Annual Governance Statement
2017/18

Gloucestershire
COUNTY COUNCIL

Contents

Scope of Responsibility

Gloucestershire County Council (GCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and 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, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

GCC acknowledges its responsibility for ensuring that there is effective governance within the Council and as such has developed a Code of Corporate Governance that defines the principles and practices that underpin the governance arrangements operating within the Council.

The Code is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance 'Delivering Good Governance in Local Government framework - 2016 Edition', the key focus being on sustainability i.e. economic, social and environmental and the need to focus on the longer term and the impact actions may have on future generations.

A copy of the Code can be accessed on the Council's website. However, a summary of the seven core principles upon which it is based can be found on page 9 of this document.

This statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) (a) and (b), which requires the Council to prepare and publish an Annual Governance Statement (AGS).

The responsibility for leading and directing the annual reviews of the effectiveness of the Council's governance arrangements against the Code and providing ongoing oversight and robust challenge, is the Council's Statutory Officers, comprising, the Chief Executive, Chief Financial Officer (S151) and the Monitoring Officer and when completed, the findings are reported to and improvement actions identified are monitored by the Audit and Governance Committee.

What is Governance?

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- ❑ leadership and management;
- ❑ performance and risk management;
- ❑ stewardship of public money; and
- ❑ public engagement and outcomes for our citizens and service users.

What is the purpose of a Governance Framework?

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, the Council:

- ❑ operates in a lawful, open, inclusive and honest manner;
- ❑ makes sure that public money and assets are safeguarded from inappropriate use, or from loss and fraud, properly accounted for and used economically, efficiently and effectively;
- ❑ has effective arrangements for the management of risk;
- ❑ secures continuous improvement in the way that it operates;
- ❑ enables human, financial, environmental and other resources to be managed efficiently and effectively;
- ❑ properly maintains records and information; and
- ❑ ensures its values and ethical standards are met.

What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

In this document the Council:

❏ acknowledges its responsibility for ensuring that there is a sound system of governance;

❏ summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;

❏ describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;

❏ provides details of how the Council has responded to any issue(s) identified in last year's governance statement; and

❏ reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Gloucestershire County Council for the year ended 31st March 2017 and up to the date of approval of the statement of accounts.

It should be noted however, that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Council's Governance Assurance Framework, which underpins the AGS, has been in place at the Council for the year ended 31st March 2017 and up to the date of approval of the AGS and Statement of Accounts.

What is a Governance Assurance Framework?

Assurance provides confidence, based on sufficient evidence, that internal controls are in place and are operating effectively and that objectives are being achieved. An Assurance Framework is a structure within which Members and Senior Management identify the principal risks to the Council meeting its key objectives, and through which they map out both the key controls to manage them and how they have gained sufficient assurance about the effectiveness of those controls. The assurance framework underpins the statements made within the Annual Governance Statement.

A governance assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes Cabinet Member overview and oversight and robust challenge by the Council's Statutory Officers i.e. the Chief Executive, Monitoring Officer and Chief Financial Officer.

In addition, 'the three lines of defence assurance model' is in place which helps Members and Senior Management to understand where assurances are being obtained from, the level of reliance they place on that assurance and identify potential gaps in assurance.

The Three Lines of Defence in effective Risk Management and Control

Assurance can come from many sources within the Council. The Three Lines of Defence is a concept for helping to identify and understand the different sources of assurance.

By defining these sources into three categories i.e. the First Line (functions that own and manage risks e.g. management and supervisory controls), the Second Line (functions that oversee risks e.g. Governance structures and processes such as Audit and Governance Committee, Scrutiny, Boards) and the Third Line (functions that provide independent assurance on the management of risks e.g. OFSTED, Internal/External Audit), helps the Council understand how each contributes to the overall level of assurance and how best they can be integrated and supported. Please see page 7 below which summarises the Council's governance assurance framework, which is based on the three lines of defence model.
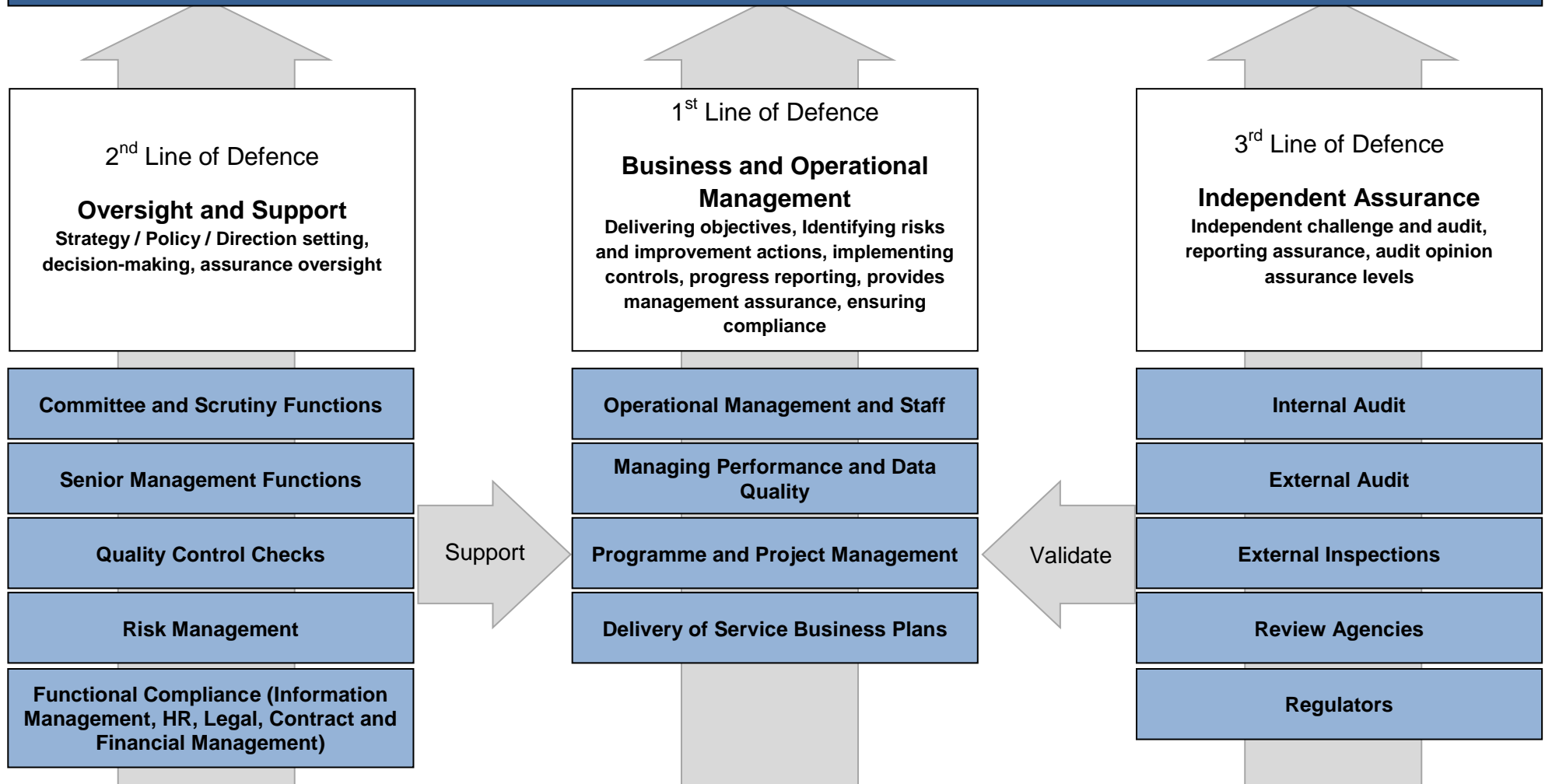
What is the Council's Governance Assurance Framework?

Annual Governance Statement (AGS)

Audit and Governance Committee
(AGS Approval Committee)

Leader, Cabinet Members, Chief Executive, Chief Financial Officer, Monitoring Officer, Corporate Management Team
(Provides oversight of the 3 lines of defence assurance framework)

2nd Line of Defence	1st Line of Defence	3rd Line of Defence
Oversight and Support	**Business and Operational Management**	**Independent Assurance**
Strategy / Policy / Direction setting, decision-making, assurance oversight	Delivering objectives, Identifying risks and improvement actions, implementing controls, progress reporting, provides management assurance, ensuring compliance	Independent challenge and audit, reporting assurance, audit opinion assurance levels
Committee and Scrutiny Functions	Operational Management and Staff	Internal Audit
Senior Management Functions	Managing Performance and Data Quality	External Audit
Quality Control Checks	Programme and Project Management	External Inspections
Risk Management	Delivery of Service Business Plans	Review Agencies
Functional Compliance (Information Management, HR, Legal, Contract and Financial Management)		Regulators

Support

Validate

How has the Annual Governance Statement been prepared?

In preparing the Annual Governance Statement the Council has:

❑ reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance;

❑ updated the Council's Local Code of Corporate Governance to reflect this guidance which includes the revised seven principles of good governance and associated required actions and behaviours taken by the Council that demonstrate good governance; and

❑ assessed the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.

How does the Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance arrangements. The key sources of assurance that inform this review are outlined below:

❑ The development and implementation of a Member / Management governance assurance framework which enables the Council to gain assurance that good governance actions and behaviours are operating within the Council;

❑ The work of Members and Senior Officers of the Council who have responsibility for good governance;

❑ Internal Audit's independent review of the effectiveness of the Local Government Pension Scheme's governance arrangements, which includes the administration of the pension fund;

❑ The Chief Internal Auditor's annual report 2017/2018, which provides the independent assurance that key risks (financial and non-financial) are being adequately controlled and provides an opinion on the effectiveness of these arrangements;

❑ The annual report on Risk Management Activity 2017/2018; and

❑ Any comments made by the Council's External Auditors and any other review agencies and inspectorates.

What are the key elements of GCC's Governance Framework?

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance:
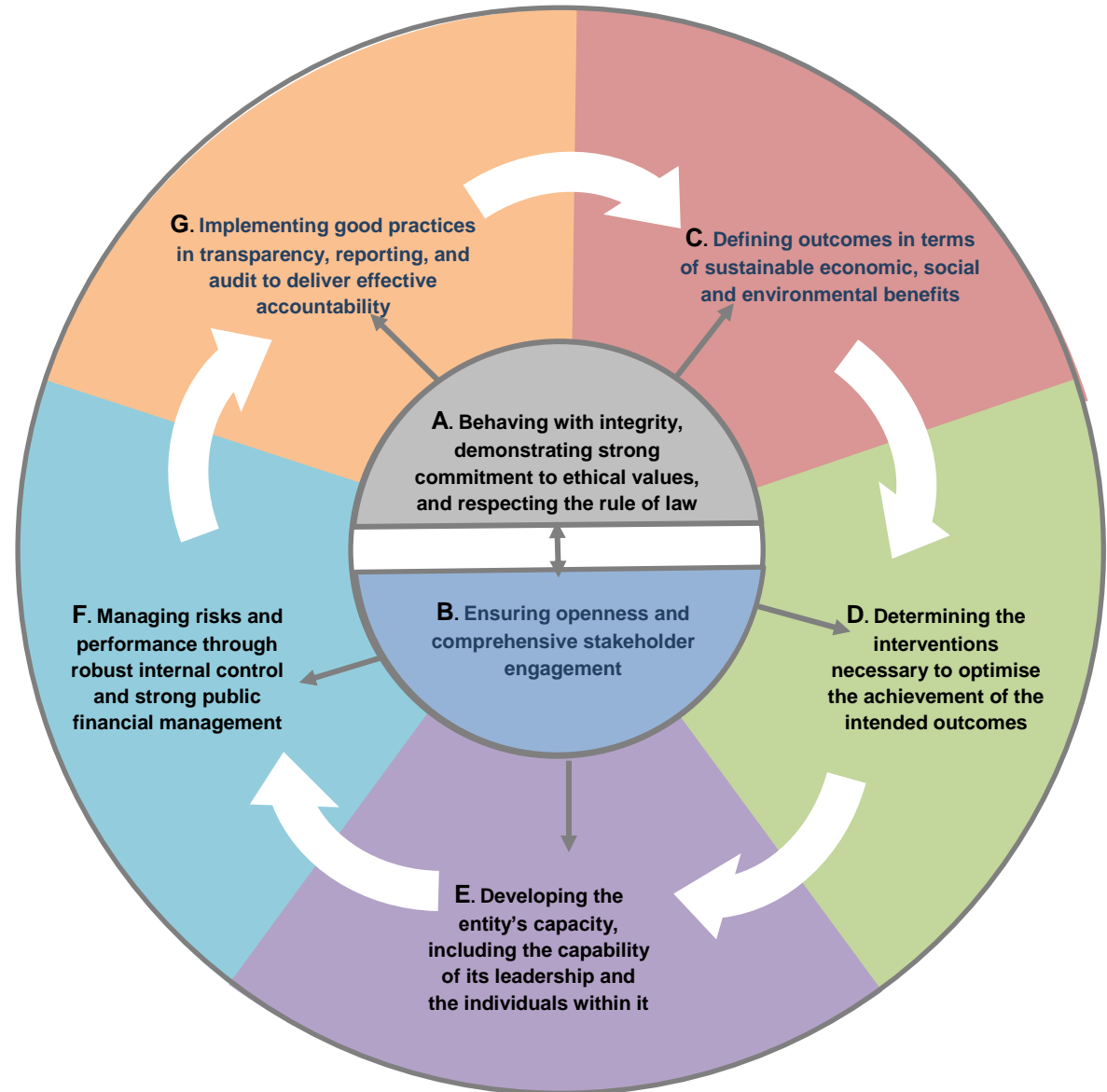
The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

F. Managing risks and performance through robust internal control and strong public financial management

B. Ensuring openness and comprehensive stakeholder engagement

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Principle A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Supporting Principles:

Behaving with integrity	Demonstrating strong commitment to ethical values	Respecting the Rule of Law

How we do this:

Behaving with integrity

- ❖ The Council has an **Audit and Governance Committee** to promote high standards of member conduct. Elected members must follow a **Code of Conduct** to ensure high standards in the way they undertake their duties. The Monitoring Officer advises members on the Code of Conduct.
- ❖ Officer behaviour is governed by the Employees' Code of Conduct. The Code has been formulated to provide a set of standards of conduct expected of employees at work.
- ❖ External providers of services acting on behalf of the Council are also required to comply with the Code of Conduct.
- ❖ These Codes are regularly reviewed to ensure they are operating effectively.

Demonstrating strong commitment to ethical values

- ❖ Arrangements exist to ensure that members and officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. These include:
  - o Registers of disclosable conflicts of interests;
  - o Declarations of disclosable conflicts of interests and disclosable other interests at the start of meetings; and
  - o Registers of gifts and hospitality.
- ❖ A **corporate complaints** procedure exists to receive and respond to any complaints received.
- ❖ Actively seek to deter and prevent fraud and corruption and ensure where irregularity is suspected that it is thoroughly investigated.
- ❖ The required leadership and staff 'behaviours' are embedded into performance appraisals.

Respecting the Rule of Law

- ❖ The **Constitution** sets out the responsibilities of the **Council**, the **Cabinet**, Scrutiny and other Committees, as well as officers, including decision making powers.
- ❖ The Council has a duty to appoint three of its staff to specific roles, these being:
  - -The Head of Paid Service (Chief Executive), who has overall accountability for the governance arrangements operating within the Council.
  - - The Monitoring Officer who has a key role in ensuring that decisions taken by the Council are within the law and the Council complies with the provisions of its Constitution.
  - - The Chief Financial Officer is the principal financial adviser to the Council and is responsible for the proper administration of the Council's financial affairs and internal control environment.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Supporting Principles:

| **Openness** | **Engaging comprehensively with institutional stakeholders** | **Engaging stakeholders effectively, including individual citizens and service users** |

How we do this:

Openness

- ❖ Progress against the **Council Strategy** is monitored on a quarterly basis through **strategic performance / financial / risk reports** to the Cabinet and Scrutiny Committees, which are publicly available.
- ❖ **Cabinet Member decisions** and significant officer decisions are also reported on the Council's website.
- ❖ The Council publishes an **annual report** on the activity of the Scrutiny function.
- ❖ The Council publishes certain data in accordance with the Local Government **Transparency Code** which enables more power to be placed into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.

Engaging comprehensively with institutional stakeholders

- ❖ Elected members are democratically accountable to their local area and this provides a clear leadership role in building sustainable communities.
- ❖ The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.
- ❖ Developed and implemented alternative service delivery models to allow for resources to be used more efficiently and effectively.

Engaging stakeholders effectively, including individual citizens and service users

- ❖ The long-term vision for the Council is set out in the Council Strategy which is updated annually and informed by public consultation.
- ❖ Call-in is for Cabinet decisions or decisions by the Leader or a Cabinet Member and a key decision taken by Officers under delegated powers. This allows an opportunity for further consideration of the issue before implemented.
- ❖ Formal Public **Consultation** arrangements and public meetings held to ascertain stakeholder views prior to developing and implementing key policy changes.
- ❖ Consult Gloucestershire: **The People's Panel** has been set up which is made up of Gloucestershire residents from all different backgrounds. Members of the panel are asked to give their views about Council services and issues affecting Gloucestershire.

Principle C

Defining outcomes in terms of sustainable, economic, social and environmental benefits

Supporting Principles:

Defining outcomes	**Sustainable economic, social and environmental benefits**

How we do this:

❖ The long term vision and Council's priorities are set out in the Council Strategy.
❖ A [Budget and Medium Term Financial Strategy](), Capital Programme and annual budget process ensure that financial resources are directed to the Council's priorities.
❖ The Council works with partner organisations where there are shared objectives and clear economic benefits from joint working.
❖ The Council has a co-ordinated and structured approach to commissioning services and defining outcomes.
❖ Contract management and monitoring arrangements are in place to ensure that services provided are delivered to a high standard.
❖ The Council's corporate planning, performance and risk framework reports progress against business objectives and targets. These are reported and monitored by the Corporate Management Team, Overview and Scrutiny Management Committee and Cabinet Members.

❖ An Efficiency Programme identifies and implements efficiency savings across the organisation in a systematic and considered manner.
❖ The Council aims to ensure that the purchase or commissioning of goods, services or works required to deliver services is acquired under Best Value terms.
❖ The Council has developed business continuity plans to ensure that critical service delivery can be maintained or recovered during an emergency.
❖ The Council's decision making process requires consideration of the economic, social and environmental impacts of policies and plans when taking decisions about service provision. In addition a sustainability check list is also included to ensure sustainability is also fully considered.
❖ Programme and project management arrangements require consideration of Political, Environmental, Societal (i.e. increased demand for a service and demographic changes), technological, legislative, economic and efficiency issues, risks and opportunities and value for money.

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Supporting Principles:

Determining interventions	**Planning interventions**	**Optimising achievement of intended outcomes**

How we do this:

Determining interventions	Planning interventions	Optimising achievement of intended outcomes
❖ The Council's decision making process ensures that decision makers receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the risks and opportunities associated with those options, thus helping to inform those decisions. ❖ Public consultation is undertaken to ensure that feedback from citizens and service users are fully considered when making decisions about service improvements / changes.	❖ The Council Strategy defines the Council's key priorities and plans, following full consultation with the communities of Gloucestershire. ❖ The Council has developed Strategic Commissioning Plans, Service Level Agreements, Outcome Agreements and Annual Business Plans with clearly defined outcomes and a balanced set of measures and risks to evaluate performance. ❖ Quarterly performance reports analysing trends and latest budget position are monitored by Cabinet and Scrutiny Committees and mitigation strategies are implemented to manage current and emerging risks.	❖ The Council has developed and implemented a Budget and Medium Term Financial Strategy. ❖ The financial plans demonstrate how the Council's financial resources will be deployed over the next three years to deliver declared aims and priorities. ❖ The strategy sets out the overall shape of the Council's budget by determining the level of resources that will be available and how these are currently allocated between services. ❖ The Council ensures the achievement of 'social value' (i.e. a way of thinking about how scarce resources are allocated and used when awarding a contract) when commissioning services and service planning.

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Supporting Principles:

| **Developing the Council's capacity** | **Developing the capability of the Council's leadership and other individuals** |

How we do this:

- The Council participates in relevant benchmarking exercises and peer reviews to help inform how the resources are allocated, so that outcomes can be achieved effectively and efficiently.
- Collaborative working and alternative service delivery models are fully considered as part of the option appraisal process, when looking to determine how the Council's resources are allocated in order to meet our priorities.
- The Council has currently drafted and organisational and workforce strategy.
- The Council has an Occupational Health Service that offers health assessments, health screening, health and well-being advice, ill health retirement advice, rehabilitation advice and advises managers on health related performance or attendance issues and an Employee Assistance programme which provides staff counselling and advice.
- Implementation of the Aspiring Leaders Programme which enables the development of our future leaders. Leadership and Management courses are available to support learning and development.

- The Council's Constitution clearly defines the statutory and distinctive leadership roles of the Leader of the Council and the Chief Executive, whereby the Chief Executive leads on implementing strategy and managing the delivery of services and other requirements set by members.
- A Member Development Programme approved by Group Leaders is in place, which supports continued Member development. This includes six key skills needed to be an effective councillor, namely local leadership, partnership working, communication, political understanding, scrutiny and challenge and regulation and monitoring skills.
- The Council's Performance Development Review is a 1:1 meeting for all leaders and employees. It is an opportunity to reflect on how the individual is performing, what is going well and also where the individual may need further support or development as part of their role.
- The above includes leadership skills and behaviours as these behaviours are essential for the delivery of our key priorities, to continue to support our savings targets, and form part of our on-going commitment to personal and professional development.

Principle F

Managing risks and performance through robust internal control and strong public financial management

Supporting Principles:

Managing Risk

How we do this:

- The Council has a **Risk Management Policy / Strategy** which clearly defines the roles and responsibilities for managing risk, confirming that risk management is an integral part of all our business activities including all aspects of business planning, option appraisals and decision making.
- Business Continuity arrangements are in place for critical services to ensure they can continue to operate in an emergency.
- The Audit and Governance Committee monitor the adequacy of the risk identification, monitoring and control of strategic and operational risk within the Council.

Managing Performance

- The Council Strategy outlines our priorities which are built on five clear values i.e. Acting with Integrity, Focusing on Citizens/Communities and People, Proactively Challenging, Respecting and Valuing each other and Being Accountable. A business planning framework is in operation which includes our Commissioning Plans which set out our strategic commissioning priorities and annual business plans which set out the key priorities/ tasks / targets / risks for the day job.
- Priorities are monitored through our performance management and programme and project management frameworks and overseen by, and reported to, the Overview and Scrutiny Management Committee and Cabinet Members.

Robust internal control

- There is an Internal Audit (IA) service (100% compliant with Public Sector Internal Audit Standards). Whilst improvement areas have arisen during the year from IA activity, action plans have been agreed with management to address them. On this basis, the Chief Internal Auditor's opinion is that the Council's control environment provides **satisfactory** assurance that the significant risks facing the Council are being addressed.
- The Council takes fraud, corruption and maladministration very seriously and has established policies and processes which aim to prevent or deal with such occurrences. **Anti Fraud and Corruption Policy and Strategy** which includes a complete review and re-write of the **whistleblowing policy**.

Managing Data

- Data is managed in accordance with the law. The **key information management and security policies** in place are: The Data Protection Policy, Freedom of Information Policy, Information Security Policy and the overall Information Strategy.
- Information Sharing protocols are in place when sharing data with third parties.
- Strategy ownership rests with Information Board members who are responsible for agreeing, monitoring, promoting and reviewing its implementation.
- Monitoring also includes reports to Audit and Governance Committee, internal / external audits and Information Commissioner reviews, as appropriate.

Strong public financial management

- Robust budget management arrangements are in place including monitoring and review by the Overview and Scrutiny Management Committee and Cabinet.
- **External Audit review** and report on the Council's financial statements (including this Annual Governance Statement), providing an opinion on the accounts and concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
- The Audit and Governance Committee monitor the effectiveness of the Chief Financial Officer's responsibility for ensuring an adequate internal / financial control environment.

Principle G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Supporting Principles:

| Implementing good practices in transparency | Implementing good practices in reporting | Assurance and effective accountability |

How we do this:

Implementing good practices in transparency

- ❖ Agendas and minutes of Cabinet and Committee meetings including Scrutiny are publically available on the Council's website.
- ❖ The Council has a Freedom of Information Act publication scheme (to ensure the members of the public have access to all recorded information held by the Council.
- ❖ Working towards compliance with the Local Government Data Transparency Code which sets out the minimum data that the Council should be publishing, the frequency it should be published and how it should be published e.g. expenditure exceeding £500, grants to voluntary, community and social enterprise organisations, senior salaries etc. This makes it easier for local people to contribute to the local decision making processes and help to shape public services.

Implementing good practices in reporting

- ❖ The published Annual Statement of Accounts is the statutory summary of the Council's financial affairs for the financial year. The purpose of the Annual Statement of Accounts is to give clear information on the income and expenditure of the Council and to demonstrate the Council's stewardship of public money for the year.
- ❖ The Council publishes an Annual Governance Statement in order to report how we have monitored the effectiveness of our governance arrangements (self assessed against the seven key principles set out within our Code of Corporate Governance) in year and on any planned changes in the coming year.
- ❖ The Audit and Governance Committee review and approve the Annual Statement of Accounts and Annual Governance Statement.

Assurance and effective accountability

- ❖ Accountability and decision making arrangements are clearly defined within the Council's Constitution. These accountabilities include arrangements when delivering services with our key partners.
- ❖ The Audit and Governance Committee provide independent assurance to the Council on the adequacy and effectiveness of the governance arrangements and internal control environment operating within the Council.
- ❖ Risk based internal auditing provides ongoing assurance that the key risks material to achieving the Council's objectives are being managed.
- ❖ Peer reviews and benchmarking undertaken to ascertain good practice and implement improvements as identified.

What are the key roles of those responsible for developing and maintaining the Governance Framework?

The Council	- Approves the Council Strategy. - Approves the Constitution (including Standing Orders and Financial Regulations). - Approves key policies and budgetary framework.
Cabinet	- The main decision-making body of the Council. - Comprises nine Cabinet Members (including the Leader) who have responsibility for particular portfolios.
Audit and Governance Committee	- Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. - Promotes high standards of member conduct. - Approves the Annual Statement of Accounts and Annual Governance Statement.
Scrutiny Committees	- There are five Scrutiny Committees aligned to the Council's corporate priorities. - They hold Cabinet and Officers to account and scrutinise performance.
Chief Executive Corporate Management Team	- Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues. - Oversees the implementation of council policy.
Chief Financial Officer (s151)	- Accountability for developing and maintaining the Council's governance, risk and control framework. - Contribute to the effective corporate management and governance of the Council.
Monitoring Officer	- To report on contraventions or likely contraventions of any enactment or rule of law. To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. To establish and maintain registers of member interests and gifts and hospitality. To advise Members on the interpretation of the Code of Conduct for Members and Co-opted Members. - Overall responsibility for the maintenance and operation of the Confidential Reporting Procedure for Employees. (Whistleblowing) and contributes to the effective corporate management and governance of the Council.
Internal Audit	- Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. - Delivers an annual programme of risk based audit activity, including counter fraud and investigation activity. - Makes recommendations for improvements in the management of risk.
External Audit	- Audit / review and report on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
Managers	- Responsible for developing, maintaining and implementing the Council's governance, risk and control framework. - Contribute to the effective corporate management and governance of the Council.

How has the Council addressed the governance improvement actions from 2016/17?

The Annual Governance Statement 2016/17 contained the following key improvement actions. Details of the issues and how they have been addressed during the year have been reported to the Audit and Governance Committee at their meeting on 26th January 2018. Please note that whilst improvement plans are in place to address these issues, due to their significance in relation to governance and inherent risk, four of these actions have been carried forward into the 2017/2018 Action Plan to enable their ongoing monitoring.

2016/17 Review Reference	Action	Current Status
Chief Financial Officer Assurance Statement	Future Financial Sustainability	C/F into the 2017/ 2018 AGS Action Plan
Safeguarding Inspection	Ofsted Inspection of Children's Services	C/F into the 2017/ 2018 AGS Action Plan
National Policy	Implications of the Policing and Crime Act	The outcome of the commissioned report by the Office of the Police and Crime Commissioner determined that the benefits of any change of governance were finely balanced. Thereafter the Police and Crime Commissioner has stated that he has no intention of seeking a change in governance for the FRS at this time.
Director's Assurance Statement	Contracting / Commissioning Care Services	C/F into the 2017/ 2018 AGS Action Plan

What are the key 2017/18 Governance matters identified?

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2018/19, which includes the carried forward actions from 2016/2017.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Financial Governance	**Future Financial Sustainability** The Council identified savings of £29.3m as part of the 2018/2019 budget setting process. Delivery of this level of savings will be challenging for the Council. A contingency has been set aside in case this is not fully delivered in 2018/2019, although the Council recognises this is not a long term solution. **Actions:** To continue to review the arrangements for updating, agreeing and monitoring the Medium Term Financial Strategy. Specifically focusing on the robustness of the financial planning assumptions and arrangements for ensuring the financial projections including future savings are realistic and achievable.	31st March 2019	Chief Financial Officer

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer

Safeguarding Inspection	**Ofsted Inspection of Children's Services**
	
	The Council is being monitored by Ofsted as part of an ongoing improvement plan after an inspection during 2017 rated children's social care as inadequate. The Improvement Plan is overseen by the Improvement Board comprising of the Leader of the Council, Chief Executive, partner agencies and key officers. The Board is chaired by a Department of Education Improvement Adviser. The structure of the Improvement Board is under review and will be reconfigured by July 2018. The Council has appointed a new permanent Director of Children's Services, who took up this role on 5th March 2018.
	
	Since the Ofsted report was published in May 2017 the Council has:
	
	    ➤ Recruited additional experienced social workers to reduce caseloads;
	    ➤ Invested in better technology to reduce the time frontline staff spend on paperwork;
	    ➤ Improved the way it monitors quality and performance; and
	    ➤ Opened a new public reception for social care and a 'front door' for professionals contacting the service.
	
	Work on the above is ongoing.
	
	Actions: Ofsted visits on the 16th / 17th January 2018 and 15th / 16th May 2018 noted improvements made, however challenges remain. The Council continues to work with the Department for Education and Ofsted to improve children's social care services in Gloucestershire. Children's Services is about to enter the Partners in Practice Programme with Essex County Council. The latest Ofsted monitoring report can be viewed here.
		Ofsted visit 15th-16th May 2018	Director of Children's Services

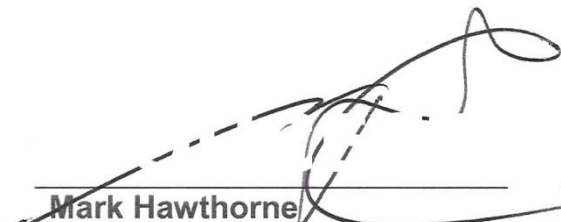| Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Director's Assurance Statement	**Contracting / Commissioning Care Services** The fragility of the provider market continues to be an ongoing concern and risk. By utilising the lead provider roles within the four rural home care frameworks and introducing the urban dynamic purchasing systems (for Cheltenham and Gloucester), the Council has increased both capacity and competition within the independent home care market. Over the last 12 months there has been a number of successful trials of different ways of working with lead providers, such as the Hospital to Home (supported hospital discharge service), guaranteed hours in hard to reach areas, we have seen the number of care packages being sourced, across health and social care, including end of life, reduced from in excess of 230 to 70 at any one point in time. The Hospital to Home service has seen over 300 people supported home over the winter period from hospital, with only 7.5% of those, requiring ongoing social care support. The hard to reach pilot has seen a reduction in people waiting for packages from c50 to less than 5, waiting just 4 days for their care to start, down from over 24 days. **Actions:** A number of further initiatives are underway supporting emergency night cover (commenced April 2018), end of life support (to commence July/August 2018) and a bridging service (to commence June/July 2018) (i.e. existing care not being able to recommence for a number of days), reducing the need for the health and social care system to utilise short term bed based capacity. There is a review of the home care framework underway to address both provider and operational concerns, which will re-engage providers who are currently choosing not to work with us, strengthening capacity and resilience still further.	Please see dates within Actions	Director of Adult Services

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Revised CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)	**CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)** Audit Committees are a key component of corporate governance. They provide a high-level focus on assurance and the Council's arrangements for governance, managing risk, maintaining an effective control environment, and reporting on financial and non-financial performance. This revised edition updates the core functions of the audit committee in relation to governance, risk management, internal control and audit. This includes new legislation affecting audit committees in combined authorities and updates to regulations and statutory guidance. The updates to the Public Sector Internal Audit Standards and Delivering Good Governance in Local Government: Framework and associated guidance are also considered for their impact on the work of the audit committee. There are significant changes to the core functions of the committee in relation to external audit, reflecting the new arrangements for auditor appointment and new guidance on ethical standards for auditors issued by the Financial Reporting Council. Both developments require greater attention to be given to this important area. The audit committee role in relation to counter-fraud has also been updated to reflect the Code of Practice on Managing the Risk of Fraud and Corruption.	31st March 2019	Chief Internal Auditor

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	The guidance continues to include a strong focus on the factors that support improvement. These include the knowledge and skills that audit committee members require and a focus on where the audit committee adds value **Action:** The Chief Internal Auditor will review the guidance (when published) and will provide support to the Audit and Governance Committee to enable the evaluation of the Council's Committee against the revised guidance, making recommendations for improvement where necessary.		

Certification

To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas identified on pages 19 - 23 above. 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 and will monitor their implementation and operation during the year and as part of our next annual review.
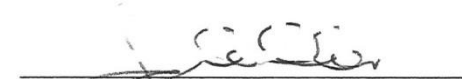
Signed:

Mark Hawthorne
Leader of the Council

Peter Bungard
Chief Executive

Jo Walker
**Chief Financial Officer
(S151 Officer)**

Date:

11/6/18

9/6/18

8/6/18