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30 April 2018

Dear Sir/Madam

AUDIT AND MEMBER STANDARDS COMMITTEE

A meeting of the Audit and Member Standards Committee has been arranged to take place on **WEDNESDAY, 9TH MAY, 2018 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

Access to the Committee Room is via the Members' Entrance.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Neil Turner', is written in a cursive style.

Neil Turner BSc (Hons) MSc
Director of Transformation & Resources

To: Members of Audit and Member Standards Committee

Councillors Tittley (Chairman), Awty (Vice-Chair), Mrs Boyle, Marshall, Mosson, Rayner, Strachan, Mrs Tranter and Mrs Woodward



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AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Previous Meeting 3 - 6
4. **Annual Governance Statement** 7 - 28
(Report of the Head of Finance & Procurement)
5. **Housing Benefits Certification Work** 29 - 42
(Report of the Head of Finance & Procurement and Presentation by the External Auditors)
6. **Annual Report of the Monitoring Officer re: complaints** 43 - 54
(Report of the Monitoring Officer)
7. **Data Protection/GDPR** To Follow
(Report of the Head of Legal, Property & Democratic Services (Monitoring Officer))
8. **Work Programme** 55 - 58
(Discussion Item)



AUDIT AND MEMBER STANDARDS COMMITTEE

22 MARCH 2018

PRESENT:

Councillors Tittley (Chairman), Awty (Vice-Chairman), Mrs Boyle, Marshall, Mosson, Strachan, Mrs Tranter

Observer: Councillor Spruce (Cabinet Member for Finance and Democracy), Councillor Pritchard (Deputy Leader of Cabinet and Cabinet Member for Economic Growth, Environment & Development Services) and Councillor Wilcox (Leader of the Council)

Officers in attendance: Ms B Nahal, Mrs A Struthers, Mr A Thomas and Miss W Johnson
Miss W Johnson, Ms B Nahal, Mr A Thomas and Mrs A Struthers

Also Present: Mr J Gregory and Miss L Griffiths from Grant Thornton (External Auditors)

8 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rayner and Councillor Mrs Woodward.

9 DECLARATIONS OF INTEREST

There were no declarations of interest.

10 MINUTES OF THE MEETING HELD ON 22 JANUARY 2018

The Minutes of the Meeting held on 22 January 2018, as printed and previously circulated, were taken as read and approved as a correct record.

11 REVIEW OF ACCOUNTING POLICIES

Members considered the Report of the Head of Finance & Procurement setting out the Council's proposed Accounting Policies to be adopted in completing the 2017/18 Statement of Accounts. Very small changes had been made which were tracked throughout the document for ease of reference. These key changes were:-

- The removal of the policy on prior period adjustments as there are no such items related to changes in accounting policies or fundamental errors within the 2017/18 accounts. It was explained following a question that this Accounting Policy only needed to be included if there was a change in Accounting Policies or if there was a fundamental error. The decluttering the Accounts Agenda meant if this was not the case then it could be removed.
- The Business Rates Appeal provision related to the 2017 valuation list will be calculated using the Government's allowance in the multiplier for appeals of 2.1p due to the lack of robust information on appeal numbers following the introduction of the check, challenge and appeal process.
- The policy on Fair Value Measurement is now shown in alphabetical sequence.

RESOLVED: That the Audit and Member Standards Committee approves the Council's proposed Accounting Policies that will form part of the 2017/18 Statement of Accounts.

12 INTERNAL AUDIT CHARTER AND PROTOCOL

Members considered the Internal Audit Charter and Protocol Report from the Audit Manager for the 2018/19 financial year.

RESOLVED: The Audit and Member Standards Committee considered the performance report and no issues were raised.

13 INTERNAL AUDIT PLAN 2018/19

Members considered the Internal Audit Plan 2018/19 from the Audit Manager. Consideration was given to the 2018/19 Work Programme of the Internal Audit Section which took in to account the resources available – Annual Planned Audit Work Programme at Appendix 1.

RESOLVED: The Audit and Member Standards Committee approved the Annual Planned Audit Work Programme as detailed in the report.

14 PUBLIC SECTOR INTERNAL AUDIT STANDARDS/QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

Members considered the Public Sector Internal Audit Standards/Quality Assurance & Improvement Programme Report from the Audit Manager. This was to ensure compliance with the Public Sector Internal Audit Standards and the Quality Assurance & Improvement Programme as required by the Public Sector Internal Audit Standards. The External Quality Assessment (EQA) was completed last year and an update on the progress against the recommendations made was detailed at Appendix 1, the current internal annual assessment against the standards was detailed at Appendix 2 and an overview of the Quality Assurance & Improvement Programme (QAIP) in place for the Authority's Internal Audit Service at Appendix 3.

RESOLVED: The Audit and Member Standards Committee endorsed:

- (1) The Internal Quality Assessment; and
- (2) The Quality Assurance & Improvement Programme.

15 AUDIT COMMITTEE LDC PROGRESS REPORT AND UPDATE - YEAR ENDED 31 MARCH 2018

Members considered the Audit Progress Report and Sector Update from the External Auditors (Grant Thornton). This provided the Committee with a report on progress in delivering their responsibilities as External Auditors and summarised many recent developments in local government.

Grant Thornton explained that when the plan came before Committee previously the Value for Money Initial Risk Assessment had not been done. Attention was drawn to page 98 where the Friarsgate development had been identified as a significant VFM risk requiring some further work. The auditors commented that they had not identified the Council's financial position as a significant risk and that, overall, district councils tend to be in a better place financially than either County Councils or Unitary Councils because they do not have the pressures which arise from social care.

RESOLVED: The Audit and Member Standards Committee noted the Report.

16 WORK PROGRAMME

Members considered the Work Programme and it was noted that the Annual Governance Statement would be available at the next meeting on Wednesday 9 May 2018 along with the External Auditor's Presentation on costs of Benefits work.

17 ANY OTHER BUSINESS

Members thanked the Head of Finance & Procurement and his team for the recently received budget book which summarised LDC's budget in a 29 page document with graphics. Mr Thomas said this had been put together as an informed document for all members and could also be seen on the website by members of the public and our partners.

Councillor Tittley was also thanked for his hard work throughout the year as Chairman of the Audit & Member Standards Committee.

(The Meeting closed at 6.28 pm)

CHAIRMAN

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THE ANNUAL GOVERNANCE STATEMENT 2017/18

Cabinet Member for Finance and Democracy

Date: 9 May 2018

Agenda Item: 4

Contact Officer: Anthony Thomas

Tel Number: 01543 308012

Email: anthony.thomas@lichfielddc.gov.uk

Key Decision? **NO**

Local Ward Members: All wards



AUDIT (AND MEMBER STANDARDS) COMMITTEE

1. Executive Summary

- 1.1 Regulation 6 of the Accounts and Audit (England) Regulations 2015 requires that 'a relevant authority must, each financial year conduct a review of the effectiveness of the system of internal control required by regulation 3, and prepare (and approve) an Annual Governance Statement'.
- 1.2 Best practice (Chartered Institute of Public Finance and Accountancy's (CIPFA) publication 'Audit Committees Practical Guidance for Local Authorities and Police'), recommends that the review of the internal control system and the production of the Annual Governance Statement be reviewed and subsequently endorsed by an appropriate committee. This publication recommends this to be a core function carried out by Audit Committees.
- 1.3 This report, therefore, presents the Annual Governance Statement for 2017/18 for approval. This Statement is based on the Local Code of Corporate Governance for 2017/18 that was approved by the Committee in May 2017.
- 1.4 It also presents a Local Code of Corporate Governance for 2018/19 for approval.

2. Recommendations

- 2.1 It is recommended that the Audit (and Member Standards) Committee approves the Annual Governance Statement that will form part of the 2017/18 Statement of Accounts (**APPENDIX A**).
- 2.2 It is also recommended that the Local Code of Corporate Governance for 2018/19 be approved (**APPENDIX B**).

3. Background

- 3.1 Lichfield District Council is responsible for ensuring that its business is conducted in accordance with legal requirements and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 3.2 The Council has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

- 3.3 In discharging this responsibility, Lichfield District Council is also responsible for ensuring that there is a sound system of governance (incorporating the system of internal control) and maintaining proper arrangements for the governance of its affairs, which facilitate the effective exercise of its functions, including the management of risk.
- 3.4 The governance framework 'Delivering Good Governance in Local Government' was produced during 2016 by CIPFA/SOLACE (Society of Local Authority Chief Executives and Senior Managers). The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the principles contained within the framework. The seven core principles are as follows:
- 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.
- 3.5 The Annual Governance Statement should therefore be focused on outcomes and value for money and relate to the authority's vision for the area. It is based on the core principles above which form the basis of the Local Code of Governance for 2017/18 which was approved by Audit (and Member Standards) Committee. It is a valuable means of communication. It enables the authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.
- 3.6 The Annual Governance Statement should be signed by the Leader and the Chief Executive.

Review of the System of Internal Control

- 3.7 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. Its role is to provide independent assurance to the council that systems are in place and operating effectively.
- 3.8 In order to demonstrate the effectiveness of internal control, Internal Audit have completed the following actions all of which have been reported to Audit (and Member Standards) Committee:
- Carrying out a self-assessment of compliance with the Public Sector Internal Audit Standards (PSIAS)
 - Completing an on-going assessment to identify and evaluate risks (this forms the Audit Plan)
 - Reporting upon performance indicators collected in respect of the Internal Audit Service

- Undertaking a self-assessment of the effectiveness of the Audit (and Member Standards) Committee
- Having in place a Quality Assurance and Improvement Programme
- Undertaking an annual self-assessment against the CIPFA Role of the Head of Internal Audit.

Process for the Completion of the Annual Governance Statement at Lichfield District Council

3.9 Evidence was collected from a number of sources:

- The views of Internal Audit, reported to Audit (and Member Standards) Committee through regular progress reports, and the Annual Internal Audit Opinion
- An annual review of the effectiveness of Internal Audit
- The views of our external auditors, regularly reported to Audit (and Member Standards) Committee through regular progress reports, the Annual Audit Letter and Annual Governance Report
- The activities and operations of Council Service Areas whose Heads provide written assurance statements using an Internal Control Checklist
- The views of Members (Chairmen and Vice Chairmen and Leader of the Minority Group) using a Members' Questionnaire
- The Risk Management Process, particularly the Strategic Risk Register
- Performance information is reported to Cabinet and Overview and Scrutiny Committees.

3.10 This information was then collated and an early draft Statement produced and circulated to key officers (including the S151 Officer, Monitoring Officer and Internal Audit Manager) for comment.

3.11 These comments were incorporated into the document. The Statement was reviewed by Leadership Team at its meeting on 25 April 2018, and it was once again updated and sent to the External Auditors for comment.

3.12 The final draft version of the Annual Governance Statement for 2017/18 is now presented to Audit (and Member Standards) Committee for approval at **APPENDIX A**.

3.13 This Statement will then be signed by the Leader and Chief Executive and will ultimately form part of the 2017/18 Statement of Accounts.

3.14 The Best Practice Framework recommends developing and maintaining an up to date local code of governance and the one proposed for 2018/19 is shown at **APPENDIX B**.

Alternative Options	The alternative option is not to produce an Annual Governance Statement for 2017/18 which would result in the Council being in breach of its statutory obligations.
Consultation	Consultation has taken place with Leadership Team, S151 Officer, Monitoring Officer, Internal Audit and the Council's External Auditors, Grant Thornton.
Financial Implications	There are no direct financial implications from the production of the AGS.

Contribution to the Delivery of the Strategic Plan	The Annual Governance Statement has some connection to all areas within the Strategic Plan 2016-20.
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Equality, Diversity and Human Rights Implications	There are no equality, diversity and human rights implications.
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Crime & Safety Issues	There are no crime and safety issues.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The Annual Governance Statement is not produced in line with best practice, the CIPFA code and IFRS.	The Annual Governance Statement will form part of the Statement of Accounts that is audited by our external auditors.	Green

Background documents Delivering Good Governance in Local Government 2016 (including Guidance Notes) Audit Committees Practical Guidance for Local Authorities and Police

Relevant web links

ANNUAL GOVERNANCE STATEMENT 2017/18

Section 1	Scope of Responsibility
Section 2	Purpose of the Governance Framework
Section 3	The Governance Framework
Section 4	Annual Review of the Effectiveness of the Governance Framework
Section 5	Update on Significant Governance Issues 2016/17

Section 1: Scope of Responsibility

Lichfield District 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 (known as a Governance Framework) for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has adopted a Code of Corporate Governance (“the Code”), which is consistent with the principles of the CIPFA (Chartered Institute of Public Finance and Accountancy)/SOLACE (Society of Local Authority Chief Executives) Framework ‘Delivering Good Governance in Local Government’ (2016).

This statement explains how the Council has complied with the Code. It also meets the requirements of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

Section 2: Purpose of the Governance Framework

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

The system of Internal Control is a significant part of that Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of Internal Control is based on an ongoing 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 Lichfield District Council for the year ended 31 March 2018 and up to the date of approval of the Statement of Accounts.

Section 3: The Governance Framework

The key elements of the systems and processes that comprise the Council's Governance Framework are summarised in our seven Core Principles. These are discussed below.

A Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law
'Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and Government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.'

Outcomes

We develop, communicate and embed codes of conduct, defining standards of behaviour for Members and officers to ensure they exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance, and that are respectful of laws and regulations.

Our policies seek to ensure Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated which assists in protecting the reputation of the organisation.

We underpin personal behaviour with ethical values and ensure they permeate all aspects of the organisation's culture and operation, and are respectful of the rule of law.

We have an Audit (and Member Standards) Committee which has responsibility for promoting and maintaining high standards of conduct by Councillors and Members, ensuring that they observe the Members' Code of Conduct. The Code of Conduct is supported by training and development programmes for Members.

There is a process in place by which complaints regarding Members' Conduct are pursued. The relatively low number of complaints regarding behaviour demonstrates that the standards are understood and adhered to. During 2017/18, 2 Members' Code of Conduct complaints were received. In the one instance, following an investigation which found fault, the Member offered a verbal apology which was accepted. In the other instance no action was taken.

Communication on standards of behaviour is also facilitated through the Council's Employee Liaison Group, with regular meetings with representatives of employees through which we have built sound management-employee relationships.

The ethos of the Paid Service is that officers serve all of the Council. Issues associated with the development of the Governance Framework are regularly discussed by Leadership Team at their meetings.

Communicating the expected standards to employees is undertaken through leading by example by managers from the top (which is a specific requirement in the job description of Directors and Heads of Service), discussion and training, and a supportive management environment which makes clear to customers that unacceptable behaviour towards employees will not be tolerated.

The Council has a Code of Conduct for employees which was approved by Employment Committee on 9 February 2017 and Full Council on 21 February 2017. A copy can be found on the Authority's Intranet. This Code sets out the principles, behaviours and standards expected of employees in a single document. The purpose of the Code is to:

- Support the effective operation of the Council's business and wellbeing of its employees
- Assist the Council's employees to perform effectively by ensuring the rules and standards of the organisation are clearly communicated
- Guide the Council's employees in their dealings with the public, elected Members and other members of staff.

The Code is supported and reinforced by our three core organisational values that all our staff and Members work towards. These are:

- Put customers first
- Improve and innovate
- Have respect for everyone.

They have been embedded into the new Strategic Plan that took effect from 1 April 2016 (see Core Principle 3).

In order to reinforce the 'put customers first' value, the Council has a 'Customer Promise' which sets out the corporate standards that customers can expect in our dealings with them and, equally, how customers should treat our staff.

The Code of Conduct is also supported by a range of Human Resources policies and procedures, including:

- Disciplinary Policy and Procedure
- Grievance Policy and Procedure (incorporating bullying and harassment)
- Attendance Management and Sickness Policy and Procedure (managing sickness and other absences)
- Performance Management Policy and Procedure (replacing the Capability Policy and Procedure)
- Managing Relationships at Work Policy.

The Monitoring Officer advises on compliance with our policy framework, ensuring that decision making is lawful and fair. The role of the Section 151 Officer also ensures legality as well as financial prudence and transparency in transactions. The S151 Officer role is discussed in more detail under Core Principle 6.

Under the 2015 Care Act, the Council has a legal responsibility to safeguard, promote well-being and protect children and vulnerable adults. The Authority has a Safeguarding Policy which sets out specific responsibilities and how to spot potential abuse and report concerns. In addition, each Service Area has its safeguarding lead, and training and awareness sessions are carried out for those staff members who come into contact with children and vulnerable adults as part of their role.

A summary report on safeguarding is produced. It shows that from April 2017 to March 2018, **19** concerns were raised. **10** related to children and **9** to adults. Of these **7** were taken forward as formal referrals, the remainder were passed on to other services or fell below the threshold for safeguarding concerns.

The Council also has a Public Sector Equality Duty under the Equality Act 2010. As part of this we produce an annual Statement showing how we are meeting our obligations. This Statement also helps our customers, staff, the Equality and Human Rights Commission, regulators and other interested parties to assess our equality performance and our compliance with equality legislation. The latest Statement was published on 31 January 2018 and can be found on the Council's website. **81%** of Members attended training on equalities during 2017/18.

During 2017/18, the Council's Equality and Diversity Policy was updated and a draft was discussed at Leadership Team in February 2018. It is in the process of going through consultation via Employee Liaison Group (ELG) before being considered by Employment Committee and approval by Full Council.

For the first time, in 2017/18, the Council published a gender pay gap report in line with a new legal requirement for all public sector bodies. This report shows the difference between the average earnings of men and women expressed as a percentage of men's earnings.

Used to its full potential, gender pay gap reporting may identify the levels of equality in the workplace, female and male participation, and how effectively talent is being maximised.

Our gender pay gap is significantly lower than the national average – the mean is **4.72%** compared with **14.32%** nationally and the median **0%** compared with **25.9%** nationally.

We have identified that the main reason for the gap is the fact that we host the Joint Waste Service (with Tamworth Borough Council). The waste service traditionally attracts a larger percentage of male employees, and we employ a higher number of men in the middle quartile displacing more women in the lower and lower middle quartiles which otherwise would have been balanced.

We are confident that our future plans for recruitment and resourcing, promotion and talent management will help us to further narrow the gap and ensure a fairer future for all who work here.

B Ensuring Openness and Comprehensive Stakeholder Engagement

'Local government is run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.'

Outcomes

We make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. If a decision is to be kept confidential we provide justification for this decision.

We ensure that communication methods are effective and that members and officers are clear about their roles with regards to community engagement.

We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.

The Council is part of a number of external partnerships which provide support to its strategic agenda. These include the Stoke and Staffordshire and the Greater Birmingham and Solihull Local Enterprise Partnerships, the Greater Birmingham and Solihull Business Rates Pool, county and regional waste partnerships, and housing and community safety partnerships.

We are also committed to working collaboratively with a range of other partners including schools and colleges, the County Council, health, police and fire services to achieve what is needed for our District. This is done through the Lichfield District Board. We also need the continued support of the voluntary, business and community sectors, to maximise the huge contribution they make to the quality of life of local communities and residents.

As part of our use of partnership working, from time to time partners are invited to attend Overview and Scrutiny Committee meetings to facilitate discussions about shared priorities and the impact of plans and service delivery on local residents.

There are a number of other arrangements in place for securing customer feedback. We consult with our community using the most appropriate research and communication tools available.

During 2017/18, various consultations took place, for example, on the Draft Local Plan Allocations Documents. This consultation took part between 20 March and 12 May 2017 and approximately 5,000 representations were received. These representations were analysed and the main issues raised were considered by Cabinet in December 2017. As a result, a further consultation was undertaken on the Draft Local Plan Allocations (Focus Changes) Document from 8 January to 19 February, the results of which are currently awaited.

We also undertook a Budget Consultation exercise. The Council has a duty under S65 of the Local Government Finance Act 1992 to consult ratepayers (or bodies appearing to represent ratepayers) about proposed expenditure prior to calculating the Council Tax requirement. Best Practice is therefore to undertake an annual budget consultation exercise to ensure that the views of the ratepayers are considered as part of the budget setting process. In 2017/18, we undertook an abridged consultation for the 2018/19 budget which looked at preferences to where the Council allocates its resources, making savings and determining the acceptable level of Council Tax increase.

Engagement with residents also took place whereby they were invited to 'test' the green waste charging system on the website before the service went live on 1 January 2018.

The Council maintains a website www.lichfielddc.gov.uk for customers and also manages a number of social media streams including Facebook and Twitter. In addition, we maintain a suite of supporting websites that help underpin the Council's strategic ambitions, including a tourism destination website www.visitlichfield.co.uk and service specific websites including www.southernstaffs-buildingcontrol.co.uk and www.ratemyplace.org.uk. The Council's Contact Centre is the first contact point for customers/citizens. The Centre is a significant component in the distribution of information to residents and visitors, and for capturing information from customers to inform service development.

In August 2017, we found out that our website was rated **4** out of **4** stars in the national review of local government websites, which put us in the top **9%** of local government websites and **8%** of districts and boroughs. Only 36 out of 416 council websites were awarded a four star rating and of these only 16 were districts/boroughs.

In March 2018, we were awarded the maximum of 4 stars from the Society for IT Practitioners in the Public Sector, SOCITM's, Better Connected review of our on-line waste processes. This means we are in the top **13%** of councils for this task, and we only introduced it in December 2017.

In addition to the twice yearly 'LDC News' publication, the Council also publishes newsletters for different sectors, for example, a quarterly Historic Parks newsletter for visitors to the parks.

We are committed to being open and transparent about how we work, our decision-making processes and the services we provide. As part of this commitment we are increasing the amount of data that we make available publicly so that residents are able to hold us to account better. This data has been published under the INSPIRE and Transparency regulations.

We have used the Government's Code of Recommended Practice for Local Authorities on Data Transparency, which recommends the datasets councils should make available as a minimum, as a starting point for deciding what information we should make available. We have so far released **162** data sets on <https://data.gov.uk/publisher/lichfield-district-council> which are maintained and updated on a daily, weekly or monthly basis depending on the dataset.

We have also used feedback and requests made under the Freedom of Information Act 2000 to identify additional datasets for publication. Examples include council tax bandings by property; commercial empty properties; hackney carriages private hire vehicles; planning S106 agreements; solar panel locations. We will continue to increase the number of datasets that we make available over time, where resources and capacity permit and there is a clear public demand for the information.

Data protection laws are being strengthened in May 2018 with the introduction of the General Data Protection Regulations (GDPR) which replaces and builds on the principles contained in the 1998 Data Protection Act. GDPR will require all organisations to have tighter control of the way they manage their personal data. Fines for breaches will be up to 20 million Euro, and fines for failing to keep records will be up to 10 million Euro.

In order to ensure that the Council is in a position to comply with GDPR various work streams have been completed including: reviewing and auditing current practice; checking consents and privacy notices; reviewing contractual terms with suppliers; meeting with all officers who process personal data; creating a policy for GDPR; updating subject access requests procedures; training staff.

One of the requirements of GDPR is to appoint a Data Protection Officer (DPO). The role of the DPO is to oversee the Council's compliance with GDPR and to advise in relation to the law. A briefing paper was presented to and agreed at Leadership Team in April 2018 that recommended the Council appoints the solicitor at South Staffordshire District Council as this Council's DPO, and this was approved at Cabinet in May 2018.

The Council has a customer feedback scheme for the public to make complaints, comments and compliments, and constructive criticism which is used to improve services. The Complaints Charter provides guidance to staff on the Council's complaints process. The procedure for Complaints was simplified from a three stage to a two stage process during 2017/18. For 2017/18 **362** complaints were received compared with **449** in 2016/17. We received **187** compliments in 2017/18 which compares with **218** in 2016/17.

In July 2017, the Council received the Annual Review Letter from the Ombudsman for the period ending 31 March 2017. It reported that **7** complaints and enquiries (a reduction from **8** in 2016/17) were received from Lichfield District Residents, which came from corporate and other services, housing and planning and development. This total figure compares favourably to the average of **15** complaints received by District Councils within Staffordshire. Of the 7 complaints and enquiries **1** was upheld.

The reporting of complaints and compliments continued to improve during 2017/18, with regular reports considered by Leadership Team and circulated to Managers. The reports include details of what we learned from the complaints and changes implemented as a result. Members were provided with monitoring reports on a six monthly basis in addition to reports being presented to Audit (and Member Standards) Committee.

Some examples of areas that have improved in response to customer complaints are:

- Local Searches, where staff have now been recruited and trained and front end software is being procured to improve the customer experience
- Swimming lessons, where lessons were reviewed and improved based on the feedback from parents to begin punctually and ensure changing facilities were available in enough time for the lesson to begin
- Beacon Park, where signs have been installed to remind dog owners to control their dog.

The process for dealing with complaints was further refined during late 2017/18, moving from a three to a two stage process, which it is hoped will mean a quicker and more effective process for both customers and internal teams.

There were no whistleblowing reports during 2017/18 (nor during 2016/17).

C Defining Outcomes in Terms of Sustainable Economic, Social and Environmental Benefits

'The long-term nature and impact of many of local government's responsibilities meant that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.'

Outcomes

We consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.

We ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options, thus ensuring that best value is achieved however services are provided.

We measure the quality of services for users, ensuring they are delivered in accordance with our objectives and that they represent the best use of resources and that Council Tax payers and service users receive excellent value for money. We do this through the Performance Management Framework.

Lichfield District Council has a clear vision in the form of the Strategic Plan 2016-20, which was approved by Full Council in February 2016, and can be found on our website. This is a formal statement of the Authority's purpose and intended outcomes, and it provides the basis for the Council's overall strategy, planning and other decisions.

It has become increasingly important that we are clear on where we need to allocate our resources, and that we are focussing on the things that will make the biggest impact and difference. The Strategic Plan also focuses on those outcomes that are known to reduce demand and dependency on the Council's services (and the wider public purse).

The Evidence Base for the Strategic Plan produced for the Council by the Staffordshire Intelligence Hub, highlighted that the three key things that enable people to live fulfilling and independent lives are:

- Being in employment
- Staying active and healthy
- Having somewhere safe and affordable to live.

Council consultation on these themes demonstrated a broad agreement to these being the areas that the Council should focus on and resulted in the following priority outcomes being identified:

- A vibrant and prosperous economy
- Healthy and safe communities
- Clean, green and welcoming places to live.

The Plan shows clearly the contribution the Council will make to the achievement of each priority outcome through its own direct delivery of services and activity. It also states where we will seek to influence and encourage partners and stakeholders to act, and how communities can help to achieve the outcomes.

In addition, the Plan makes clear how the Council will actively explore and pursue new ways of delivering services so that they can be delivered more efficiently and effectively, resulting in a fourth priority outcome:

- A Council that is 'Fit for the Future'.

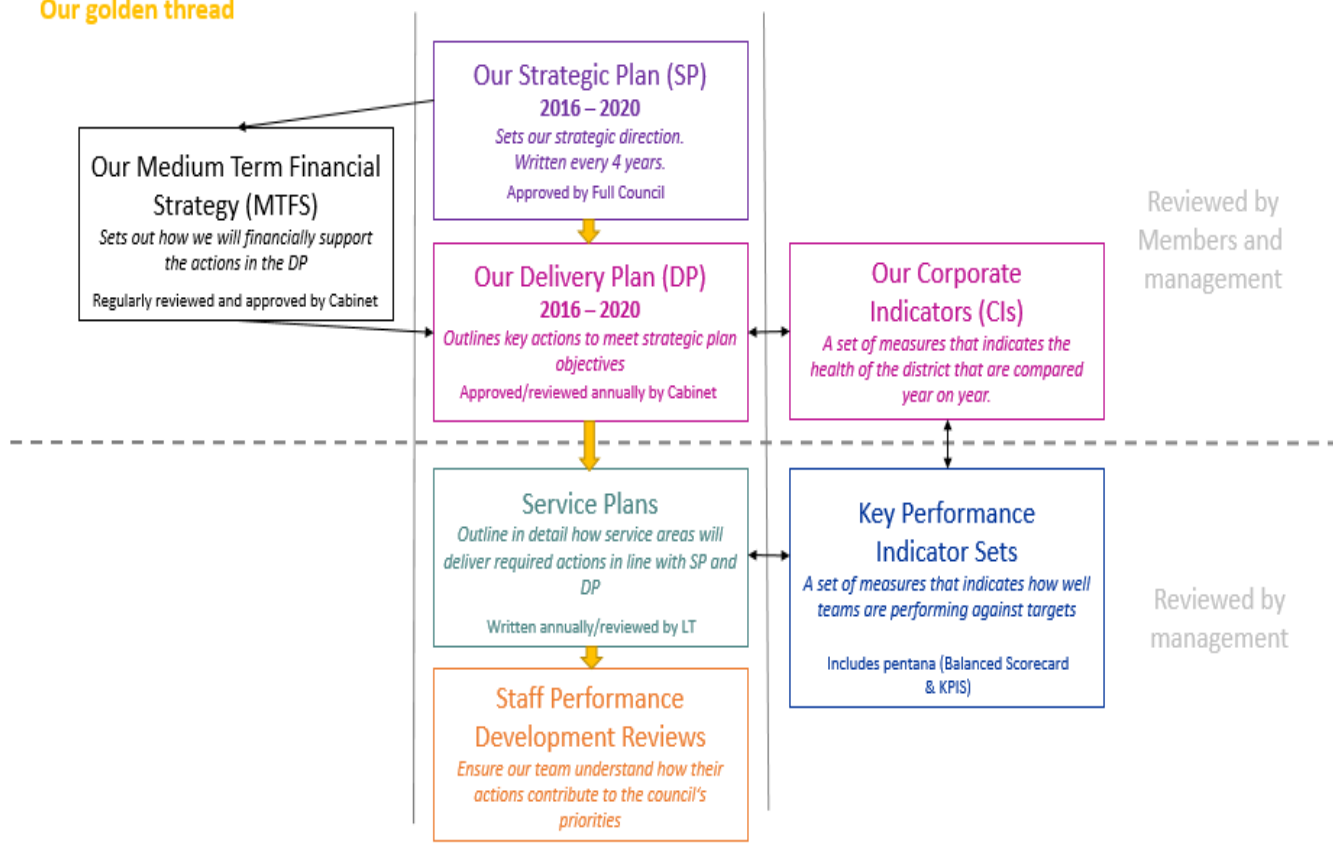
The Strategic Plan not only sets out our strategic direction but also provides the context for the Annual Action Plan (which is approved by Council each year in February). This identifies and focuses on 10 key activities/projects (known as the Corporate Top 10), in order to achieve progress against the aspirations in the Strategic Plan.

The Annual Action Plan is performance-managed in line with the Corporate Performance Management Framework. Update reports on the 2017/18 Action Plan are presented to Cabinet in January for the mid-year outturn and July for the end of year outturn. These reports also include activity and performance indicators to enable Members to track performance across the range of statutory and discretionary services which the Council provides.

The process has been reviewed and updated during 2017/18 so that for 2018/19 a Delivery plan will be monitored to ensure the outcomes from our Strategic Plan 2016 to 2020 are achieved. Details of this will be discussed at Cabinet in June 2018, and the proposed process can be seen below:

How our performance is managed

Our golden thread



The Council has a Local Plan that covers the period 2008-29, that seeks to encourage sustainable development within the Lichfield District area, and includes policies on a number of key themes, including sustainable communities, infrastructure, homes for the future, economic development and enterprise, and healthy and safe communities. The Plan will therefore help to make sure the District is developed in the right way, including building the right number and types of houses, developing the right kind of shopping and recreational facilities, getting the right office and industrial spaces, creating opportunities for local jobs to be nurtured and protecting our wildlife, landscapes and heritage.

Progress reports on the implementation of the Local Plan are presented to Overview and Scrutiny Committee in addition to Cabinet. A report on the future review of the Local Plan went to Cabinet in March 2018.

The Planning and Compulsory Purchase Act 2004 introduced the requirement for local planning authorities to prepare and maintain a Local Development Scheme (LDS). The LDS is a project plan that sets out a timetable for the production of a new or revised Development Plan Documents (such as Local Plan) by the publishing council. Cabinet in December 2017 approved the publication of an updated revised LDS.

As part of sustainable development, local authorities have to introduce a planning charge known as the Community Infrastructure Levy (CIL). The CIL is designed to act as a tool for local authorities to help deliver infrastructure to support the development of their area. The CIL Charging Schedule sets out the rate of levy the Council will charge those types of development that are eligible to contribute towards infrastructure provision. The District Council's CIL was adopted on 13 June 2016.

The Council is promoting Neighbourhood Plans, the adoption of which will in addition to guiding future development, enable parish areas to receive a share of the financial benefits of development that comes from the CIL, and also allow them to set their own priorities for its investment. In 2017/18, two Neighbourhood Plans were taken to referendum and approved by the community. The referendums, Lichfield City referendum and Whittington and Fisherwick referendum took place on 22 February 2018, with both gaining the necessary levels of support from those voting.

We are about to start the review process for our Local Plan and are also progressing the Allocations document. The principle of progressing a review has been agreed by members, and shortly a report will be presented to Cabinet which, if approved, will allow a consultation to commence with local residents, communities, businesses and other key stakeholders on the scope of the review and the issues that will need to be addressed. The work will start in earnest once the Land Allocations document – part 2 of our current Local Plan – is submitted to the Secretary of State for examination.

During 2017/18, following a lengthy procurement process, it was decided to outsource the operational delivery of our leisure centres both in Burntwood and Lichfield. Outsourcing is a tried and tested model throughout the UK - within Staffordshire three other districts currently outsource their services.

The operator selected after the procurement process was Freedom Leisure a not for profit company formed in 2002, and which currently operate 75 leisure centres at various locations within the UK. As a large company, Freedom will be able to bring a robust regional and national network with innovative customer engagement mechanisms, corporate buying power, established relationships with sport/health professionals and National Governing Bodies of Sport.

It is the role of the Council to work with Freedom to ensure that all incoming benefits are utilised effectively to ensure a geographical spread of opportunity throughout the District and ultimately to improve health and wellbeing. Freedom will use a wide range of interventions to engage and consult with the community driving services closer to the customer.

The aim of the outsourcing is to maximise the opportunity for people to lead healthy lives and to have access to opportunities to exercise, as well as being financially sustainable, with targets set for increased participation across our whole demography.

The contract with Freedom will be monitored both operationally and financially by the Leisure Implementation Panel that was originally formed to oversee the transition from Council managed to operational handover to Freedom which took place on 1 February 2018.

D Determining the Interventions Necessary to Optimise the Achievements of the Intended Outcomes

'Local Government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.'

Outcomes

We inform medium and long term resource planning by drawing up realistic estimates of revenues and capital expenditure aimed at developing a sustainable funding strategy.

We ensure that the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved whilst optimising resource usage.

We ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.

The Strategic Plan 2016-20, discussed above, sets out the opportunities and challenges we face, the needs of the community, the Council's aspirations, our focus, and our priorities covering the life of this Council.

To fund the Strategic Plan, the Council prepares a Medium Term Financial Strategy (MTFS). This covers how we will use our reserves, our investments, the approach to Council Tax, and how we will deploy our capital. It also looks over the medium term at the cost pressures we are likely to face and how these could be financed. The Strategic Plan must drive the Financial Strategy. The MTFS relevant for 2017/18 is the MTFS 2017-21. This was approved by Cabinet and Full Council in February 2017.

The Revised Budget for 2017/18 was approved by Full Council in February 2018 as part of the MTFS for 2017/18.

Lichfield District Council has a statutory duty to set a balanced budget in the first year of the five year MTFS, and to set out proposals to balance the further financial years 2018-21. The Chief Finance Officer has a statutory duty to ensure that the figures provided for estimating and financial planning are robust and will stand up audit scrutiny. The Council is also required to set Prudential Indicators for Capital Expenditure, financing and Treasury Management.

Money Matters Reports are presented at three, six and eight month intervals to Cabinet and Overview and Scrutiny Committee, and financial projections are updated in these reports.

Since 2013/14, there have been significant changes in local government finance ranging from the Localisation of Council Tax Support, wider welfare reforms and local retention of an element of business rates. These changes have introduced additional financial risks such as a major proportion of the Council's funding being dependent on the level of business rates growth or decline. Consequently, the Council implemented plans and strategies to manage these financial risks, for example the Fit for the Future (F4F) Programme introduced in May 2013.

F4F is the Council's transformation programme that aims to manage the change needed across the Council and its services in order to meet the challenges facing local government finances and to bridge the predicted revenue funding gap. Since its introduction the Programme has helped to identify a range of service improvements and deliver significant savings through a range of measures, including reductions in non-priority areas, changes to service standards, transferring assets and introducing or increasing charges for some services.

By mid-2017 the F4F programme had helped to identify a range of service improvements and deliver nearly £2million of savings. It has now been refreshed and repositioned to focus on delivering the ambitions and outcomes of the Strategic Plan 2016-20. This refreshed programme has incorporated the desire to become a commercial council and oversee a range of projects that seek to:

- Maximise innovation to provide efficient and effective services to our customers

- Instigate best practice methods of setting, reviewing and maximising income from current and new sources
- Establish a range of prudent investments that provide sustainable long-term returns that remove the need for Government grants
- Create a culture of commercialisation to ensure that we have the necessary skills, knowledge and behaviours.

The F4F programme will continue to oversee and support the delivery of legacy projects, those being previously reviewed but not implemented. There will be a clear scope and timetable based on the review recommendations, and anything not delivered will be passed to the service to deliver as part of ongoing continuous improvement.

E Developing the Entity’s Capacity, Including the Capacity of its Leadership and the Individuals Within it

‘Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.’

Outcomes

We ensure that the Leader and Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other’s authority.

We develop the capabilities of the Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental risks by ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirement is available and encouraged.

We hold staff to account through regular performance reviews which take account of training or development needs.

The Council has a Constitution which can be found on our website. This sets out how the Council legally operates, how formal decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The Constitution consists of seven parts: Summary and Explanation, Articles, Responsibility for Functions, Rules of Procedure, Codes and Protocols, Councillors’ Remuneration Scheme and Governance Structure.

The document also identifies the roles and responsibilities of Member and officer functions, with clear delegation arrangements and protocols for decision making and communication. For example, the statutory roles for the Head of Paid Service, the Chief Financial Officer (Section 151 Officer) and the Monitoring Officer. Reference is made to the scrutiny role of the Opposition, whereby the latter is responsible for challenging and holding the Controlling Group to account. The Constitution also contains the protocol for officer/Member relations. This is reviewed and amended on a regular basis.

The Council’s Constitution is updated as and when changes are needed to be made with the Cabinet Member for Finance and Democracy submitting recommendations to Full Council.

During 2017/18 it was recognised that the current Constitution was in need of an overall update in order to reflect recent changes in legislation and also to make it easier to navigate. As a result the Constitution has been updated and was approved by Full Council in May 2018.

Whilst there have been amendments to all of the parts, many are minor drafting changes, for example, to reflect new job titles. Some changes, however, have been more significant, for example:

- **Summary and Explanation** – includes a diagram structure of the Council so people can view at a glance the main decision making meetings
- **Articles** – contain graphics summarising the main functions of committees; incorporates the Joint Waste Board
- **Responsibility for Functions** – has the most significant changes to how it looks and makes the scheme of delegation easier to follow
- **Rules of Procedure** – changed to reflect the higher key decision limit of £75,000
- **Codes and Protocols** – incorporates Councillor and Employee Codes of Conduct plus protocol on Councillor/employee relations
- **Councillors’ Remuneration Scheme** – simplified and reduced
- **Governance Structure** – contains a summary of the Cabinet and Leadership Team memberships and details the current Statutory Officers.

The Council has a training plan for Members which is developed and monitored by the Employment Committee. There were **13** training events during 2017/18. The areas covered included treasury management, planning, GDPR for Members, universal credit, conservation and arboriculture, and commercialisation in context.

The Chief Executive and Directors are set their performance targets annually. These are based on the delivery of the Annual Action Plan and the business risks anticipated for the year.

Senior politicians appraise the Chief Executive’s performance against these targets and the Chief Executive appraises the Directors. As part of this process development needs and solutions are identified and agreed.

Performance Development Reviews (PDRs) are carried out for employees and training needs are identified as part of this process. The importance of the PDR process for the Council continues to be highlighted by the Chief Executive. The rate of completed PDRs for 2017/18 improved significantly on the previous year. At the end of September 2017, **59.56%** had been completed (2016 **25.87%**). By 31 March 2018, this rate had risen to **88.08%** compared with **52.55%** at 31 March 2017.

A structured e-learning programme is available which greatly enhances the learning and development opportunities for a large cross-section of employees. Areas covered include fraud awareness, equalities and data protection.

The Council seeks to ensure that its employees are kept up to date with issues affecting the Council, for instance, performance is communicated through regular emails called ‘Key Messages from Leadership Team’ as well as regular Manager ‘Breakfast’ Briefings. There are also individual team meetings and the staff newsletter Team LDC.

In 2016/17 the Council began a substantial senior management restructure. This was completed in early 2017/18. The new structure has been designed to:

- Facilitate, support, enable and promote transformation in how the Council operates and delivers services to the community
- Support a ‘One Council’ ethos across the organisation, and reinforce strong corporate governance and performance management
- Enable a more policy driven and evidence led approach to decision-making and service development
- Work alongside elected members to provide stronger, proactive and forward looking strategic leadership to the Authority and District
- Create and support a tier of empowered and confident heads of service and technical professionals that manage day-to-day operations and service delivery.

This will further support the delivery of services, increase capacity, establish a one council approach and further strengthen corporate governance.

'Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.'

Outcomes

We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making.

We ensure that well-developed financial management is integrated at all levels of planning and control.

We ensure that there is an effective scrutiny function in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made.

The Council has a Risk Management Strategy, and managers are trained in the assessment, management and monitoring of risks. The Corporate Risk Register is produced by assessing the risk factors that could potentially impact on the Council's ability to deliver its Strategic Action Plan. These are monitored by Members and Senior Officers and reported on three times a year to Audit (and Member Standards) Committee and half yearly to Cabinet. All reports requiring a decision include a risk assessment section.

Up to 2017/18, the Register only included those risks that were rated as 'severe'. In 2017, Leadership Team undertook a comprehensive review of Corporate Risks, and the Corporate Risk Register was updated to include all risks that were not necessarily 'severe' but could nevertheless impact the delivery of the Strategic Plan.

The Council continues to manage and monitor the effectiveness of its health, safety and insurance management system. In May 2018, the annual Health and Safety Performance Report was presented to Leadership Team and Employment Committee. This report is a statistical snapshot of accidents and insurance claims, in addition to providing a review of the corporate health and safety training programme, detailing changes to operating procedures and emerging challenges. A Health, Safety and Insurance Service Plan has identified a number of areas which could be developed to ensure that the Council remains legal and compliant with good practice. Monitoring of the Service Plan objectives will be undertaken by the Head of Corporate Services.

The Council's Contract Procedure Rules and Financial Procedure Rules form part of the Governance Framework. These are the rules set by the Council to regulate its internal procedures for the conduct of its business, in addition to how it spends money and records transactions. They form part of the Council's Constitution. Any amendments to them are subject to approval by Full Council.

Financial Procedure Rules were last updated in 2015 in line with CIPFA's publication 'Financial Regulations, A Good Practice Guide for an English Modern Council'. Contract Procedure Rules were updated in 2016 following a number of changes to procurement guidelines, processes and best practice (for example, the Public Contracts Regulations 2015). These were approved by Audit (and Member Standards) Committee in January 2017. The Contract Procure Rules were approved by Audit (and Member Standards) Committee in March 2017, and a copy can be found within the Constitution.

The Head of Finance and Procurement/Section 151 is designated as Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972.

In April 2016, CIPFA/SOLACE issued an updated application note on the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The Council complies with these requirements as detailed below. The Chief Financial Officer is:

- A key member of the Leadership Team

- Actively involved in, and able to bring influence to bear on, all material business decisions to ensure alignment with the Authority's financial strategy
- The lead for the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively
- Professionally qualified and suitably experienced
- Able to lead and direct a finance function that is resourced to be fit for purpose.

During 2017/18, the Chief Finance Officer continued to provide effective financial management in accordance with the financial procedures and rules set out in the Constitution.

Maintenance of an effective system of both internal and more detailed financial control is the agreed responsibility of Directors, Heads of Service and Service Managers, who are responsible for managing their services within available resources, in accordance with agreed policies and procedures, and to support the sustainable delivery of strategic priorities in the Strategic Plan and maintain statutory functions. Elements include:

- Monthly review of budgetary control information by budget holders and Heads of Service to compare expected to actual performance and to forecast going forward
- Formal budgetary monitoring reports are reviewed with budget holders and Heads of Service at three, six and eight months. These look at actual performance and provide forecasts going forward
- Money Matters reports are produced at three, six and eight months and are reviewed by Leadership Team and reported to Overview and Scrutiny, Cabinet and Full Council.

The financial information produced is both reliable and timely and is available in an understandable and useful format to actively support informed decision making and performance management arrangements and thus the delivery of strategic priorities.

We have an Audit (and Member Standards) Committee that is independent of the Executive and accountable to the governing body. This provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment. We ensure that its recommendations are listened to and acted upon.

As part of the annual Audit Plan, Internal Audit completed fraud awareness and proactive fraud work in accordance with fraud risks identified, adhering to the CIPFA Code of Practice for Managing the Risk of Fraud. The conclusion of this work for 2017/18 is that the Authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

Over the last couple of years changes have been made to the way our Overview and Scrutiny function operates following a recommendation from the Peer Review that took place in 2014. Examples of these changes include the greater use of briefing papers, lighter agendas and triangulation meetings with relevant Cabinet Members. Various Task and Finish Groups with commencement dates throughout the year have also been established. A Coordinating Group has been set up that agreed that all work should be to aid Cabinet Members and Heads of Service meet their targets. This Group therefore set out a process for establishing and managing the Task and Finish Groups.

The Council is planning a Peer Review during 2018/19, details of which will emerge in early 2018/19.

G Implementing Good Practices in Transparency, Reporting and Audit to Deliver Effective Accountability

'Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both External and Internal Audit contribute to effective accountability.'

Outcomes

We ensure that recommendations for corrective action made by Internal and External Audit are acted upon.

We write and communicate reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensure that they are easy to access and interrogate.

We welcome peer challenge, reviews and inspections from regulatory bodies and implement recommendations.

We have an effective in-house Internal Audit function with direct access to Members and which reports to the Chief Finance Officer. This service provides assurance with regard to governance arrangements and its recommendations are acted upon. For 2017/18, Internal Audit continued to operate in accordance with the Public Sector Internal Audit Standards.

An annual review of the effectiveness of the system of Internal Audit is undertaken by the Internal Audit Manager based on the Public Sector Internal Audit Standards and using feedback from Directors, Heads of Service, the Section 151 Officer, Managers and External Audit. A Quality Assurance Improvement Programme was approved by Audit (and Members Standards) Committee in March 2018.

The review of Internal Audit for 2017/18 concluded that the Authority's Assurance Arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit 2010. The Internal Audit Manager fulfils this role and is professionally qualified.

Our External Auditors carry out reviews of our internal control arrangements when working with us throughout the year. They have not reported any weaknesses in their updates to Audit (and Member Standards) Committee during 2017/18.

The current phase of the F4F Programme is focussed on transforming the way the Council operates, including how it interacts with its customers and making sure the way the organisation is structured and organised is effective, productive and better aligned with the priority outcomes that are set out in the Strategic Plan. Looking at how demand for services can be reduced or managed and how service users can access services and information in ways that costs the Council less (channel shift) are important elements of this. Decisions about where to spend will need to become more evidenced based, so that reduced resources can be targeted on those areas and communities who need them most.

Section 4: Annual Review of the Effectiveness of the Governance Framework

We have a legal responsibility to conduct an annual review of the effectiveness of our Governance Framework, including the system of internal control. The outcomes of the review are considered by Audit (and Member Standards) Committee (which is charged with final approval of this statement).

The review is informed by:

- The views of Internal Audit, reported to Audit (and Member Standards) Committee through regular progress reports, and the Annual Internal Audit Opinion
- An annual review of the effectiveness of Internal Audit (as required by Regulation 6(3) of the Accounts and Audit Regulations 2015)
- The views of our External Auditors, regularly reported to Audit (and Member Standards) Committee through regular progress reports, the Annual Audit Letter, the Audit Risk Assessment and the Audit Plan
- The activities and operations of Council Service Areas whose Heads provide written assurance statements using an Internal Control Checklist
- The views of Members (Chairmen and Vice Chairmen and Leader of the Minority Group) using a Members' Questionnaire
- The Risk Management Process, particularly the Corporate Risk Register
- Performance information reported to Cabinet and Overview and Scrutiny Committees.

Conclusion of the Review

We consider the Governance Framework and Internal Control environment operating during 2017/18 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact.

For 2017/18 no significant weaknesses in Governance or Internal Control were highlighted.

Section 5: Update on Significant Governance Issues 2016/17

The system of Governance (including the system of Internal Control) can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period, that value for money is being secured and that significant risks impacting on the achievement of our objectives have been mitigated.

The review highlighted no areas as representing a significant weakness in Governance or Internal Control during 2016/17.

Diane Tilley

Councillor Michael Wilcox

**Chief Executive
July 2018**

**Leader of the Council
July 2018**

**LICHFIELD DISTRICT COUNCIL
CODE OF CORPORATE GOVERNANCE 2018/19**

Introduction

Good Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, culture and values by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Our Commitment

Lichfield District Council is committed to upholding the highest possible standards of good corporate governance, as good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the Council, and ultimately good results. Good governance flows from shared values, culture and behaviour and from sound systems and structures.

During 2016/17, an updated Framework was produced by CIPFA/SOLACE entitled 'Delivering Good Governance in Local Government 2016'. The main principle underpinning the development of this new Framework is the fact that local government is developing and shaping its own approach to governance taking account of the environment in which it now operates. The Framework positions the attainment of sustainable economic, societal, and environmental outcomes as a key focus of governance processes and structures. Outcomes give the role of local government its meaning and importance, and it is fitting that they have this central role in the sector's governance.

Furthermore, the focus on sustainability and the links between governance and public financial management are crucial for now and for the future. Local authorities have responsibilities to more than their current electors and they must take account of the impact of current decisions and actions on future generations.

This Framework consists of seven Core Principles and it is proposed that it is these that the Code of Corporate Governance for Lichfield District Council 2018/19 is based.

The seven Core Principles are as follows:

Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

'Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and Government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.'

Ensuring Openness and Comprehensive Stakeholder Engagement

‘Local government is run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.’

Defining Outcomes in Terms of Sustainable Economic, Social and Environmental Benefits

‘The long-term nature and impact of many of local government’s responsibilities meant that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.’

Determining the Interventions Necessary to Optimise the Achievements of the Intended Outcomes

‘Local Government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.’

Developing the Entity’s Capacity, Including the Capacity of its Leadership and the Individuals Within it

‘Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.’

Managing Risks and Performance through Robust Internal Control and Strong Public Finance Management

‘Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.’

Implementing Good Practices in Transparency, Reporting and Audit to Deliver Effective Accountability

‘Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.’

Housing Benefits Certification Work

Cabinet Member for Finance and Democracy

Date: 9 May 2018

Agenda Item: 5

Contact Officer: Anthony Thomas

Tel Number: 01543 308012

Email: anthony.thomas@lichfielddc.gov.uk

Key Decision? **NO**

Local Ward Members All wards



AUDIT AND MEMBER STANDARDS COMMITTEE

1. Executive Summary

- 1.1 Following the demise of the Audit Commission new arrangements were needed for the appointment of external auditors. The Local Audit and Accountability Act 2014 requires authorities to either opt in to the appointing person regime or to establish an auditor panel and conduct their own procurement exercise.
- 1.2 A sector wide procurement conducted by Public Sector Audit Appointments (PSAA) will produce better outcomes for the Council than any procurement we undertake by ourselves or with a limited number of partners. Use of the PSAA will also be less resource intensive than establishing an auditor panel and conducting our own procurement.
- 1.3 The Council was notified on 14 August 2017 that PSAA propose to appoint Grant Thornton as the External Auditor for this Council for a five year period from 2018/19 and this appointment was confirmed on 19 December 2017.
- 1.4 There is no provision in legislation for PSAA to make arrangements for housing benefit subsidy certification work on behalf of the Department of Work and Pensions from 2018/19 onwards.
- 1.5 Local Authorities are required to notify the Department of Work and Pension of their External Auditor (known as the Reporting Accountant) for the 2018/19 subsidy year by **2 July 2018**.

2. Recommendations

- 2.1 It is recommended that the Audit and Member Standards Committee either:
 - Appoints Grant Thornton as its External Auditor for the certification of Housing Benefit Subsidy Grant Claims for a five year period from 2018/19 to match the PSAA appointment for the main accounts or;
 - Appoints Grant Thornton as its External Auditor for the certification of Housing Benefit Subsidy Grant Claims for 2018/19 only or;
 - Elects to procure an alternative External Auditor for the certification of Housing Benefit Subsidy Grant Claims for 2018/19 onwards.

3. Background

- 3.1. As part of closing the Audit Commission the Government novated external audit contracts to PSAA on 1 April 2015. The audits were due to expire following conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to

approval from the Department for Communities and Local Government (now known as the Ministry of Housing, Communities and Local Government).

3.2. In October 2015 the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year. This meant that for the audit of the 2018/19 accounts it would be necessary for authorities to either undertake their own procurements or to opt in to the appointed person regime.

3.3. PSAA has completed the major procurement process and informed the Council on 14 August 2017 that it proposed appointing **Grant Thornton** as the Council’s External Auditor for a **five year period from 2018/19** and this appointment was confirmed on 19 December 2017.

3.4. However as regular reports to this Committee have identified this appointment did not include the certification work necessary for the Department of Work and Pensions Housing Benefit Subsidy relating to the 2018/19 subsidy year onwards.

3.5. There are two options available to the Council:

Option 1 – procure Grant Thornton to undertake this work either concurrently for the period of the PSAA appointment or for a different period or;

Option 2 – procure an alternative External Auditor that is registered with the Institute of Chartered Accountants in England and Wales (ICAEW) as public auditors.

3.6. The key advantages and disadvantages of the two options are detailed in the table below:

Option	Advantages	Disadvantages
Appoint Grant Thornton	<ul style="list-style-type: none"> • They have a working knowledge of the Council and previous Housing Benefit certifications. • They will undertake the Audit of the Statement of Accounts so there is likely to be reduced duplication of effort and work. • There would be no potential differences of opinion between two different sets of Auditors. • No procurement exercise would be necessary. 	<ul style="list-style-type: none"> • The costs could be higher than those derived through a competitive exercise. • Grant Thornton have already indicated that costs are likely to be higher than the current level.
Appoint an Alternative	<ul style="list-style-type: none"> • Prices would be based on a competitive process. 	<ul style="list-style-type: none"> • There are a limited number of firms that can undertake this work and as a consequence no bids for the work are received or those that bid are not suitable. • The costs could be higher as they need to either gain knowledge of the Council’s processes or they duplicate work undertaken by Grant Thornton. • Two audit relationships to manage.

3.7. The Council through the Audit and Member Standards Committee will therefore need to appoint an External Auditor for this work to enable notification to the Department of Work and Pensions by **2 July 2018**.

3.8. Grant Thornton will provide a presentation of their proposal to the Audit and Member Standards Committee.

Alternative Options	The Council could decide to procure a separate set of External Auditors however this would need to be completed by 2 July 2018 to enable compliance with the requirement to notify the Department of Works and Pensions.
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Consultation	Grant Thornton will provide a presentation to the Audit and Member Standards on their proposal for certification work related to the Housing Benefit Subsidy.
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Financial Implications	<p>The Approved Budget for 2018/19 related to the Main Audit compared to the scale of fees is shown in the table below:</p> <table border="1"> <thead> <tr> <th>Fee Element</th> <th>Approved Budget</th> <th>Scale of Fees</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>PSAA - Main Audit</td> <td>45,990</td> <td>35,412</td> <td>(10,578)</td> </tr> <tr> <td>Total</td> <td>£45,990</td> <td>£35,412</td> <td>(£10,578)</td> </tr> </tbody> </table> <p>The External Audit cost of Housing Benefit Certification work for Lichfield over the period 2015/16 to 2017/18 compared to the charges for all District Councils is shown in the chart below:</p> <table border="1"> <caption>External Audit Cost of Housing Benefit Certification Work</caption> <thead> <tr> <th>Year</th> <th>1st Quartile</th> <th>2nd Quartile</th> <th>3rd Quartile</th> <th>4th Quartile</th> <th>Lichfield</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>3,696</td> <td>2,272</td> <td>4,112</td> <td>25,700</td> <td>£5,148</td> <td>£35,780</td> </tr> <tr> <td>2016/17</td> <td>4,253</td> <td>3,272</td> <td>4,112</td> <td>26,587</td> <td>£5,423</td> <td>£38,224</td> </tr> <tr> <td>2017/18</td> <td>3,696</td> <td>2,272</td> <td>4,112</td> <td>25,700</td> <td>£6,123</td> <td>£35,780</td> </tr> </tbody> </table>	Fee Element	Approved Budget	Scale of Fees	Variance	PSAA - Main Audit	45,990	35,412	(10,578)	Total	£45,990	£35,412	(£10,578)	Year	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile	Lichfield	Total	2015/16	3,696	2,272	4,112	25,700	£5,148	£35,780	2016/17	4,253	3,272	4,112	26,587	£5,423	£38,224	2017/18	3,696	2,272	4,112	25,700	£6,123	£35,780
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Contribution to the Delivery of the Strategic Plan	The MTFs and sound Governance underpins the delivery of the Strategic Plan 2016-20.
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Equality, Diversity and Human Rights Implications	No Equality, Diversity or Human Rights Implications.
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Crime & Safety Issues	No Crime and Safety Issues.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The Council does not have an appointed External Auditor for the 2018/19 Housing Benefit Certification work by 2 July 2018 .	Grant Thornton will provide a presentation to the Audit and Member Standards Committee on their proposal.	Tolerable - Green

<p>Background documents</p> <p>PSAA Prospectus</p> <p>PSAA – Appointing Person – Frequently Asked Questions Cabinet Report 6 December 2016</p> <p>Council Report 13 December 2016</p> <p>Audit Committee 17 January 2017</p> <p>PSAA Update 21 March 2017</p> <p>Local Audit Update 27 June 2017</p> <p>Local Audit Update 27 September 2017</p> <p>Local Audit Update 22 January 2018</p> <p>HB Circular S7/2018 dated 28 March 2018</p> <p>Letter from PSAA and DWP on End of PSAA Appointment’s transitional arrangements dated 13 April 2018</p>

<p>Relevant web links</p>

Housing benefits audit – Lichfield DC

Page 33

John Gregory
Director

Laurelin Griffiths
Manager



Housing benefits audit at Lichfield DC

Context

Work required

Work done at LDC

Proposed fee and assumptions

Fee comparisons

Benefits of GT

Page 34

Context

Significant grant claim – LDC claims over £18m from DWP.

Work done each year in Sept/Oct for 30 Nov deadline

HB was automatically included with accounts audit appointment under Audit Commission/PSAA up to 17/18 claim

AC/PSAA set fees using a cumbersome method – scale fee for LDC for 2017/18 is £6,123.

Each council to appoint own auditor by 2 July 2018 for work in Sept/Oct 2019 onwards.

Work required

Overall procedures – analytical review, parameters

Discovery samples – 20 per benefit type

'40 plus' samples – one sample of 40 for each type of error:

- Identified in the 'discovery samples'; and
- Included in the previous year's audit report (QL).

Re-performance of work done by officers on the above

Drafting and agreement of Qualification Letter

Work done at Lichfield DC

Year	Total fee charged	40+ samples
2015/16	£6,123	5
2016/17	£6,873	6
Scale fee for 2017/18	£6,123	n/a

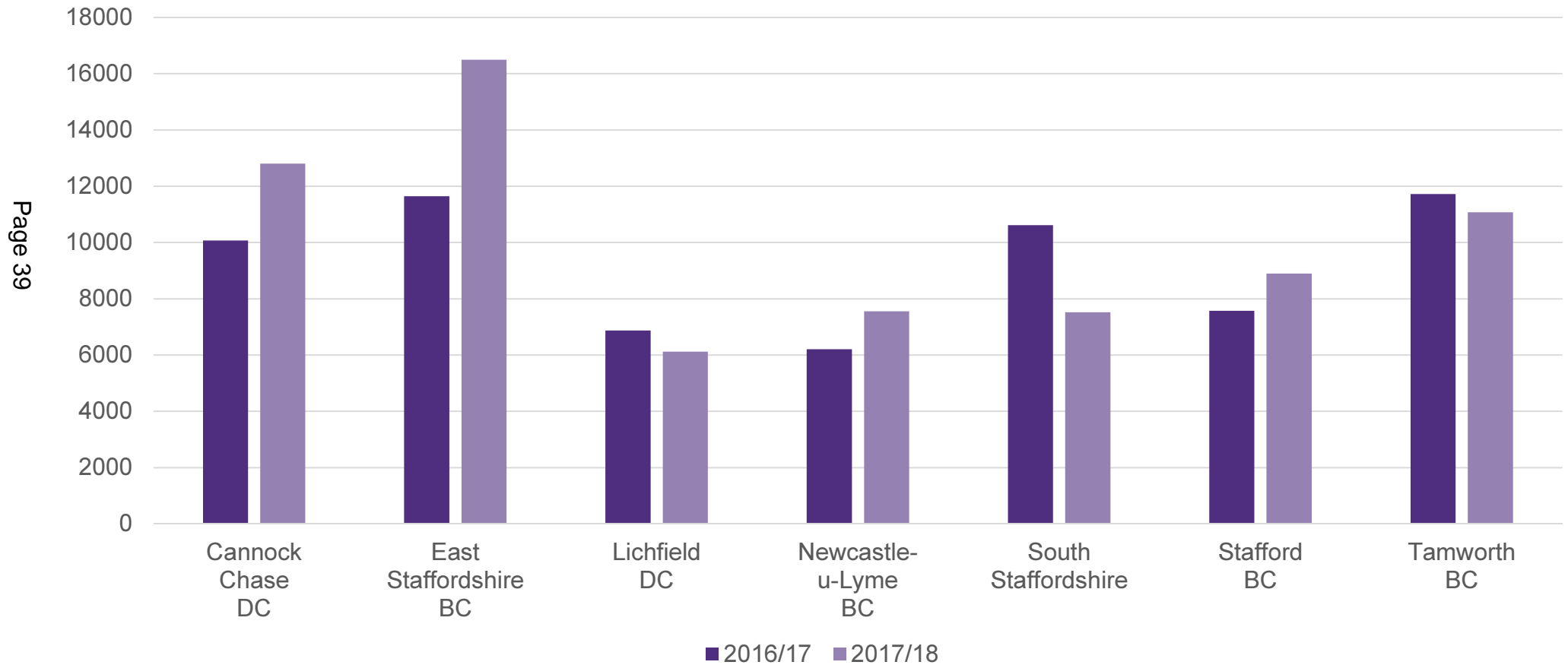
Proposed fee and assumptions

Our proposed fee for Lichfield DC for 2018/19 onwards is £14,000. This assumes:

- Officers will continue to complete sample workbooks
- Our level of reperformance will remain the same (ie quality of workbook completion remains the same)
- 6 40+ samples will be needed – as per 2016/17

- If less work is needed in any particular year, we will reduce the fee accordingly.

Comparisons with other Staffordshire DCs



Benefits of staying with Grant Thornton

Officers know us

Avoids potential confusion of having two separate sets of auditors for different purposes

Synergy around work done on HB for main audit

High level of knowledge of both LDC and of HB

Very strong quality assurance and consistency arrangements in place.

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ANNUAL REPORT OF THE MONITORING OFFICER

Cabinet member for Finance & Democracy

Date: 9 May 2018

Agenda Item: 6

Contact Officer: Bal Nahal

Tel Number: 308002

Email: bal.nahal@lichfielddc.gov.uk

Key Decision? YES

Local Ward Members Full Council



AUDIT & MEMBER STANDARDS COMMITTEE

1. Executive Summary

- 1.1 To inform the Audit & Member Standards Committee of the number of complaints received by the Council since my last Annual Report under the Localism Act 2011.

2. Recommendations

- 2.1 For Members of the Audit & Member Standards Committee to note this report.

3. Background

3.1 Local Government Standards

The Localism Act 2011 introduced the provisions around Member Conduct Issues and removed the ability of Local Authorities to suspend Members as a sanction for poor behaviour. It introduced a new offence of Failing to Declare or Register a Disclosable Pecuniary Interest. The Council adopted their own Code of Conduct which is based on the Seven Principles of Public Life and appointed an Independent Person to be consulted during the investigation of any complaint against members.

- 3.2 The Council has adopted a Code of Conduct which can be found at Appendix A.

4. Complaints Received

- 4.1 Since 15 March 2017 (the last Annual Report to Standards Committee) the Authority dealt with 2 complaints as follows:-
- (1) CO/28/30 Complaint that a Member of a Parish Council had breached the Members' Code of Conduct for posting defamatory comments on social media about another Councillor. The Member was directed to formally apologise to the Councillor concerned and did so, so no further action was taken.
 - (2) CO/28/31 A complaint by a member of the public against a Member of the District Council. It was decided that no formal action was required.

Alternative Options	1. None.
Consultation	1. With independent person in the event an investigation is required.
Financial Implications	<ol style="list-style-type: none"> 1. If any allegations of breach of the Code of Conduct is the result of an investigation by the Monitoring Officer or the Deputy Monitoring Officer, then the Committee has to consider the resources that will be required in dealing with such investigations. 2. Code of Conduct/Equalities Training sessions held on Wednesday 26th July 2017, Wednesday 27th September 2017, Wednesday 25th October 2017 and Tuesday 28th November 2017.
Contribution to the Delivery of the Strategic Plan	1. The Council that is Fit for the Future for Members to maintain high standards of conduct in public life.
Equality, Diversity and Human Rights Implications	1. No equality, diversity or human rights implications.
Crime & Safety Issues	1. No crime and safety issues.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	That the Audit & Member Standards Committee was unable to comply with legislative requirements. Likelihood impact low-high	Updates and training is undertaken for Members of the Audit & Member Standards Committee. <ul style="list-style-type: none"> • That monitoring of the potential financial implications takes place. • That training and guidance is provided by the Audit & Member Standards Committee/Monitoring Officer to Members to ensure high standards are maintained “prevention rather than cure” approach. 	Yellow
B			
C			

Background documents	Members’ Code of Conduct
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Relevant web links	https://www.lichfielddc.gov.uk/Council/Live-meetings/Audit&MemberStandards-committee.aspx
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General Provisions

1. Introduction and Interpretation

- 1.1 (a) This Code applies to Members (Councillors) of an Authority.
- (b) Members should read this Code together with the general principles prescribed by the Secretary of State.
- (c) It is the Members responsibility to comply with the provisions of this Code.
- (d) In this Code –
- “meeting” means any meeting of:-
- (i) the Authority;
 - (ii) the Cabinet of the Authority;
 - (iii) any of the Authority’s or its Cabinet’s Committees, Sub-Committees, Joint Committees, Joint Sub-Committees, or Area Committees;
- “member” includes a co-opted Member and an appointed Member.
- (e) In relation to a Parish Council, references to an Authority’s Monitoring Officer and an Authority’s Standards Committee shall be read, respectively, as references to the Monitoring Officer and the Standards Committee of the District Council or unitary County Council which has functions in relation to the Parish Council for which it is responsible under Section 55(12) of the Local Government Act 2000.

2. Scope

- 2.1 Subject to sub-paragraphs (2) to (5), you must comply with this Code whenever you:-
- (a) conduct the business of the Authority (which, in this Code, includes the business of the office to which the Member is elected or appointed); or
 - (b) act, claim to act or give the impression they are acting as a representative of the Authority,
- and references to their official capacity are construed accordingly.
- 2.2 Subject to sub-paragraphs (3) and (4), this Code does not have effect in relation to a Member’s conduct other than where it is in their official capacity.

- 2.3 In addition to having effect in relation to conduct in their official capacity, paragraphs 3(2)(c), 5 and 6(a) also have effect at any other time, where that conduct constitutes a criminal offence for which they have been convicted.
- 2.4 Conduct to which this Code applies (whether that is conduct in your official capacity or conduct mentioned in sub-paragraph (3)) includes a criminal offence for which a Member is convicted (including an offence you committed before the date you took office, but for which you are convicted after that date).
- 2.5 Where they act as a representative of your Authority:-
- (a) on another relevant Authority, they must, when acting for that other Authority, comply with that other Authority's Code of Conduct; or
 - (b) on any other body, they must, when acting for that other body, comply with their Authority's Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

3. General Obligations

3.1 Members must treat others with respect.

3.2 They must not:-

- (a) do anything which may cause the Authority to breach any of the equality enactments (as defined in Section 33 of the Equality Act 2006;)
- (b) bully any person;
- (c) intimidate or attempt to intimidate any person who is or is likely to be:-
 - (i) a complainant,
 - (ii) a witness, or
 - (iii) involved in the administration of any investigation or proceedings,in relation to an allegation that a Member (including themselves) has failed to comply with his or her Authority's Code of Conduct; or
- (d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the Authority.

3.3 In relation to Police Authorities and the Metropolitan Police Authority, for the purposes of sub-paragraph (2)(d) those who work for, or on behalf of an Authority are deemed to include a Police Officer.

3.4 Members must not:-

(a) disclose information given to them in confidence by anyone, or information acquired by them which they believe, or ought reasonably to be aware, is of a confidential nature, except where –

(i) they have the consent of a person authorised to give it;

(ii) they are required by law to do so;

(iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or

(iv) the disclosure is –

(aa) reasonable and in the public interest; and

(bb) made in good faith and in compliance with the reasonable requirements of the Authority; or

(cc) prevent another person from gaining access to information to which that person is entitled by law.

3.5 Members must not conduct themselves in a manner which could reasonably be regarded as bringing the Office or Authority into disrepute.

3.6 Members

(a) must not use or attempt to use their position as a Member improperly to confer on or secure for themselves or any other person, an advantage or disadvantage; and

(b) must, when using or authorising the use by others of the resources of their Authority–

(i) act in accordance with your Authority's reasonable requirements;

(ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and

- (c) must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
- 3.7 (a) When reaching decisions on any matter you must have regard to any relevant advice provided to them by –
- (i) their Authority’s Chief Finance Officer; or
 - (ii) their Authority’s Monitoring Officer,
- where that Officer is acting pursuant to his or her statutory duties.
- (b) Members must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your Authority.

4. MEMBERS’ CODE OF CONDUCT

4.1 General Obligations

As a Member or co-opted Member of Lichfield District Council, Councillors have a responsibility to represent the community and work constructively with staff and partner organisations to secure better social, economic and environmental outcomes for all.

Members must recognise that this Code of Conduct will apply at all times when acting as a Member of Lichfield District Council and recognise that failure to adhere to the code could result in the issuing of sanctions.

In accordance with the Localism Act provisions, when acting in the capacity, a Councillor is committed to behaving in a manner that is consistent with the following principles to achieve best value for residents and maintain public confidence in the Authority:

SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other materials benefits for themselves, their family, or their friends.

INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.

The conduct of a Member of Lichfield District Council will in particular address the statutory principles of the code of conduct by:

- Championing the needs of residents – the whole community and in a special way my constituents, including those who did not vote for me – and putting their interests first.
- Dealing with representations or enquiries from residents, members of the communities and visitors fairly, appropriately and impartially.
- Not allowing other pressures, including personal financial interests of or those of others connected to them, to deter from pursuing constituents' casework, the interests of the Authority's area or the good governance of the Authority in a proper manner.
- Recognising that all parties are equal and the position of Councillor is one of privilege and not one that should be used to secure advance or disadvantage for any party.
- Exercising independent judgement and not compromising the position of Councillor through obligations to outside individuals or organisations who might seek to influence the way duties are performed as a member/co-opted member of the Authority.
- Listening to the interests of all parties, including relevant advice from statutory and other professional officers, taking all relevant information into consideration, remaining objective and making decisions on merit and providing reasons for the decisions taken.
- Being accountable for decisions and co-operating when scrutinised internally and externally, including by local residents.
- Contributing to making the Authority's decision-making processes as open and transparent as possible to enable residents to understand the reasoning behind those decisions and to be informed when holding members to account but restricting access to information when the wider public interest or the law requires it.
- Never disclosing information given in confidence by anyone, or information acquired which, is of a confidential nature, except where:
 - (i) the person authorised to give consent has done so;
 - (ii) required by law to do so;
 - (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that third party agrees not to disclose the information to any other person; or
 - (iv) the disclosure is
 - (a) Reasonable and in the public interest; and
 - (b) Made in good faith and in compliance with the reasonable requirements of the Authority.

- Behaving in accordance with all legal obligations, alongside any requirements contained within the Authority’s policies, protocols and procedures, including those on the use of the Authority’s resources (which shall never be for political purposes).
- Valuing and respecting colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect that is essential to good local government.
- Always treating people with respect, including the officers, members organisations and public
- Providing leadership through behaving in accordance with these principles of this code when championing the interests of the community with other organisations as well as within this Authority.
- Never intimidating or attempting to intimidate, or bully any person.
- Never do anything which comprises or is likely to comprise the impartiality of those who work for, or on behalf of, the Authority.
- Recognising that by failing to adhere to the Code could bring the Office of Councillor or the Authority into disrepute.

4.2 Notification of Disclosable Pecuniary Interests

This part explains the requirements of the Localism Act 2011 (Sections 29-34) in relation to disclosable pecuniary interests. These are enforced by criminal sanction but would also be seen as a breach of the Code of Conduct by the Council.

Within 28 days of becoming a Member or co-opted Member, or becoming aware of any changes to your interests, you must notify the Monitoring Officer of any ‘disclosable pecuniary interests’.

A ‘disclosable pecuniary interest’ is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) within the following descriptions:

Subject	Prescribed Description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992(1). ¹

¹ (1) 1992 c 52.

Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:- (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land, which includes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income	Any beneficial interest in land which is within the area of the relevant authority.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge):- (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest
Securities which mean, shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000(2) ² and other securities of any description, other than money deposited with a building society.	Any beneficial interest in securities of a body where:- (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; And (b) either:- (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

- “the Act” means the Localism Act 2011;
- “director” includes a member of the committee of management of an industrial and provident society;
- “M” means a member of the relevant authority;
- “member” includes a co-opted member;
- “relevant authority” means the authority of which M is a member;

² (2) 2000 c. 8.

- “relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) of the Act;
- “relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

2 Register of Interests

Any interests notified to the Monitoring Officer will be included in the Register of Interests.

A copy of the register will be available for public inspection, at Frog Lane, Lichfield and will be published on the authority’s website.

3 Sensitive Interests

Where you consider that disclosure of the details of a disclosable pecuniary interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the Monitoring Officer agrees, if the interest is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have a disclosable pecuniary interest, the details of which are withheld under Section 32(2) of the Act.

4 Non Participation in the case of Disclosable Pecuniary Interest

- (1) If you are present at a meeting of the authority, or any committee, sub-committee, joint committee or joint sub-committee of the authority, and you have a disclosable pecuniary interest in any matter to be considered or being considered at the meeting:
 - (a) You may not participate in any discussion of the matter at the meeting and must leave the room for the duration of this item (Unless dispensation has been granted by the Standards Committee).
 - (b) You may not participate in any vote taken on the matter at the meeting.
 - (c) You must disclose the interest to the meeting.
 - (d) If the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

Note: In addition, Council Procedure Rules requires you to leave the room where the meeting is held while any discussion or voting takes place.

- (2) Where a Cabinet member may discharge a function alone and becomes aware of a disclosable pecuniary interest in a matter being dealt with or to be dealt with by them, the Cabinet member must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter.

5 Dispensations

The authority may grant you a dispensation, but only in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

6 Offences

It is a criminal offence, under the Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 to:

- (1) Fail to notify the Monitoring Officer of any disclosable pecuniary interest within 28 days of election.
- (2) Fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register.
- (3) Fail to notify the Monitoring Officer within 28 days, of a disclosable pecuniary interest that is not on the register that you have disclosed to a meeting.
- (4) Participate in any discussion or vote on a matter in which you have a disclosable pecuniary interest.
- (5) As a Cabinet member discharging a function, acting alone, and having a disclosable pecuniary interest in such a matter, failing to notify the Monitoring Officer within 28 days of the interest.
- (6) Knowingly or recklessly providing information that is false or misleading in notifying the Monitoring Officer of a disclosable pecuniary interest or in disclosing such interest to a meeting.

The criminal penalties available to a court are to impose a fine not exceeding Level 5 on the standard scale and disqualification from being a Councillor for up to 5 years.

In addition to the above, this Council would also recognise that the following would amount to a breach of the Code of Conduct:

- Failure to notify the Monitoring Officer of any changes to disclosable pecuniary interest within 28 days
- Failure to disclose a disclosable pecuniary interest at a meeting
- Failure to leave the meeting room when an item relating to a disclosable pecuniary interest is discussed

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AUDIT & MEMBER STANDARDS COMMITTEE WORK PROGRAMME FOR 2017/18

Item	11 Jan 17	27 Mar 17	10 May 17	27 Jun 17	26 Sept 17	22 Jan 18	22 March 18	9 May 18	Deferred Reason
FINANCE									
Local Audit Update	√			√	√	√			
Annual Governance Statement		√	√					√	
Annual Treasury Management Report				√					
Mid-Year Treasury Management Report						√			
Review of Accounting Policies		√					√		
Statement of Accounts					√				Needs to be July Meeting
Treasury Management Statement and Prudential Indicators		√				√			
Overview of the Council's Constitution in respect of Financial Procedure Rules	√								
INTERNAL AUDIT									
Annual Report for Internal Audit				√					
Internal Audit Charter and Protocol		√					√		
Internal Audit Plan		√					√		
Internal Audit Progress Report	√			√	√	√			
Quality Assurance and Improvement Programme				√			√		
Review of Internal Control including Public Sector Internal Audit Standards Self-Assessment Summary				√			√		

AUDIT & MEMBER STANDARDS COMMITTEE WORK PROGRAMME FOR 2017/18

Item	11 Jan 17	27 Mar 17	10 May 17	27 Jun 17	26 Sept 17	22 Jan 18	22 Mar 18	9 May 18	Deferred Reason
Risk Management Update	√	√		√	√	√			
Risk Management Update to include Risk Management Policy and Corporate Risk Register					√				
Counter Fraud Update Report including Counter Fraud & Corruption and Whistleblowing Policies				√					
LEGAL, PROPERTY AND DEMOCRATIC									
Annual report on Exceptions and Exemptions to Procedure Rules				√					
Overview of the Council's Constitution in respect of Contract Procedure Rules		√							
Results of the Questionnaire relating to the Effectiveness of Audit Committee		√							
GDPR/Data Protection Policy		√						√	
Annual Report of the Monitoring Officer - Complaints								√	
RIPA reports policy and monitoring									Due for Inspection May 2018
Terms of Reference									Changes to Constitution due to go to Full Council on 15 May 2018
EXTERNAL AUDITOR									
Presentation re: Costs of Benefits work								√	
Certification Work for Lichfield District Council for Year Ended 31 March	√					√			
Informing the Audit Risk Assessment Lichfield District Council	√					√			

AUDIT & MEMBER STANDARDS COMMITTEE WORK PROGRAMME FOR 2017/18

Item	11 Jan 17	27 Mar 17	10 May 17	27 Jun 17	26 Sept 17	22 Jan 18	22 Mar 18	9 May 18	Deferred Reason
Planned Audit Fee	√				√				
Audit Plan for Lichfield District Council 2017/18		√				√			
The Annual Audit Letter for Lichfield District Council	√					√			
Audit Committee LDC Progress Report and Update – Year Ended 31 March 2018	√						√		

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