

ANNUAL GOVERNANCE STATEMENT MAY 2010

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Summary: To present the Annual Governance Statement for 2009/10 to Audit Committee for approval.

1. Introduction

- 1.1 The Council is required to make proper arrangements to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 The Council in presenting its annual accounts is also required to meet the requirements of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to publication of a statement of internal control or governance.
- 1.3 The procedure for compiling the Annual Governance Statement includes an overview of all Council services, practices and policies in providing assurance that the Council's accounts can be relied upon, as they are based on a sound system of corporate governance. In drawing up this Annual Governance Statement the Council's Corporate Team has had regard to the CIPFA Finance Advisory Network guidance.
- 1.4 The attached Annual Governance Statement sets out the extent of the Council's systems which contribute to its corporate governance and which therefore underpin completion of the final accounts. The Annual Governance Statement is signed off by the Leader and Chief Executive before the Council is asked to agree the final accounts.
- 1.5 This version of the Annual Governance Statement refers to the financial statements for 2009/10. It also includes some issues that arose during the audits of the SIC 2006/7 and AGS 2007/8 and 2008/9, as well as some new items. Among these are issues arising from the recent review of internal audit and audit of governance. Weaknesses identified have been incorporated into this Annual Governance Statement where they are priorities.
- 1.6 The Council embarked upon a major new corporate improvement programme, Choosing to Change, in 2009/10, supported by a number of external bodies which are in a position to provide support in the form of good practice, advice and resources. The programme will run for at least another eighteen months, and there are already signs that the Council's performance has begun to improve and be recognised for this.

1.7 During 2009/10 the Council's Chief Executive was absent on sick leave for nine months and retired in January 2010. The Council made arrangements to cover his role as Head of Paid Service, as well as covering his work on a range of internal and external issues during 2009/10. A new permanent Chief Executive is due to start work in July 2010. Business continuity arrangements have ensured that as far as possible the work of the Council has not been disrupted by the absence of this post-holder, and the risks to the Council's performance have been minimised.

2 Conclusion and Recommendation

2.1 It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money.

2.2 The attached Statements sets out what the Council has done and put in place to ensure as far as is possible that the safeguards are in place and that the Council's accounts are properly managed.

2.3 As the year progresses the actions highlighted as required in the Annual Governance Statement are monitored through action plans for the Corporate Governance Reports that the Audit Committee receives and includes in its ongoing audit work.

2.4 It is recommended that the Audit Committee approves the attached Annual Governance Statement 2009/10 and recommends it for inclusion with the Annual Statement of Accounts.

List of appendices:

Appendix A – Annual Governance Statement 2009/10

**COPELAND BOROUGH COUNCIL
ANNUAL GOVERNANCE STATEMENT 2009/10**

SCOPE OF RESPONSIBILITY

Copeland Borough Council 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, Copeland Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Copeland Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. Information about how the Council complies with this framework can be obtained from the Monitoring Officer. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control – the Annual Governance Statement.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Copeland Borough Council for the year ended 31 March 2010 and up to the date of approval of the Statement of Accounts for 2009/10.

THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the Council's Governance Framework include:

Communicating the authority's vision and outcomes for citizens and service users

The Council agreed a 5 year Council Plan including key objectives, which supports the delivery of Cumbria Community Strategy, Local Area Agreement and West Cumbria Sustainable Communities Strategy in 2007, updated on 24 June 2008.

In order to focus on delivery and communication of the Council's Vision and objectives, the Council developed a one year Corporate Implementation Plan for 2009/10. It took the 5 year Plan objectives and stated what would be delivered against them in 2009/10. This plan displayed, on a single A3 page, the key projects and performance indicators for 2009/10. A follow-up plan for 2010/11 was agreed by the Council in March 2010.

Individual Service Plans, linked to the Corporate Plan, set out key objectives for services in 2009/10 and these were in place by April 2009.

The Executive also approved the Copeland Regeneration Framework and Delivery Plan.

Reviewing the authority's vision and its implications for the authority's governance arrangements

The Corporate Improvement Plan showing priority projects and performance indicators for 2009/10 was started in autumn 2008, involved internal and external stakeholders and was approved by Executive in April 2009.

Developments in the CAA process have been consulted upon, discussed and responded to by the Council since that regime was introduced. Improvements arising from the CAA process and results were included in the Corporate Implementation Plan and service plans. Progress in meeting the new requirements was reported to Corporate Improvement Board and OSC Management during 2009/10.

Progress against corporate and service targets and objectives are reviewed quarterly. Performance against Corporate Implementation Plan objectives were reported to the Executive and Corporate Improvement Board quarterly. Key service objectives are monitored by the Chief Executive /relevant Director.

Reports on the impact of the recession in Copeland and Cumbria were considered by Executive on 28 July 2009 and 23 March 2010 to ensure that policies and decisions were sensitive to the economic climate.

Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources

Copeland Borough Council has had customer service standards and targets in place for many years and further development of customer service standards is ongoing, for example to respond to improving performance against NI 14.

During 2009/10 Copeland again carried out a survey to measure customer satisfaction with its standards. The results were positive and an improvement on the previous year.

The first Place Survey was conducted during 2008/9, and the results received in September 2009. Copeland BC on its own account and through working with other Cumbrian authorities identified a number of areas for urgent attention to address under-performance shown up in aspects of the Place Survey. Progress on these areas for improvement has been reported to OSC and Executive during the year.

Performance against national Best Value Performance Indicators (BVPIs), National Indicators (NIs) was monitored through individual service performance reports and, corporately, by the Corporate Improvement Board. A significant number of BVPIs were retained as local PIs to allow trends and comparisons with other authorities to be monitored.

Quarterly reports are made to Executive on progress against the 5 year Corporate Plan and NI's. Where performance is falling short of the target, corrective action has to be approved, including specific targets included in Service Plans.

Resource Planning Working Group ensures that resources are allocated to Council priorities. A Medium Term Financial Strategy was agreed by Full Council in February 2009. At the February 2009 Council meeting the full supporting budget was updated to reflect changed planning assumptions covering the period 2009/10 to 2011/12. The full Council approved the budget and policy framework.

By the end of 2009/10 it was recognised that the Medium Term Financial Strategy would have to change to reflect the new understanding of public sector finance within the national economic conditions following the General Election. A report setting out our understanding of what was likely to be required was agreed by Resource Planning Working Group on 8 April 2010.

The Executive received quarterly reports in 2009/10 on management accounts compared to revenue budgets and of capital expenditure compared to the capital programme.

A Procurement Strategy and a Sustainable Procurement Policy were prepared and adopted in February 2010 together with an improvement action plan. The Council actively participates in EPIC and uses the IDeA Marketplace system to maximise the opportunities for purchasing cost effectively.

A business case was approved to implement shared services in respect of Revenues and benefits and for Internal Audit.

The roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

Council's Constitution provides a general framework for governance which is reviewed at least annually and approved by full Council. This sets out the roles and

responsibilities of the Executive, non-executive Overview and Scrutiny and officer functions, with delegated powers explained.

The Executive meets at least monthly to facilitate prompt decision-making, with a "call in arrangement", preventing decisions being implemented for 7 working days, to allow for effective scrutiny. The Executive received regular reports on corporate performance throughout 2009/10. Individual Portfolio Holders have delegated powers and these are set out in the Constitution. Corporate Team members take an overview of all Executive and Council reports at timetabled pre-meetings during the year.

Executive and Council reports contain a section which sets out the financial implications of the report. The Constitution also sets out the basis for "key" decisions. All reports to Executive set out whether a decision is a "key" decision requiring it to be published in the forward plan.

In 2009/10 four Overview and Scrutiny Committees, had work plans which provided a mechanism for feeding into policy making. The Overview and Scrutiny Committees reviewed a range of topics proposed by stakeholders and arising from internal sources and external partners. These reviews resulted in recommendations for changes in Council policy or practice.

Through the Vacancy Management Group Copeland BC has been challenging the need to replace all vacant posts that have arisen in 2009/10 and the efficiencies that have arisen as a result have contributed to the Council's target for savings under NI179. Where it has been necessary to fill a vacancy to safeguard services, active consideration has been given on a case by case basis to options including short-term contracts, reduced hours, restructuring the team or selective use of interim or temporary staff.

Codes of conduct, defining the standards of behaviour for members and staff

The Councillors' Code of Conduct is signed up to by all Members of the Council. The Employee Code of Conduct was reviewed and reissued at April 2007. All employees are required to sign to say they have received it. Both of these have been subject to review under the Choosing to Change Constitutional review. Agreement to any changes will be later in 2010.

The Council has a Dignity At Work Policy which was reviewed with recommendations by a OSC task and finish group during 2008/9. When new Council employees are recruited, as part of the employment contract documentation they receive the Employees' Code of Conduct, Confidentiality Statement, Security Policy and CRB form, if required.

The Council achieved level 2 of the Equalities Standard for Local Government in March 2008, which included a significant effort in training and raising awareness of the law among Councillors, employees, partners and contractors. The Council is working towards gaining the Equalities Standard 'Achieving' by December 2010.

During 2009/10 a review by OSC Management of the Council's emerging Choosing to Change improvement programme led to a review of constitutional arrangements, including improved communication and engagement of members, review and revision of the rules governing Council meetings and proposals to restructure the

OSC function. The first phase of this work, supported by external expertise provided through North West Improvement and Efficiency Partnership, was to be agreed by Council on 13 April 2010.

Reviewing of Constitution including standing orders, standing financial instructions, scheme of delegation and supporting procedure notes/manuals,

The Council's Constitution has been under review throughout the later half of 2009/10 and this work is continuing into 2010/11. The Council meeting on 13 April 2010 approved a number of changes, and it is anticipated that there will be a second phase of constitutional changes agreed in September 2010.

The Council regularly reviews its financial procedures and Contract Standing Orders. Workshops for managers and other officers are arranged to raise awareness of procedures and changes of practice. Minor amendments to Financial Regulations were approved in December 2007. Contract Standing Orders were reviewed in January 2008. The Anti-Fraud and Corruption Strategy was updated in December 2009.

Individual Heads of Service provided an annual assurance statement on the operation of controls in their service area and this is one source of evidence in considering the effectiveness of the system of internal control.

The Council's Risk Management Strategy sets out how the Council approaches risk management. Risks to the delivery of service plans are set out in the annual service plans and are reviewed quarterly and reported as part of quarterly performance management procedures. The Strategic Risk Register is prepared and monitored quarterly by Corporate Team. Work to review and refresh the Strategic Risk Register was undertaken with support from external expertise during 2009/10. The Audit Committee and OSC Management considered the revised Strategic Risk Register, and arrangements have been put in place to report updates to the Register. Periodically to the Audit Committee.

Risk management and progress on developing a business continuity plan, was monitored regularly by Corporate Team. Another business continuity exercise took place in July 2009 that helped to identify gaps in our planning. A new corporate business continuity plan was signed off by Corporate Team on the 7 December 2009. Individual services have developed plans containing the details of how their service will support the corporate business continuity plan.

The core functions of an audit committee

The Audit Committee, established in 2007, has had an independent chair from January 2009. Its role is to monitor internal and external audit and inspection work, including reviewing the adequacy of internal controls.

Internal Audit submitted an Annual Report on Internal Control to the Audit Committee and a report on compliance with corporate governance standards on 27 May 2009.

The Audit Committee considered and formally adopted the 2008/09 Statement of Accounts on 26 June 2009.

The Audit Committee receives audit and inspection reports on behalf of the Council from External Audit, including the Annual Audit and Inspection Letter which was

presented to Members in February 2010. Other Audit Commission reports included the Auditor's report on Data Quality, the Use of Resources Judgement and Annual Governance report.

Early monitoring updates on the preparation of the 2009/10 accounts were submitted to the Audit Committee in November and December 2009, and April 2010.

Accounting Policies and Principles were formally approved by the Audit Committee prior to submission of the Statement of Accounts at its meeting on 22 April 2009.

Compliance with relevant laws and regulations, internal policies and procedures.

During 2009/10 Council decisions and arrangements for considering recommendations and items of business were in accordance with the relevant legislation and the Council's Constitution. The section 151 Officer and the Council's Monitoring Officer provided comments on every report to Executive and were present in person or represented by their appointed deputies at every meeting of the Full Council and Executive. Each Executive report contains a grid to allow assessment of the decision against the Council's policy framework.

The Council's budget was set in accordance with the requirements of the relevant legislation and guided by the Council's Medium-Term Financial Strategy. The s151 Officer is required to comment each year on the robustness of the proposed budget and this was supplied to Full Council prior to the agreement of the 2008/9, 2009/10 and 2010/11 budgets. The introduction of the International Accounting Standards to financial reporting has been adopted by Copeland in preparation of its accounts for 2009/10.

SORP 2009 has been reviewed and new requirements have been identified. This was reported to Audit Committee on 21/4/10. A detailed timetable for implementing change, including staff resource allocation, was drawn up and progress was regularly monitored. Sufficient time was allowed to produce the working papers and to carry out quality checks, whilst still meeting the statutory deadline.

The Control Accounts process for 2009/10 was reviewed by the Financial Accountant and new arrangements put in place to monitor progress. Guidance and training was offered to Managers on close down procedures and evidence required to support transactions. Evidence was reviewed by Accountancy officers before transactions were input to the financial ledger.

The Council continued to update its accounting procedures in line with the International Framework for Reporting Standards in 2009/10, achieving the expected goals by the end of the financial year. This area of improvement will continue applying the standards to remaining accounting systems during 2010/11.

A full review was undertaken of the Earmarked Reserves to ensure transactions were accurate and that expenditure was fully reflected in the Income and Expenditure Account. A Capital Control Group was set up in April 2009 to control and monitor capital account activities.

At every meeting of the Council there are opportunities for elected members to declare personal and prejudicial interest. There are registers which elected members and officers are required to use to declare hospitality and personal

interests. Corporate Team members and all Council members are required to complete an annual declaration of related party transactions.

The Council's call-in procedure for Executive decisions can be invoked if it is thought there has been a departure from policy guidance. There was 1 call-in during 2009/10. There were no S.151 or Monitoring Officer reports issued in 2009/10.

The Legal Services Manager issued bi-monthly updates to service managers on new legislation and associated statutory guidance;

Whistle-blowing and investigating complaints from the public

There were no adverse Ombudsman reports in 2009/10. Representatives of the Ombudsman's office came to train managers and complaints handling staff in good practice during 2008/9, and the Ombudsman's annual report for Copeland in 2009/10 was especially complimentary.

The Management OSC received quarterly reports of complaints to the Council during the year.

The Confidential Reporting Code was reviewed and re-launched in 2009/10.

Development needs of members and senior officers in relation to their strategic roles,

A Members' Development Plan was in place during 2009/10, arrived at through in depth discussions with individual members. The Council achieved the Members' Development Charter from North West Employers' Organization, which was renewed in September 2009.

The Council decided to secure the services of a training and development advisor to co-ordinate learning and evaluate the investment of the Council's training budget. The employees' Training and Development Plan was created in 2009/10 through a new employee performance management framework introduced April 2009. This framework was designed to identify employees' contributions and training needs to deliver the Corporate Plan and services' plans. Reaccreditation of the Investors In People award in July 2008 confirmed that the Council had mechanisms in place for employees to have access to effective and relevant learning.

In order to mainstream Section 17 (S17) of the Crime & Disorder Act 1998 in all Council activities the shared S17 officer provided training to Allerdale and Copeland members. A work programme for 2009/10 to ensure services audit their activities and embed S17 into their work programmes was under way. In 2010/11 the Section 17 officer will be working full time with Copeland staff and members.

Following the Data Quality audit inspection, managers and key staff attended data quality training. The Data Quality Action Plan for 2009/10 was fully complied with.

Communication and engagement with all sections of the community and other stakeholders

The Council's Communication Strategy sets out the main guidance for communication and consultation with the public. The Council consulted the public on the development of a range of its service and corporate objectives, including the

budget for 2009/10. During the preparation for the budget of 2010/11, SIMALTO was used again to seek detailed understanding and opinions from the public about Council priorities.

The Council was engaged in a range of activities to communicate with the public on the future of the nuclear industry in West Cumbria. The Managing Radioactive Waste Safety programme and the proposals for nuclear new-build in Copeland have been significant areas in which the Council has worked in partnership to engage with residents of the Borough.

To achieve Level 2 of the Equality Standard for Local Government the Council talked to a range of community organisations about improving service access during 2007/8. During 2008/9 the Council has been working towards gaining the Equality Standard 'Achieving' and has continued to work with community organisations as representatives of target groups to improve service access.

During 2009/10 the Council has been working with partners defining locality working arrangements to give opportunities for greater participation by the community, working with agencies to identify and address local needs. Three locality working pilots were set up and were working on locality plans by December 2009.

Good governance arrangements in respect of partnerships and other group working:

In order to increase its effective and efficient partnership working the Council has developed and formally agreed revised protocols and service level agreements for some partnerships.

External Audit opinion found that there were still improvements that the Council could achieve in developing sound governance of partnerships. This requirement was incorporated into improvement plans for 2009/10. The audit of risk management in partnerships carried out in Cumbria in 2009/10 will form the basis of improvements in Copeland as well as in other districts. Part of the Council's response to this work is to engage in the restructuring of the Cumbria Strategic Partnership and to contribute to the production of a single Sustainable Communities Strategy for Cumbria during 2010.

A review of all strategic partnerships has been underway during 2009/10 to be completed later in 2010. The involvement of elected members in outside bodies has been subject to review during 2009/10, with a view to more active involvement in partnerships, better feedback to the Council and being in a better position to manage risks of achieving Council objectives through partnerships.

REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

Copeland Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's (the Audit and Fraud Prevention Manager) annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework included the following:

- the **Authority** has continued to review its Constitution in 2009/10;
- the **Executive** has included in its Forward Plan decisions relating to the Council's governance;
- the **Audit Committee/Overview and Scrutiny Committees** have included a range of reviews of aspects of the Council's governance in their programmes of work, including, in the case of the Audit Committee, some statutory governance reports. The Audit Committee and the Overview and Scrutiny Management Committee also considered the update of the Strategic Risk Register.
- the **Standards Committee** undertook a review of ethical governance during 2007/8 and continued to deliver against the agreed action plan during 2008/9 and 2009/10. It has published an annual report of its activities for 2009/10.
- **Internal Audit** has created a plan for and undertaken a number of reviews including governance issues and reported its findings to Corporate Team and the Audit Committee;
- **other explicit review/assurance mechanisms.** Heads of Service have stated that to the best of their knowledge that in 2009/10 their services have complied with the Council's framework of policy and procedure in managing resources and observing the requirements of probity. Operational risks are identified through service and project planning and are logged on the Covalent performance system, monitored at least quarterly by managers. Risk management and progress on developing a business continuity plan was monitored regularly by Corporate Team.

The Audit Committee at its meeting of 27th May 2010, received the Annual Report on Internal Control 2009/10 from the Head of Internal Audit which concluded that based on the audit work undertaken in the year, the opinion was that key systems were operating satisfactorily and there was no fundamental breakdown in controls resulting in material error or discrepancies.

The meeting also considered the internal audit report of Corporate Governance Arrangements 2009/10, which evaluated performance against the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government and its checklist. The Head of Internal Audit concluded that the Council's Code of Corporate Governance is in line with best practice. The arrangements were generally effective and being complied with.

The meeting also received a report from the Acting Corporate Director (Quality of Life) on the effectiveness of the system of internal audit which operated in 2009/10. The report brought together the findings of the Self-Assessment of the Head of Internal Audit on the Council's compliance with the CIPFA Code of Practice for Internal Audit in Local Government, the Annual Report on Internal Control 2009/10 and the main findings of the External Audit in 2009/10 in relation to internal audit.

The conclusion of the report was that the system of internal audit had operated satisfactorily in 2009/10

SIGNIFICANT GOVERNANCE ISSUES

The significant governance issues in 2009/10 which we will want to address have been identified from a number of sources.

Strategic partnership arrangements and risks – a review across Cumbria by the Audit Commission identified weaknesses in the partnership structures and risk management arrangements for the Cumbria Strategic Partnership. Restructure and

a review of management arrangements for Cumbria Strategic Partnership have already been put in place, and work is on-going to strengthen the systems and controls needed to achieve objectives through partnership working. Copeland is aware that it must play its full part in these improvements, by ensuring that partnerships already in place and any new partnerships are properly managed, and work on this which started in 2009/10 will continue in the coming year.

The national economic situation requires the Council to address the likely budget gap arising from public sector funding reductions 2011-14. A programme of reviews is designed to identify how the Council can reduce its revenue budgets, whilst continuing to provide services which are statutorily required and maintain internal controls. These will take place from May to September 2010.

As part of the Council's review of its expenditure in 2010/11 which will be required to reduce its revenue budgets, it is anticipated that management roles and responsibilities will be closely scrutinised with a view to creating a new management structure. In doing this the Council must ensure that arrangements for the S151 Officer role are properly secured.

The Council's Strategic Housing Service received a second unfavourable inspection report in 2009/10 and is now working hard at improving its improvement planning, working with partners on a Cumbria-wide response to housing issues across the county and rebuilding relationships with partners and customers.

The Place Survey carried out nationally in 2008/9 fed back low satisfaction levels among residents of Copeland and Cumbria. Although the Council has taken action to address some of the major areas of concern with Cumbrian colleagues and on its own account, there are a number of issues that will take more time to have the desired impact. The Place Survey is due to be repeated in 2010/11 and the results will also be fed into improvement planning.

Copeland Borough Council's workforce lost many days to sickness absence in 2009/10, over-turning an improving situation over the previous three years. A number of management actions have been started to address this under-performance, which it is anticipated will focus on areas of weakness in resources and procedures. An action plan to tackle this under-performance in 2010/11 is in place which includes: commissioning additional Occupational Health service sessions; review of sickness absence policy and procedure; internal audit of procedures; monthly consideration of the sickness figures by Corporate Team; improvements to information systems and research into external providers for some aspects of the sickness management process.

The Council's new Workforce Strategy was prepared early on 2010 before the Council was able to agree a new Vision and Corporate Plan. This is expected by September 2010, and therefore the Council will continue to develop its workforce plan so that it supports delivery of the Council's new objectives.

The Council is making progress in raising awareness of ethical governance in conducting its business and for the first time in 2009/10 the Council's Standards Board published an Annual Report and presented it to the full Council. However there is more to achieve in this area in 2010/11, for example issuing guidance notes to all elected members in Copeland.

Locality Working is being developed in Copeland and there are currently three pilots in progress in North East, Mid and North West Copeland. The intention is that all of

the Borough should be covered by locality arrangements during 2010/11 and discussions in the areas outside the pilots are currently on-going with a view to completing coverage.

The Council's Communication Strategy is due for revision, particularly in light of the changes in requirements for engagement, under for example the Duty to Involve. It is anticipated that as part of the Choosing to Change programme a new communication and engagement strategy will support into the various workstreams and allow the Council to adopt that good practice as part of its corporate strategy.

The Significant Governance Issues to be taken forward and addressed in 20010/11 are set out in the table below, together with a proposed target date for each.

ANNUAL GOVERNANCE STATEMENT 2009/10 ACTION PLAN

Priority Key: P1 s.151 issue or statutory requirement
P2 Key control
P3 Desirable but not essential

Issue No. / Priority	Corp Governance Report Ref.	Issues	Action Agreed	Responsible Officer	Target Date
1 P2	Arising from Revised 2007/08 AGS 27/3/09; Inspection of Strategic Risk Management Cumbria	Improve arrangements to identify and mitigate potential risks associated with partnership working. This will include setting up a register of partnerships, including accountable body status, and financial governance procedures – including risk management.	Partnership Group established, Chaired by Head of Development Strategy. Framework for analysing Partnership Register has been developed to identify key partnerships in terms of risk and impact. Outcome will be reported in 2010. Also requires new procedures for mitigating identified risks.	Corporate Team – Lead Officer- Head of Devt Strategy	July 2009 January 2011
2 P2	4.3	Keep under review the Council's arrangements for Business Continuity Planning, including regular testing of these arrangements. Specifically loss of premises has not been tested recently.	Aspects of Business Continuity arrangements will be tested as part of the Emergency Planning exercise in summer 2010.	Corporate Team – Lead Officer: Acting Director (Quality of Life)	31/10/10
3 P1	Arising from Revised 2007/08 AGS 27/3/09	Following an adverse inspection report on the statutory Housing function, an Improvement Plan was drawn up. Need to monitor progress against the Housing Strategy Improvement	Revised Improvement Plan in preparation. The Strategic Housing Panel meets monthly and monitors progress closely.	Head of Development Strategy	September 2009

Issue No. / Priority	Corp Governance Report Ref.	Issues	Action Agreed	Responsible Officer	Target Date
4 P1	2.2	Plan. [A special Panel has been established for this purpose]. Ensure that the CIPFA Statement on the role of the Chief Financial Officer is taken into consideration during any restructure/appointment in 2010/11	Corporate Team has also maintained a monitoring role. Make suitable arrangements for filling role of Chief Financial Officer/S151 as part of any restructure in 2010/11	Chief Executive	31/3/11
5 P2	5.3	Continuing development of the Workforce Strategy	Further develop the Workforce Strategy to support delivery of the new Corporate Plan	Head of Policy & Performance	31/1/11
6 P2		Increase awareness of ethical governance by acting upon the Standards Committee request that a series of guidance notes be issued to all Copeland BC elected members and Town and Parish clerks.	Issue Guidance Notes during 2010/11	Head of Legal and Democratic Services	31/3/11
7 P2		Ensuring procedures are evidenced in relation to land sales, particularly aspects of public involvement. This resulted from the review of procedures and documentation surrounding a land transaction in 2006/7 by the External Auditor.	Procedures being reviewed for disposal of land in line with Audit Commission recommendations in Annual Governance Report 2006/7 published March 2009 to be considered by new Capital Control Group. Finalise new procedure.	Head of Development Operations	31/12/10
8 P2	6.2	Roll out Locality Working (as piloted in NE Copeland) to the rest of the Borough	Deliver the plan for locality working in Copeland	Head of Devt Strategy	31/3/11
9 P2	6.2	Update the Communications Strategy	Develop in light of the communication and engagement strategy for Choosing to Change	Head of Policy & Performance	31/1/11

Issue No. / Priority	Corp Governance Report Ref.	Issues	Action Agreed	Responsible Officer	Target Date
10 P1		Address need to reduce revenue budgets in 2011/14 to level sustainable from income, whilst delivering on corporate objectives.	Carry out service reviews to identify plans for sustainable reductions over next three years.	Chief Executive	31/12/10
11 P2		Carry out improvements in Council activities to address arising from Place Survey results in 2008/9.	Deliver on plans agreed following results of first Place Survey	Acting Director (Quality of Life)	31/3/11
12 P1		Reduce number of employee days lost due to sickness absence.	Deliver on plan to review policy and procedure and support improved management practice.	Head of Policy and Performance	31/3/11
13 P2	Rising from Annual Report on Internal Control	Adopt a Grants Protocol & Procedure, to minimise the risk of loss of grant.	As recommended to support Accountable Body function	Acting S151 Officer and Head of Devt. Strategy	30/9/10

ANNUAL GOVERNANCE STATEMENT 2008/9 ACTION PLAN- RESIDUAL SIGNIFICANT ITEMS

Priority Key: P1 s.151 issue or statutory requirement
P2 Key control
P3 Desirable but not essential

Issue No. / Priority	Corp Governance Report Ref.	Issues	Action Agreed	Responsible Officer	Target Date
1 P2	4.3	Overall risk management arrangements should be considered at least quarterly by the Audit Committee.	Risks are monitored and recorded on Covalent as part of quarterly monitoring	Head of Policy and Performance	Ongoing in 20010/11

Issue No. / Priority	Corp Governance Report Ref.	Issues	Action Agreed	Responsible Officer	Target Date
2 P3	6.2	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.	Propose an Annual Report, based on progress against the Corporate Improvement Plan.	Corporate Team - Lead Officer.	31/7/10
			procedures. A quarterly report on risk management to be submitted to the Audit Committee.		

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 as part of our next annual review.

Signed:
Leading Member (or equivalent)

Signed:
Chief Executive (or equivalent)

Date:.....