

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

14 April 2014

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 GRANT THORNTON PUBLICATIONS

Grant Thornton has issued a number of publications in recent months and referred to in their Update report elsewhere on this agenda. Summaries of the two publications: 'Reaping the benefits: First impressions of the impact of welfare reform' and 'Working in tandem: Local Government Governance Review 2014' are given below.

1.1 Reaping the benefits: First impressions of the impact of welfare reform

1.1.1 The report provides an early insight into the current impact of welfare reform on English local authority and social housing organisations. It focuses on:

- The governance and management arrangements being put in place nationally across the two sectors to deliver reform.
- The early signs of how successful the reforms have been and the upcoming issues.
- Risks on the reform agenda in the wider context of social impact.

1.1.2 The key messages from the review include:

- There is evidence of a pro-active approach in addressing the current and future impact of welfare reform through effective communications with stakeholders.
- There is scope for closer working between local authorities, housing associations and other partners – including the NHS – to ensure that homelessness and disruption is minimised and that employment opportunities are maximised.
- It seems clear that the full impact of reform has yet to be felt, and there is an element of calm before the storm.

- 1.1.3 The Council has set up a Welfare Reform OSG comprising a cross-walk of relevant officers and representatives from external partner organisations and agencies. Regular update reports are made to Members of the Finance, Innovation & Property Board in order to keep them abreast of welfare reform developments, including numbers of households affected by the changes and scale of the impacts. A new discretionary housing payment policy has been agreed by Cabinet. The document was reworked to reflect the changing demands placed on the fund due to welfare reform issues.
- 1.1.4 The report itself runs to 24 pages so rather than reproduce in hard copy, the paper can be found at the following link:

http://www.grant-thornton.co.uk/Global/Publication_pdf/Reaping-the-benefits-LG-Welfare-Reform.pdf

1.2 Working In Tandem: Local Government Governance Review 2014

- 1.2.1 The third annual review into local authority governance aims to assist senior management and elected members of councils to assess the strength of their governance arrangements and to prepare for the challenges ahead.
- 1.2.2 The key messages from the report are:
- While more than 90% of our survey felt their organisations encouraged well-managed risk taking and innovation, almost 40% felt there was a lack of clear leadership from members about risk appetite.
 - Almost one third of respondents had concerns about the blame culture in their organisation.
 - The associated risks of partnership working and alternative delivery models are not being adequately dealt with by existing governance arrangements: almost one third of respondents did not think that all parties shared the same understanding, or spoke the same language about risk. Further, one quarter doubted whether members and officers were clear about their individual and collective roles and responsibilities.
 - More than one third of respondents said the annual governance statement failed to explain how the authority handled risk; 40% of respondents felt their explanatory foreword did not help the public to understand the authority's financial management.
 - Local authorities are working hard to improve communication with the public, but could still be more proactive, for example through annual reports and social media. The report highlights examples of good practice and also poses a number of questions for management and members, to help them assess the strength of their current governance arrangements.

1.2.3 Local authorities are required to prepare and adopt a Code of Corporate Governance. The current Code of Corporate Governance was adopted by the Council in July 2013 and it is this latest update that has been used for the purposes of the Annual Governance Statement. The purpose of the Annual Governance Statement is to assess and demonstrate that there is a sound system of corporate governance throughout the organisation. The Annual Governance Statement for the year ended 31 March 2014 and the accompanying self-assessment questionnaire and supporting evidence is to be found elsewhere on this agenda.

1.2.4 The report itself runs to 36 pages and can be found at the link below:

<http://www.grant-thornton.co.uk/Documents/LG-Governance-Review-2014.pdf>

1.3 Legal Implications

1.3.1 None.

1.4 Financial and Value for Money Considerations

1.4.1 As set out in the publications.

1.5 Risk Assessment

1.5.1 None.

Background papers:

Nil

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