
Report to Resource and Audit Committee

Date of Meeting: 21 April 2016

**Subject: Governance Improvement Plan 2015/16
Resources and Governance/Strategy & Customer Services**

**Report by: Head of Resources and Governance &
Head of Strategy & Customer Services**

1.0 Purpose

- 1.1. In October 2012, members of the Resource and Audit Committee requested that all services present their Governance Improvement Plan to the relevant service committee to provide assurance that improvements were being taken forward.
- 1.2. This paper provides the Committee with an update on governance improvements in R&G and S&CS since the Annual Governance Statement (AGS) challenge process that took place in May 2015.

2.0 Recommendations

- 2.1. It is recommended that Committee notes the report, commenting and challenging as appropriate.

3.0 Introduction and background

- 3.1. In April 2011, the then Scrutiny Committee agreed the process the Council would take to move from the Statement of Internal Control to the issuing of a formal Governance Statement.
- 3.2. The Local Code of Governance and the Governance Strategy were approved by the Council in March 2012 and set out the vision, principles, objectives, actions and values which the Council will adhere to in order to ensure that there is a robust and effective governance framework in place and that the fundamental principles of good governance are embedded across the organisation at every level. These documents expired in 2015 and are currently being reviewed by R&G in the light of new guidance that is being issued by CIPFA in April 2016 which updates their 2007 Guidance about good governance in local authorities. The updates will reflect a greater emphasis on

partnership working and coping with austerity. A revised strategy and local code are expected to be available for R&A approval by the autumn.

- 3.3. The Council authorised the establishment of the Governance Panel as a prerequisite of the introduction of the Annual Governance Statement (AGS) in 2012/13.
- 3.4. The Annual Governance process has continued to be refined since then, with work carried out to identify alignment with similar business improvement processes. The process also links to service business planning with the aim of reporting progress through the Covalent system.

4.0 Considerations

- 4.1. This report outlines progress with Annual Governance Improvement plans that were created following the governance challenge sessions that took place in May 2015. Key actions were developed in response to potential risks noted in the Heads of Service Certificates of Assurance.
- 4.2. A copy of the Certificates of Assurance are attached at **Appendix A1 and A2**. The Improvement Action Plans at **Appendix B1 and B2** provide information concerning specific actions.
- 4.3. Due to the nature of services provided some of the key issues and outcomes identified are cross cutting corporate matters. Where this is the case, the service may take the lead in actions to improve performance but will do so with the involvement of other services. Improvement will depend on all services making the required progress.
- 4.4. Where the identified improvements are the sole responsibility of the service, then the required improvements are incorporated into the service Business Plan and allocated to a lead manager. These are monitored by management teams and reported to the Resources and Audit Committee quarterly as part of the Performance & Finance Report.

5.0 Sustainability Implications

- 5.1. There are no sustainability implications associated with this report

6.0 Resource Implications

6.1. Financial Details

- 6.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. N/A in this instance Yes
- 6.3. Finance have been consulted and have agreed the financial implications as set out in the report. N/A in this instance Yes
- 6.4. *Staffing*

6.5. There are no staffing implications associated with this report

7.0 Exempt Reports

7.1. Is this report exempt? Yes No

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) Council Policies

Governance Strategy

9.0 Equalities Impact

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

N/A on this occasion Yes No

10.0 Legality

10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

11.0 Appendices

11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A (1&2) - Certificates of Assurance for year ending 31st March 20145

Appendix B (1&2) - Governance Improvement Progress Report

12.0 Background Papers

12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Resources and Governance Business Plan 2014/15

Strategy & Customer Services Business Plan 2014/15

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stephen Coulter	Head of Resources and Governance	2022
Stuart Crickmar	Head of Strategy & Customer Services	2127

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources and Governance	Signed: S Coulter
Stuart Crickmar	Head of Strategy & Customer Services	Signed: S Crickmar
Nikki Bridle	Depute Chief Executive	Signed: N Bridle



CERTIFICATE OF ASSURANCE

FOR THE ANNUAL GOVERNANCE STATEMENT FOR YEAR ENDING 31 March 2015

To: Depute Chief Executive

From: Head of Strategy & Customer Services

I am aware that you, as the proper officer in terms of section 95 of the Local Government (S) Act 1973 are responsible for ensuring that the financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council functions and which includes arrangements for the management of risk. Clackmannanshire Council's system of internal control is reviewed at least once in a year.

To assist you in that process, I confirm that I have considered the standard of internal controls in my area of responsibility. I can confirm that I have undertaken a review of the internal control arrangements in my area of responsibility.

As part of that review process I have completed an assurance questionnaire which evidences the controls and systems in place in relation to the following areas:

- Financial Management
- Major Investment
- Risk Management
- Business Planning
- Project Management
- Procurement
- Human Resources
- Equality & Diversity
- Health & Safety
- Fraud & Corruption
- Information Management
- Voluntary Organisations & Sponsored Bodies
- External Compliance
- Law & Regulation

The assurance questionnaire also evidences the systems, processes, culture and values in place to support the following :

- Effective leadership
- Effective community engagement
- Good stakeholder relationships
- Clarity of roles, responsibilities and accountabilities

My evidence has been the subject of professional challenge by a number of officers from governance related disciplines. Having completed the assurance process I can confirm that the following are potential risk areas which require improvement action within my Service and you and the Chief Executive may wish to consider these when preparing the Governance Statement:-

- Service configuration, resourcing & business continuity arrangements in light of contraction of staffing numbers
- Review of third sector commissioning arrangements
- Stakeholder and community engagement to meet challenges presented by organisational change and the Community Empowerment Bill
- Information and records management
- Serious organised crime prevention and counter terrorism measures

The Assurance process has also highlighted a number of areas for improvement at a corporate level which you and the Chief Executive may also wish to consider when preparing the Governance Statement :-

- Systematic deployment of shared vision and values
- Workforce planning and organisational development to ensure that our resources are aligned with our corporate priorities and corporate change agenda
- Succession planning and learning to mitigate against loss of knowledge, skills and experience through managed contraction of staff numbers
- Information management including data protection, records management and FOI arrangements
- Major project management arrangements
- Systematic deployment of equality impact assessments

Having considered the corporate and service specific risks which impact upon my area and having regard to current demands and resources, I intend to prioritise the following areas for specific improvement action in the year 2015-16:-

- Workforce planning and development within my service to ensure that I have sufficient skills, knowledge and experience to meet the objectives of the service
- Stakeholder and community engagement
- Information and records management
- Third sector commissioning

Improvements I have made this year to improve governance in my areas of responsibility include:

- dissemination of equality and diversity learning and development, to a wider group of staff, particularly to those with supervisory roles;
- deployment of leadership and management development to a range of leaders as part of the Making Clackmannanshire Better programme;
- validated improvements in the management of funding to voluntary organisations;
- dissemination of core policies and procedures to a wider group of staff, including those relating to finance, people management and procurement particularly to those with supervisory roles;

- deployment of MCB vision and objectives, particularly to those with supervisory roles;
- further development of workforce planning arrangements,;
- further development of emergency planning and business continuity arrangements;
- further development of risk management arrangements;
- further development of partnership governance and scrutiny arrangements, particularly in relation to the Alliance;
- further development of arrangements to counter the threats of terrorism and serious organised crime.

Apart from the above, I can confirm that controls in my area have been, and are, working well. There are, in my opinion, no other significant matters arising which would require to be raised specifically in the assurance you are required to give the Chief Executive.

Certified by



Date 16th June, 2015

Stuart Crickmar
Head of Strategy & Customer Services



CERTIFICATE OF ASSURANCE

FOR THE ANNUAL GOVERNANCE STATEMENT FOR YEAR ENDING 31 MARCH 2015

To: Depute Chief Executive
From: Head of Resources and Governance
Services : Finance, Governance, IT, Assets and Soft FM.

I am aware that you, as the Proper Officer in terms of section 95 of the Local Government (S) Act 1973 are responsible for ensuring that the financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council functions and which includes arrangements for the management of risk. Clackmannanshire Council's system of internal control is reviewed at least once in a year.

To assist you in that process, I confirm that I have considered the standard of internal controls in my area of responsibility. I can confirm that I have undertaken a review of the internal control arrangements in my area of responsibility.

As part of that review process I, in consultation with my management team, have completed an Assurance Questionnaire which evidences the controls and systems in place in relation to the following areas :

- Financial Management
- Major Investment
- Risk Management
- Business Planning
- Project Management
- Procurement
- Human resources
- Equality & diversity
- Health & Safety
- Fraud & Corruption
- Information Management
- Voluntary Organisations & Sponsored Bodies
- External Compliance
- Law & Regulation

The Assurance Questionnaire also evidences the systems, processes, culture and values in place to support the following :

- Effective leadership

- Effective community engagement
- Good stakeholder relationships
- Clarity as to roles, responsibilities and accountabilities

In the year 2014-15 Revenues and Payments Services transferred out of what was Support Services to the Housing Service. Assets and Soft FM transferred into the newly created Resources & Governance Service and therefore priorities and risks identified within the reconfigured service are in the process of being reviewed and revised.

My evidence has been the subject of professional challenge from peer services. Having completed the assurance process I can confirm that the following are potential risk areas which require improvement action within my Service and you and the Chief Executive may wish to consider these when preparing the Governance Statement:-

- Review and redesign of Resource & Governance Service to ensure that the requisite skills, knowledge and experience is developed and maintained in light of turnover of key professional staff
- Implementation of People Strategy with a focus on workforce and succession planning (for organisation) to ensure that resources are aligned with corporate priorities in light of managed contraction of staff. This is a key corporate risk but prioritisation should be given to completion of the Job Families project to support this.
- Information management including data protection, records management and FOI arrangements. This is an area of work that requires resourcing either by additional support or redesign as there is no capacity within the existing Governance Service structure to absorb responsibilities beyond the support and guidance already provided.
- Shared service support arrangements are still not formalised with ad hoc arrangements with Stirling colleagues. Significant complexity in social services given the demands particularly on legal and HR services.
- Implementation of a new Finance system this year, and ongoing development of the iTrent software to ensure that the organisation has robust management information to support their strategic and operational objectives.

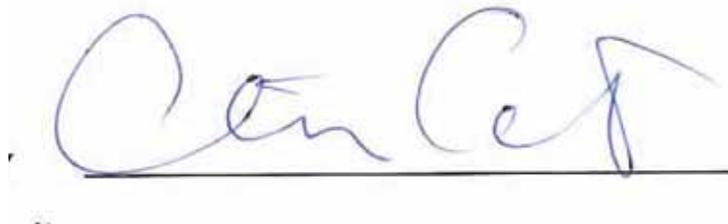
The Assurance process has also highlighted a number of areas for improvement at corporate level which you and the Chief Executive may also wish to consider when preparing the Governance Statement :-

- Systematic deployment of shared vision and values
- Workforce planning and organisational development to ensure that our resources are aligned with our corporate priorities and corporate change agenda
- Succession planning and learning to mitigate against loss of knowledge, skills and experience through managed contraction of staff numbers
- Information management including data protection, records management and FOI arrangements
- Major Project Management arrangements
- Risk management arrangements

Improvements I have made this year to improve governance in my areas of responsibility include:

- The re-establishment of formal one to one meetings with agendas that ensure a focus on financial governance, staff development, health and safety and compliance with corporate policies
- Reviewing the R&G risk profile and updating risks and assigning clear ownership of them
- Promoting the use of iTrent for R&G to capture all attendance management processes
- Implementing a performance measure and personal objective for service managers and Team Leaders to complete PRDs to ensure their timely completion of PRDs
- The initiation of a project to procure and implement a new finance system to address issues of poor budget management and manually intensive processes for reconciliation.
- Investigated the reasons for the non-realisation of business benefits of phase 1 of the iTrent project and working with the supplier and Payroll team to agree a way forward.

Apart from the above, I can confirm that controls in my area have been, and are, working well. There are, in my opinion, no other significant matters arising which would require to be raised specifically in the assurance you are required to give the Chief Executive



Certified by

Stephen Coulter
Head of Resources and Governance

Date 18th June 2015

PROGRESS FROM CERTIFICATE OF ASSURANCE RISK AREAS 2014/15

Appendix B1

Strategy & Customer Services

AREA FOR IMPROVEMENT	ACTION TAKEN TO DATE (what / who/ why/ when?)	IMPACT	Risk Score L /M /H	COMMENT
Workforce planning and development within my service to ensure that I have sufficient skills, knowledge and experience to meet the objectives of the service	<p>A root and branch review was undertaken of Strategy & Performance and Customer Services was completed to ensure that the configuration was compatible with future needs. A workforce planning workshop has been provided to the extended management team, including team leaders. A workforce review of Business Support is at an advanced stage.</p> <p>All team leaders participated in an extensive leadership and management development programme</p>	<p>A number of business cases and remodelling proposals resulted, that were subsequently agreed by Council as part of the budget. These are designed to position the service to support community hubs and future community planning models.</p> <p>Greater awareness of management supervisory, and governance requirements. There is some evidence of tangible improvement in performance.</p>	M	Further workforce development planning work commenced in March 2016. This will support an ongoing process.

Stakeholder and community engagement	Further refinements were made to the budget engagement programme. Work is underway with the Joint Community Council Forum to strengthen the role of community councils in local decision-making, including looking at methods such as Participatory Budgeting. Assistance has been provided to more communities to produce Community Action Plans. Further opportunities for communities to be involved in local service designs have been promoted and provided. Training has been provided to all team leaders.	Results from the Clacks 1000 survey indicate positive trends, but also that there remains more to do. There is some anecdotal feedback from communities that engagement is improving, however it remains too early to make any definitive statements at this stage.	M	Preparatory work for full deployment and implementation of the Community Empowerment Act is underway. This will be a key area of work over the coming year.
Information management including data protection, records management and FOI arrangements.	Internal assessments of arrangements have been made in high risk areas, e.g. where customer data is held. Internal audit have also looked at arrangements for handling cash and customer credit card details. Work has progressed on Information Sharing Protocols with key partners in regard of Serious Organised Crime.	No material or significant breaches by S&CS in DPA or FOI were noted this year. Positive Internal Audit report on cash handling.	M	Further work is required on records management arrangements in the coming year.
Project management	Team leaders have been provided with project management development	It is still too early to fully assess impact, however, a number of team leaders have been given opportunities to lead projects that have concluded successfully, e.g. introduction of ParentPay in schools.	M	Further development opportunities will be provided in the coming year.

PROGRESS FROM CERTIFICATE OF ASSURANCE RISK AREAS 2014/15

Appendix B2

Resources and Governance

AREA FOR IMPROVEMENT	ACTION TAKEN TO DATE (what / who/ why/ when?)	IMPACT	Risk Score L /M /H	COMMENT
Review and redesign of Resource & Governance Service to ensure that the requisite skills, knowledge and experience is developed and maintained in light of turnover of key professional staff	Proposals were developed about the strategic development of R&G as part of MCB with a three phase approach to restructuring. Key roles have been occupied by staff on an acting up basis and a variety of staff have reported directly to Head of R&G. This insight has allowed the Head of R&G time to consider the issues and to work with senior team members about future direction of services and a shared vision	R&G have proposed a range of sustainable savings and a managed contraction of the staff budget. Further work need to take place in Q1 and Q2 of 16-17 to develop the blueprint for R&G services and the skills required by it to support its wide ranging remit to support other Council Services and Elected Members	M	Workforce planning workshop took place on 11th March to work with new OD guidance and to review and consolidate work that has taken place in 15/16.
Implementation of People Strategy with a focus on workforce and succession planning (for organisation) to ensure that resources are aligned with corporate priorities in light of managed contraction of staff. This is a key corporate risk but prioritisation should be given to completion of the Job Families project to support this.	In 15/16 the focus has been on the Interim Workforce Strategy, severance, workforce planning and MCB programme	A range of key HR processes have been strengthened in R&G including absence management procedures, PRDs and 1 to 1s. The context in 15-16 of MCB and managed contraction has focussed management attention on restructuring and VS/VR opportunities	M	R&G has been heavily involved in corporate initiatives such as TU relations, workforce planning and HR policy development

<p>Information management including data protection, records management and FOI arrangements. This is an area of work that requires resourcing either by additional support or redesign as there is no capacity within the existing Governance Service structure to absorb responsibilities beyond the support and guidance already provided.</p>	<p>R&G led on the development of the Council's Record's Management Plan which has been approved by R&A. Between IT, Assets and Governance a structure to take work forward has been developed although a dedicated resource was not possible to recruit or re-deploy during the year. Internally Head of R&G monitors FOI timescales and challenges late returns</p>	<p>The publication of the RMP has focussed R&G management on the tasks now required within the Service and in terms of taking the wider Council project forward. Discussions have taken place in regard to wider storage requirements and ownership of that initiative in Assets. No material or significant breaches by R&G in DPA or FOI were noted this year</p>	<p>M</p>	<p>R&G restructuring as well as the wider managed contraction may afford the identification of a staff member with suitable skills to be deployed into this role</p>
<p>Shared service support arrangements are still not formalised with ad hoc arrangements with Stirling colleagues. Significant complexity in social services given the demands particularly on legal and HR services.</p>	<p>Shared Services for Education and Social work with Stirling have dissolved</p>	<p>Work load impacts particularly on HR and Finance will shift their emphasis because of the need to establish new approaches to providing education and social work services. Assumptions around education HR support had to be revisited</p>	<p>M</p>	<p>The clarity emerging in regard to the future model for education and social services has made it more straight forward to predict the short to medium term requirements for R&G to support these services</p>
<p>Implementation of a new Finance system this year, and ongoing development of the iTrent software to ensure that the organisation has robust management information to support their strategic and operational objectives.</p>	<p>Core financial products to be delivered by 1st April 2016. Project progress is being monitored by IA and reported through to R&A. Some re-scoping was required in Q4 due to the contractor losing its lead consultant but the issue was resolved. Phase 1 (payroll) module of iTrent was finally concluded following excellent work in HR led by the Acting HR Team Leader which brought many unresolved issues to a close allowing the Council to develop the HR functionality of iTrent</p>	<p>Planned for benefits in terms of process improvements leading to strengthened governance arrangements are being identified as the new system is being designed and implemented which will make a considerable difference to the quality and timeliness of information available to Council. The iTrent team will become part of the Business as Usual Offer under the R&G restructuring proposals which should ensure that many core administrative tasks can be automated and better management information on key staff metrics can be delivered.</p>	<p>L</p>	<p>Reports have shown that the Tech One project has been well managed and a positive relationship with the Contractor has been evident. Improved relationships with MHR and the deployment of capable HR staff on the development of iTrent module has removed much of the frustration from the progress of the iTrent system</p>