

# Draft 2021-22 Annual Governance Statement

## Significant Governance Issues: Status Report

The following is a summary of the status of the agreed actions that were identified to address the significant governance issues were identified and recorded on the Council's draft Annual Governance Statement 2021-22:

1. Governance Issue		
<p>There remains inconsistency in respect of the extent to which succession planning had been formally considered within service areas across the council. This issue was identified on the 2020-21 AGS whereby Heads of Service started to work with their 'Human Resources Business Partner' to understand the tools available to develop appropriate succession planning arrangements.</p> <p>During 2021-22 the Human Resources &amp; Organisational ('HR &amp; OD') Development Team started to develop a 'Talent Management and Succession Planning Strategy'. In developing this strategy, a range of research was analysed, including by the Chartered Institute of Personnel and Development and how other organisations have managed these processes. The council also secured three LGA consultancy days to support the work in this area, with desktop reviews of relevant policies and processes being undertaken together with interviews and focus groups with managers, employees, and the Trades Unions.</p>		
Planned Action:	Status	Comments:
<p>The new 'Talent Management and Succession Planning Strategy', which forms part of a new overarching 'People Strategy' was to be shared with Heads of Service for their input and presented to the Executive Management Board ('EMB') for approval. The strategy would then be rolled out across the organisation with the support of the respective HR Business Partners and the Organisational Development Team.</p> <p>Strategy to be agreed by End Q2 2022/23 and implementation thereafter, which will occur across 2022/23 and beyond.</p> <p><b>Responsible Officer:</b> Service Director HR &amp; OD.</p>	Completed	<p>The new 'People Strategy', which incorporates 'Talent Management and Succession Planning', was agreed by the EMB and presented at the Leader's Cabinet Member Briefing in September 2022. Implementation of 'The People Strategy', including the 'Talent Management and Succession Planning' element, will be rolled out across the organisation with the support of the respective HR Business Partners and the Organisational Development Team.</p>
2. Governance Issue		
<p>In 2020/21, as part of its preparations for embedding enhanced standards of financial management, officers undertook a self-assessment against the new CIPFA Financial Management Code in order to identify any significant gaps or areas for development. The conclusion was that there is good practice in financial management but also areas where improvement was identified.</p>		
Planned Action:	Status	Comments:
<p>Implementation of the activities and actions arising out of the 'self-assessment' that will improve compliance with the FM Code, with an</p>	Partially completed	<p>The planned action was implemented in part however it was overtaken by events in terms of the scale of the budget pressure</p>

annual update on a 'self-assessment' basis to be provided to councillors via the Annual Governance Statement.

**Responsible Officer:** Lead by the Executive Director for Finance and Commercialisation and Section 151 Officer but noting that application of the FM Code is the collective responsibility of the council's leadership team which is defined as the collective group of elected councillors and senior officers.

faced during 2022-23 and reflected in the budget for 2023-24. The new S151 officer has, as part of the strategy to begin to tackle the financial challenges, commissioned the CIPFA to review the overall financial standing of the council and the processes applied by the authority when managing its resources. This review will focus on actions needed to improve the council's financial resilience and future budget positions. It will also build upon and supplement the work undertaken in relation to the FM Code.

### 3. Governance Issue

CIPFA guidance advises that "the AGS should include how effectively the organisation's governance arrangements support the achievement of outcomes and delivery of value for money ('vfm'). The AGS should focus on evaluation rather than description of arrangements and should reflect the context of the organisation's achievement of outcomes and vfm. A self-assessment, using guidance issued by CIPFA, was undertaken by officers which identified the following areas for improvement.

Planned Action	Status	Comments:
<p><b>a) Benchmarking</b> –To support a consistent approach to benchmarking at a corporate level the council is assessing the potential use of benchmarking tools that consolidate and utilise national data. This work is being led by Intelligence Innovation &amp; Change in partnership with Finance and other areas across the council.</p> <p><b>Lead:</b> Strategy &amp; Performance Director and Head of Financial Planning &amp; Management</p>	Completed	<p>The benefit of developing a consistent approach to the use of benchmarking tools, that consolidate and utilise national data, was given careful consideration. It was identified that benchmarking is undertaken in a number of areas and as a base activity when new projects are initiated and that good use is also made of peer reviews with, where appropriate, with results used to understand cost and service comparables.</p> <p>It was concluded that the current approach, whereby service areas access relevant and specific benchmarking data on an ad hoc basis, was preferable compared with the cost benefit of the council subscribing to a range of providers who collate and provide of suite of general benchmarking data.</p>
<p><b>b) Benefits realisation</b> - Post implementation and lessons learned reviews are standard, with lessons learned papers (including user/employee feedback) feeding into new project initiation sessions and relevant role forums. A 'benefits realisation framework' has been developed (along with additional templates such as a benefit map, profile, and post investment report) with the support of a commercial partner. This will be rolled out across a small number of teams initially, with training during the summer, and once piloted with the phase one teams across the council as a standard part of key project monitoring going forwards.</p>	Completed	<p>A 'benefits realisation framework' has been rolled out and is now in use on a regular basis for projects and has been adopted as a formal part of the project management methodology and toolkit. They are also being used as a tool to understand and track savings proposals.</p>

<p><b>Lead:</b> Strategy &amp; Performance Director</p>		
<p><b>c) Contracting arrangements</b> - Whilst commercial contract monitoring is robust and undertaken in accordance with a contract management framework and performance is measured against contractual indicators for Strategic and Key Managed contracts, a wider review of contracted delivery arrangements across the council is being scoped to ensure that there is a consolidated view of all such arrangements and that outcomes and vfm are being delivered and savings opportunities are considered. This review will be undertaken in alignment with the Strategic Procurement Programme. This exercise is being undertaken as a cross-council exercise, led by Supplier Management.</p> <p><b>Lead:</b> Head of Supplier Management</p>	<p>Completed</p>	<p>The review to consider the approach to managing contracts was completed and a Contract Management Framework (documented in a guide) is due to be rolled out by End Q2 23/24. This is aligned to the Strategic Procurement Programme which has a robust project and programme governance structure. Resource limitations will, however, mean that a focus will be given to education and support of service areas rather than a comprehensive wrap around support.</p>