

ANNUAL GOVERNANCE STATEMENT 2016-17

CUMBRIA COUNTY COUNCIL

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1. THE COUNCIL'S RESPONSIBILITIES

Cumbria County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is properly accounted for, and is 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 its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk and for dealing with issues which arise.

The Council is required to review its corporate governance arrangements annually against its Local Code of Governance which should align to the CIPFA / SOLACE Delivering Good Governance Framework. A revised Framework was issued in 2016 whilst the Council's Local Code of Governance 2014 – 2017 had been developed against the earlier 2007 Framework. This review of the Council's governance arrangements is therefore undertaken against the requirements of the 2016 Framework taking elements of the Council's Local Code where these remain relevant.

The Council's annual review of the effectiveness of its corporate governance for 2016/2017 provides assurance on the governance arrangements in place, the progress made against the previous significant governance issue and includes an action plan to address significant governance issues identified through the review.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The Council's Governance Framework comprises all the systems, processes values and culture by which the Council directs and controls its activities and through which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic objectives, manage risk and address issues that have a significant impact on the Council's finances, reputation or the achievement of its objectives.

The governance framework, described in Section 3 below, has been in place at Cumbria County Council for the year ended 31 March 2017 and up to the date of approval of the Council's Annual Report and Statement of Accounts.

3. THE GOVERNANCE FRAMEWORK

The key elements of the structures and processes that comprise an authority's governance arrangements are summarised in the Delivering Good Governance Framework. The Council's arrangements for governance are set out under the headings identified within the Framework:

Defining standards of behaviour for members and staff and developing and communicating policies dealing with whistleblowing and conflicts of interest.

Standards of behaviour are set out within the Constitution in the following Codes and Procedures:

- Members' Code of Conduct and Guidance
- Officers' Code of Conduct
- Member / Officer Protocol
- Code of Good Practice for Members and Officers involved in the Planning process

In addition, the Council has an agreed set of Behaviours that all officers and Members are expected to adhere to. These are presented to all ICT users when logging on to a Council computer. They are also embedded in the Council's appraisal process.

Also within the Constitution is the Council's Whistleblowing policy which has been subject to regular review. It has been identified that a review of the wider Whistleblowing arrangements would further enhance governance in this area. A review is planned for 2017/18 to be overseen by the Corporate Governance Group.

All relevant policies are held on the Council's Intranet site – InTouch. The arrangements could be strengthened by communication of the policies and inclusion of these within the current programme of Governance training.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

All reports to Members are subject to review by the Council's Legal Services and Finance teams to ensure that decisions are taken within the law and that expenditure is lawful.

Arrangements are in place to ensure compliance with internal policies such as Information Governance and a process for reporting Data Breaches has been agreed by the Corporate Governance Group.

Documenting a commitment to openness and acting in the public interest.

The Council has an agreed constitution which sets out how the council works, how decisions are made and the procedures that are followed to ensure efficiency, transparency and accountability to the people of Cumbria.

Codes of Conduct are in place which incorporate the Nolan Principles for Standards in Public Life, which all staff and elected Members are expected to adhere to.

All Council business is conducted in public unless legislation deems it appropriate for matters to be considered in private.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

The Council recognises the contribution to strong corporate governance of effective community engagement and uses a variety of ways to engage with the public and all stakeholders. Publication of a Forward Plan and of all minutes and agendas of Council, Cabinet and Committees ensures that people know what decisions the

Council is planning to take, and the decisions taken. Cumbria Health Scrutiny Committee, which is made up of 7 county councillors and a representative from each of the 6 district councils, is active in scrutinising health services in Cumbria, gathering evidence from a range of sources to assure the committee and challenge performance and delivery. The Council also includes co-optees on its Children and Young People's Scrutiny Advisory Board. The Council continues to provide support to the Police and Crime Panel, which meets quarterly to scrutinise and support the work of the Police and Crime Commissioner. The Council recognises the positive impact of a positively engaged workforce on delivering quality services and has in place strengthened arrangements for consultation with employees.

Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.

The Council's vision is set out in its Council Plan (2016-2019), adopted by full Council in February 2016. The Plan sets out objectives focused on outcomes for the community. The Council has in place arrangements to ensure delivery of its aims and objectives and that services are delivered economically efficiently and effectively through the Council Plan Delivery Plan which is agreed annually by Cabinet, and through Service Plans. The Council has established effective arrangements to manage performance and the corporate risks facing the Council which are overseen by the Audit and Assurance Committee.

Translating the vision into courses of action for the authority, its partnerships and collaborations.

The council does not deliver its services in isolation and relies on third parties and partnerships to deliver outcomes for the people of Cumbria. The sustainable community strategy for Cumbria 2008-2028 is part of the Council's Policy Framework – meaning that all decisions made by the Council take the Community Strategy vision into consideration. This provides a framework for all partnership activity the Council is involved in – and the Council has tools in place to support consistency in approach across all partnership.

Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.

The constitution sets out the limits of responsibilities delegated to the Chief Executive who is the Head of Paid Service, and to all corporate directors, both collectively and individually. These officers are then permitted to make further delegations as appropriate. It should be noted that a current review of schemes of delegations is underway and is expected to be concluded in the next few months.

There is a review underway of Partnership Governance to ensure that key Partnerships the Council is involved in have effective governance, decision making and risk management arrangements.

The Council has affirmed its commitment to ensuring effective Data Quality through a Data Quality Policy, last revised in January 2016. The policy sets out the

characteristics of good quality data, the roles and responsibilities for ensuring data quality and includes a self-assurance framework for managers.

Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.

A performance and risk management framework is in place to ensure that we continuously monitor the delivery of our services and manage our risks effectively. The arrangements include; reports to the council's Corporate Management Team and Cabinet, monthly performance reporting and meetings, programme board reports and meetings, reports to service and directorate management team meetings and scrutiny reports and meetings.

Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.

Roles and responsibilities of Members and Officers are set out clearly within the constitution. In particular, there is a Member / Officer Protocol to ensure appropriate conduct and clarity of roles and responsibilities.

Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015).

The council is statutorily required to appoint a Chief Financial Officer. The Assistant Director, Finance is the appointed Chief Financial Officer (Section 151 Officer) with responsibility for the proper administration of the council's finances. Each year, we carry out a review of our financial arrangements against the CIPFA Statement on the Role of the Chief Financial Officer to confirm that we comply with the requirements.

Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function.

The Council's Monitoring Officer is responsible for ensuring the lawfulness of decision making. The responsibilities of this post are codified within the constitution. The Monitoring Officer ensures that the council acts within legal and statutory requirements. This is achieved through the provision of frontline legal advice to council services on a daily basis, the active participation of the Monitoring Officer within the Corporate Management Team and the active participation of Legal Services in the preparation and consideration of Legal Services in the preparation and consideration of legal implications arising from reports for decisions. Lawyers who advise on reports for decision making are trained in public law.

Ensuring effective arrangements are in place for the discharge of the head of paid service function

The Chief Executive is the Council's Head of Paid Service.

Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.

All new officers and members are required to complete an induction which includes reference to the appropriate codes of conduct and corporate behaviours required by local government employees and councillors.

Arrangements are underway for the induction of new Members following the county Council election in May 2017.

Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.

There is a performance and risk framework in place to ensure that we continuously monitor the delivery of our services and manage our risks effectively. The arrangements include; reports to the council's Corporate Management Team and Cabinet, monthly performance reporting and meetings, programme board reports and meetings, reports to service and directorate management team meetings and scrutiny reports and meetings.

Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).

There is an approved Counter-Fraud, Bribery and Corruption Policy in place within the constitution. Where allegations of wrongdoing have been received, these have been investigated under the policy with investigations led by service management and input from HR and Internal Audit colleagues as appropriate.

Risk assessments have been done and training provided for staff in areas considered to be at risk of attempted fraud.

A review against the CIPFA Code of Practice on Managing the Risk of Fraud has been carried out and has identified the need for further developments in the Council's counter-fraud arrangements. These are currently being developed into an action plan for implementation during 2017/18.

Ensuring an effective scrutiny function is in place.

Decisions are subject to scrutiny through both the call-in mechanism and via planned reviews identified within annual work plans. A scrutiny toolkit has been produced and circulated to all non-executive councillors. Scrutiny has a standing item to monitor performance at all of the Board meetings.

Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.

The Council has a Group Audit Manager who is the Head of Internal Audit. We review our Internal Audit arrangements against the CIPFA Statement annually to ensure continued compliance with the requirements.

Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013).

The Council has an Audit & Assurance Committee whose Terms of Reference were updated during 2014/15 to align with the CIPFA Guidance. An annual review of the Effectiveness of the Audit & Assurance Committee is undertaken and the outcomes reported to full Council within the minutes of the Audit & Assurance Committee.

Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.

The Council has an effective working relationship with its External Auditor and is regularly commended on the speed and quality of its responses to requests for information during the annual audit of the financial statements.

Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.

The Council works with a number of public, private and third sector organisations to deliver services. To help those officers involved with partnership working, a Partnership Toolkit is available together with a self-assessment for officers supporting council involvement in partnerships.

A review of the arrangements for ensuring good partnership governance is currently underway and a revised toolkit is expected to be available during 2017/18.

4. THE ANNUAL REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within governance framework, the Group Audit Manager (Head of Internal Audit)'s report and also by comments made by the external auditors and other review agencies and inspectorates. The review of governance for 2016/17 gathered evidence of the arrangements in place and their effectiveness against the 2016 Delivering Good Governance Framework.

The effectiveness of the governance framework has been evaluated as follows:

- A review of corporate arrangements and their effectiveness carried out by relevant managers in early 2017. Evidence was gathered using a template which set out the required standards. The assessment of arrangements has been reviewed to capture any emerging significant governance issues.
- A review of internal control comprising an assessment by each Assistant Director of their service areas against the required standards, carried out in early 2017. Evidence was gathered using a template sent to each Assistant Director. A summary of governance issues in each directorate, drawn from the individual service reviews has been signed off by each Corporate Director. A review of the overall opinion of the Group Audit Manager as set out in the

annual internal audit report, to identify any significant governance issues or emerging themes arising from the work of Internal Audit for consideration in the Annual Governance Statement. The opinion of the Group Audit Manager for 2016/17 was of Partial Assurance. The annual Internal Audit report identified three themes arising from internal audit's work; operational risk management, performance management and the establishment and maintenance of operational policies and procedures. A comprehensive management response to the audit report has been prepared along with an action plan for improvement. It is not considered that these issues or any others within the annual internal audit report are significant governance issues in accordance with the definition adopted by the Council. Assurance will continue to be provided to Audit & Assurance committee on the implementation of actions for improvement throughout 2017/18.

- An assessment of the Audit and Assurance Committee arrangements against the core functions of Audit Committees set out within the 2013 CIPFA Guidance for Audit Committees in Local Authorities and the Police. The review confirms that the committee fulfils the core purpose of an audit committee as set out in the Guidance.
- A review of the Council's arrangements against the CIPFA Statements on the Role of the Chief Financial Officer and the Role of the Head of Internal Audit. The review confirms that the Council's arrangements conform to the CIPFA Statements on the Role of the Chief Financial Officer and Head of Audit.
- A review of implementation of the 2016/17 Annual Governance Action Plan to confirm that the significant governance issues identified have been addressed, to clarify any remaining issues and propose actions to address the issue in 2017/18..
- Consideration of reports from external inspections. The main area of external review and scrutiny in 2016/17 has been Children's Services where governance remains a significant issue for the Council at the time of preparing the Annual Governance Statement.
- Review by the Pensions Committee of the Cumbria Local Government Pension Scheme Fund Policy Statements, which are kept under review and updated when required throughout the year (e.g. following changes in regulations) and reviewed annually. In addition the effectiveness of the Cumbria LGPS arrangements is reported in the Cumbria LGPS Annual Report to provide assurance to members when approving the Accounts. The Committee is supported by an additional level of support and oversight provided by the Local Pensions Board. No significant governance issues have been identified in 2016/17.
- The Council's arrangements with its controlled company, Cumbria County Holdings Limited, and its subsidiaries, are kept under review by the Council. Articles of Association of Cumbria Waste Management Ltd were revised and agreed by Cabinet in October 2016, which is a subsidiary of Cumbria County Holdings Limited.

Review of Actions Taken in Respect of 2015/16 Significant Governance Issues

The 2015/16 Annual Governance Statement included one significant governance issue:

The Council has been judged “inadequate” following an inspection of its Children’s Services by Ofsted in March 2015. The inspection report finds that this is due to leaders and managers having been unable to demonstrate sufficient understanding of failures in services for looked after children and have been ineffective in prioritising challenging and making improvements in relation to looked after children services. This has caused too many children to experience unacceptable drift in decision making and delay in progress of their plans, poor practice to remain unchallenged, too many children’s needs unmet and plans not progressed in the child’s timescale.

The Council has a refreshed Improvement Plan in place to address the actions identified in the Ofsted Report and it is reflective of further improvement requirements identified since the inspection. External validation of the progress against the current and previous plans has been provided by Ofsted and the Department for Education.

At the end of Quarter 4; March 2016 the local authority had received twelve monthly visits from Ofsted and two quarterly monitoring visits. It had received monthly visits from the DfE Advisor who had also chaired the Children’s Improvement Board. The Council also undertook external reviews of the Corporate Parenting Board and a Local Government Association Practice Diagnostic.

All the above have confirmed that the Council is making progress in line with the Improvement Plan and against the Ofsted actions. The actions have also supported the identification of further improvement objectives aimed at moving the Council’s Children’s Services out of an ‘Inadequate’ judgement and eventually into ‘Good’.

Although these have all provided a level of reassurance that Services are improving the full extent of that improvement will only be known once a full re-inspection has taken place. This could be at any time within the next twelve months, although it is anticipated that it will most likely be in the Autumn of 2017.

It is therefore considered that the issue remains on the Annual Governance Statement Action Plan for 2017/18.

5. ASSURANCE AND SIGNIFICANT GOVERNANCE ISSUES

A governance issue arises when something has gone wrong which will affect the achievement of the Council's objectives. There is a need to respond and often recover from an issue and in financial terms, responding and recovering may add significant cost to the organisation or its processes. An issue may arise unexpectedly or may result from a poorly managed risk.

Whilst determining the significance of an issue will always contain an element of judgement, an issue likely to be significant if one or more of the following criteria applies:

- It has significantly prejudiced or prevented achievement of a principal objective;
- It has resulted in the need to seek additional funding to allow it to be resolved;
- It has required a significant diversion of resources;
- It has had a material impact on the accounts;
- It has been identified by the Audit and Assurance Committee as significant;
- It has resulted in significant public interest or has seriously damaged reputation;
- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer;
- It has received significant adverse commentary in external or internal inspection reports that has not been able to be addressed in a timely manner.

The above definition and criteria were adopted by the Corporate Governance Group in March 2015. These criteria have been applied to help the Council recognise its significant governance issues in 2017.

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that Cumbria County Council has in place adequate governance arrangements which are generally considered fit for purpose in accordance with the governance framework.

The Council has identified the following significant governance issues that will require action in 2017:

- **Children's Services Ofsted Inspection Outcomes**
- **Amey vs Cumbria County Council litigation**

The Action Plan to address the significant governance issues is set out at Appendix 1A and 1B.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness. We will monitor their implementation and operation over the year and at our next annual review.

Signed by the Leader of the Council and the Chief Executive

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Councillor Stewart Young, Leader of the Council

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Katherine Fairclough, Chief Executive

Dated: 25th September 2017

Appendix 1A
Annual Governance Statement Action Plan 2017-18

Governance Issue - Children's Services Leadership and Governance

Description: There is an issue that the Council has been judged "inadequate" following an inspection of its Children's Services by Ofsted in March 2015. The inspection report finds that this is due to leaders and managers having been unable to demonstrate sufficient understanding of failures in services for looked after children and have been ineffective in prioritising challenging and making improvements in relation to looked after children services. This has caused too many children to experience unacceptable drift in decision making and delay in progress of their plans, poor practice to remain unchallenged, too many children's needs unmet and plans not progressed in the child's timescale.

Overall prospect of achieving sufficient progress with the governance issue in full by 31st March 2018: it is anticipated that the issue will be concluded in the year 2017/2018.

Specific measurable actions to address the governance issue in the year 1 April 2017 to 31 March 2018.

Lead Manager: Corporate Director of Children's Services

Agreed Action	Progress update to June 2017	Further Action Required
1. Revise the Children's Improvement Plan to reflect the outputs from the latest quarterly Ofsted report, the LGA Practice Diagnostic, the DfE review and the review of the Corporate Parenting Board, and deliver in line with actions and timescales.	<p>The Improvement Plan was signed off by the Children's Improvement Board in March 2017.</p> <p>The performance targets included in the Plan will be reviewed and updated following the inspection of Children's Services by Ofsted, which is expected to take place in Autumn 2017, and the publication of national performance data for children's services by the DfE expected to be published around September 2017.</p>	

Agreed Action	Progress update to June 2017	Further Action Required
<p>2. Continue to work with external support from DfE, Ofsted and North West Association of Directors of Children's Services (NWADCS) in preparation for re-inspection.</p>	<p>The directorate continues to positively participate with these external organisations in the support and challenge that assists with the improvement journey.</p> <p>Senior leaders link and attend regular meetings with colleagues at the NWADCS.</p> <p>In June 2017, the DfE undertook a review of Children's Services against the actions contained in the Direction Notice. The conclusion was positive and acknowledged the progress that is being made.</p> <p>Staff across the directorate has engaged with OFSTED throughout their cycle of monitoring visits and actions from the feedback are tracked via the internal Children's Improvement Meeting.</p>	
<p>3. Monitor the performance of the service against the Performance Management and Quality Framework that has been agreed and embedded into the Service.</p>	<p>Performance is monitored on a daily, weekly and monthly basis at various levels by staff. Team Managers monitor performance on a daily basis, producing daily listings. There is a weekly performance scorecard produced and this is monitored with senior managers at a weekly meeting. Monthly audits are also reported along with performance indicators at the end of each month at the Directorate Management Team meeting, chaired by the Corporate Director for Children and Families Services.</p>	

Appendix 1B

Annual Governance Statement Action Plan 2017-18

Governance Issue – Outcome of Litigation against the Council by Amey

Description: The Council has been involved in a contractual dispute launched by Amey, its Highways contractor from 2005 – 2012. The litigation culminated in November 2016 when the High Court Judgment was handed down. The Judge found that both parties had some grounds for consideration, with ‘wins’ and ‘losses’ being applied to both parties, but overall found in favour of Amey.

The Council has undertaken a Lessons Learned review to ensure that appropriate lessons are identified and actions implemented to ensure no similar issue arises in future.

Overall prospect of achieving sufficient progress with the governance issue in full by 31st March 2018: it is anticipated that the issue will be concluded in the year 2017/2018.

Specific measurable actions to address the governance issue in the year 1 April 2017 to 31 March 2018.

It is proposed that the actions are monitored through regular monitoring and reporting of the Lessons Learned Action Plan.

Lead Manager: as identified in the Lessons Learned action plan, all actions are assigned to a named Corporate Director to oversee the implementation.

Strategic Outcome 1:

Contracts are clear and robust, with effective and proportionate contract, performance and risk management arrangements in place

	ACTIONS CMT to ensure	With reference to Recommendation	Lead Officer	Target Date	Key Deliverables	Resources
1	For existing significant contracts, ensure that contract management arrangements are robust, operating effectively and kept under regular review.	R1, R5, R7	All CD's	By 31 st October 2017	1(i) All 'Significant Contracts' (Defined by risk, value and impact), to be identified, and contract management arrangements reviewed.	Officer time
			AD's/ Lead Managers	By 31 st January 2017	1(ii) Implementation of single electronic system across the Council to capture all 'Significant Contract' management information relating to each contract, providing greater visibility of KPIs; start, end and extension dates, including contracts and supporting documentation such as risk logs and variation agreements.	Purchase of software (resource previously identified)
			All CD's	Commence 31 st January 2018 (for Q3)	1(ii) All contracts regularly reviewed by Directorates through DMTs, resulting in quarterly exception reports and action plans, escalated to CMT.	Officer time
			AD Finance	First report prepared by 31 st May 2018	1 (iv) Annual summary of issues raised and assessment of agreed actions to support Assurance Framework, reported to CMT	Officer time
			AD Finance with AD Resources and Transformation	From 31 st October to 31 st March 2018	1 (v) Risk Mgt assessment undertaken (with external challenge from Zurich Municipal) of a limited number of the Council's significant contracts. Zurich Municipal methodology to be applied and rolled out by directorates	Officer time and capacity from Zurich, using support provided through existing insurance arrangements.

Strategic Outcome 1:

Contracts are clear and robust, with effective and proportionate contract, performance and risk management arrangements in place

	ACTIONS CMT to ensure	With reference to Recommendation	Lead Officer	Target Date	Key Deliverables	Resources
2	The Council must ensure there is appropriate senior oversight and approval of all new contracts prior to formally procuring such, in order to ensure that the scope of each contract is fit for purpose ie contractual terms and conditions, and specification (including KPI requirements)	R1	CD Resources and Transformation	By 31 st October 2017	2(i) Process established to ensure contract 'sign-off' on all contract documents prior to formally procuring such, by relevant Assistant Director for commissioning.	Officer time
			AD's	Prior to commissioning of each significant contract	2(ii) Dedicated resources to be identified for the commissioning of contracts ie commissioning operational, legal, financial and procurement, which may also include external specialist inputs at key stages in relation to complex and/or strategic/ high value contracts	Officer time (and external resources where appropriate)
3	Corporate Directors to ensure there is appropriate contract management capacity, capability and challenge to support both contract development and on-going contract management activities. Where 3rd party oversees a Council contract, CMT to ensure roles and responsibilities are clear	R2a, R2b	All CD's	By 31 st January 2018	3(i) Contract review by Directors, as identified in action 1 above, to include assessment of capacity and capability	Officer time
			All CD's	By 31 st March 2018	3(ii) Corporate Training programme refreshed to incorporate lessons learned from Amey	Officer time
			All CD's	Commencing 1 st November 2017 to 31 st March 2018	3(iii) Two-day corporate Contract Management workshops programme to be delivered to a target group of approximately 60 staff who undertake contract management on behalf of the organisation.	Delivered through existing Learning and Development Budget

Strategic Outcome 1:

Contracts are clear and robust, with effective and proportionate contract, performance and risk management arrangements in place

	ACTIONS CMT to ensure	With reference to Recommendation	Lead Officer	Target Date	Key Deliverables	Resources
4	Performance and risk management arrangements are reviewed in relation to existing significant contracts. Review to include assurance that KPIs, risks and data quality arrangements are robust, effectively managed and reported in a timely manner to identify, challenge and resolve any underperformance or issues of concern promptly.	R3a, R3b, R3c, R3d, R3e, R4, R5	AD's	By 31 st January 2018	4(i) As per Actions 1 and 2 above, quarterly reviews of existing contracts to include assurance regarding KPI's, risk and data quality arrangements (underperformance to be escalated to DMT, and then if appropriate, to CMT)	Officer time
			AD's	By 31 st March 2018	4(ii) Delivery of risk management training, targeted at commissioning, procurement and contract management staff	Delivered through existing Learning and Development Budget
	The opportunity to utilise the capacity and resources of its' non-executive members to be explored	R3a, R3b, R3c, R3d, R3e, R4, R5	AD Transformation	By 31 st March 2018	4(iii) Deliver programme of risk management training to Members	Use of capacity from Zurich for Member Training Member and Officer time

Strategic Outcome 2:

Strong governance arrangements are in place for services delivered by external contract.

	ACTIONS CMT to ensure	With reference to Recommendation	Lead Officer	Target Date	Key Deliverables	Resources
5	Engagement arrangements are improved so that the views of staff, members and partners at all levels are invited, in respect of contract delivery, promptly considered and responded to.	R5, R6	Chief Executive	From 31 st January 2018	5(i) Escalation through DMT to CMT process in place. Member involvement to follow as appropriate.	Officer time
				By 1 st April 2018	5(ii) Development of a 'Speak Up Policy' to supplement the whistleblowing procedure, aimed at encouraging staff and partners to raise issues of concern with senior managers in the Council in a safe environment	Officer time
6	The governance arrangements for commissioning, procurement and contract management activity are reviewed and communicated to appropriate officers and Members to ensure decisions are taken by the correct people at the correct time	R2b, R10	Monitoring Officer	By 31 st March 2018	6(i) The Monitoring Officer is currently undertaking a review of the Council's Governance arrangements. The review will include a review of the Contract Procedure Rules and will take into account the recommendations of the Lessons Learned Report.	Officer and Member time
					6(ii) The review will form the basis of proposals to the Constitution Review Group to consider changes that it may want to recommend to full Council.	Officer and Member time

Strategic Outcome 2:

Strong governance arrangements are in place for services delivered by external contract.

	ACTIONS CMT to ensure	With reference to Recommendation	Lead Officer	Target Date	Key Deliverables	Resources
7	Managers respond promptly to recommendations from internal and external Audit reports, peer reviews and lessons identified from project de-briefs	R8a, R8b, R8c, R16	All CD's	Ongoing	7(i) Follow up arrangements with regard to internal audit reports in place with an agreed action plan to respond to common themes raised in the annual audit report.	Officer time
				Ongoing	7(ii) In circumstances where follow up audits identify continuing issues, reporting to A&A Committee will be undertaken by ADs.	Officer and Member Time
				From 1 st October 2017	7(iii) Action Plans in respect of Audit reports, peer reviews and major projects reported to DMTs, and escalation of significant findings to CMT to take place.	Officer time
8	Arrangements are in place to record key and other significant decisions, which clearly document the risks identified, advice received and the reasons for the decisions	R9	Monitoring Officer	30 th September 2017	8(i) Guidance and pro formas to be developed describing the risks identified, legal and financial advice received and reason for decision. Decisions log in place	Officer time

Strategic Outcome 3:**The Council understands and effectively manages the risks, benefits and implications that disputes or litigation may present.**

	ACTIONS CMT to ensure	With reference to Recommendation	Lead Officer	Target Date	Key Deliverables	Resources
9	Risks, benefits, costs and potential consequences of decisions that may lead to disputes or litigation are fully considered and documented	R11, R13, R14	All CD's	As required	9(i) Report produced as part of escalation report to CMT in respect of formal contract disputes, (Advice from external advisers, as necessary).	Officer time and potential for additional resources required depending on need for specialist input
10	Where contract risks emerge which cannot be mitigated, or disputes arise which require formal escalation, clear, effective and timely arrangements are in place to ensure the best outcome for the Council, and approach to settlement is determined.	R12, R13	Chief Executive	As required	10(i) Agreed action plan with Lead Members, which sets out Council's approach (including resources), to contract dispute. As litigation progresses the action plan is revised to reflect opportunities to settle.	Officer and Member time
11	If a contract dispute is formally escalated, effective capacity must be in place to respond to the dispute, or/and subsequent litigation process.	R15, R16, R17, R18, R19	Chief Executive	As required	11(i) Council team established, and responsibilities and reporting arrangements to CMT and Cabinet in place.	Officer time and potential for additional resources required depending on need for specialist input.

Strategic Outcome 4:**The Council has effective communications and stakeholder relationships in place when contracts escalate towards formal dispute.**

	ACTIONS	With reference to Recommendation	Lead Officer	Target Date	Key Deliverables	Resources
	CMT to ensure					
12	Communication and stakeholder engagement requirements are in place if contractual issues are escalated into formal dispute (if not resolved)	R20	Chief Executive	As required	12(i) Communications Plan agreed with Key Members.	Officer and Member time
				As required	12(ii) Regular briefings of key stakeholders agreed, including External Auditor	Officer and Stakeholder time