

Annual Governance Statement 2020-2021

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 will be revised in 2021-2022 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:

- *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.
- *Wolverhampton Housing Company Limited* – this is a wholly owned trading company set up under the powers in the Local Government Act 2003 and is known as WV Living 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.

- *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.
- *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. 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 2021 and up to the date of approval of the annual report and statement of accounts.

In April 2019 The City of Wolverhampton Council approved a new Council Plan for 2019-2024. The plan builds on the Council's transformation journey with a focus on delivering the following improved outcomes for the City:

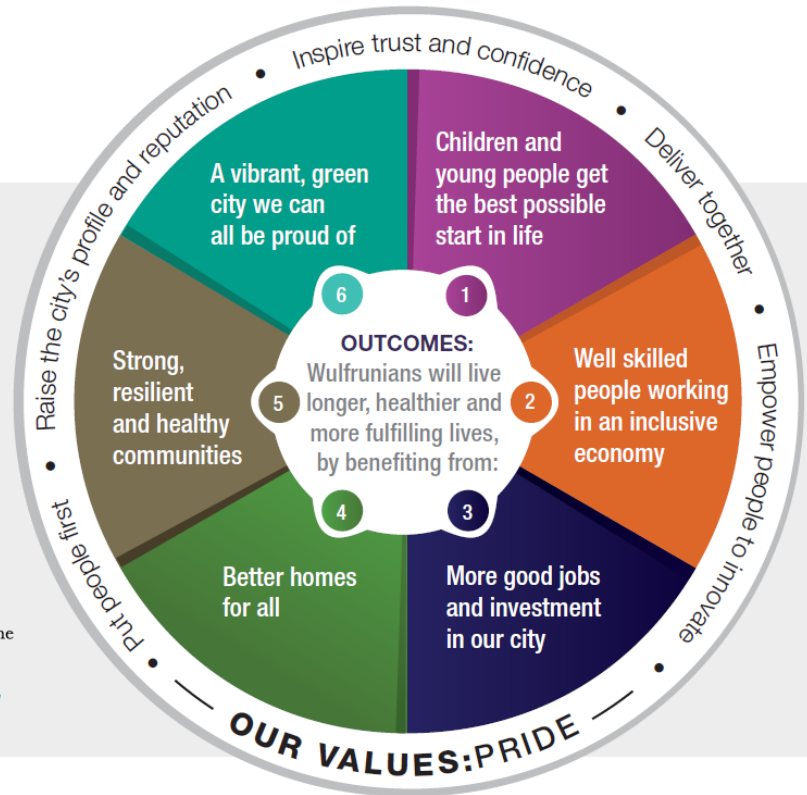
Council Plan

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

Following the Covid-19 Pandemic, the Council Plan has been underpinned by a five point 'relight' recovery plan



OUR PRINCIPLES

We will underpin our work with the following key principles;



CLIMATE FOCUSED

This recovery commitment is aligned to our climate change strategy 'Future Generations' and our target to make the City of Wolverhampton Council carbon – neutral by 2028. We are committed to delivering on the recommendations of our Climate Citizen Assembly and to upholding the promises we made when the Council declared a climate emergency in July 2019.



DRIVEN BY DIGITAL

The city is at the forefront of digital infrastructure and innovation, Wolverhampton will be one of the first cities in the world to host a 5G accelerator hub making us truly a world leader in emerging technology. Now more than ever digital skills and connectivity are vital to ensure our residents can access services, interact with friends and family, and enter the job market.



FAIR AND INCLUSIVE

We will continue to tackle the inequalities in our communities which impact on the opportunities of local people. The Council's 'Excellent' rated equalities framework is at the heart of our recovery commitment. No community will be left behind as we transform our city together.

These outcomes and principles 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. Implementing good practices in transparency, reporting, and audit to deliver effective accountability. 	<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 Implementation of previous governance issues 	<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 Directors Assurance Statements Corporate and Business plans Medium Term Financial Strategy Strategic and Covid-19 Risk Register Codes of Conduct Whistleblowing and other anti-fraud related policies Financial and Contract Procedure Rules modern.gov (the council's committee management information system) 	<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 Annual Statement of Accounts Local Government Ombudsman Report Scrutiny reviews Annual Governance Statement – including the follow up of previous year issues 	<ul style="list-style-type: none"> Savings Targets Procurement Contract Monitoring Strategic Asset Plan Civic Halls Constitution Review

NOT PROTECTIVELY MARKED

The Financial Management Code

During the year and in line with best practice, the Council undertook a self-assessment exercise against the new Financial Management Code in advance of its introduction in 2021-2022. The Code includes the following core principles by which 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 will be monitored throughout the year. The results of the exercise will be reported to the Audit and Risk Committee.

Covid-19 Considerations

In 2020-2021 the Council, as with all other local authorities, continued to adapt the ways in which it worked to address Covid-19 not only in terms of ensuring that the City's vulnerable residents have been supported alongside its businesses but also in its governance arrangements.

The Council's approach to governance during Covid-19 has been very clearly set out and shared with Councillors, the key aspects included:

Streamlined decision making – following the introduction of full lockdown in March 2020 the Council instigated a decision making approach that ensured that the focus has been on protecting the vulnerable and supporting businesses. Up until the coming into force in May 2020 of the provisions in the Coronavirus Act 2020 allowing for remote decision making by Local Government, all decisions that would have been made by Committees or Council were made using emergency powers provisions in the constitution. Since the provisions on remote meetings were enacted the full range of Council meetings have taken place using those powers and these have been filmed and made available on the Council's website.

At times the emergency powers have still needed to be used for urgent amendments to the budget and other matters that needed urgent resolution and that would otherwise have gone to Council but circumstances have not allowed this to happen, a good example of this is the award of additional grants to businesses following urgent Government announcements.

All decisions going through the emergency powers process, prior to May 2021, have to be made by the Leader, 2 Cabinet Members and the Chair and Vice-Chair of Scrutiny Board and have been shared with Councillors through a daily update sent to all Councillors and published through the Council's website. This approach has ensured that decisions have been made rapidly with Councillor involvement from both political groups and have been shared across all Councillors.

- All decisions made have been tracked and recorded on detailed spreadsheets with records of whether they need to be made through the urgent decision process or through delegated powers – this has included the following:
 - Clear records being kept of the financial pressures as a result of Covid-19 including loss of income, additional spend
 - Clear evidence based approach to explain why decisions have been made, using performance data
 - Communication implications of any approach taken and the need to ensure that the message is received by all communities
- A Covid-19 risk register has been produced interfacing with the Council's strategic risk register to ensure that the Council has been aware of and taken account of the key Covid-19 risks in an ever changing situation. This register has regularly been taken to the Audit and Risk Committee.

At all times the approach of the Council has been informed and shaped by advice from the Director of Public Health and key partners to ensure that the Council has had the most effective response possible to the pandemic. As part of the governance process key areas of concern have been able to be fed up through the mechanisms set out in the Governance Structure to a regional and national level.

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 2020-2021

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 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.

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".

Internal Audit – Covid-19

A report was presented to the Audit and Committee in June 2020 noting that the UK Public Sector Internal Audit Standards Advisory Board had produced guidance to support audit functions during Covid-19. This stated that all internal audit teams in organisations affected by Covid-19 would need to reassess their work plans and staff priorities. During the year a proportion of the audit resources was temporarily redeployed within the Council to provide assistance in a number of areas including the food distribution hub, the various business support grants teams, assisting Procurement with supplier due diligence checks regarding the supply of personal protective equipment (PPE) and other Covid-19 related grant

assurance. At both the September and December 2020 meetings, the Audit and Risk Committee were informed that in order to reflect the in-year change in risk profile for the Council and to facilitate the above shift in resources, a consultation exercise had been undertaken with the senior management team and the internal audit plan revisited to ensure that the remaining audit resource was focussed in the most effective manner.

As a result of this, it was agreed with the senior management team that a number of audit reviews that initially featured in the current plan, would be put back until the following year, where they again formed part of the assessment of assurance needs exercise. Details of these reviews were provided to the Committee at the December meeting. Audit Services continue to assess the situation, and it was believed that the number of audits planned to be completed, including all of the key financial systems reviews, would still enable Audit to be in a position to provide an annual audit opinion at the year-end.

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.

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

The Council's internal auditors also 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.

We recently commissioned an external review of our governance and performance against the new Regulator for Social Housing (RSH) Consumer Standards. The review has confirmed that CWC / WH has an adequate policy framework in place to meet the required standards, whilst highlighting a few areas where we can bolster mechanisms for recording and monitoring performance. We were pleased with the outcome of the review and will ensure a suitable action plan is in place to maintain the required standards.

WV Living

WV Living's accounts are audited separately by external auditors and an unqualified opinion was provided on the accounts for 2019-2020.

During 2020-21 the way in which the Council and WV Living interact has been carefully considered by the Council and as a result a number of changes have been/are being made, these include:

- 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 – increasing the number of members from 6 to 10 – and ensuring that clear objective advice is provided to the Shareholder Board by Council officers including the S.151 officer and the Monitoring Officer

Yoor Recruit

Yoor Recruit's accounts are audited separately by external auditors and an unqualified opinion was provided on the accounts for 2019-2020. Work is currently underway to ensure that the business plan is fit for purpose and this will be reported on shortly.

Help 2 Own

Help 2 Own has only recently been established. 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 will be and will be subject to external audit. This will provide assurance that the partnership has adequate and effective governance, risk management and internal control processes. A detailed report on the way governance works for Help 2 Own will be brought to Cabinet shortly and will be reported to Audit and Risk Committee.

Key changes to the governance framework during the year

During 2020-21 a full review was carried out of the Council's constitution and decision making in the Council. As a result a number of changes were recommended to be made to the constitution at the Annual general meeting in May 2021 these included:

- Simplifying the constitution to make it easier to follow for the public, Councillors and officers
- Clarifying and simplifying the delegations to Committees
- Combining Standards and Governance Committee to produce a Governance and Ethics Committee with a clear focus on good governance and a detailed work programme

- Updating the emergency action power in the light of experiences during Covid-19
- Updating the rules of debate for Council meetings
- Adopting the Local Government Association's Model Code of Conduct
- Updating the Council's Contract Procedure Rules in the light of the end of the EU exit transition period

This work continues with further changes to be brought to Council in 2021 including changes to the officer delegations. In addition work continues to review the approach to policy formulation and scrutiny and proposals. A proposal was agreed by the Council's Governance Committee in February 2021 to introduce a new approach to policy formulation and scrutiny in 2022 as a result of the impact of the pandemic with a pilot being carried out later in 2021.

As part of the Constitution review work a review has also taken place on support for Councillors leading to a new Councillor induction and development programme for new and existing Councillors supporting them on key aspects such as declaration of interests.

Regular briefings continue to take place of all cabinet members, opposition leader/deputy leader and chairs of panels ensuring that there is proactive information provided and discussion on key issues, risks and matters. As part of this monthly briefings are given on the risks and issues in relation to the Council owned bodies and the steps taken to address any risks. As part of this work a review has also taken place of the lessons learned in other authorities in governance terms following a number of Public Interest/Best Value Reports. This has led to additional assurance work being carried out that has provided re-assurance that governance arrangements are fit for purpose in the Council.

Progress on the Governance Issues from 2019-2020

The table below describes the governance issues identified during 2019-2020 and the progress made against these during 2020-2021.

2019-2020 - Key areas for Improvement	End of year update
<p><i>Savings Targets</i></p> <p>In March 2020 the Council approved a balanced budget for 2020-2021 without the use of general reserves. It is estimated that further savings of £15.5 million are required in 2021-2022 rising to £20.2 million in 2022-2023.</p> <p>It is important to note that a number of assumptions have been made with regards to the level of resources that will be available</p>	<p>In March 2021 the Council approved a balanced budget for 2021-2022 without the use of general reserves.</p> <p>It is important to note that the financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy. Current projections indicate that having taken into account additional government grant, there is a net cost pressure of over £6 million in 2021-2022 as a result of Covid. In order to set a balanced budget, this cost</p>

<p>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>Due to Covid-19, government have announced that the Review of Relative Needs and Resource will not be undertaken this year. It is understood that a spending review will take place but we would anticipate that this will be for one year only.</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 2020.</p> <p>Due to Covid-19 it has not been possible to progress this work. Further we have identified that budget reductions and income generation proposals built into the budget for 2020-2021 may not be deliverable at this stage.</p> <p>The Council must continue to provide information to MHCLG and seek funding to mitigate the impact of Covid-19 both for 2020-2021 and the medium term.</p> <p>The Council must also continue to look at budget reduction proposals to mitigate the impact of Covid-19 and to address the medium term deficit.</p>	<p>pressure has been met from other efficiencies identified across the Council.</p> <p>During 2021-2022 work will continue to monitor the financial impact of Covid to both inform the in year budget position and to inform medium term forecasts.</p> <p>Looking forward it is estimated that further savings of £25.4 million are required in 2022-2023 rising to £29.6 million in 2023-2024 in order to set balanced budgets.</p> <p>These forecasts take into account the potential ongoing impact of Covid in addition to the underlying budget pressures that face the Council.</p> <p>In addition to the impact of Covid, there continues to be significant uncertainty about future funding streams for local authorities. At the time of writing it is unclear when the Government will undertake the Comprehensive Spending Review, Fair Funding Review, Business Rates Reset and Business Rates Retention Review.</p> <p>Work has started to address the budget deficit over the medium term and updates will be brought to Cabinet throughout the year.</p>
<p><i>Procurement, Contract Management and Monitoring</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>This will continue to remain ongoing due to the changes proposed in the Government's Green Paper on 'Transforming public procurement'.</p>

<p><i>Strategic Asset Plan</i></p> <p>Review and Update the Strategic Asset Plan and Action Plan taking into account the Our Space programme proposals. This programme includes asset rationalisation of the portfolio determining future direction of travel for each asset e.g. retain, dispose or reuse (i.e. community asset transfer, public sector partnering). The programme will identify and ensure that only those land and property assets required for operational or strategic purposes are to be retained and that a clear plan for their development and operation is in place (including future investment requirements). This will result in a more cost-efficient property estate delivering running cost efficiencies, reduction in carbon emissions and potential for achieving capital receipts. Consideration will also be given as to how new income can be generated from property assets whilst protecting the existing income.</p>	<p>We continue to review and update the Strategic Asset Plan and Action Plan taking into account the Our Space programme proposals. This programme includes asset rationalisation of the portfolio determining future direction of travel for each asset e.g. retain, dispose or reuse (i.e. community asset transfer, public sector partnering). The programme will identify and ensure that only those land and property assets required for operational or strategic purposes are to be retained and that a clear plan for their development and operation is in place (including future investment requirements). This will result in a more cost-efficient property estate delivering running cost efficiencies, reduction in carbon emissions and potential for achieving capital receipts. Consideration will also be given as to how new income can be generated from property assets whilst protecting the existing income.</p>
<p><i>Civic Halls</i></p> <p>Delivery of the Civic Halls in accordance with any set budget and in line with the set timeline will be closely monitored by the Council throughout, and the Council will ensure that the contracts in place are complied with.</p>	<p>The project is ongoing and the delivery of the Civic Halls continues and remains closely monitored by the Council. As part of the project governance, The Council will continue to ensure that all contracts are in place and complied with.</p>
<p><i>GDPR</i></p> <p>This is an ongoing issue in terms of ensuring compliance with GDPR through regular training and continuing to provide transparent reporting of the levels of compliance with GDPR.</p>	<p>Work has taken place throughout 2020-21 to ensure that the Council continued to meet its obligations in GDPR terms notwithstanding the very different ways of working having to be adopted as a result of the pandemic. This has included regular reminders on ways of working and focused support for relevant teams with greater risk.</p>
<p><i>Constitution review</i></p> <p>Review and modernise the Council's constitution and decision making processes – this includes reviewing the Council's Code of</p>	<p>As detailed above the Constitution has been reviewed and updated with a number of changes being made. This process is continuing in 2021 with a</p>

Conduct and ensuring that the constitution is easy to understand, easy to access and supports appropriate and effective decision making, building on the positive approach to decision making that has taken place during the Covid-19 pandemic. This also includes ensuring that there is an effective approach to policy development and scrutiny within the Council.

further set of changes to be brought to Council in 2021 including changes to:

- Officer Delegations
- Financial Procedure Rules
- Employment Procedure Rules

Action Plan for the Significant Governance Issues identified during 2020-2021 which will need addressing in 2021-2022

Based on the Council's established risk management approach, the following issues have been assessed as being key for the purpose of the 2020-2021 annual governance statement. Over the coming year appropriate actions to address these matters and further enhance governance arrangements will be taken.

2021-2022 Key areas and actions for implementation	Responsibility and expected implementation date
<p><i>Savings Targets</i></p> <p>In March 2021 the Council approved a balanced budget for 2021-2022 without the use of general reserves. It is important to note that the financial implications of the pandemic have significantly distorted the budget and Medium Term Financial Strategy. Current projections indicate that having taken into account additional government grant, there is a net cost pressure of over £6 million in 2021-2022 as a result of Covid. In order to set a balanced budget, this cost pressure has been met from other efficiencies identified across the Council. During 2021-2022 work will continue to monitor the financial impact of Covid to both inform the in year budget position and to inform medium term forecasts.</p> <p>Looking forward it is estimated that further savings of £25.4 million are required in 2022-2023 rising to £29.6 million in 2023-2024 in order to set balanced budgets. These forecasts take into account the potential ongoing impact of Covid in addition to the underlying budget pressures that face the Council.</p> <p>In addition to the impact of Covid, there continues to be significant uncertainty about future funding streams for local authorities. At the time of writing it is unclear when the Government will undertake the Comprehensive Spending Review, Fair Funding Review, Business Rates Reset and Business Rates Retention Review.</p> <p>Work has started to address the budget deficit over the medium term and updates will be brought to Cabinet throughout the year.</p>	<p>Director of Finance March 2022</p>
<p><i>Procurement</i></p> <p>In December 2020 the Government published a Green Paper on 'Transforming public procurement' which proposes a number of changes which would impact on the Council. Work will be undertaken to monitor the progress of this paper and to respond appropriately to any resulting changes in legislation.</p>	<p>Director of Finance March 2022</p>

<p><i>Contract Management</i></p> <p>Contract management practises across the Council have been found to be inconsistent. The Council also utilises a contract management system which is a central repository database that has a record of those contracts that have been procured, but not those that have been commissioned locally. Consequently, the Council has decided to transform how contract management is delivered and contracting process are measured to generate economic and efficiency benefits aligned to the Council Plan and other relevant strategies, such as Wolverhampton Pound and Relighting Our City.</p> <p>The Council plans to have a one council approach to contract management. The intention is to develop a contract management framework, establish external contract management training for officers and procure a contract management software system. The system will provide greater visibility of contract performance and a strategic oversight of contracts. These identified areas will provide a consistent and efficient method where possible and contribute to continuous improvement whilst obtaining value for money. These improvements will also prepare the Council in good stead for the forthcoming new procurement regulations as the Government's green paper, 'Transforming Public Procurement', identified contract management and commercial life cycle as key areas which will form part of the new procurement regulations.</p>	<p>Director of Finance March 2022</p>
<p><i>Strategic Asset Plan</i></p> <p>We have made progress on reviewing and challenging the Council's asset portfolio as part of the Our Assets Programme (formally referred to as Our Space programme), particularly in light of how services will operate moving forward as part of Relighting our City. This has included developing six workstreams Asset Data, Asset Review, Retained Estate, Civic Centre, Surplus Assets and Asset Disposals. The Strategic Asset Plan and Action Plan will be updated following completion of this programme.</p>	<p>Deputy Chief Executive March 2022</p>
<p><i>Civic Halls</i></p> <p>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>Director of Regeneration March 2022</p>
<p><i>Constitution Review Conclusion</i></p>	<p>Director of Governance March 2022</p>

Completion of the review of the constitution including revision of financial procedure rules, employment procedure rules, officer delegation and adoption of a new Corporate Code of Governance.	
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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 2021-2022.

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, Chief Executive

Date: