

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 was updated in November 2022 in line with the latest principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The latest 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 Chief Executive, 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.

The Council has a number of bodies that it either owns or has a potential liability for. This statement also covers the approach taken in relation to these and specifically covers how the Council ensures that there is good governance in respect of these other bodies – the most relevant bodies are listed below:

- *Wolverhampton Homes* – this 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, performance of the agreement with Wolverhampton Homes is regularly monitored. The arrangement with Wolverhampton Homes is due to expire in 2028 and the governing agreement and compliance with it has been subject to a detailed review by the Council during 2023 to ensure that it remains fit for purpose. The review has been informed by expert advice, and the results including the proposed changes in arrangements as a result of it, are being taken to Cabinet and the relevant scrutiny panel shortly.

- *City of Wolverhampton Housing Company Limited (“WV Living”)* – this is a wholly owned trading company set up under the powers in the Local Government Act 2003 and is focused on developing properties within the City to meet the Council’s aspirations in terms of available housing. There is a shareholder agreement in place between the Council and WV Living with WV Living’s Business Plan having to be approved by the Council and compliance with that business plan being monitored by the Council. The approach to WV Living was reviewed in 2020 and changes made as a result, the effectiveness of the governance arrangements continues to be closely monitored by the Council.
- *Yoo Recruit Limited* – this is a wholly owned trading company set up under the powers in the Local Government Act 2003 and provides staffing to the Council and other bodies. There is a shareholder agreement in place between the Council and Yoo Recruit and the Business Plan has to be approved by the Council and compliance with that business plan being monitored by the Council. As detailed below the future delivery options of Yoo Recruit services is being reviewed and a report will be brought to the relevant Committees in Autumn 2023.
- *Help 2 Own* – this is a limited liability partnership that was jointly established with the West Midlands Combined Authority in 2021 to pilot an affordable housing product that helps to address the issue that many potential buyers who are in work have in raising the deposit to secure a mortgage. This is the subject of a number of legal agreements which sets up the contractual and governance arrangements between the relevant parties.

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. These measures 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 2023 and up to the date of approval of the annual report and statement of accounts.

Our City Our Plan

The Council's Our City Our Plan is structured around six priorities which are supported by three cross cutting principles as follows:

OUR CITY: OUR PLAN

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



These priorities and principles are underpinned by the governance environment. This environment is consistent with the core principles of the latest 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.

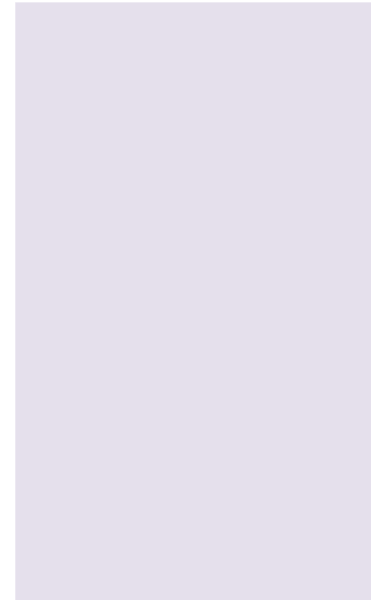
It is important to note that the Council has in place a strong culture of reporting with key performance indicators (including outcomes) included in the Our City Our Plan refreshed each year – these performance indicators are reported to Cabinet quarterly and also to Scrutiny Board, along with the relevant budget position and the Council’s strategic Risk Register ensuring that performance budget and risk are looked at together and issues are able to be addressed in the round. Each of the 6 scrutiny panels, which are focused on key aspects of Our City, Our Plan, then looks at performance, budget and risk within their specific areas and is able to carry out additional reviews to drive forwards performance.

Core principles of the CIPFA/ SOLACE framework	Assurances required	Governance framework providing assurance	Review of Effectiveness	Issues identified
<p>• Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</p> <p>• Ensuring openness and comprehensive stakeholder engagement.</p> <p>• Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p> <p>• Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <p>• Developing the entity’s capacity, including the capability of its leadership and the individuals within it.</p> <p>• Managing risks and performance through robust internal control and strong public financial management.</p> <p>• Implementing good practices in transparency, reporting,</p>	<p>• Delivery and communication of an agreed corporate plan</p> <p>• Quality services are delivered efficiently and effectively</p> <p>• Clearly defined roles and functions</p> <p>• Management of risk</p> <p>• Effectiveness of internal controls</p> <p>• Compliance with laws, regulation, internal policies and procedures</p> <p>• Value for money and efficient management of resources</p> <p>• High standards of conduct and behaviour</p> <p>• Public accountability</p> <p>• Published information is accurate and reliable</p>	<p>• The Constitution</p> <p>• Statutory Chief Officers (Head of Paid Service, Chief Financial Officer and Monitoring Officer)</p> <p>• Council, Cabinet and Committees</p> <p>• Audit and Risk Committee</p> <p>• Scrutiny function including use of Select Committee where appropriate for a detailed look at an area of importance</p> <p>• Governance and Ethics Committee</p> <p>• Internal and External Audit</p> <p>• Strategic Executive Board</p> <p>• Directors Assurance Statements</p> <p>• Corporate and Business plans</p> <p>• Medium Term Financial Strategy</p> <p>• Strategic Risk Register</p> <p>• Codes of Conduct</p> <p>• Whistleblowing and other anti-fraud related policies</p> <p>• Financial and Contract Procedure Rules</p>	<p>• External Audit Report to Those Charged with Governance (ISA 260) Report – unqualified opinion</p> <p>• Annual Internal Audit Report - unqualified opinion</p> <p>• Annual Audit and Risk Committee Report to Council</p> <p>• Annual Statement of Accounts</p> <p>• Local Government Ombudsman Report</p> <p>• Scrutiny reviews</p> <p>• Annual Governance Statement – including the follow up of previous year issues</p> <p>• Reports from regulatory bodies including Ofsted</p>	<p>• Procurement Compliance/Contract Management – Compliance with Contract Procedure Rules. Increased number of incidents of non-compliance with Contract Procedure Rules, most of which are minor but some have resulted in the need to re-tender. The need to re-tender has arisen within a service area that has significant staff shortages. This is being tackled within each service area by, where necessary, putting measures in place to support officers’ understanding of the rules, and delivering training. The non-compliance</p>

and audit to deliver effective accountability.

- Implementation of previous governance issues

- Our People Strategy
- HR policies and procedures
- modern.gov (the council's committee management information system)



- process is always followed.
- MTFS [see section below]
 - Civic Halls [see section below]
 - Climate Change [see section below]
 - **Improving recruitment and retention** - Local and national recruitment & retention challenges, ensuring we have a proactive response to this challenge to ensure we have sufficient resources to deliver for our city.

The Financial Management Code

The Council continues to self-assess itself against the Financial Management Code, which includes the following core principles by which local authorities should be guided in managing their finances:

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – financial management is based on medium-term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported with appropriate frequency and with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management and include political scrutiny and the results of external audit, internal audit and inspection.

- The long term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

The self-assessment found the Council to be in compliance with the Code. However, there were a limited number of matters where areas for improvement were identified. As a result of this, an action plan has been prepared and its implementation is being monitored. The results of this ongoing exercise continue to be reported to the Audit and Risk Committee as appropriate.

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.

Page
12
Q&A for 2022-2023

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

A key component of the review of effectiveness is through the work of the Council's Audit and Risk Committee and during the year the Committee continued 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.
- 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 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.

Internal Audit has concluded that based on the work undertaken during the year on areas of key risk, including 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 latest 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.

Opportunities for concerns to be raised

The Council is committed to upholding the highest standards of conduct and ethics, alongside its own Whistleblowing Policy, it has entered into the following arrangements in order to help enhance the opportunities available for anyone wishing to raise any concerns with the Council:

- 13 A safe space run by SeeHearSpeakUp who provide an external and independent confidential reporting service for employees to report any serious concerns about any aspects of the Council's work. The site can be accessed at any time via a link on the City People homepage. Employees who have serious concerns about any aspect of the Council's work, can choose to come forward and voice those concerns in a safe and secure environment, in the knowledge that they will be taken seriously, and concerns will be investigated appropriately. Senior council officers who have been trained by SeeHearSpeakUp consider the concerns and identify any potential investigation and provide governance and assurance on all safe space matters disclosed with a view to safeguarding, consistency, equality and fairness.
- The Council also has a support arrangement with Protect (formerly Public Concern at Work), the whistleblowing charity and leading authority on whistleblowing in the UK. This arrangement gives access to Protect's Whistleblowing regular updates and benchmark and diagnostic tools across key areas in.

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.

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.

Linked bodies

- *Wolverhampton Homes*

The Council’s internal auditors provide the internal audit service for Wolverhampton Homes. They were able to provide reasonable assurance that the Company had adequate and effective governance, risk management and internal control processes, and this was reported through their Audit and Business Assurance Committee. Management consultants Campbell Tickell were also appointed to undertake a Strategic Housing Review and in 2023 reported that they consider arrangements between the Council and the company to be operating effectively, a detailed report will be brought to the relevant scrutiny panel shortly with a view to making minor changes to the current arrangements to improve the working arrangements.

- *WV Living*

WV Living’s accounts are audited separately by external auditors and an unqualified opinion was provided on the accounts for 2021-2022, a copy of which will be published on the Council’s website. .

Following on from the review of WV Living in 2020-2021 a number of changes were made to the way in which the Council and WV Living interacted following careful consideration by the Council. The changes included:

- The appointment of non-executive director to the board of WV Living with considerable Housing experience
- Production and approval of a new business plan for WV Living and regular reviews and reports on the compliance with that business plan taken both to the Council’s political and officer leadership and also to the Council’s Shareholder Board for WV Living
- Strengthening of the Council’s Shareholder board –ensuring that clear objective advice is provided to the Shareholder Board by Council officers including the S.151 officer and the Monitoring Officer

It is the Council’s clear view that there is an appropriate level of oversight on WV Living and the Council notes that it remains a going concern and the substantial reduction in the level of borrowing that WV Living has with the Council, which at the time of the writing was zero. It is recognised that the business plan for WV Living anticipates that it may require a limited amount of borrowing from the Council in order to fund

the development of certain schemes, importantly the level of assets that WV Living holds are substantially in excess of any borrowing liability to the Council.

- *Yoo Recruit*

Yoo Recruit's accounts are audited separately by external auditors and an unqualified opinion was provided on the accounts for 2021-2022, a copy of which will be published on the Council's website .

An internal review of the Council's approach and need for Yoo Recruit has been carried out and will be reported to Cabinet and the relevant Scrutiny Panel, namely Resources and Equalities Panel, in 2023, Subject to the decisions made by Councillors Yoo Recruit will update their business plan and additional formal governance measures will be agreed with the company's current delivery partner. Currently Yoo Recruit's performance is reviewed by officers and reported to cabinet members and the leader of the opposition through the regular monitoring of linked bodies.

- *Help 2 Own*

Help 2 Own was only established in 2021. The Council and the WMCA instructed and obtained detailed external advice in order to ensure that the arrangements are fit for purpose and will protect the interests of each body and deliver the proposed outcomes. The partnership is subject to external audit. This will provide assurance that the partnership has adequate and effective governance, risk management and internal control processes. A review of the way governance works for all linked bodies including Help 2 Own will be carried out in 2023 and will be reported to the relevant Committees including Audit and Risk Committee. The operation and governance of Help 2 Own continues to be reported on regularly to Cabinet members and the Leader of the Opposition.

Key changes to the governance framework during the year

A further review has been carried out of the Council's constitution and decision making in the Council. As a result a number of changes have been made and further changes will be coming forwards shortly in the next few months.

Throughout the year further work has been undertaken to update and improve understanding and develop skills, and to create related documents which aim to provide further clarity to Councillors and officers. This includes the following changes adopted by Council:

- Revising the Code of Corporate Governance which was updated in November 2022 in line with the latest principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

- Amendments to the Full Council Procedure Rules on debate etc in response to rising issues, and work to continue on that in line with best practice. (July, Nov)
- Introduction of Arrangements for Dealing with Code of Conduct Complaints (July)
- Linked Bodies – changes to member role on board, CWC Code of Practice – Governance of Council Interests in Companies introduced (Nov)
- Additional councillor training put in place including on the Council’s Code of Conduct and the relevant rules of debate
- Additional (mandatory) officer training to understand the way in which the governance of the authority works including topics such as pre-election period
- Wider councillor training (induction) programme – to reflect the fact that the May 2023 election was an “all-out” election, this was designed by Councillors for Councillors, with appropriate officer input

Further changes continue to be worked on as the constitution is a living document and should be changed whenever necessary this includes an updated scheme of officer delegation that will be brought forward shortly, these updates will be proposed to the Council in Autumn 2023..

Work continues in relation to supporting Councillors through to the Councillor Induction and Development programme (introduced last year) which has been updated and expanded to include additional support on key issues affecting the Councillor role, as well as guidance on leading within the rules and clarification around expected standards of behaviour.

Regular briefings continue to take place of all cabinet members, opposition leader/deputy leader, chairs of panels and all councillors ensuring that there is proactive information provided and discussion on key issues, risks and matters. As part of this regular programme briefings are given on the risks and issues in relation to the Council owned bodies and the steps taken to address any risks. .

Progress on the Governance Issues from 2021-2022

The table below describes the governance issues identified during 2021-2022 and the progress made against these during 2022-2023.

2021-2022 - Key areas and actions for implementation	Mid-year update to Audit and Risk Committee @ January 2023	Latest update as at May 2023
MTFS – In March 2022 the Council approved a balanced budget for 2022-2023 without the use of general reserves. The report to Council noted that the Council is now faced with finding further projected budget reductions estimated at £12.6	Cabinet in October 2022 received the proposed approach to the MTFS and budget for 2023-24, it is anticipated that the Council will be able to set a balanced budget for 2023-24. Work continues towards ensuring that the Council	On 1 March 2023, the Council approved a balanced budget for 2023-2024 without the use of general reserve.

million in 2023-2024, rising to £25.8 million over the medium-term period to 2025-2026.

The level of uncertainty over future funding levels continues to be a significant risk. A prudent approach has been taken to forecasting resources over the MTF period and all assumptions were detailed in the report to Council. There are also a number of significant risks and uncertainties in relation to the cost of services including rising inflation, the impact of the cost of living on residents and adult social care reform.

Work to develop budget reduction and income generation proposals for 2023-2024 onwards in line with the Five Year Financial Strategy has started with an updates on progress will be brought to Cabinet throughout the year. Work will also be undertaken to update the Council's Capital strategy including our proposed approach to the use of capital resources and other financial solutions and a framework of delivery models that the Council will consider/favour.

addresses the budget deficit over the medium term.

The report noted that the Council is now faced with finding further projected budget reductions estimated at £16.4 million in 2024-2025, rising to £23.1 million by 2025-2026.

The outturn position for 2022-2023 has been published and was reported to Cabinet on 12 July 2023 and is being taken to Scrutiny Board on 20 July 2023.

The Council reported that once again it has managed its money well and despite hugely challenging circumstances has delivered within budget after meeting the net costs of redundancy and contributions to essential earmarked reserves. The Council's net revenue budget for 2022-2023 was £267.2 million.

Work is ongoing to address set a balance budget for 2024-2025, however, the Council is faced with significant uncertainties and risks over the medium term, such as:

- Rising inflation
- Pay award(s)
- Demographic growth and increasing demand for services
- Funding levels

<p>Procurement and Contract Monitoring</p> <p>The Select Committee on Wolverhampton Pound made a number of recommendations these will be considered by Council in July 2022 and will need to be implemented by Council.</p> <p>The new Procurement Bill is currently going through the House of Lords. We understand that it could become law in early 2023. There could be significant changes for the authority and we will continue to prepare in order that we can have a smooth transition.</p> <p>Page 18</p>	<p>In July 2022 Council endorsed the report and Action Plan prepared by the Wolverhampton Pound Select Committee. The Action Plan sets out 20 recommendations to ensure inclusivity, equality and value for money, and to make sure that all contracts reflect the Council's values in areas such as climate change, diversity, and retaining and growing local wealth.</p> <p>In relation to the Procurement Bill specifically mentioned in the AGS, this is currently going through Parliament but is not yet in its final stages. Government has advised that it will give a minimum of 6 months' notice before "go live" which will give the Council time to respond to the changes necessary to its rules and procedure. A detailed report on the improvements taking place on contract management and procurement was taken to the Council's Resources and Equality Scrutiny Panel on 13 October 2022.</p> <p>The Council has had a peer review exercise to assess the level of readiness for the changes, in which the Council scored the highest among the cohort for the Pipeline work being undertaken. The presentation given also updated on the training of staff in contract management and developing a streamlined contract process.</p>	<p>The Procurement Bill is now awaiting Royal assent which is expected in the autumn. Secondary legislation will still need to make its way through Parliament during the course of the autumn once Royal assent is obtained for the Procurement Bill. It is envisaged that the new legislation will come into force following a 6 month transition period, by October 2024.</p> <p>The Council has now completed the initial Commercial Continuous Improvement Assessment Framework review and has moved on to the continuous improvement work which looks to strengthen our processes and procedures based on Government best practice. Wolverhampton was in the first cohort of local authorities to undertake this work.</p> <p>Procurement now include a number of equality questions within its tender processes. The EDI team are commenting at pre procurement stage on all tender processes to allow clients to ensure equalities are considered at the start of any process.</p>
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		<p>A number of actions have now been completed from the recommendations from the Select Committee including:</p> <ul style="list-style-type: none"> • Co-ordinating with the University of Wolverhampton to advertise new roles within Procurement. • Appointment of the Strategic Lead for Wolverhampton Pound <p>The new contract management system tender is in the final stages of the process with an award to be made shortly. Ongoing training is being offered to internal teams and budget managers and a number of colleagues have completed the contract manager practitioner level qualification offered via the Government Commercial College.</p>
<p>Adult services - A planned redesign of Adult Services is underway and the vision and direction has been agreed and incorporates the legislative change outlined in the Health and Social Care White Paper which requires the local authority to broker all care for those with an assessed need if requested i.e. any self funders who want the LA to source their care at the fair cost of care rate. A new operating model and improved methods for managing demand and front door contact will be implemented.</p>	<p>The Council agreed with the Department of Health to be one of a handful of early adopters of legislative reforms which would require Councils to broker all care for those with an assessed need if requested.</p> <p>Funding was considered and approved by Council in May 2022 for the new operating model including methods of managing demand which was due to start in 2022. The Government subsequently delayed reforms to October 2025 “to allow local authorities to provide more care packages”, so the proposed changes are on hold.</p>	<p>The test and learn approach to the redesign of Adult Services is well underway with the impact of the first changes already presented to Strategic Executive Board, considerable effort has been put into managing first contact at the “frontdoor” resulting in teams being able to connect to people who are contacting us for support in a more timely way.</p> <p>Waiting lists are reducing due to the focus on keeping people safe. Work on</p>

		the test and learn sites will continue until 2024.
<p>Review of Linked Bodies Governance – we will review the Council’s governance of all linked bodies and report back on this to the relevant committees to ensure that we continue to have good governance in place.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 20</p>	<p>Significant work continues to take place on a regular basis, as set out in the AGS, to provide assurance on the work and performance of bodies the Council owns or has potential liability for and to ensure that there is good governance in respect of these other bodies – the most relevant bodies are listed in the AGS.</p> <p>A review is currently being undertaken of these CWC linked bodies to ensure they align with the Council’s new Code of Practice on Governance of Council involvement in linked bodies approved by the Governance and Ethics Committee in November 2022. This and other regular monitoring of these bodies gives no cause for concern, indeed it indicates that there is good governance in place for each of these bodies.</p>	<p>The new Code on governance of linked bodies is in place, confirming that there is a review each year of each of the linked bodies and reported to the relevant scrutiny panel in addition to theregular reporting to the Cabinet and the Leader of the Opposition of the current position of each body.</p> <p>Detailed reviews are underway for both Yoo Recruit and Wolverhampton Homes and will report shortly to the relevant scrutiny panels.</p> <p>The regular monitoring indicates no causes for concern with any of the linked bodies.</p>
<p>Civic Halls - Delivery of the Civic Halls in accordance with any set budget and in line with the set timeline will continue to be closely monitored by the Council throughout, and the Council will ensure that the contracts in place are complied with.</p>	<p>Since the AGS in July 2022 the Civic Halls project has been the subject of a number of further reports and meetings including a report to Cabinet in September 2022, a report to Scrutiny Board in October 2022 and a detailed report on the project to the Audit and Risk Committee in November 2022.</p> <p>In addition, external auditors have concluded their work on the project and have concluded that whilst it has been a challenging project there have been no failings by the Council which have led to</p>	<p>The Civic Halls opened in May 2023 and the opening season of the Halls reopened on 26 May with a sell-out Blur concert.</p> <p>25 shows between 26 May and 13 July 2023 with 48,000 visitors of those:</p> <ul style="list-style-type: none"> • 20% of ticket sales within WV postcodes • 60% of sales from wider midlands region

the delay/budget increase which have taken place.

Critically the Civic Halls have now been handed over to the operator, AEG, and a series of opening events have been scheduled for the formal opening in June.
AEG are currently working on their arrangements for the opening of the venue including recruitment of staff and the fitting out of the bars

- 20% from wider UK and international visitors

It appears that there has been a positive impact on city centre economy and positive feedback from local business – work is now underway to assess the actual impact of the opening of the halls and this will in turn be reported to the relevant scrutiny panel.

Now in festival season / planning phase for Autumn/Winter – next show is 1 September. Bookings for Autumn 2023 and 2024 extremely positive with excellent feedback from artists, managers, agents, promoters and ticket holders.

Work continues to protect the Council's legal position – critically the adjudication that took place earlier in 2023 found in the Council's favour on the key issues – the Council continues to review its position with expert advice and ensure that its financial position is adequately protected.

Compliance with Information Governance/Transparency requirements – ensuring that all relevant staff complete information governance/governance training to provide

The Individual Executive Decision Notice process has been updated and shared with relevant officers, and an internal audit review of the

This work is in place with regular reports brought to Governance and Ethcis Committee on compliance with Governance/Transparency

<p>confidence that the Council will meet all of its legal duties.</p>	<p>process has now taken place and found substantial assurance.</p>	<p>Requirements – we have confidence that the Council is meeting its legal duties.</p>
<p>SEND – implementation of written statement of actions following on from SEND inspection by Ofsted, detailed in the Ofsted report from November 2021</p>	<p>This is being tackled through additional ring-fenced funding approved by Council in early 2022, and the Written Statement of Actions (WSOA) and proposals for implementation are being monitored by a newly formed Cross Party Scrutiny Review Group which sits under the Children and young People Scrutiny Panel. The Panel held its first meeting in September 2022 and second in November 2022. Since the WSoA there have been two monitoring visits by DfE, the last in November 2022, and on both occasions the Council was found to have in place effective strategic leadership, partnership working and co-production to support the actions.</p>	<p>The Written Statement of Action is monitored every 12–15 weeks by the DfE and NHS England with consistently good progress reported following these monitoring visits. Four out of the six key issues have been fully addressed, one remains at Amber with the responsibility for completion resting with Health partners. The final key issue, still RAG rated RED is Joint commissioning which has been slow to progress but as the only key priority remaining it is expected that this will gain rapid traction over coming weeks.</p> <p>One further (the final) DfE/NHS England monitoring visit is scheduled for early November and it is expected that at this meeting the action plan will be agreed as completed.</p> <p>The SEND Partnership Board has requested ongoing monitoring by the DfE/NHS England to ensure continuing improvement and embedding of the actions which will provide reassurance to stakeholders that the SEND Partnership Board is committed to sustained improvements and better</p>

		experiences for families, children and young people with SEND. Political oversight will be maintained through regular CYP Scrutiny Panel reports.
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Action Plan for the Significant Governance Issues identified during 2022-2023 which will need addressing in 2023-2024

Based on the Council's established risk management approach, the following issues have been assessed as being key for the purpose of the 2022-2023 annual governance statement. Over the coming year appropriate actions to address these matters and further enhance governance arrangements will be taken.

2022-2023 Key areas and actions for implementation during 2023-2024	Responsibility and expected implementation date
<p>MTFS – In March 2023 the Council approved a balanced budget for 2023-2024 without the use of general reserves.</p> <p>The report to Council noted that the Council is now faced with further projected budget reductions estimated at £16.4 million in 2024-2025, rising to £23.1 million by 2025-2026.</p> <p>The level of uncertainty over future funding levels continues to be a significant risk. A prudent approach has been taken to forecasting resources over the MTFS period and all assumptions were detailed in the report to Council.</p> <p>There remains a significant risks and uncertainties in relation to the cost of services, including rising inflation, the impact of the cost of living on residents, and increased demand and rising costs of services such as social care.</p> <p>Work to develop budget reduction and income generation proposals for 2024-2025 onwards in line with the Council's Financial Strategy has started with updates on progress will be brought to Cabinet throughout the year.</p> <p>Work will also be undertaken to update the Council's Capital Strategy including our proposed approach to the use of capital resources and other financial solutions and a framework of delivery models that the Council will consider.</p>	<p>March 2024 – Director of Finance.</p>

<p>Procurement Compliance/Contract Monitoring – Contract Procedure Rules breaches. Amber reports have been received from a number of Directors in relation to non-compliance within their areas, and there have been an increase in the overall number of incidents where the Contract Procedure Rules have not been followed. Most non-compliances have been minor, but a small number within a service area experiencing significant staffing issues have resulted in the need to re-tender. This is currently being tackled by, where necessary, putting measures in place to support officers’ understanding of the rules, delivering training, and recruiting to vacant positions. It will further be helped by preparing updated guidance for officers following imminent updates to the relevant procurement laws (currently set out in the Procurement Bill) and expected guidance. At that point it is expected that changes to the Constitution will be needed to ensure it remains up to date.</p>	<p>March 2024 – Director of Finance.</p>
<p>Civic Halls/other capital programmes - Ensuring that the lessons learned from Civic Halls are implemented on other programmes work is in progress to ensure that the lessons learned from the Civic Halls project are implemented and crucially with regular reporting to councillors on these projects.</p> <p>The remit of Scrutiny Board is being amended so detailed updates are brought to Scrutiny to provide more regular oversight and transparency on key capital projects.</p>	<p>March 2024 – Chief Operating Officer</p>
<p>Climate Change – the recent internal audit report has recognised that there was a need for additional resource and reporting mechanisms in relation to the Council’s climate change commitments, as a result additional resources, a detailed internal programme board and additional reporting through to the relevant scrutiny panel have been put in place to ensure that there is delivery and transparency on that delivery.</p>	<p>March 2024 – Chief Operating Officer</p>
<p>Improving recruitment and retention - Recruitment and Retention is not only a local but national issue that we will continue to monitor and respond to - it is important we have robust recruitment and retention initiatives to enable the council to have resources to deliver our services. We continue to monitor our employee turnover rate and respond in a proactive way to this challenge. Recruitment and retention is monitored on our Strategic Risk register and a number of actions have and will continue to be taken, such as:</p> <ul style="list-style-type: none"> • Creation of ‘WV Job’ site supporting us to be an Employer of Choice, showcasing the benefits, careers and culture of our council. • Review of our employee benefits • Independent review of our pay structure 	<p>Laura Phillips – March 2024</p>

- The creation of a dedicated Recruitment & Retention team in People Services

Future Assurance

Where appropriate, a progress report on the implementation of the above actions from the key areas will be reported to the Audit and Risk Committee during 2023-2024.

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.

Page 25



Stephen Simkins, Acting Leader of the Council

Date:



Tim Johnson, Chief Executive

Date: