

PRINCIPAL SCRUTINY COMMITTEE

18 OCTOBER 2010

CABINET

10 NOVEMBER 2010

ANNUAL GOVERNANCE STATEMENT – EMERGING ISSUES 2010/11  
UPDATE ON PROGRESS

REPORT OF CORPORATE DIRECTOR (GOVERNANCE)

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RECENT REFERENCES:

[PS397](#) Annual Governance Statement – update on progress  
16 November 2009

[CAB2022](#) Corporate Governance Report and Annual Governance Statement  
2009/10 14 June 2010

[SA9](#) Statement of Accounts & Annual Governance Report 2009/10  
14 September 2010

EXECUTIVE SUMMARY:

At its meeting held on 9th September 2010, the Statement of Accounts Committee agreed the emerging issues in the 2010/11 Corporate Governance Review Action Plan as part of the Annual Governance Statement.






This report provides an update on the progress that has been made so far in 2010/11 against the issues identified in the Corporate Governance Review Action Plan.





RECOMMENDATIONS:



That Principal Scrutiny Committee and Cabinet note the progress being made against the current emerging issues.




## Annual Governance Statement – Monitoring Report


### Key to Status Icons



Action Status	
 Action Completed	 Overdue – Due date passed before action completed
 Action In Progress within due date	 Action Cancelled
 Check Progress – action approaching due date or associated milestone not yet complete and passed due date; Action Not Started	


Action in 2010/11	Desired Outcome	Milestone	Milestone Due Date	Milestone Completed	Status	Progress	Action Due Date	Latest Status Update
<b>Issue 1 – Asset Management</b> CMT Lead: Stephen Whetnall								
<i>Link to Strategic Risk: SR0002</i>								
Update Asset Management Plan and ensure that financial aspects of the Council's fixed assets are appropriately incorporated into the financial planning process, taking account of the possible impact of the current economic situation on the Council's properties.	The Council's fixed assets are employed to best effect in securing broader outcomes in the Sustainable community strategy and the council has a funded three year programme for maintaining its non-housing properties. The maintenance backlog on the Councils	Guildhall development implemented	30 Jan 2011	Not yet due		75%	Ongoing	Approval of Asset Plan delayed because of commitment to Guildhall refurbishment. Report now scheduled to be presented to Cabinet on 10 November.
		Options for depot considered	31 Oct 2010	Not yet due		80%		
		Hyde development approved	30 Sept 2010	Yes		100%		
		Abbey Mill structural repairs	31 Oct 2010	Not yet due		80%		



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	<p>corporate properties is addressed.</p> <p>The condition of the Council's principal property assets is improved.</p> <p>The value of the commercial estate is enhanced.</p> <p>The revenue and capital income stream is developed.</p> <p>The responsibility for the repair of let property is gradually transferred to the tenants either directly or via service charges.</p>	Ongoing review of Asset Plan	30 Nov 2010	Not yet due		70%		
<p><b>Issue 2 – Setting and achieving priorities within the context of recession and reduced resources for local government</b></p> <p>CMT Lead: Simon Eden</p> <p><i>Link to Strategic Risk: SR0009</i></p>								
Improved consultation on Council priorities/budget. Improvement of links between corporate and	Top priorities for the district achieved despite reduced resources. Savings made only at	Continued development of corporate planning processes	31 Dec 2010	Not yet due		60%	31 Dec 2010	Service redesign reviews underway as part of 2011/12 budget process

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departmental business planning, aligning departmental business plans to the Sustainable Community Strategy and Corporate Business plan over a five year period.	the expense of lowest priorities	Effective management of staff resources	Ongoing	Ongoing				Various tools being deployed to manage establishment including 1-Team
The financial strategy to be more effectively linked to asset, IT and human resource management. Effective Flexible Resource Management to achieve target savings.		Consultations on Change Plans to identify key outcomes to be achieved	30 Nov 2010	Not yet due		50%	30 Nov 2010	Change Plans due to be presented to Scrutiny Panels for consideration during November cycle of meetings.
<b>Issue 3 – Equality Assessments</b> CMT Lead: Simon Eden <i>Link to Strategic Risk: SR0016</i>								
The Council has completed all Equality Impact Assessments (EIA's) covering priority areas as set out in the programme along with a number completed in new areas of work. Work	Equality Impact Assessments completed and work undertaken to comply with the Equality Framework to identify and implement continued	To be agreed as part of new programme.	31 Mar 2011	No		23 %	31 Mar 2011	New programme agreed. Further details to be provided to a future meeting


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continues with the programme of EIA's and compliance with the Equality Framework, OD/OD/12	improvements to services. Measured through improved customer satisfaction levels and improved levels of attainment in the Equality Framework .							
<b>Issue 4 - Financial Management</b> CMT Lead: Stephen Whetnall <i>Link to Strategic Risk: SR0009</i>								
The main financial systems were implemented in 1993, are operating with limited support and are not being developed. This is increasingly constraining the Council's ability to review and improve related business processes including; electronic procurement and other electronic processing; commitment accounting; and self service management accounting information <i>FIN/PROJ/001</i>	Secure long term functionality of Corporate Financial package. Use efficient business processes in selecting & purchasing goods. Improve reporting and enquiry facilities of financial information. Better effective control for Accounts Payable and Receivable activities	Go live	01 Oct 2010	Yes		100 %	2010/11 financial year	The new system and new procedures were implemented on 1 October. Development of procedures and the use of the system will be ongoing.


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<b>Issue 5 – Health and Safety</b> CMT Lead: Simon Eden <i>Link to Strategic Risk: SR0010</i>								
New Health and Safety framework now in place. Further work required to embed the health and safety culture across the council. <i>OD/HS/001</i>	All actions required under the 08/09 Internal Audit report have been completed. Corporate Health & Safety Management Group continuing to meet and review progress.	Achieve all action points in the H&S Action Plan.	30 Jun 2010	Yes		100 %	31 Mar 2011	All actions from the 2010/11 H&S Action Plan are now entered onto Covalent. Progress being made against these actions. Outstanding actions from 08/09 audit now completed.
		Corporate Health & Safety Management Group continuing to meet and reviewing progress.	Ongoing	Ongoing				
<b>Issue 6 – Housing Options</b> CMT Lead: Steve Tilbury <i>Link to Strategic Risk: SR0005</i>								
In accordance with the wishes of its tenants the Council retains its housing stock of approximately 5,000 dwellings. The Council is now considering its response to the Government's proposals for the reform of the housing finance system. It will then await the Government's detailed timetable for	Viable and sustainable Housing Landlord service benefitting tenants and the wider community	Report Offer and its implications to Cabinet/TACT	30 Apr 2010	Yes		80 %	31 Mar 2011	The Council has submitted its formal response to the consultation process, giving qualified support. Initial Government announcement made on the 5 October confirming primary legislation required to implement changes. Further announcement expected in late
		Update 30 year financial projections once reform "offer" is known	31 May 2010	Yes				
		Briefing to Housing Options Steering Group	30 Jun 2010	Yes				
		Respond to Government with	30 Jun 2010	Yes				




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implementation which will drive its own arrangements and investment plans. <i>LAN/DIV/001</i>		Council view on way forward						October.
		Agree and implement action plan to prepare for Self Financing.	31 Mar 2011	Not yet due				
<b>Issue 7 – Performance Management, New National Performance Framework and Scrutiny Development</b> CMT Lead: Simon Eden								
Link to Strategic Risk: SR0012								
Development of the scrutiny function – continued development of performance measures which assess the impact of Council and its partners' programmes of work in the community. Includes arrangements for partnerships and monitoring cross-cutting	Value for money and the achievement of the Community Strategy outcomes. Progress against key indicators which will be defined in the Community Strategy 2010.	Work with Assistant Directors to ensure the Corporate Business Plan and Change Plans are accompanied by appropriate outcome measures	30 Nov 2010	Not yet due		50 %	31 Mar 2011	Change plans in preparation.




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issues. Further development of scrutiny function, supported by new Assistant Director role and improved focus on outcomes contained in the Community Strategy <i>TRANS/IMP/10</i>		Review scrutiny function to ensure the structure supports Members in making a positive impact for the community by reviewing the Council's and partners' services.	30 Nov 2010	Not yet due		50%	30 Nov 2010	Draft proposals being prepared for discussion with Members.
Performance support for Assistant Directors <i>TRANS/IMP/14</i>	Assistant Directors are able to set programmes of work and monitor their success based on reliable and accurate data.	Consult with Assistant Directors to understand what information they need	30 Apr 2010	Yes		66 %	31 Mar 2011	Actions included in Quarter 1 Scrutiny monitoring reports aligned to Community Strategy Outcomes and new portfolio holder roles. Managing the Business scorecard report presented to July Scrutiny panels for comment and feedback.
		Create new reports for Change Plans based on existing Covalent data and integrate into scrutiny reporting	30 Jul 2010	Yes				



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		(including the development of 'Managing the Business' scorecards for each scrutiny body)						More work required to report before Nov cycle of meetings Work ongoing to provide support to Assistant Directors as required. Revised performance management framework being drawn up in light of demise of CAA regime.
		Provide research and statistics for Assistant Directors as required	31 Mar 2011	Ongoing				
<b>Issue 8 – Leading the response to Climate Change</b> Lead: Rob Heathcock Link to Strategic Risk: SR0020								
Ensure commitment to the achievement of the Council/WDSP target on carbon reduction across the district and provide leadership to obtain commitment from key organisations currently not involved in the partnership. Make resources available to reduce the carbon footprint of the Council which will in turn impact on the efforts for	(1) Emissions of greenhouse gases across the District are low; (2) the district supplies its share of renewable energy; the district is 'climate change ready', (3) ensuring we can maximise the opportunities and minimise the costs of climate change; and	Milestones included within each of the Climate Change projects.	Various	Ongoing		23 %	7 Oct 2012	As part of the development of the High Quality Environment Change Plan it is proposed to review the existing Climate Change Programme in order to prioritise the actions that can be taken forward within the new commissioning framework over the next 3 years. The Economic Strategy

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reduction in the wider community.	(4) all sectors of the community understand the climate change issue and are taking action.							includes actions to drive progress towards a low carbon economy. The Winchester Access Plan is currently out for public consultation and there are also a number of other new projects in the pipeline including a large scale renewable Energy project on the City Council's Housing stock. Work is also progressing with partners on long term strategic projects such as the development of a combined heat and power facility
<b>Issue 9 – Control weaknesses arising during audit</b> CMT Lead: Stephen Whetnall Link to Strategic Risk: SR0012								
Ensure the additional controls over payroll and creditor procedures that have been introduced during the year are fully effective. Internal Audit will review the effectiveness of the	Ensure proper use of public money	The implementation of fully revised 'procure to pay' procedures	01 Oct 2010			50%	31 Mar 2011	The implementation of fully revised procure-to-pay procedures is dependent on the implementation of the "Financials" system, now planned to "go live" on 1 October. Interim

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changes in procedures and Corporate Governance Group will monitor any exceptions.								revised payroll and creditor procedures to address the control weaknesses were implemented in the first quarter of 2010/11; additional validations for the financial year 2009/10 were undertaken.
<b>Issue 10 – Shared Services</b> CMT Lead: Simon Eden Link to Strategic Risk: SR0016								
IT Service Desk <i>IMT/PROJ/010</i>	Services delivered at lower costs and/or improved quality	Test system available for testing and training	01 Oct 2010	Yes		100 %	01 Dec 2011	Work ongoing to enable soft launch on 1/11/2010 for key users only. Live system in place from 1/12/2010
		System live	01 Dec 2011	Not yet due		75%		
Organisational Development Shared Service Projects including - Recruitment - Employment Law advice	Services delivered at lower costs and/or improved quality	Senate approval and Chief Executive approval	07 Jul 2009	Yes		16%	31 Jul 2011	<b>Recruitment</b> – Project Plan agreed and draft report prepared <b>Employment Law</b> – specification being developed

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- Learning & Development services - Occupational Health services <i>OD/OD/016</i>		Timetable and PID agreed for priority areas with detailed milestones for each project area		No				<b>Learning &amp; development services</b> – HLOWLA project still in development phase <b>Occupational Health Services</b> – HLOWLA shared service PID & project plan developed
Hampshire Home Choice <i>STH/PROJ/001</i>	Services delivered at lower costs and/or improved quality	Pilot joint administration team	01 Jan 2011	Not yet due		50%	31 Jan 2011	Report recommending central applications processing team agreed by Leaders.
<b>Issue 11 – Capacity</b> CMT Lead: Simon Eden <i>Link to Strategic Risk: SR0016</i>								
Ensure capacity to deliver priorities and, in particular, major contract re-tendering processes.	Maximise use of existing and future resources to achieve priority outcomes.	Successful implementation of 1-Team approach to flexible resources management.	Ongoing	Ongoing		50%	Ongoing	Policy framework in place, variety of temporary and permanent placements now underway. Process going to CMT on the 26 October for sign off.
<b>Issue 12 – Silver Hill</b> CMT Lead: Steve Tilbury <i>Link to Strategic Risk: SR0021</i>								
Action will depend upon the outcome of the administration process which is outside of the Council's control	Restart of development process with new development partner						Ongoing	Still awaiting outcome of review by administrator of Thornfield properties.

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<b>Issue 13 South Downs National Park</b> CMT Lead: Steve Tilbury Link to Strategic Risk: SR0023								
The proposed arrangements for planning within the NPA may have a small impact on the Council's organisational infrastructure/ finance. None of the options available to the NPA are considered likely to create significant difficulties unless accompanied by disproportionate changes to Government grant.	Seamless transition to new NPA planning arrangements (whatever these are) with no deleterious impact on corporate resources.	Cabinet and Council agreement to accept delegation offer from the National Park Authority.	02 Aug 2010	Yes		75%	31 Mar 2011	A working group has been set up to deal with delegation process including officers from Planning Management, Finance, Legal Services and IMT.
		Sign joint working agreement with the National Park Authority	30 Sept 2010	Yes				
		Sign SLA agreement to provide planning services for the National Park Authority	26 Feb 2011	Not yet due				
		Go live with provision of planning services for the National Park Authority	01 April 2011	Not yet due				