PROGRESS ON IMPLEMENTATION OF THE CORPORATE GOVERNANCE MAY 2010 AND ANNUAL GOVERNANCE STATEMENT JUNE 2010 ACTION PLANS

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1.0   INTRODUCTION

1.1   The Audit Committee considered the annual report on Corporate Governance and the Annual Governance Statement on 27th May 2010. These reports included an action plan to address areas for improvement, which had been identified by both internal audit, as part of their systems audits for 2009/10, and by the then Corporate Team, as part of the process of compiling the Annual Governance Statement.

1.2   The Corporate Governance Action Plan included any outstanding recommendations brought forward from previous governance reports.

2.0   PROGRESS ON IMPLEMENTATION OF THE ACTION PLANS

2.1   Corporate Team have reviewed progress against the action plans, as at the beginning of October 2010.

2.2   Progress on implementation is detailed at the follow up action plan shown at Appendix A, with a summary given below. A total of 9 new recommendations for improvement were made.

Priority	Implemented	Still within target date	Outstanding
P1	-	3	-
P2	2	3	1
P3	-	-	-

2.3   There are 16 brought forward outstanding actions, summarised below. [Note: 3 of the 6 Priority 1 actions relate to 1 recommendation – Improve Performance with regards to staff sickness.]

Priority	Implemented	Part Implemented	No Progress recorded
P1		6	-
P2	1	8	1
P3		-	-

2.4   In addition, there is a separate revised Improvement Plan in respect of the Strategic Housing Service, with progress monitored by the Strategic Housing Panel.

3.0   CONCLUSION AND RECOMMENDATION

3.1   Some progress has been made on implementation of the action plan. However, most of the 2010 actions have not yet reached their target date. Significant progress has been made on recommendations arising in previous years, although these have not yet been fully completed.

3.2   Members are recommended to note this report.

Appendices: Appendix A   **-**
                Corporate Governance May 2010 and Annual Governance
                Statement June 2010 Follow Up Action Plan

Officers Consulted: Senior Leadership Team

Background Papers: None

Progress on Corporate Governance May 2010
& Annual Governance Statement June 2010 Action Plans

Report Author: Audit Manager   **Priority Key:** **P1 High   P2 Medium   P3 Low**
Generated on: 25 October 2010

[Cross reference to the original action plan Issue Number is shown in the Status Icon Column.
Where it does not state AGS it refers to the Corporate Governance May 2010 Action Plan]

Code & Title AR-C Corporate

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
1	AR-C_033 The Council should regularly test business continuity arrangements for key services. Specifically, loss of premises has not been tested to date.	2	Director Quality of Life	0%	31 Oct 2010	Corporate Governance 2009/10	24 May 2010 A business continuity exercise is planned for summer 2010.
2	AR-C_034 Implementation of the Workforce Strategy Action Plan, agreed March 2010.	2	Head of Policy & Performance	40%	31 Mar 2011	Corporate Governance 2009/10	01 Sep 2010 Action plan arising from the Workforce Strategy agreed in March 2010 is being monitored and progress recorded.
							24 May 2010 There will be an updated Workforce Strategy to support the delivery of a new Corporate Plan.
3	AR-C_035 Ensure that the CIPFA Statement on the Role of the Chief Financial Officer is taken into consideration during any organisational restructure / appointment in 2010/11.	1	Chief Executive	0%	31 Mar 2011	Corporate Governance 2009/10	

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
✅ 4	AR-C_036 Increase awareness of ethical governance, by devising a series of single learning point broadsheets to distribute to all Councillors at Council meetings and to provide to parish and town clerks.	2	Head of Legal & Democratic Services	100%	31 Mar 2011	Corporate Governance 2009/10	
✅ 5	AR-C_037 Roll out Locality Working (as piloted in N.E. Copeland) to the rest of the Borough.	2	Head of Development Strategy	100%	31 Mar 2011	Corporate Governance 2009/10	03 Aug 2010 All the localities are now in different stages of development and working with the locality team to continue their development processes. The three non pilot areas are now benefitting from the pilots learning, activities and outcomes. 24 May 2010 Localities are underpinning the development of the Copeland LSP. Engagement will be through Localities and at a Borough-wide level for those Partners operating at this level e.g. Copeland Disability Forum.
▶ 6	AR-C_038 Update the Communications Strategy (dates from 2007/08).	2	Head of Policy & Performance	0%	31 Jan 2011	Corporate Governance 2009/10	24 May 2010 Update of the Communications Strategy is included as part of the Choosing to Change Programme.
▶ AGS 6	AR-C_052 Carry out service reviews to create plans for sustainable budget reductions over next three years.	1	Chief Executive	0%	31 Dec 2010	Annual Governance Statement June 2010.	

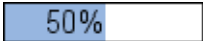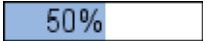| Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
▶ AGS 7	AR-C_053 Deliver on plans agreed following results of first Place Survey.	1	Director of Quality of Life	0%	31 Mar 2011	Annual Governance Statement June 2010	
🔴 9	AR-F&MIS_229 That the (draft) documents provided for guidance should be approved by the Acting S.151 Officer, be formally adopted for use in the Authority, and that the appropriate managers be made aware of their existence.	2	Accountancy Services Manager	0%	30 Sep 2010	Capital Grant Claim 2009/10 (& Annual Governance Statement June 2010.)	24 May 2010 Head of Development Strategy shares responsibility for completing this recommendation.

Outstanding Recommendations from Previous Governance Reports

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
Code & Title AR-C Corporate							
🔴 17	AR-C_021 The Council should continue to focus on reducing its costs for service delivery, where these are above average, and improve the quality of service provided, where this is below average.	2	Head of Policy & Performance	90%	31 Mar 2010	Use of Resources 2007/08 March 2009	01 Sep 2010 Service review process 2010 has enabled full examination of the Council's service costs, with the objective of reducing the revenue budget over 3 years. As the first part of the exercise £450k was taken out of the current year budget. Additional resources for benchmarking in 2010/11 have supported this.

09 Apr 2010 All service costs / income generation potential were examined as part of a rigorous budget process. Shared Services for Revenues & Benefits and for Internal Audit have been approved, to |
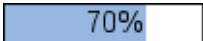
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							reduce costs / improve service delivery. A full review of all services is to be undertaken in 2010/11.
							31 Mar 2009 Evidence from Searching for Best Value Pilots confirms that many services do not have comparative data and this needs to be rapidly developed. Managers Group session to reinforce the need to maintain up-to-date and robust measures of performance and costs. Corporate Value for Money strategy to be developed by 30 September 2009. General service performance is improving against the majority of BVPI's. Still need to improve more quickly in some areas. Elements of underperforming services (particularly Robberies per 1,000 populations; % of employees with a disability; Ethnic minority representation in the workforce; number of households where homelessness prevented; Plan-making milestones met; Households waste composted) will be monitored through action plans. (Lead: Head of Policy & Performance).

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🔴 18	AR-C_022 Ensure the monitoring and reporting of cost information includes trends over time and that any actions taken, as a result of comparisons and benchmarking, are routinely monitored and reviewed.	2	Head of Policy & Performance	50%	31 Mar 2010	Use of Resources 2007/08 March 2009	01 Sep 2010 New resources for benchmarking performance and costs as well as membership of two benchmarking costs in 2010/11 are supporting progress in this area. The outcomes of the service reviews in 2010 include benchmarking information.
							12 Apr 2010 Examination of comparative costs and trends over time has formed part of reviews within some services during 2009/10, for example as part of improvements in street cleaning and Revenues & Benefits.
							31 Mar 2009 Baseline being established as part of Searching for Best Value Programme - due to be started in April 2009 and run throughout 2009/10. [Lead: Head of Policy & Performance]
🔴 19	AR-C_025 Should evaluate the effectiveness of its major partnerships and demonstrate the benefits of this way of working in terms of improved customer service and quality and better vfm.	2	Head of Development Strategy; Head of Finance and Management Information Systems	50%	31 Mar 2010	Use of Resources 2007/08 March 2009	09 Apr 2010 Review of Membership on outside bodies has been undertaken, with a report recommending a reduction in representation on outside bodies to be made to Council in May 2010.
							18 Jan 2010 Partnership Register established and updated details to be completed by Managers by

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							31st January 2010. Evaluation framework using CIPFA Good Governance Guidance has been adopted for assessing risks and significance of strategic partnerships. Report to be received by the Executive in March.
							31 Mar 2009 A Corporate Team Working Group was established in February 2009 and this work will be completed during 2009/10.
20	AR-C_026 Should evaluate the impact and outcomes of its investments to improve service quality and demonstrate any vfm benefits arising from this investment.	2	Head of Development Operations; Head of Finance and Management Information Systems; Head of Policy & Performance	30%	31 Mar 2010	Use of Resources 2007/08 March 2009	09 Apr 2010 The Capital Programme is now linked to the Corporate Plan, which, in turn, is linked to public priorities. In bidding for resources, managers have to explain the links to the Plan. This will provide the building blocks for future performance evaluation.
							31 Mar 2009 T-Enabling projects include post project evaluation. Some examples in regeneration projects. Capital programme monitoring will include post project outcome assessment required. From April 2009 it is the intention to create a Capital Project Control Group, to monitor the progress of capital spend against milestones and to confirm at these stages that

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							Contract Standing Orders are observed. (Lead: Head of Development Operations). Post project evaluation reports for major projects will be taken through the Corporate Improvement Board.
🔴 7	AR-C_027 Overall risk management arrangements should be considered at least quarterly by the Audit Committee.	2	Chief Executive	50%	31 Mar 2010	Corporate Governance 2008/09	12 Jul 2010 Revised Strategic Risk Register reported on 27th May and Business Continuity Arrangements on the agenda for 4 August. 09 Apr 2010 Risk Management Arrangements will be reported to the 27th May Audit Committee. 06 Apr 2010 The strategic risk register went to Audit committee on the 23rd Sept 09, has not been reported in the next quarter 29 May 2009 Ongoing in 2009/10. Risks are monitored and recorded on Covalent as part of quarterly monitoring procedures. A quarterly report on risk management to be submitted to the Audit Committee.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🛑 14	AR-C_028 The Council should consider publishing an Annual Report to co-ordinate information on the vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period	3	Director Quality of Life	0%	31 Jul 2010	Corporate Governance 2008/09	29 May 2009 Propose an Annual Report, based on progress against the Corporate Improvement Plan.
🛑 23	AR-C_030 Concern about the use of interim, agency and temporary staff.	2	Chief Executive	90%	30 Nov 2009	Annual Governance Statement May 2009	12 Jul 2010 The position continues to be kept under review, pending the organisational restructure in 2010/11.
							25 Jan 2010 Appointments have been made to key posts. The Job Evaluation exercise has been completed and implemented. A structured approach is taken to vacancy management. Corporate Team review all vacancies and evaluate the best options. For example, it may be advantageous to have temporary staff to complete "one-off" projects at times of peak workload.
							06 Jul 2009 Chief Executive to review recommendations and formulate a proposed way forward.
🛑 9	AR-C_031 Ensure that risk management and governance arrangements weaknesses in partnerships are addressed (Point	1	Chief Executive	70%	31 Mar 2010	Use of Resources Dec 2009	12 Jul 2010 The Cumbria-wide Partnership structure has now been amended. Work continues on risk
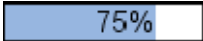
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	1).						management arrangements.
							13 Apr 2010 Work continues on Cumbria-wide partnership structures and risk management in 2010/11.
							18 Jan 2010 Budget Monitoring for Q.3 (2008/09) involved development of funding register, to identify external funding of projects to assist with closure of Accounts 2008/09. Further developments in 2009/10 to complement partnership framework - an action for Q.2, following appointment of the Projects Accountant. Partnership monitoring framework agreed in principle by Corporate Management Team (CMT) in February

2009. Working Group established involving CMT to progress this work during 2009/10. Managers requested to update details on Partnership Register by 31/1/10. This includes an

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							partnerships. Report to be received by Executive in March. A review of the LSP for Allerdale and Copeland is underway - report to be received by the Executive on 18/1/10. Marketplace system is being piloted and rolled out in 2009/10. Will provide information on supplier base and costs to enable review and potential efficiencies / savings.
							22 Dec 2009 Point 1. Review of Partnerships to be completed.
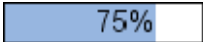
Code & Title AR-CS Customer Services							
✅	AR-CS_068 The Council should evaluate the cost effectiveness of recovery actions, associated costs and the cost of not recovering debt promptly and assess the impact on debt recovery arrangements.	2	Head of Customer Services	100%	31 Mar 2010	Use of Resources 2007/08 March 2009	12 Apr 2010 Most effective method of recovery established and used wherever possible.
							22 Dec 2009 Report covering cost effectiveness now in draft
							31 Mar 2009 Quarterly monitoring to the Executive continued throughout 2008/09. Plan to undertake an evaluation process during 2009/10, led by the RBS Operations Manager.

Code & Title AR-F&MIS Finance & Management Information						
🔴 25	AR-F&MIS_096 Ensure the Council's progress on having clear info on costs and comparative info is used in a comprehensive manner to review value for money within services and corporately, esp in regards to exp of users and communities in rel to service effectiveness.	2	Accountancy Services Manager	90%	30 Sep 2008	Annual Audit and Inspection Letter March 2008	30 Jun 2010 The Council is currently undertaking Service Reviews. Part of this process, due to be complete in September 2010, involves the accurate and comprehensive costing of services.
							30 Mar 2010 The recharge of 09/10 support service and service management cost budgets has taken place and procedures are in place for the recharge of 09/10 actual expenditure in line with the closedown timetable. The 10/11 recharge data is currently being compiled and the recharge of 10/11 support service and service management cost budgets will take place within the next few weeks. These recharges, combined with improvements to the budget monitoring process (which will assist the regular checking of coding etc) which come into effect in the new financial year, will help ensure the Council is able to accurately ascertain the total cost of a service.
							24 Dec 2009 Recharges has been identified as a key area for 09/10 closedown and this will be considered in detail when relevant members of the Finance Team meet in January to review the

						process. Equally, work continues on consideration of options in relation to time recording systems which could be used to provide more detailed information on which to base relevant recharges (see 09.AS_2.4 re time management project).
						08 Oct 2009 Now the 2008/09 Financial Statements have been audited and signed off, work is recommencing on reviewing the Financial Ledger coding structure. This, combined with Finance's involvement in the Time Management Project (see 09.AS_2.4), will enhance the accuracy of recharges and ensure coding of income and expenditure within the ledger is sufficiently detailed and structured to enable the production of relevant and timely information which can be used to review value for money within services and corporately.
						09 Apr 2009 Priority is the 2008/09 Final Accounts.
						25 Feb 2009 Linked with AR-F&MIS_001. Ongoing - the need to deal with urgent issues such as the 2006/07 & 2007/08 audits and 2009/10 budget has delayed this. Finance continue to improve structure within ledger to

							ensure that reporting of financial data is relevant and timely. Meetings to be arranged to discuss how to progress this.
							01 Dec 2008 Accountancy Services Manager and Financial Accountant will be in post from 15/12/08. A meeting will be set up early in 2009 to progress unit costing.
							02 Oct 2008 No further progress pending closure of accounts and filling of vacant posts (2 Accountants)
							21 May 2008 A Task Group has been set up to identify unit costs and to establish best practice to assist in reviewing value for money in service delivery.
22	AR-F&MIS_158 Budgets should be linked to the MTFS, to business and activity plans, to operational activity indicators that lead indicators of spend and to risk assessments of material items of revenue and capital income and expenditure.	2	Head of Finance and Management Information Systems	75%	31 Dec 2009	Use of Resources 2007/08 March 2009	25 Jan 2010 Managers have been fully involved in the 2010/11 budget build, based on service planning and linked to the Medium Term Financial Strategy. Improved capital project monitoring procedures are now in place and volatile revenue budgets have been identified and are closely monitored. However, unit costs are still to be developed consistently across the Council's activities.
							31 Mar 2009 T-Enabling board, integrating service planning with strategic

						planning, introduced in 3rd Quarter 2008/09. 2009/10 budget setting was in line with the amended MTFS, reflecting pressure from recession whilst protecting key services and plans. Corrected previous budget inconsistencies. Budget monitoring 2009/10 to include monthly exception reporting to CMT, in addition to quarterly reporting to the Executive. Reviewed land and property disposals in line with economic climate. Will prepare contingency plan for expected upturn and/or review alternatives. Budget cognizant of activity levels and budget adjusted accordingly e.g. increased investment in Housing Services (£250k), Planning establishment, Crematorium and Car Parking income. Searching for Best Value project underway in support of vfm and spend comparators. Project to be completed within 2009/10 and to provide 2010/11 budget process with early indications of priorities. Workforce planning underway to match establishment to business requirements over time - target date of April 2010. Risk-based reserve established for 2008/09 (and

							revised for 2009/10) to reflect consideration of material risks to revenue budget achievement. Revised capital & revenue monitoring reporting format introduced in Q.2 2008/09, to facilitate scrutiny and flagging of variances in relation to income generation compared to budget. Budget monitoring format to be reconsidered during 2009/10. Corporate Improvement Board to be engaged in improvement planning / program monitoring.
⬤ 13	AR-F&MIS_211 Evaluate the impact of the new arrangements for monitoring the delivery of the capital programme.	1	Head of Finance and Management Information Systems	75%	30 Jun 2010	Use of Resources Dec 2009	16 Apr 2010 Regular meetings of the Capital Control Working Group have happened during the year and notes have been recorded. Discussions directly fed into the Capital Control returns and the reasons for any variations are better understood. This is reflected in the quarterly monitoring reports to the Executive. The quality of the monitoring will be fully appraised when the outturn is confirmed.
							22 Dec 2009 Developments in 2009/10 to improve the monitoring and the delivery of the capital programme have been introduced and are working. These include the establishment of Capital

						Control Working Group, appointment of Capital and Projects Accountant, establishment of Strategic Asset Management Group with Portfolio Holder, development of budget monitoring practices introduced in Q3 of 2008/09 and filling of key vacancies within Services in 2008/09 providing capacity to deliver schemes e.g. housing. These will be evaluated as part of quarterly strategic risk management process, i.e. at end of quarter 3 with a full review after the end of the financial year.

Code & Title AR-PP Policy & Performance						
🛑 14	AR-PP_028 Ensure that the data quality improvement plan is implemented consistently across the Council. Specific action is required on improving the quality of data on both affordable homes and on the accuracy of housing benefit payments (Point 1).	1	Head of Policy & Performance	95%	30 Jun 2010	Use of Resources Dec 2009	06 Jul 2010 Data quality action plan fully implemented with exception of data system requiring input from partners Cumbria Strategic Waste Partnership.
						12 Apr 2010 Data quality improvement plan has been implemented across all services. Ongoing need to improve some service data systems that will continue into 2010/11, where these cross service and organisational boundaries.
						18 Jan 2010 Use of Resources

							judgement recognised progress made at corporate level to put appropriate framework in place. Plan for improvement includes actions for service managers, including new training programme.
							22 Dec 2009 Point 1. Further training for Managers.
🔴 15 & AGS 8	AR-PP_033 Improve performance with regards to staff sickness absence and the diversity of its workforce (Point 2).	1	Head of Policy & Performance	50%	30 Apr 2010	Use of Resources Dec 2009	22 Sep 2010 Recommendations from partnership work with Chorley under Choosing to Change programme to be reviewed for inclusion in revised policy and procedure. Target date 31/10/10
							06 Jul 2010 Taskgroup in place to review Sickness Absence Management Policy & Procedure. Internal Audit report shows managers are following the procedure. Presentation from First Care offering external support for management of sickness reporting and information -at present monitoring sickness figures in 2010/11 which show some signs of improvement. Chorley offered feedback on Policy & procedure as part of HR/OD stream of improvement programme. Additional Occ Health sessions commissioned.

							12 Apr 2010 Staff sickness is a continuing area of weak performance despite targeted management actions which follow accepted good practice. Budget for improved Occupational Health Service is now available, and this is being put into place. Action plan to improve diversity of workforce is part of action plan towards Equality Framework for Local Government due to be assessed at end of 2010.
							18 Jan 2010 Budget bid included in draft budget for 2010/11.
							22 Dec 2009 Point 2. Commission more Occupational Health sessions based on analysis of Point 1.
🛑 15	AR-PP_034 Improve performance with regards to staff sickness absence and the diversity of its workforce (Point 3).	1	Head of Policy & Performance	75%	30 Jun 2010	Use of Resources Dec 2009	06 Jul 2010 Work towards assessment against Equality Framework for Local Government allows review of policies to ensure that HR practices are not unintentionally disadvantaging under-represented groups.
							12 Apr 2010 Staff sickness is a continuing area of weak performance despite targeted management actions which follow accepted good practice. Budget for improved Occupational Health Service is

							now available, and this is being put into place. Action plan to improve diversity of workforce is part of action plan towards Equality Framework for Local Government due to be assessed at end of 2010.
							18 Jan 2010 Proposal for further training and support for managers during 2010 in tackling sickness absence.
							22 Dec 2009 Point 3. Provide further training in absence management for managers.
15	AR-PP_035 Improve performance with regards to staff sickness absence and the diversity of its workforce (Point 5).	1	Head of Policy & Performance	75%	31 Mar 2010	Use of Resources Dec 2009	06 Jul 2010 Taskgroup in place to review Sickness Absence management Policy & Procedure. Internal Audit report shows managers are following the procedure. Presentation from First Care offering external support for management of sickness reporting and information -at present monitoring sickness figures in 2010/11 which show some signs of improvement. Chorley offered feedback on Policy & Procedure as part of HR/OD stream of improvement programme. Additional Occ Health sessions commissioned.
							09 Apr 2010 Re sickness - Health Improvement Officer has been appointed.

						Managers have been reminded at Managers Group about Sickness Management and a sickness record highlighting the problems to be addressed has been circulated to Heads of Service on a regular basis. Funding has been requested for additional Occupational Health Support, to increase the availability from 1 to days per week. This will increase the throughput of sickness cases for evaluation and resolution. Re diversity of workforce - baseline data has been prepared. An advert is to be placed in the Equality Britain Directory, to raise the profile of the Council as an employer. This will also allow access to 6 months' free advertising of job vacancies on the Equality Britain website.
						18 Jan 2010 Format and means of publication to be decided. Data available.
						22 Dec 2009 Point 5. Publish profile of workforce including job applicants.