

**Annual Governance Statement 2012/13 – Progress against Action Plan and Emerging Issues**

**Action Plan**

	<b>Issue</b>	<b>Actions Agreed</b>	<b>Responsible Officer/ Target Date</b>	<b>Progress Report</b>
1	<p><b>Management Structure &amp; Organisational Culture</b></p> <p>Weaknesses in the Council's organisational culture, which were a product of separate professional "silos" in the Council's management structure. These have sometimes caused confusion, poor decision making, and inefficiency, because it was not always clear who had authority to act and who was accountable ultimately for the success or failure of particular initiatives.</p> <p>See: <a href="#">Cabinet Report 4<sup>th</sup> February 2013</a></p>	<p>Move to new 'Strategic Commissioning' Operating Model</p> <p>Implement new management structure</p>	<p>Chief Executive</p> <p>September 2013</p>	<p>Phases 1 and 2 of the Management Review are now complete and Phase 3 has been scoped.</p> <p>The Council's organisational structure is being realigned. A Head of Resources and Stewardship post has been created to give a clear focus and leadership to the vitally important stewardship and governance requirements of the organisation as it goes through major transition.</p> <p>The Council will continue to review and update its internal client arrangements, ensuring these provide robust governance and assurance arrangements as the Council's commissioning structure develops.</p>
2	<p><b>Embedding Corporate Policies and Procedures and Ensuring Compliance</b></p> <p>The Council has a significant number of corporate policies and procedures, which have been mapped by the Corporate Governance Group.</p> <p>There is insufficient evidence from the various assurance sources that all Council policies and procedures are currently embedded amongst Officers. With minimal resources, monitoring to</p>	<p>Map Council's Assurance Framework and review to ensure adequate coverage in ensuring compliance.</p>	<p>Chief Executive</p> <p>September 2013</p>	<p>Work is well underway on developing an Assurance Framework, which maps the various sources of assurance to the Council using a recognised "Three Lines of Defence" model.</p> <p>This approach allows for assessment of each assurance source, allowing any duplication or gaps to be identified.</p> <p>Once identified, the actions necessary to reduce the gaps, or improve the quality of</p>

**Annual Governance Statement 2012/13 – Progress against Action Plan and Emerging Issues**

	Issue	Actions Agreed	Responsible Officer/ Target Date	Progress Report
	ensure compliance with policies and procedures is currently limited.			<p>assurance provision can be established. This will be carefully overseen by the Corporate Governance Group to ensure that compliance with internal policies and procedures can be reported on with greater surety.</p> <p>The timetable for development of the Assurance Framework is closely linked to the Council's transition to a commissioning structure (see Action 1) and, once established, will be subject to continual monitoring and revision to ensure it remains current.</p>

**Emerging Issues**

Two “Emerging Issues” were identified in the Annual Governance Statement 2012/13. These are repeated below, along with an update (in italics) on the current position.

**Issue 1**

Unprecedented pace of change currently within the Council, including:

1. Challenges of being a Commissioning Council – establishing needs assessment, commissioning plan and ensuring that Members and Officers are suitably skilled and trained.

*With appropriate resources, suitable training can be provided by Members to fulfil any needs in respect of commissioning. As new Alternative Service Delivery Vehicles (ASDVs) are created, it will be possible for newly involved members to draw upon the experience and expertise of those who have been involved for a longer period of time.*

### **Annual Governance Statement 2012/13 – Progress against Action Plan and Emerging Issues**

2. High staff turnover – maintaining effective governance arrangements during transition period, particularly around statutory roles and functions.

*Phases 1 and 2 of the Management Review are complete and Phase 3 is being scoped. There is significantly more stability in the senior management structure with the Chief Executive and Chief Operating Officer now in post, and the appointment of the Head of Legal Services & Monitoring Office, who will join the Council in the New Year.*

3. Alternative Service Delivery Models – including governance arrangements and roles and responsibilities.

*The risks and issues associated with this amount of change are being monitored by various aspects of the Council's Governance Framework, including the ASDV Steering Group, Corporate Risk Management Group, Corporate Governance Group, SIRO Working Group and Corporate Leadership Board.*

4. Constitution – will require maintaining and updating to reflect changing organisational structure and new ways of working.

*The Constitution Working Group has begun its programme of reviewing the existing Constitution with the intention of producing a fit for purpose, effective and stream lined document. One of the priorities of the group will be to identify ways of being able to reflect the organisational changes and agile working and where necessary ensure the Constitution also reflects the transition to a Commissioning Council.*

#### **Issue 2**

The Government released a single year Comprehensive Spending Review for 2015/2016 on 26th June 2013. This set out a headline funding reduction of 10% in real terms. However, there are a number of other changes and pressures to be considered. These include changes to New Homes Bonus and Council Tax freeze compensation grants. As such the final impact on funding levels could be higher and several issues are being consulted on.

The Council's existing financial plans for 2015/2016 to 2016/2017 are based on a set of prudent assumptions including overall reductions in funding of 30% over those two years. Given all the uncertainty there are no plans to alter that position at this stage.

*The Autumn Statement/Settlement on local government funding are expected mid-late December, at which point the current financial scenario assumptions will be updated. In the meantime, the 2014/17 Business Planning process is being progressed within the context of the prudent assumptions originally indicated.*