has been incorporated into the Council's reporting Verto system. This has aligned the transparency of the Verto reporting mechanism with the construction projects gateways.</p> <p>The output of the alignment will drive the transparent, consistent reporting of each individual construction project at each gateway. This will ensure that projects do not pass through gateways without full review and scrutiny.</p>	<p>The GDPR programme of work has concluded and is moving towards a business as usual status. Any outstanding work not completed directly through the work programme will form part of core business activities from quarter one 2019, this includes refresher or targeted training which will be requested and delivered through the normal channels.</p> <p>Further compliance checks and audits will be scheduled throughout the year that follow on from the initial GDPR readiness audit and will be aligned to the statutory Data Protection Officer (DPO) reporting. This will ensure that compliance with the new Regulation and UK Data Protection laws will be monitored and reported on an ongoing</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>design and construction works. Also, Audit Services have recently undertaken a lessons learned review in order to prevent similar issues with future projects. Once this report has been finalised, the recommendations arising from it will be implemented in accordance the agreed timescales.</p> <p>This framework will also be adopted for all future projects of this size, while for smaller projects the Council is introducing a local approach to project assurance which will encompass a series of gateway reviews.</p>		<p>basis once this work programme has formally ended. Communications on data protection and information security will continue to be published through the Council's intranet, as and when required; either following a business need, incident or direction/guidance from the ICO.</p>
<p><i>General Data Protection Regulations</i></p> <p>The Council is putting into place appropriate policies, procedures and technologies to ensure that the handling and protection of its data is undertaken in a secure manner and consistent with both the provisions of the current Data Protection Act 1998, the new Data Protection Bill (which will become the Data Protection Act 2018) and the General Data Protection Regulation (GDPR) which comes into force during May 2018, and a work programme has been developed.</p>	<p>Procurement have now contacted all suppliers and are developing a plan to ensure current contracts are varied to accommodate the new legislation, however this is still in progress due to this being a very large task.</p> <p>All standard contractual documentation has appropriate clauses to encompass GDPR, bespoke contracts also include GDPR compliant clauses.</p> <p>A new process has been established whereby any new contract has a GDPR Supplier Self-Assessment document issued at tender stage which is then considered by Information Governance to ensure compliance. No contract can be awarded without this</p>	<p>The GDPR programme of work has concluded and is moving towards a business as usual status. Any outstanding work not completed directly through the work programme will form part of core business activities from quarter one 2019, this includes refresher or targeted training which will be requested and delivered through the normal channels.</p> <p>Further compliance checks and audits will be scheduled throughout the year that follow on from the initial GDPR</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
	<p>document being approved by Information Governance.</p> <p>A systems audit is also underway to ensure all cloud and on-premise systems meet the requirements of GDPR.</p>	<p>readiness audit and will be aligned to the statutory Data Protection Officer (DPO) reporting. This will ensure that compliance with the new Regulation and UK Data Protection laws will be monitored and reported on an ongoing basis once this work programme has formally ended.</p> <p>Communications on data protection and information security will continue to be published through the Council's intranet, as and when required; either following a business need, incident or direction/guidance from the ICO.</p>
<p><i>Arm's Length Management Organisation Housing Partnership - Residential Landlord Services</i></p> <p>New Service Level Agreements and management arrangements are being put in place for the delivery of Homelessness Prevention Services/Housing Option Services, Disabled Facilities Grants, Affordable Warmth and Home Improvement Agency Services with Wolverhampton Homes, following the 'transfer' of these services in December 2017. A legal review of the ALMO Management Agreement commenced in February 2018 and will be presented to Cabinet in July 2018 making any</p>	<p>Actions Complete:</p> <ul style="list-style-type: none"> • Cabinet approved refreshed ALMO Management Agreement in September 2018 • ALMO Company Board approved refreshed Board Governance and Membership and ALMO Management Agreement in September 2018 (AGM) • SLA for Homelessness Prevention between CWC and WH in place from June 2018. Service performance now being reported to Cabinet Performance Panel quarterly. • Cabinet approved a new Housing Assistance Policy (Grants) in September 2018. <p>Next Steps:</p>	<p>Actions complete:</p> <ul style="list-style-type: none"> • Housing Revenue Account (HRA) Budget Setting (Rents/ Service Charges) 2019-2020 Report – agreed by Cabinet (Resources) Panel – January 2019. • ALMO Business Plan 2019 – 2023 – new four-year Business Plan agreed by Wolverhampton Homes Board and Cabinet - March 2019. • The legal review of the ALMO Management Agreement has been undertaken and approved by' Cabinet.

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>necessary recommendations to amend Management Agreement monitoring and/ governance and/or legal operating arrangements.</p>	<p>SLA for Private Housing / Home Improvement Services by 31 March 2019</p>	<p>Next steps:</p> <ul style="list-style-type: none"> Home Improvement Grants SLA LEAN Systems Review underway (January 2019) with Wolverhampton Homes / City Housing / Adult Social Care/ Public Health. Draft SLA being produced. <p>Commission to produce an Affordable Warmth/Warm Homes Strategy with Wolverhampton Homes and partners has commenced from January 2019.</p>
<p><i>Tenant Management Organisations - Residential Landlord Services</i></p> <p>An employee 'desk top' review commenced in February 2018 of these partnerships. Further to this review, an audit schedule has been agreed for 2018-2019 for all four TMOs operating in the City. Management Agents have been notified of the forthcoming audits commencing in May 2018. A number of TMO 'Modular Management Agreements' are not currently in place. New Key Performance Indicators (KPIs) for Landlord Services (including Health and Safety) monitoring are to be reported from Quarter 1 in 2018-2019. TMO operational performance and KPIs continue to be reported to the Cabinet Performance Panel.</p>	<p>Actions Complete:</p> <ul style="list-style-type: none"> Audit of TMO for Bushbury – September 2018. Improvement Action Plan now in place, 'Better Homes' Legal Agreement engrossed, Tenant Vote completed. Audit of TMO for Dovecotes – October 2018. Improvement Action Plan now in place. Recruitment of Service Support Manager and Client Manager for TMOs complete <p>Next Steps:</p> <ul style="list-style-type: none"> Audit of TMO for Springfield – commenced Audit of TMO for New Park Village – commenced Modular Management Agreements for all TMOs in place for 31 March 2019 	<p>Actions complete:</p> <ul style="list-style-type: none"> Audit of TMO for Springfield Horseshoe – completed and Improvement Action Plan in place. Follow-up 'spot inspections' taking place in March 2019 for further assurance. Audit of TMO for New Park Village – completed and Improvement Action Plan in place. Modular Management Agreements for all TMOs in place for 31 March 2019. KPIs Review complete – all KPIs being reported to Cabinet (Performance) Panel on a quarterly basis in a new report format.

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>Dovecotes TMO has been placed under a performance improvement arrangement (via a Performance Improvement Plan agreed with Dovecotes TMO Board in March 2018), for six months due to concerns around governance and performance. An outcome of a Housing Ombudsman Inquiry was also pending at March 2018.</p> <p>Bushbury Estate Management Board (TMO) continues its Application and Business Case to the Secretary of State and Minister of Housing , Communities and Local Government to enact the Right to Transfer of approximately 830 council freehold homes to a Preferred Transfer Partner by April 2019. The City continues in its duty to co-operate in the Right to Transfer legislative process.</p>		
<p><i>Residential Site Management Agreement</i></p> <p>A review of the existing arrangements for Residential Site Management commenced in March 2018. A draft Management Agreement has been produced, but was not engrossed as at March 2018. It is anticipated a new interim Management Arrangement will be put in place by the end of Quarter 1 in 2018-2019, whilst a longer-term review of management options is</p>	<p>Actions Complete:</p> <ul style="list-style-type: none"> • Legal Review of SLA for Residential Site Management complete • WH to take on Client role for contract agreed by Housing Board in October 2018. <p>Next Steps:</p> <ul style="list-style-type: none"> • Consultation with residents and Site Management Agent (Gypsy and Traveller Council) • SLA in place between CWC and G&TC by 31 March 2019. 	<p>Actions complete:</p> <ul style="list-style-type: none"> • SLA in draft between the Council/Wolverhampton Homes/Gypsy Traveller Council – negotiations ongoing in Q1 2019-2020 with residents/site management agent. <p>Next steps:</p> <ul style="list-style-type: none"> • Consultation with residents and Site Management Agent (Gypsy and Traveller Council).

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>undertaken in consultation with partners, residents and Wolverhampton Homes.</p>		
<p><i>Housing Policies</i></p> <p>City Housing Allocations Policy – Cabinet received a report in April 2018 to ensure the City Housing Allocations Policy with Amendments meets the new requirements of the new Homelessness Reduction Act 2018. Landlord Management Agents will be required to operate in accordance with the Amended Housing Allocation Policy. Operational measures have been put in place with the ALMO (Wolverhampton Homes) to ensure operational compliance from 1 April 2018. A further Review (including formal consultation) of the Allocations Policy, including an Equality Impact Assessment is planned by Quarter 3 2018-2019</p> <p>Private Housing Assistance Policy – A new Private Housing Assistance Policy is being developed to ensure continued compliance with the Regulatory Reform (Housing Assistance) England and Wales Order 2002, Housing,</p>	<p>Actions Complete:</p> <ul style="list-style-type: none"> • Cabinet agreed new Private Housing Assistance Policy in September 2018 • Cabinet agreed refreshed Right to Buy Housing Policy in July 2018. • Cabinet agreed a new Homelessness Prevention Strategy 2018 - 2023 <p>Next Steps</p> <ul style="list-style-type: none"> • Review of City Allocations Policy – to commence • Produce and consult upon Homelessness Prevention Strategy Action Plan 2018 – 2023 • New Service Model for Housing Enforcement / Illegal Evictions 	<p>Actions complete:</p> <ul style="list-style-type: none"> • Review of City Housing Allocations Policy – commenced 2019-2020. • Consult upon Homelessness Prevention Strategy Action Plan 2018–23. <p>New Service Model for Private Housing Enforcement / Illegal Evictions, including new Illegal Evictions Prevention Officer post in 2019-2020</p>

2017-2018 Key areas for Improvement	In-year update provided as at September 2018	End of year update
<p>Grants and Construction and Regeneration Act 1996 and the Housing Act 2004.</p> <p>Housing Right to Buy Policy – A report to Cabinet making recommendations to revise four elements of the Right to Buy Policy is to be presented to Cabinet by June 2018 to ensure continued compliance with Housing Act 1985</p> <p>Housing Enforcement / Illegal Evictions – There is currently no City Policy or resources in place to administer legal requirements under Protection from Eviction Act 1977 and Housing Act 1980. A proposal to resource and develop a new service offer is to be developed. The option of an interim resource arrangement with another Local Authority will also be considered .</p> <p>Prevention of Homelessness Strategy – A draft Homelessness Strategy is being consulted upon in readiness for Members consideration in June 2018. This would meet the obligations of the Homelessness Act 2002 and Code of Guidances.</p>		

Action Plan for the Significant Governance Issues identified during 2018-2019 which will need addressing in 2019-2020

Based on the Council's established risk management approach, the following issues have been assessed as being key for the purpose of the 2018-2019 annual governance statement. Over the coming year appropriate actions to address these matters and further enhance governance arrangements will be taken.

2018-2019 - Key areas and actions for implementation	Responsibility and expected implementation date
<p><i>Savings Targets</i></p> <p>Council approved a balanced budget for 2019-2020 without the use of general reserves. It is estimated that further savings of £27.3 million are required in 2020-2021 rising to £40 –50 million over the medium-term to 2023-2024.</p> <p>Council approved that work starts on developing budget reduction and income generation proposals for 2020-2021 onwards in line with the Five Year Financial Strategy, with progress reported back to Cabinet in July 2019. It is important to note that projected budget deficit assumes the achievement of budget reduction proposals amounting to £9.6 million over the five year period 2019-2020 to 2023-2024.</p> <p>It is also important to note that a number of assumptions have been made with regards to the level of resources that will be available to the Council, and that there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities over the forthcoming Comprehensive Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in the Government's allocation of funding to the Council would have significant detrimental impact and further increase the budget deficit forecast of the medium-term.</p>	<p>Director of Finance 31 March 2020</p>
<p><i>Procurement, Contract Management and Monitoring (brought forward)</i></p> <p>This will remain ongoing due to the changes to regulation and legislation, particularly in the light of our exit from the EU.</p>	<p>Director of Finance 31 March 2020</p>

2018-2019 - Key areas and actions for implementation	Responsibility and expected implementation date
<p><i>Corporate Landlord</i></p> <p>The Asset Plan has been approved and the Council is in the process of ensuring the data is kept up to date. The transfer of all data is a significant undertaking and will need more time to fully implement.</p>	<p>Deputy Managing Director 31 March 2020</p>
<p><i>Civic Halls</i></p> <p>This is one of the highest priority projects the Council is involved in and will be monitored regularly. Project management has improved and we are now part way through the project with the main refurbishment works due to commence in the near future. Liaison with Planning and Historic England needs to be finalised so that the final phase can be undertaken in the determined timeframe.</p>	<p>Director of Regeneration 31 March 2020</p>
<p><i>General Data Protection Regulations</i></p> <p>Further compliance checks and audits will be scheduled throughout the year that follow on from the initial GDPR readiness audit and will be aligned to the statutory Data Protection Officer (DPO) reporting. This will ensure that compliance with the new Regulation and UK Data Protection laws will be monitored and reported on an ongoing basis once this work programme has formally ended.</p>	<p>Director of Governance 31 March 2020</p>
<p><i>Combined Authority</i></p> <p>As one of the seven constituent authorities of the West Midlands Combined Authority, we need to continue to ensure that the city is benefitting from devolution deals to the region to meet key priorities. The Leader will also have responsibility for a specific portfolio within the Combined Authority working across the region.</p>	<p>Head of Strategy 31 March 2020</p>

2018-2019 - Key areas and actions for implementation	Responsibility and expected implementation date
<p><i>Tenant Management Organisations</i></p> <p>We will need to monitor and help complete the implementation of the recommendations arising from the recent audit reviews and as included in the Improvement Plans for the four TMOs.</p>	<p>Director of City Housing 31 March 2020</p>
<p><i>Residential Site Management Agreement</i></p> <p>Consultation to take place with residents and Site Management Agent (Gypsy and Traveller Council) in order to finalise the service level agreement.</p>	<p>Director of City Housing 31 March 2020</p>
<p><i>Future Assurance</i></p> <p>A progress report on the implementation of the above actions from the key areas will be produced by Audit Services and reported to the Audit and Risk Committee during 2019-2020.</p>	

Certification

To the best of our knowledge, the governance arrangements, as outlined above have been effectively operating during the year with the exception of those areas identified as requiring improvement. 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 during the review of effectiveness and will monitor their implementation and operation as part of our annual review.



Ian Brookfield, Leader of the Council

Date:



Tim Johnson, Managing Director

Date: