

# Annual Governance Statement 2013/14

June, 2014



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**Reading**  
Borough Council  
Working better with you

## 1.0 WHY WE HAVE THIS DOCUMENT

- 1.1 The Council is required to publish an Annual Governance Statement (AGS), with its Statement of Accounts which must be supported by a comprehensive assurance gathering process.

## 2.0 WHAT GOVERNANCE IS LIKE IN THE COUNCIL (THE SCOPE)

- 2.1 We are responsible for ensuring that the Council's business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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, we are responsible for putting in place proper arrangements for the governance of the Council's affairs, facilitating the effective exercise of its functions, and which include arrangements for the management of risk.
- 2.2 The Council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE *Framework Delivering Good Governance in Local Government*. This has recently been refreshed and a Council Policy Statement about Governance is being considered by Members. This statement explains how we govern our affairs.

## 3.0 THE PURPOSE OF OUR GOVERNANCE FRAMEWORK

- 3.1 The governance framework comprises the systems and processes, and culture and values, by which we are directed and controlled, and the activities through which we are accountable to, engage with and lead our communities. The framework is attached at appendix A. This enables us to monitor the achievement of the Council's priorities in the Corporate Plan and other key strategies to improve service delivery and to test and consider that these continue to provide value for money.
- 3.2 Our governance framework has been in place for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

## 4.0 OUR GOVERNANCE FRAMEWORK

### Political Leadership

- 4.1 Councillors are elected by residents of the Borough every four years to represent them in taking decisions about council services and funding. Reading is divided into 16 wards and 46 members are elected to represent them. In the Council Chamber, the councillors make decisions that set the policy direction of the organisation.
- 4.2 The party that receives the most votes forms an Administration and therefore has a greater influence on key decisions within the Council. The Council appoints a Leader of the Council, Deputy Leader of the Council, lead councillors and chairs of the committees at the Annual General Meeting. There are nine lead councillors who have particular responsibilities or 'portfolio's such as Health, Housing and Adult Social Care.
- 4.3 The Council and the Committees shape what services are delivered and how Reading develops and grows sustainably. The Council is responsible for approving the priorities for the Council each year via the Corporate Plan supported by the resources in the Council's Budget and Financial Plan. The Council and Committees also develops policies, makes constitutional decisions and decides on local legislation.
- 4.4 The Council has developed a set of guiding values to help decision making and agree priorities:
- **Fair**
    - tackling inequality and promoting residents' rights
    - ensuring residents are part of decision making
    - ensuring our staff have enough support
  - **Caring**
    - putting residents at the heart of what we do
    - working with residents to look after each other
  - **Enterprising**
    - unlocking the power of our communities
    - acting now to create a better future

- 4.5 To translate these principles into clear outcomes that will deliver its vision for the Reading we have set three strategic priorities:

Priority 1:	Creating and sharing prosperity.
Priority 2:	People are supported and protected when they need to be. People are healthy and can thrive in their community.
Priority 3:	An attractive, safe and well-kept town.
Priority 4:	Good quality public services.

### Good decision-making

- 4.6 Members sit on a variety of committees - mostly open to the public - that manage the organisation's different functions. The Council reviewed its decision making arrangements and approved a move to a committee system of decision making in 2013. This created four cross-party committees whose membership is proportionate to the representation of each political party on the Council. These committees are:

- Policy Committee;
- Adults, Children's and Education Committee;
- Housing, Neighbourhoods and Leisure Committee; and
- Strategic Environment, Planning and Transport Committee.

- 4.7 In the new committee arrangement the four standing committees also carry out overview and scrutiny exercises.

- 4.8 There are also committees for Audit & Governance, Licensing, Planning and Personnel. All the committees set goals and guidelines for the operation of services.

- 4.9 Our Constitution sets out the roles of, and relationships between the Council, the committees involved in making our policies and officers. The Constitution also sets out the responsibility of each group or individual for making particular types of decisions or for directors' decisions relating to particular responsibilities. Under the Constitution, all decisions that we make or that are made on our behalf must be made in line with the principles and frameworks set out in the Constitution.

- 4.10 The Constitution also sets out how members of the public can get involved in the decisions we make (under the 'Access to Information Rules'). We have a legal responsibility to carry out consultations before we make certain decisions.

- 4.11 During the year, no changes were made to full Council, or to the authority's existing regulatory and non-executive committees. The former Traffic Management Advisory Panel has been reconstituted as a sub-committee of the relevant standing committee. The regulatory committees - Licensing Applications and Planning Applications - together with the Audit and Governance, Personnel, and Standards Committees have continued to be set up as committees of full Council. In addition, a Health and Wellbeing Board has been set up as a committee of full Council.

### Day-to-day operations

- 4.12 The day-to-day work is carried out by officers within the Council. Their direction comes from Council and the Committees. Officers are employees of the Council and are non-political and ensure that the work is carried out as decided by Council and the Committees.
- 4.13 Some officers have statutory duties that they must uphold. Our Managing Director is 'Head of paid service' and is responsible for the organisation's efficient management. The role also involves giving Members strategic advice on policy-related issues, drawing on the experience and expertise of the organisation as a whole. All officers must provide objective, comprehensive and impartial advice to Councillors so that they can reply upon this to make decisions. Through our recruitment and learning and development we ensure that officers have the right skills and experience to ensure that governance is strong and they understand the requirement of legislation and how this needs to be considered when making recommendation to councillors and when delivering services. The remaining statutory roles of Monitoring Officer, Chief Financial Officer & (statutory) Director of Children's Services are fulfilled by relevant members of the Corporate Management Team. The role of Director of Public Health is fulfilled by one person for all authorities in Berkshire who is employed by Bracknell Forest BC.

## 5.0 WORKING BETTER WITH YOU

- 5.1 We welcome views from the public and community as part of the constitutional process. These views are considered through formal and informal consultation processes, attendance at local meetings (e.g. community meetings) or contact with a local ward councillor. Trades unions are consulted on issues that affect staff.
- 5.2 During the last year we have continued to work hard to communicate (and receive feedback on) our aims for the community. We have done this in a number of ways, including:
- Our 'Working Better With You' initiative, which aims to improve the way we engage with residents, building lasting relationships and finding ways of working better together for the benefit of Reading;

- The 'Let's Talk' consultation meetings - talking to schools and parents about the sites for extra schools and classrooms. Consulting with residents on modernising day care services and improving residential services; and
  - Using social media as a tool for communicating with the community on important developments and working on plans to develop the council's website.
- 5.3 We get regular and detailed information on what people think about the quality of each of our services and we use this feedback to improve services. Through our 'Working Better With You' initiative, we have been providing opportunities for Reading people to get involved in the decision-making process so their views play a major part in helping to set spending priorities.

## 6.0 KEY STRATEGY DOCUMENTS

- 6.1 We continue to review and update the **Constitution** as necessary and have begun work on updating the Scheme of Delegation and Financial Procedural Rules to reflect the changes following restructuring of services within the Council. Moving forward a programme of work has begun to review and consolidate operational and financial procedures which underpin the Council's constitution. The driver for this review is to introduce shorter and clearer policies for staff.
- 6.2 The Council's **Corporate and Financial Plan** provides the link between our strategic priorities and the way in which the Council operates. Corporate and Financial plans for 2014-2017 were approved by full Council in February 2014, and the process for keeping these plans under review moved to an annual update of a three year rolling plan.
- 6.3 The overall budget and policy framework is set by the Council and all decisions are made within this framework. The Council's Financial Plan is a key reference tool for the Medium Term Resources Strategy, which enables us to make best use of financial, human, technological and other resources available and to enable the continued provision of value for money services that meet the needs of residents, businesses and other stakeholders.
- 6.4 We delivered our 2013/14 net budget and we approved a robust balanced budget for 2014/15 within the context of a rolling 3 year financial plan. The Council agreed £15m of further savings, £10m of which is to be delivered in 2014/15 and we identified a series of zero based budget reviews that have commenced to deliver further savings of £25m towards the estimated £40m savings needed over the 2014-17 period. During the year we identified the need to further improve the process for setting and managing income targets.

6.5 We are working in a rapidly changing landscape that presents opportunities, risks and challenges. Because of the Government's plans to cut public debt, all local authorities are having their funding reduced. We are also seeing service pressures and new responsibilities. As a result, we know that we need to rebalance our service delivery to meet new needs and opportunities and also be realistic about what we can and cannot do moving forward, given we have some £40m to save over the next 3 years. Because of this we started to reshape the Council in 2013/14, moving to a more decentralised and flatter structure. In some cases the Council's Reshape programme has led to new ways of working and we continue to reduce management posts and costs whilst reviewing all staffing structures to ensure they remain fit for purpose.

## 7.0 MONITORING AND MANAGING SERVICES

7.1 We continue to monitor and manage our service delivery as part of good governance within the Council as follows:

- During 2013/14 we reviewed and developed our approach to performance management to further promote the performance culture;
- Implementation of the new Council Health & Safety Action Plan;
- Further development of compliance with information security standards;
- The Audit and Governance Committee is responsible for monitoring the effective development and operation of corporate governance in the council;
- Safeguarding practices and performance are kept under continuous review at all levels and escalation processes are in place;
- We continue to monitor staff capacity and develop capacity/demand modelling in children's services;
- There are regular external audit and challenge as well as regular internal themed audits and performance is regularly reported to the Corporate Management Team;
- Using Peer Reviews to reflect upon our practices;
- Implementing a new organisational structure as part of the Council's 'Reshape' programme;
- A digital strategy has been agreed as the framework for action and incorporates the replacement and update of the Council's website;
- A comprehensive review of assets including a rolling program of condition surveys has informed a prioritised program of works;
- A programme of learning and development to officers and members. Senior officers are keep abreast of developments in their profession;



- A training needs analysis has begun to assess any potential skills shortages, single points of reliance and also staff that could be deployed in other areas of the organisation if required. The training needs analysis will inform a new Workforce Development Plan to ensure that training and support is available to all staff but also particularly staff whose roles have changed or are going to change to minimise potential risks; and
- We monitor performance through feedback from its residents and service users. Regular satisfaction surveys are undertaken of residents and service users and analyses of complaints raised under the council's Corporate Complaints Policy are regularly reported and considered by CMT.

## 8.0 REVIEW OF EFFECTIVENESS

8.1 We are responsible for carrying out, at least once a year, a review of how effective our governance framework is, including our system of internal control. Our review of how effective our systems and procedures are is supported by the work of CMT and the Head of Audit's Annual Assurance Report. The review also includes comments made by the External Auditor and other review agencies and inspectors. The process that has been applied in maintaining and reviewing the effectiveness of the governance framework includes the following:

- The Council's internal management processes, such as performance monitoring and reporting; the staff performance appraisal framework; internal surveys; monitoring of policies, such as the corporate complaints and health and safety policies; and the corporate budget process;
- An annual self-assessment of the adequacy of the governance arrangements in services completed by each director;
- The Council's internal audit coverage, which is planned using a risk-based approach. The outcome from the internal audit coverage helps form the Head of Audit's opinion on the overall adequacy of the Council's Internal Control Framework, which is reported in his annual report;
- The Head of Audit's annual report on anti-fraud and corruption activities;
- OFSTED annual children's services assessment;
- The Care Quality Commission's inspection of safeguarding and looked after children services;
- External Audit of the council's financial statements;
- The work of the Audit and Governance Committee, which reviews the outcomes from the annual audit plan and the annual report of the head of anti-fraud and internal audit;
- Annual review of standards and complaints about councillors by the Monitoring Officer to the Standards Committee.



8.2 We have made progress in implementing actions contained within the 2012/2013 annual governance statement. Some of the actions identified last year have been completed:

- The Ofsted Safeguarding and the Local Assurance Test Action Plan has been implemented.
- We have made progress in improving Information governance throughout the Council's operations.
- We have continued to build on achieving and embedding business continuity plans, particularly focusing on the review of critical plans.
- Continued work to embed Health & Safety policy, governance and monitoring.
  
- Prepared and published a new Corporate Plan to deliver the Administration's programme.
- Reading Transport Ltd has reviewed and updated its business processes.

8.2 Other actions are on-going and reflected in the implementation plan attached at appendix 2.

## 9.0 PRIORITIES FOR IMPROVEMENT

9.1 The annual review of governance, supported by Head of Service governance self-evaluations and Directorate assurance statements, signed off by each Director have given us evidence of how effective our governance framework is. As a result, we have put in place an improvement plan as mentioned at 8.2 above. Over the next year we will be taking steps to continue to improve what we do.

9.2 We are satisfied that these steps will bring about the improvements that we identified in our review of effectiveness, and we will monitor these improvements as part of our next annual review.

Signed:.....

Signed:.....

Ian Wardle, Managing Director

Councillor Jo Lovelock, Leader of Council

On behalf of the members and officers of Reading Borough Council