

**READING BOROUGH COUNCIL
INTERIM DIRECTOR OF FINANCE**

TO:	AUDIT AND GOVERNANCE COMMITTEE		
DATE:	19 APRIL 2017	AGENDA ITEM:	5
TITLE:	2015/2016 ANNUAL GOVERNANCE STATEMENT - ACTION PLAN FOLLOW UP		
LEAD COUNCILLOR:	COUNCILLOR STEVENS	PORTFOLIO:	FINANCE
SERVICE:	FINANCE	WARDS:	N/A
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1. EXECUTIVE SUMMARY

- 1.1 The Accounts and Audit Regulations 2015 requires local authorities to prepare and publish an Annual Governance Statement (AGS) each financial year, which accompanies the authority's financial statements.
- 1.2 The Annual Governance Statement is a key record of the overall effectiveness of governance arrangements within the Authority. The statement reflects the latest guidance from CIPFA/SOLACE on a strategic approach to governance and demonstrates how the key governance requirements have been met.
- 1.3 The following pages sets out the progress made in implementing the actions which were reported in the 2015/16 Annual Governance Statement (AGS). The 2015/16 AGS was approved by the Audit and Governance Committee on 21 July 2016 with the specific request that progress is reported back to the Committee at the end of the following financial year.
- 1.4 There were 13 actions identified in the AGS, all of which have been implemented or are in the process of being implemented. There are 9 actions that need to be given consideration by CMT to be carried forward to the 2016/17 AGS (for reporting to the Audit & Governance Committee in July 2017).

2. RECOMMENDED ACTION

2.1 The Audit & Governance Committee are required to note the progress made on implementing actions reported in the 2015/16 Annual Governance Statement.

Appendix 1 AGS Action Plan update

No	Responsible Officer	Action	Status
1	Head of Finance/ Head of Customer Services	Develop, manage and deliver a budget and financial management strategy to operate within available resources over the period to 2019/20. Draft four year financial sustainability plan to be submitted to Government.	Ongoing
	<i>Comment: A financial sustainability plan was submitted to government on 14 October 2016. It set out the process for achieving sustainability with some actions to be developed. Subsequently a lawful budget was set for 2017/18 at a meeting of the Council on 21 February 2017 but that included a requirement to identify actions to address the remaining financial gap in 2017/18 and 2019/20 by Q2 2017.</i>		
2	Head of Finance	Strengthen financial and budget management throughout Council services and provide effective financial management support considering reducing budgets and the changing nature of income.	Ongoing
	<i>Comment: Work is ongoing to further develop the financial support to the Council. Significant work has been undertaken to ensure the robustness of budgets for the 2017/18 budget to reflect the 2016/17 outturn position, especially for Children's Services. The Budget Managers Handbook has been completed and made available to budget holders. The service provided by Corporate Finance is under review to ensure customer needs can be met, including the best possible structure of staffing.</i>		
3	Director of Children, Education and Early Help Service	Delivering Children's Service Transformation Plan - ensure staffing and capacity in Children's Services.	Ongoing
	<i>Comment: The Council developed a Learning and Improvement Plan following the Ofsted Inspection in June 2016 when the Council was judged by Ofsted to be 'inadequate' in its services to children in need of help and protection, Looked After Children and Care Leavers. The plan has been implemented by the Director of Children's Services, following Full Council approval on 18th October 2016.</i> <i>The progress and performance is monitored by the independently chaired Children's Services Improvement Board (CSIB) on a monthly basis. The Board receives a comprehensive performance dataset and highlight report (with RAG status) focused on the 18 outcome areas, as well as an update of the plan setting out the current position.</i>		

No	Responsible Officer	Action	Status
4	Head of Customer Services/ Head of Legal & Democratic Services	Map the Council's current and planned activity against a set of agreed organisational development principles and objectives, and develop a long term Organisational Development Plan taking the Council to 2020 - what we are going to do within available resources and what outcomes are expected.	Outstanding
	Superseded and incorporated into the Council's new Corporate Change Programme, which is being particularly developed over the period to 30 June 2017.		
5	Managing Director / Director (DENS)	Continue to undertake work on embedding the policy, delivery, governance and monitoring arrangements for Health and Safety.	Complete
	<i>Comment: The Council has put in place a governance structure and provided operational expertise and resource to provide for these. All staff should have a defined level training given to them that is graded according to their position, role and responsibility. There are different committees which have an oversight within and across directorates as well as there being a central Health & Safety team to provide expertise and coordination. The directorate health & safety committees provide the link between the Corporate Health & Safety Committee and the service areas. Importantly it is these committees that are responsible for reviewing the audits undertaken by individual services. Oversight for the delivery of health and safety is the responsibility of the Corporate Health & Safety Team.</i>		
6	Director of Adult Care & Health Services	Continue to develop our commissioning, procurement and contract management and DACHS transformation programme to deliver improvements.	Ongoing
	<i>Comment: Work is underway to review and revise an overarching service plan to incorporate commissioning including Public Health Commissioning, procurement and contract management to ensure a consistent approach in line with the Transformation Programme priorities. This will allow a realignment of staff to maximise the skills mix across the wellbeing, commissioning and improvement agenda within the Adult Social Care Directorate to drive ongoing improvements.</i> <i>The ASC Transformation programme continues to evolve in line with service priorities and the financial challenges of the Council. In 2016/17 the Programme is on track to deliver approximately £1.4 million worth of savings which is an increase on the previous year. For 2017/18 the programme will be aligned to the new ASC Strategy and will form part of the overarching delivery plan. In addition we will continue to maximise any synergies with the Better Care Fund to ensure we make best use of limited resources and develop solutions to address the challenges faced across the Health and Social Care landscape.</i>		

No	Responsible Officer	Action	Status
7	Head of Legal & Democratic Services	Continue to undertake work to further improve information management and the Council's data protection policy and reduce the risk of loss of data, including N3 Health Integration and Payment Card Industry Data Security Standard (PCI DSS) compliance. Implement action plan to include appropriate staff training (see AGS 12 below) to comply fully with information governance requirements.	Actions complete but monitoring of impact ongoing
	<p><i>Comment:</i></p> <ul style="list-style-type: none"> • <i>IT Policies revised for 16/17 and being issued to all staff for 17/18</i> • <i>Information Governance Board Re-established</i> • <i>Information Governance Support officer appointed</i> • <i>Information Asset Owner Awareness Training held for SLG</i> • <i>Data Protection CBT Training approved and awaiting roll-out to all staff by Learning & Development</i> • <i>Cyber Security and Cyber Crime CBT Training under review by Learning & Development</i> • <i>360 Document Marking expected roll-out to all staff March 2017</i> • <i>Protocol Policy (IT Policy Set) awaiting impact assessments for adoption</i> • <i>PCI DSS Compliance and N3 IGT Tool Kit Projects running</i> • <i>Websense Data Leakage Policy for external email under monthly results review</i> 		
8	Head of Finance/ Head of Customer Services	Given the risks presented via significant changes being delivered and further cost reduction activity across the Council, the Corporate Management Team will continue to closely monitor the operation of the Council's control environment.	Ongoing
		<i>Comment: Corporate Management Team has worked very closely with finance to ensure there is appropriate monitoring of the control environment. This has included appointing additional temporary senior finance capability to support this work. This monitoring has shown that improvements are needed in the control environment.</i>	
9	Head of Customer Services	Review and embed project management/governance gateway to improve governance over projects and ensure that they are more widely introduced across the Council.	Complete
		<i>Comment: A project gateway approach for all ICT and digital projects has been introduced via the Digital and ICT Board and a review of the governance arrangements. This is working well. Towards the end of 2016, a Delivery Unit has been set up in Corporate Support Services, which is developing a Council wide Change Programme. This will incorporate robust governance arrangements for programme and project management across the Council.</i>	

No	Responsible Officer	Action	Status
10	Managing Director	Succession Planning - introduce and monitor arrangements to ensure an efficient and effective handover for senior management, particularly related to the role of Managing Director during 2016/17.	Ongoing
	<p><i>Plans or completed actions for a phased replacement of CMT interim and acting up personnel are as follows:</i></p> <p><i>Comment:</i></p> <ul style="list-style-type: none"> • <i>The recruitment of a full time CEO was completed by mid-March 17</i> • <i>The timetable for the recruitment of a full time DASS is being renewed by the incoming CEO</i> • <i>The acting up DCS will remain in post for at least one year, commencing April 2017</i> • <i>The interim FD post holder was replaced in March 17 by a suitably qualified individual for a year, to provide sufficient time for the future structure of senior management to be determined</i> 		
11	Director of Adult Care & Health Services / Director of Children, Education & Early Help Services	Continue with both Adult and Children's Social Care resource panels to manage demand and ensure appropriate service provision, delivering services within statutory requirements and operating within budget.	Complete and impacts being monitored
	<p><i>Comment:</i></p> <ul style="list-style-type: none"> • <i>Resource panel in place (weekly) Service Managers from operations teams and commissioning attend and review all requests for expenditure.</i> • <i>Senior managers check that alternative provision has been explored</i> • <i>Senior managers quality assure assessments, ensure Care Act compliance and that provision is proportionate</i> • <i>Spreadsheet maintained recording decisions and expenditure</i> • <i>Spreadsheet identifies areas where further input with regard to practice and management oversight is required</i> 		

No	Responsible Officer	Action	Status
12	Head of Legal & Democratic Services	Development of a staff on line training programme for Information Security, Finance and HR Management, supported by up to date policies and procedures, subject to annual review in 2016/17.	Ongoing
	<ul style="list-style-type: none"> • <i>ICT Policies revised for 16-17 and issued to Staff via NetConsent</i> • <i>Protocol Policy IT Policy set awaiting review and adoption</i> <p><i>Comment:</i></p> <ul style="list-style-type: none"> • <i>On-line Induction and Security Training for new staff</i> • <i>Learning & Development CBT Training for Data Protection, Cyber security, Cyber-crime awaiting adoption and roll-out</i> 		
13	Director of Adult Care & Health Services	For the purpose of care integration and the sharing of person identifiable data with NHS systems, we are undertaking a self-assessment using the Department of Health IG Toolkit and an improvement plan is in place to ensure requirements are complied with.	Ongoing
	<p><i>Comment: An officer led "Task and finish" group is being implemented to ensure that the Information Governance toolkit is completed within the required timescales. This will ensure that revisions to policy and data sharing agreements, are made as required, ensuring lawful handling and sharing of data. This will ensure that the timescales required by the overall connected care project can be met, including the implementation of ICT (N3) connectivity to the wider Connected Care systems across Berkshire.</i></p>		