

# Annual Governance Statement 2014/15

## Scope of responsibility

1. Herefordshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, 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.
2. In discharging this duty, the council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. These include arrangements for the management of risk.
3. The council has adopted a code of corporate governance that is consistent with the principles of the Chartered Institute of Public Finance & Accountancy ("CIPFA")/Society of Local Authority Chief Executives ("SOLACE") framework for delivering good governance in local government. The council's code is available on the website at the following link:  
<http://councillors.herefordshire.gov.uk/documents/s50012943/Preamble.pdf>
4. The annual governance statement for 2014/15 explains how the council has complied with its code of corporate governance. It also explains how 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 of internal control have been met.

## The purpose of the governance framework

5. The governance framework comprises the systems, processes, culture and values by which the council is managed and controlled. The framework also sets out how the council accounts to, engages with and leads the community.
6. The governance framework enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.
7. 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 as an individual's failure to comply with policies and procedures, even when provided with comprehensive training on them, can never be entirely eliminated.
8. The system of internal control is based on an ongoing process designed to:

- (a) identify the risks to the achievement of the council's policies, aims and objectives;
- (b) evaluate the likelihood and impact of the risks should they be realised; and
- (c) identify and implement measures to reduce the likelihood of the risks being realised and to negate, or at least mitigate, their potential impact.

## The governance framework

9. The council's corporate governance framework was adopted by Council on 31 October 2008 and has been reviewed annually by the section 151 officer to ensure it remains fit for purpose. It seeks to ensure that the principles of good governance are embedded into all aspects of the council's work. The five principles agreed within the code link to the six principles of good governance outlined in the SOLACE/CIPFA publication "Delivering good Governance in Local Government".
10. For ease of reference, the following table matches the council's five principles with those contained in the SOLACE/CIPFA guidance:

<b>SOLACE/CIPFA Guidance - Principle 1</b>	Focusing on the purpose of the authority, on outcomes for the community and creating and implementing a vision for the local area.
<b>Council – Principle 1</b>	Provide the best possible service to the people of Herefordshire.
<b>SOLACE/CIPFA Guidance - Principle 2</b>	Members and officers working together to achieve a common purpose with clearly defined functions and roles.
<b>Council – principle 2</b>	Define the roles of members and officers, ensure that they work together constructively and improve their effectiveness.
<b>SOLACE/CIPFA Guidance - Principle 3</b>	Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
<b>Council – Principle 3</b>	Require high standards of conduct.
<b>SOLACE/CIPFA Guidance - Principle 4</b>	Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
<b>Council – Principle 4</b>	Take sound decisions on the basis of good information.

<b>SOLACE/CIPFA Guidance - Principle 5</b>	Developing the capacity and the capability of members and officers to be effective.
<b>Council – Principle 2</b>	Define the roles of members and officers, ensure that they work together constructively and improve their effectiveness.
<b>SOLACE/CIPFA Guidance - Principle 6</b>	Engaging with local people and other stakeholders to ensure robust public accountability.
<b>Council – Principle 5</b>	Be transparent and open: responsive to Herefordshire's needs and accountable to its people.

11. The framework we have in place to ensure adherence to the code is described in more detail below.

**Principle 1 – Provide the best possible service to the people of Herefordshire**

12. Herefordshire Council's strategic vision for the county is set out in the corporate plan 2013/15 approved by Council in November 2012. An annual delivery plan is approved by cabinet and funding to carry out these activities is agreed through the medium term financial strategy 2014/17 (MTFS). The MTFS is a three year rolling plan, covering both revenue and capital investment, updated annually. Both documents are scheduled for review in 2015/16 to ensure they remained aligned to residents' priorities and fit for purpose to meet the financial challenges facing public services.
13. During 2014/15 a significant number of previously agreed financial savings plans were delivered alongside significant service transformation in adult wellbeing services and children's safeguarding services.
14. Overall performance has been reported to cabinet on a quarterly basis together with financial outturn reports. Quarterly performance reviews have taken place led by senior management and providing the opportunity for members of the executive, overview and scrutiny chairs and group leaders to participate. In addition cabinet receives in June an annual report on performance, financial outturn and summary of the evidence base captured in 'Understanding Herefordshire' which incorporates the joint strategic needs assessment for the county, and summarises the input received from residents through consultations completed during the year. All these documents are available on the council website.
15. The council aims to have good governance arrangements in respect of partnerships, and has developed protocols for working with particular sectors such as local councils and the voluntary and community sector. More formal partnership arrangements with other councils, such as the

Marches Local Enterprise Partnership, have been established as joint executive committees and comply with all relevant statutory requirements for open and accountable decision-making

**Principle 2 – Define the roles of members and officers, ensure that they work together constructively and improve their effectiveness**

16. The constitution sets out transparently and comprehensively the rules controlling our business including the council's executive arrangements, committee structure, codes of conduct, contract standing orders, financial procedure rules and schemes of delegation. We continue to refine and monitor our decision-making processes and constitutional arrangements to ensure they are robust, consistent, transparent, and fit for purpose.
17. The audit and governance committee's terms of reference encompass responsibility for review of the constitution and in 2014/15 a cross party working group was established to inform this work reporting to the committee. Due to the elections held in May 2015, it was agreed the working group would focus on collecting initial information and the more fundamental review would be progressed by the new council.
18. The council publishes an annual pay policy statement setting out arrangements for employee remuneration.
19. There is a formal staff performance review requirement for all officers.
20. An independent remuneration panel is established which makes recommendations to Council regarding member allowances; the panel's last report was considered by Council in May 2015 and is available at the following link:  
<http://councillors.herefordshire.gov.uk/documents/s50025963/Appendix%20A.pdf>
21. Following Council's approval of the recommendations of the independent remuneration panel, with effect from May 2015 there will be a number of mandatory training modules members will be required to undertake.

**Principle 3 – Require High Standards of Conduct**

22. The council has agreed values, which act as a guide for decision-making and a basis for developing positive and trusting relationships both within the council and between the council and its partners. The council follows CIPFA recommended standards of conduct; although the s151 role is not fulfilled by a director the role has direct lines of accountability to the chief executive and is a member of the senior management team.
23. A regular programme of member training has been delivered and induction provided for new members. Refresher briefing sessions on the code of conduct are held annually both for Herefordshire Council members and for parish and town councillors. The annual report of the monitoring officer includes performance information regarding standards cases.

24. Managers are responsible for making sure employees keep to policies, procedures, laws and regulations. There is an employee code of conduct setting out clear expectations and standards; this is supported by employee policies such as whistleblowing, grievances, bullying and harassment.

#### **Principle 4 – Take sound decisions on the basis of good information**

25. The council ensures its constitutional arrangements provide for effective council and executive decision-making with clearly defined roles for members and officers. Decision makers are provided with complete information necessary for them to take balanced and informed decisions.
26. The council's two overview and scrutiny committees are provided with the support necessary to enable them to perform all statutory duties required of them.

#### **Principle 5 – Be transparent and open: responsive to Herefordshire's needs and accountable to its people**

27. All meetings are held in public unless there are clear legal reasons for confidentiality. All executive decisions, including those taken by officers under delegated authority, are available on the council's website.
28. Public participation through submission of questions is encouraged at Council; the overview and scrutiny committees also provide for public participation both through submission of questions and suggestions for inclusion in the work programme.
29. The council has strategies which support engagement; promote the use of digital technology to increase engagement and self-service; and respond to customer concerns if expectations are not met.
30. The communications team help the council to communicate with all sections of the community in Herefordshire via the media, marketing and through digital channels. Services are making increasing use of social media.
31. The council meets its statutory responsibilities regarding data transparency.

#### **Ensuring the authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) and, where they do not, explain why and how they deliver the same impact**

32. The section 151 officer is not fulfilled by a director post; however the officer is a member of the senior management team and the arrangement does not have any negative impact in how the officer fulfils their statutory duties. Financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
33. The section 151 officer has direct access to the chief executive, senior management and members on financial matters who are all involved in the

detailed medium term financial planning process. They also provide regular revenue and capital budget monitoring reports to cabinet.

## Review of effectiveness

34. Herefordshire 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, jointly led by the section 151 officer and the monitoring officer, is informed by reports from internal and external audit, risk and performance reports, analysis of complaints and standards issues through the year, and assurance reviews completed by managers.
35. Internal audit reports include specific agreed action plans to implement improvements identified, these are reported annually to the audit and governance committee. Nine areas reviewed by internal audit during 2014-15 were given partial assurance and one area was given no assurance. The no assurance and five of the partial assurance opinions related to school audits and each school has an action plan of recommendations that has been agreed and will be monitored by the relevant head teacher and school governors. The remaining four partial assurance opinions related to service specific issues and the agreed action plan for each is monitored by the relevant service director.
36. The results of the review were provided to senior management to consider, and as a result of this review of the effectiveness of the governance framework an action plan has been drawn up (at appendix A) to address the key issues identified and ensure continuous improvement. The previous year's compliance planning process/outcomes is included at appendix B.

Cllr Barry Durrant  
Chairman, audit and governance committee

Signed:  
Date: 23/9/2015

Alistair Neill  
Chief executive

Signed:  
Date: 24/9/2015

Peter Robinson  
Director of resources

Signed:  
Date: 23.9.15.

Appendix A: Annual Governance Statement Action Plan 2015/16

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
<p>Principle 1: Provide the best possible service to the people of Herefordshire</p> <p>1. A lack of evidence that system wide processes to ensure safeguarding of both children and adults is sufficiently robust in all agencies and that accountabilities are clear and understood.</p>	<p>a) Herefordshire safeguarding children board improvement plan in place to address weaknesses</p> <p>b) Making Safeguarding Personal (MSP) implementation plan is completed and benefit realisation review takes place</p>	<p>JD</p> <p>MS</p>	<p>Dec 15</p> <p>Dec 15</p>	<p>Board has monitored progress regularly and has made some progress. Areas identified as requiring faster progress are child sexual exploitation, multi agency training and hearing directly from front line practitioners and children and families. The Board will be considering a short external evaluation in October and is identifying how to enhance progress in the areas causing concern.</p> <p>MSP went live in January 2015 including weekly monitoring across operational teams continues. This has focussed attention on historical problem areas to ensure operational managers are able to drive improvement</p>	<p>The Board has an effective child sexual exploitation strategy which is making a measurable impact in this area. There is a robust multi-agency training plan in place and effective training is commissioned and the impact on practice and outcomes for children is clear. The Board has an effective strategy to engage with front line practitioners and children and families</p> <p>Percentage of concerns progressing to enquiry reduced Extra capacity results in an increase in the percentage of concerns into enquiry made within 2 working days. Percentage of enquiries completed within 28 days</p>	

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	<p>c) Safeguarding adults peer challenge is completed and action plan implemented for areas of improvement</p>	MS	October 15	AWB safeguarding peer challenge took place in September 2015; formal feedback should be received during September.	<p>of decision to progress NOTE – targets are monitored by management for quality assurance purposes Percentage of service user outcomes achieved Percentage of cases where the adult feels safer as a result of the enquiry Assurance that the changes to safeguarding adults board governance have delivered change, and that action plans are sufficient in focus and pace to give confidence to the wider system, service users and carers. Understanding how much positive impact MSP is having on both practise and the confidence of our workforce in safeguarding vulnerable people Assurance on how effective changes to performance management are and</p>

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
2.	Contract management is not consistently focused on achievement of contracted outcomes	<p>a) A commercial board will provide oversight and management of key commercial matters. Contract management will be a key feature and include the management of key (platinum) contracts, plus, the agreement of a contract management framework to provide consistency of approach across the authority.</p> <p>b) A programme of contract management training is in place to improve contract management skills. Attendees are developing a community of practice to support</p>	RB	Ongoing	Board established with membership from all directorates	<p>how we could improve service user and carer feedback into the process</p> <p>Understanding how we could further strengthen multi partnership engagement and involvement in the safeguarding adult's agenda</p> <p>Improved coordination of contract management activity and forum in place to enable sharing of good practice and experience.</p>
			RB	Sept 2014 – Ongoing	A total of 177 staff days of training has been delivered so far. A self-service assessment tool to rate contract risk, supported with contract	Contract managers across the organisation able to demonstrate required skills.

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
		<p>development of skills and consistency.</p> <p>c) Improving contract management performance will also be included as part of the Commissioning and Commercial Strategy due to the refreshed by end of 2015.</p>	RB	Dec 2015	<p>management guidance in development and due to be piloted in Oct 2015.</p> <p>Work commenced on reviewing current strategy</p>	Clear commitment to effective contract management reiterated as part of new commissioning and commercial strategy
3.	As public sector resources reduce there is a need to ensure that the council's vision and objectives are clearly understood by the wider public sector	a) Fully engage with WVT, the CCG, Police, Fire and Rescue, and other agencies – with the aim of jointly leading public sector reform in Herefordshire to maximise use of resources.	AN	Ongoing	July Summit meeting organized to establish overall strategic changes; September Summit organised to establish definition of possible change plans. Central part of devolution deal proposal.	Council vision and objectives are clearly understood by partners.
4.	Principle 2: Define the roles of members and officers, ensure that they work together constructively and improve their effectiveness  There is an identified lack of clarity amongst members (and officers) re roles/and processes	a) Constitution (including codes & protocols) to be reviewed in conjunction with cross-party constitution working group.	GH	May 2016	Governance improvement working group work plan and timetable agreed by audit and governance committee in July; first meeting held in September.	Improved understanding and awareness of roles and processes as evidenced by member feedback and compliance with governance processes.
5.	Individual directorates/ services have undergone	a) Consider options of corporate	AN	December 2015		Business planning informed by peer

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	recent elements of peer challenge. We will consider further peer challenge to inform future strategic direction/business planning.	peer review or ECC review.				reviews.
6.	Staff reductions have placed a new level of work pressure on staff and on particular departments. Whilst there are signs that morale related to working for Herefordshire Council has improved, we still need to work hard on giving staff a clearer sense of our direction of travel.	<p>a) Ensure clarity of vision and purpose for the organisation.</p> <p>b) Ensure effective staff and member engagement in change and clear, resourced succession planning processes are developed</p>	AN	March 2015		Employee opinion survey: "The council has a clear sense of direction" Improve response rate to above 50% (base line 33% agree July 2015)
			PR	December 2015	Improved establishment information aligned to budget – either through recruitment or managing change processes. Succession planning – identify key roles (e.g. chief officers / heads of service / critical) – and determine through a process a plan for that post should it become vacant template used in other organisation that we could look to adapt to save reinventing the wheel). For children's social workers – the Newly	Employee opinion survey: "I am kept informed of the changes". Improve response rate to above 65% (base line 56% agree July 2015)  Resource plan for each directorate in place.  Succession planning process in place for all chief officer and critical posts.

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
				Qualified Social Worker programme is already in place that will make the shift from agency to permanent in the medium term.	
Principle 3: Require high standards of conduct					
7. Fraud – A lack of focus across the authority and input by Internal Audit	a) Higher profile given to fraud awareness through leadership group	PR	October 2015	Days allocated in the internal audit plan, this includes work on national fraud initiative (NFI) to help services with the review of the matches where they are finding it difficult to do this A bulletin to schools is issued through the schools forum following the themed review of prevention of fraud in schools to raise awareness across all schools. Fraud alerts are also an ongoing process and are sent to officers in the council.	Greater awareness of fraud and pro-active use of NFI data by council officers
8. Data protection/information security – as evidenced by number of breaches, including those arising through interim staff and	a) Implement action plan to deliver national information governance (IG) toolkit and progress to level 3 of	GH	April 2016	Continued improvement in the standard reached for the IG toolkit.	Target level 3 in some areas by 2016 and re-inforce and embed level 2 (the statutory minimum) of the tool kit

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
partnership arrangements	compliance				in all areas. Reduced number of data breaches.
Principle 4: Take sound decisions on the basis of good information					
9. Performance and quality data is not used as effectively as it could be to inform improvement activity eg as evidenced by the effectiveness of controls re use of agency staff.	a) Corporate performance and financial monitoring reporting will be combined to improve linkages between performance and required improvement activity with new format in place from quarter 1. Reports will also incorporate risk and strategic HR information.	RB	Ongoing	Combined performance and financial reporting has been achieved with quarter 1 reporting to management board and cabinet. The format will be refined over the coming quarters to further improve the effectiveness of the report for decision makers.	Cabinet and management board able to make use of clear performance and financial information to identify areas for improvement
10. Lack of robustness of challenge re business cases/benefits – consistency of business cases; follow up re benefits realisation	a) Finance team to instigate more robust challenge on business case and benefits and follow-up re. benefits realisation	PR	October 2015	New business templates in place, finance team challenging cases and monitoring savings plans which are published in cabinet reports	Achievement of business case proposed outcomes
11. Insufficient linkages between strategic planning processes, project management, and individual decisions e.g. as evidenced by the Colwall school building decision, and compliance with health and safety procedures	a) Review performance management arrangements to ensure compliance issues are addressed b) Corporate health and safety board strengthened	GH GH	December 2015 September 2015	Cabinet approved refreshed policy (including revised governance	Capital strategy group in place and issues dealt with in a programmed way. Health and Safety issues identified in a timely fashion and properly risk assessed and mitigated.

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
				arrangements) in September 2015	
Principle 5 – Be transparent and open: responsive to Herefordshire’s needs and accountable to its people					
12. Although there is a significant amount of information made available publically, including in relation to decision taking, it is not always easy to find on the website or easily understood once found leading to a perception that information is being withheld and/or decisions are taking place ‘behind closed doors’.	<p>a) Update website to improve transparency and make it more user-friendly.</p> <p>b) Review decision-making governance processes to ensure there is a proportionate approach to transparency re decision-making so that information is available about decisions taken, that schemes of delegation are clear, but that the process of documenting decisions is not overly bureaucratic.</p>	GH	February 2016	Implementation plan in place.	Updated user friendly website in place and operational, user satisfaction improved
		GH	May 2016	Included within the remit of the review of the constitution (see 4a above)	Clear governance processes which enable effective engagement and timely decision-making.

**Owner:**

- RB = Richard Ball, assistant director place based commissioning
- JD = Jo Davidson, director children’s wellbeing
- GH = Geoff Hughes, director for economy communities and corporate
- AN = Alistair Neill, chief executive
- MS = Martin Samuels, director adults and wellbeing
- PR = Peter Robinson, director of resources



**Appendix B: Annual governance statement action plan 2014/15 outturn**

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
<p>Principle 1: Provide the best possible service to the people of Herefordshire</p> <p>13. <u>Safeguarding</u>                      In early 2014/15 Ofsted undertook a follow up inspection of children's safeguarding and re-graded the service from 'inadequate' to 'requires improvements' but given the improvements required the current intervention arrangements remain in place. Health &amp; Social Care Overview &amp; Scrutiny Committee undertook a review of scrutiny arrangements for children's safeguarding and identified a number of improvement areas.                      The impacts of reductions in council finances combined with growing demand in both adults and children's services need to be better understood to enable effective planning and demand management. Adults Safeguarding Board has not produced an annual report for 2013/14 or a business plan for the current</p>	<p>a) Development of protocol governing arrangements between HSCB and Children's Improvement Board</p> <p>b) External peer diagnostic of HSCB and development plan</p>	<p>JD</p>	<p>As set out in OFSTED action plan</p>	<p>Protocol established and approved by the HSCB and the Improvement Boards at their respective meetings on 22<sup>nd</sup> October. This action is therefore fully discharged.</p> <p>The HSCB has been monitoring its progress in relation to the improvements identified by OFSTED and the peer review. Whilst there has been some improvement in the functioning of the Board, the Board is also concerned by slower progress in relation to some aspects of the Boards business such as child sexual exploitation and training. As part of its improvement the Council commissioned the previous improvement board chair to conduct a 9 month review of the</p>	<p>No further action is required on this as the Improvement Board is no longer in place, following the lifting of the intervention notice</p> <p>The Herefordshire Safeguarding Children Board is effective in securing effective multi agency safeguarding practice and children are safe in Herefordshire. This remains a priority action for Herefordshire.</p>	

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	<p>year.</p> <p>The speed within which adult safeguarding investigations are completed has been identified as needing improvement.</p> <p>The evolving health and social care governance structures require clarity regarding accountability for ensuring safeguarding improvements for both adults and children are achieved.</p>	<p>c) Clear forward plan for Boards and Scrutiny to assure sufficient oversight of safeguarding matters</p> <p>d) Agreement through Group Leaders and constitution changes to secure mandatory training elements for members of the new Council</p> <p>e) Monitoring the effectiveness of services with a focus on retaining a strong front line. Focus service investment where it can be most effective whilst meeting</p>	<p>JD</p> <p>BN</p> <p>JD/HC</p>	<p>November 2014</p> <p>March 2015</p> <p>March 2015 &amp; ongoing</p>	<p>Board and this will be considered by the Board at its October meeting</p> <p>The Board and the scrutiny committee have forward plans.</p> <p>The HSCB Chair has challenged whether the scrutiny committee has sufficient time to cover the children's wellbeing agenda; the scrutiny chair and vice chair are reviewing the forward plan with officers.</p> <p>Council approved mandatory training (including safeguarding) on 22 May. All members provided with opportunity for face to face training on safeguarding in addition to mandatory e-learning module.</p> <p>Children's Wellbeing: The Scrutiny Committee and Cabinet continue to monitor the effectiveness of services.</p> <p>The Annual Report of the Safeguarding Children Board will be</p>	<p>Both the HSCB and Scrutiny perform their specific functions well and sufficient time is given to all the relevant aspects of the children's safeguarding agenda.</p> <p>Improved awareness amongst members of safeguarding issues and leadership role. Periodic refresher training will be available; continued inclusion on the action plan is not required</p> <p>Adults: Public are well informed around the safeguarding adults board business objectives and the safeguarding adults agenda.</p> <p>Compliance with best</p>

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	<p>statutory obligations.</p>			<p>reporting to both governance bodies in the Autumn 2015. Scrutiny committee is also considering the annual self assessment of children's services. Members are well sighted on the staffing issues which impact on the strength of the front line services Adults Wellbeing: there is an adults safeguarding board report due for publication in September 2015 spanning financial years 2013/14 and 14/15. The board has in place a business plan aligned to current strategic priorities and objectives</p>	<p>practice and care act legislation. Children's: The public are well informed about the quality and impact of safeguarding services; they are clear about the role communities play and they can see the value for money provided by services. Compliance with best practice and safeguarding legislation and best use of resources.</p>
	<p>f) Ensure that robust Information sharing protocols are in place to support the partnership arrangements (IG toolkit)</p>	<p>CT</p>	<p>March 2015</p>	<p>Agreements have been sent to our key partner Strategic Partners in Health and the Police, and signed off by management board. Local agreements with partners are periodically</p>	<p>A raised understanding and awareness at a local level of who we are sharing data with and what we are sharing and the reassurance that we are sharing it safely and securely and</p>

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
					<p>reviewed to ensure they remain fit for purpose</p>	<p>appropriately. Improved public confidence in the council and the data we hold</p> <p>Ongoing and continually changing as we re-commission services. However Information governance protocols are now embedded in that commissioning process ensuring that data sharing is understood and safeguarded. Continued inclusion on the action plan is not required.</p>
		<p>g) Adults Safeguarding Governance and Operational Arrangements require reviewing and an action plan put in place for improvement and compliance with the Care Act</p>	<p>HC</p>	<p>December 2014</p>	<p>Review completed and the Council has signed up to implementing Making Safeguarding Personal (MSP) a national programme. An improvement action plan is in place with a new process implemented from December 2014 and ensure compliance with Care Act 2014</p>	<p>Action plan developed and council operational with MSP since January 2015. A full action plan will be developed following receipt of the final peer review report which is due in September 2015.</p>
		<p>h) Adult Safeguarding Performance monitoring mechanisms put in place and</p>	<p>HC</p>	<p>March 2015</p>	<p>Safeguarding adults board and steering group now receive</p>	<p>A revised scorecard in place and used for Q1 reporting. This has</p>

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
		<p>a safeguarding adults peer challenge will be commissioned in 2015</p>			<p>regular performance report Safeguarding performance is now reported as part of council wide quarterly performance meeting. A review of the performance scorecard will be required following the peer review</p>	<p>enabled monitoring by the performance audit and quality assurance group, a subgroup of the board, of key performance metrics and is reported to the board's exec group.  Internal council monitoring of 'making safeguarding personal' performance is now being monitored on a weekly basis and reported to directorate senior managers on a monthly basis</p>
14.	<p>Public health/integration – the quality of data existing in relation to contracts/services novated under the recent national health reforms has been inconsistent and in some cases absent. Insufficient focus has been given to ensuring staff transferring to the local</p>	<p>d) Due Diligence is carried out on all novated contracts and where appropriate contracts are transferred onto local authority terms and conditions within 14/15</p>	HC	March 2015	<p>All contracts reviewed and a planned approach to transferring them onto council terms and conditions.</p>	<p>All contracts scoped and on a rolling process for review on a regular basis.</p>

	<b>Area for Improvement</b>	<b>Actions</b>	<b>Owner (see key at end)</b>	<b>Timescale</b>	<b>Progress Update</b>	<b>Improvement outcome</b>
	authority have a full understanding of local government governance requirements and processes.	<p>e) Introduction to Local Authority Governance Workforce Development session undertaken by all Public Health Staff</p>	HC	March 2015	Induction sessions have been delivered to ensure coverage of all public health managers and a rolling development programme is now in place.	Public health staff clear on local authority governance process.
		<p>f) Ensure that processes are in place regarding Information governance and that the Local government IG toolkit is implemented</p>	CT	March 2015	Continued improvement in the standard reached for the IG toolkit. Target level 3 in some areas by 2016 and re-inforce and embed level 2 (the statutory minimum) of the tool kit in all areas.	There has been some improvement in working practice and Information Governance, but continued inclusion in the action plan is recommended.
15.	Commissioning/contract management – whilst processes for commissioning are established there is evidence to suggest that they are not consistently followed eg high number of contract procedure rule exemption requests to extend existing contracts Contract management is not consistently focused on achievement of contracted	<p>a) Corporate Governance and compliance with the formal decision making process is reflected in the revised Contract Procedure Rules due to be implemented as part of the review of the constitution.</p>	BN	March 2015	The review of the council's governance arrangements was delayed pending the election; it has now recommenced, and is working to a timetable approved by the audit & governance committee in July 2015. In August audit & governance committee noted technical changes	Improvements have been made in ensuring compliance with contracts procedure rules. With the need for continued focus on contract management to deliver contracted outcomes that element will be included in the next action plan

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	outcomes e.g. ongoing high value contract dispute (see 10 below)	<p>b) In addition, decision approval is a key step in the pre-procurement planning stage within the Commercial Procurement pipeline and so Category Managers check that stakeholders have secure this as part of major projects procurement.</p> <p>c) These requirements also feature within the internal procurement awareness sessions due to start in Sept and therefore aim to increase awareness in the requirement.</p> <p>d) Ensure Equality considerations are incorporated into</p>	RB	Training October 14	<p>made to the financial and contracts procedure rules to ensure they were compliant with current legislative requirements.</p> <p>Commercial Services carried out regular contract management training with a cross section of staff involved from across the organisation.</p> <p>Category managers within commercial services are now in place to work across directorates to plan the pipe line of procurement which is successfully reducing the number of exemption requests through improved planning.</p> <p>Equality considerations are incorporated into our decision making process through the Equality</p>	<p>Increased awareness has been achieved but this remains an area where a continue programme of training is required to embed best practice and ensure new staff joining the organisation in contract management roles are effectively inducted.</p> <p>Increased awareness has been achieved and there has been a reduction in the number of exemption requests. Category managers are involved in procurement activity across the organisation.</p> <p>To give reassurance and evidence to the community that decision makers have considered</p>

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	commissioning process			Impact assessment process for reports that go to Cabinet or councillor decision. They are also incorporated into our procurement and contract process. These have been reviewed and amended and are now consistently implemented into new contracts.	the equality implications in the decision taken and where negative impacts have been identified these have been fully assessed and mitigation investigated. Continued inclusion in the action plan is not required.
Principle 2: Define the roles of members and officers, ensure that they work together constructively and improve their effectiveness					
16. There is an identified lack of clarity amongst members (and officers) re roles/and processes – as evidenced by budget debate at Council in February 2014. HSCOSC has identified the need for greater member training and development re safeguarding and corporate parenting	<ul style="list-style-type: none"> <li>a) Constitution (including Codes &amp; Protocols) to be reviewed in conjunction with cross-party Constitution Working Party.</li> <li>b) Improved clarity to be one outcome of 2014/15 review of Constitution.</li> <li>c) Induction Programme for May 2015 intake of Members to be developed in conjunction with Member Development Group</li> </ul>	BN  BN  BN	End March 2015  End March 2015  End March 2015	See 3a above.  See 3a above	Improved awareness amongst members of safeguarding and corporate parenting issues and leadership role; continued inclusion on the action plan is not

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	<p>d) Review of Constitution to consider introduction of mandatory training (and sanctions for non-compliance)</p>	BN	End March 2015	<p>Following discussions by the then cabinet member for young people and children's wellbeing with health &amp; social care overview and scrutiny committee, group leaders and member development working group the recommendations of the independent remuneration committee were approved by Council on 22 May 2015</p>	<p>required All members completing in mandatory training; continued inclusion on the action plan is not required</p>
	<p>e) Managers receive monthly reports re compliance with mandatory training requirements</p>	BN	ongoing	<p>Reports are produced on a monthly basis that the performance leads in each directorate disseminate to the respective managers. This report is at individual level so managers can identify those individuals who have not complied so appropriate action can be taken. Management board monitor overall completion rates.</p>	<p>Performance is reported to management board; continued inclusion on the action plan is not required</p>
	<p>f) Ongoing programme of</p>	BN	ongoing	All directorate	Continued inclusion on

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	Governance awareness training with management teams.			management teams have received training and periodic refreshers/updates are scheduled. Online guidance is available about governance processes. Once the review of the constitution is complete an awareness programme and resources will be made available.	the action plan is not required.
	g) Ongoing programme of Equality awareness and training for decision makers and report writers to comply with Equality duties (PSED)	BN	ongoing	Diversity and the public sector equality duty is a mandatory e-learning module for employees and members. The equality team review all draft reports to ensure that the public sector equality duties have been addressed.	Improvements have been made in the quality of information available to decision makers; continued inclusion on the action plan is not required
	h) Increased use of modern.gov, including better version controlling of emerging reports.	BN	End December 2014	Progress on this element was delayed by a lack of capacity; additional resources have now been identified to support this work which will begin in September 2015.	This project is now included in the directorate performance monitoring process and reported by exception; continued inclusion on the action plan is not required.
17. Staff reductions of around	a) Continue and further develop	AN	Ongoing	1.A December	Pay policy approved and

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	<p>20% in 18 months have placed a new level of work pressure on staff and on particular departments. This has had an impact on staff morale alongside wider public sector confidence levels. The use of interim staff in key roles provides a further challenge to workforce cohesion during a long period of continuing restructuring.</p>	<p>staff engagement with the council's programme of change. Ensure staff are clear about the direction of change.</p> <p>b) Review staffing needs in any areas of significant pressure.</p>	AN	February 2015	<p>Leadership Group session focussed on these issues, using the staff feedback.</p> <p>2. Introduction of the major new C-Pip (Continuous Performance Improvement Programme) across all staff groups, focussed on staff priority proposals for how we can improve is now bedding in, with excellent cross directorate staff take-up (over 60 staff).</p> <p>This is kept under regular review, and has featured as a significant consideration in 2015/16 budget developments. Reality is that we must reduce costs by very large amounts, and therefore must also consider alternative approaches – which has been taken forward eg in considering channel-shifting opportunities.</p>	<p>published in line with transparency requirements; impact of staff reductions on both morale of staff and use of interim staff is likely to require continued monitoring given the financial challenges faced by the organisation. This monitoring is already included in quarterly performance reports to cabinet and annual staff survey reporting to audit and governance committee therefore continued inclusion in the action plan is not required.</p>

Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
	<p>c) Where appropriate re-balance staffing levels within the organisation.</p> <p>d) Risks to be reviewed before any further contract extensions recommended for approval/further interim appointments made.</p> <p>e) Annual pay policy statement review to address any issues arising re use of interim senior managers including transparency requirements and taxation guidance.</p>	<p>AN</p> <p>AN</p> <p>BN</p>	<p>ongoing</p> <p>January 2015</p>	<p>This is ongoing work, and has been a feature of budget development.</p> <p>Risks are reviewed: the Jan Employment Panel report sets out the intention to replace senior interim appointments with permanent appointments.</p> <p>Employment Panel on 14 January agreed to commence the recruitment to a number of senior management posts currently covered by interim arrangements.</p>	
<b>Principle 3: Require high standards of conduct.</b>					
18. Fraud – A lack of focus across the authority and input by Internal Audit aside from Housing Benefits	a) The new Internal Audit provider, the South West Audit Practice has been given responsibility for a number of fraud initiatives in the Internal Audit Plan, 135 days in total approved by the Audit and Governance Committee that will improve focus and process around	PR	Ongoing to commence May 2014, reviewed by CFO and Audit and Governance Committee	Fraud/governance audits have been completed for Members and staff expenses. The annual fraud and corruption survey for the council has been completed and the whistleblowing, Fraud and corruption Policy updated.	Improved focus from Internal Audit and key risk areas have made improvements in process. Improvement still felt to be required in respect of focus across the whole council in 2015/16.

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
19.	Data protection/information security – as evidenced by number of breaches, including those arising through interim staff.	<p>fraud detection and prevention</p> <p>a) Non-compliance with staff on-line mandatory information/data security training to be pursued with relevant managers.</p> <p>b) Non-disclosure / confidentiality agreements to be signed by all staff / interims/ agency prior to be granted access to systems.</p>	CT	31 December 14 March 2015 for those with no access to CPD on-line	See 4 e above	There is greater assurance that all staff have an understanding and awareness of the statutory responsibilities as public sector workers in regards to a number of statutory requirements. Continued inclusion on the action plan is recommended to maintain focus on delivering improvement.
Principle 4: Take sound decisions on the basis of good information						
20.	Lack of robustness of challenge re business cases/benefits – consistency of business cases; follow up re benefits realisation; need for horizon scanning at point of decision to assess what may impact on achievement of benefits e.g. as identified in recent external audit report following a public interest disclosure act disclosure.	<p>a) Reorganisation of finance function to enable greater focus on change and business case development and strategic/corporate oversight</p> <p>b) Standard business case template to be developed and implemented</p>	PR	April 2014	Reorganisation and implementation of financial self- service has meant the finance team have been more pro-active, particularly in supporting change.	Improved focus on business planning and benefits realisation. Ongoing action still required to effect further improvements but not warranting AGS inclusion Consistent standards

	<b>Area for Improvement</b>	<b>Actions</b>	<b>Owner (see key at end)</b>	<b>Timescale</b>	<b>Progress Update</b>	<b>Improvement outcome</b>
21.	Budget - Adult Wellbeing overspent by £3m in 2013/14 due to over optimistic assumptions on the rate of change, inadequate data and strategic planning, a lack of challenge and lack of contingency	a) The budget approved by council in February 2014 was subject to a zero based approach before applying savings plans. The budget was prepared with Directors and challenged by the finance team. A corporate contingency was established and reserves added to ensure any unforeseen items arising could be managed. Monitoring at June 2014 predicts an overall balanced budget with minor variations in Directorate budgets and unforeseen items managed through corporate contingency arrangements approved by Cabinet	PR	Budget and Medium Term Financial Plan approved February 2015	Balanced budget for 2014/15 reflected budget monitoring through the year. This gives confidence that the budget was reasonable based on available information. Difficulties in Children's Safeguarding identified in 2015/16 although not to the scale of Adults in 2013/14 and reflecting service pressures rather than over-optimistic assumptions	Improved standard of budget preparation, monitoring, challenge and ownership. Corporate contingency established for unforeseen items.
22.	Progress has been slow in achieving closer integration with health in order to reduce waste and duplication, achieve better demand management and deliver service improvements.	a) Establish formal governance mechanisms to drive integration and transformation	AN	March 2015 & ongoing	System Wide Transformation Board and governance structure put in place and reporting to the HWBB. External Chair appointed; Ernst +Young commissioned to deliver	Whilst some improvement has been made in governance there is a continued need to focus on system accountabilities to ensure robust safeguarding of adults and children; this is

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		<p>b) Establish projects and programmes to re-shape service delivery.</p>	HC/JD		<p>resources overview. Work now in progress to drive change across health and social care resources.</p> <p>Transformation Board and Better Care Fund has identified series of key projects to oversee implementation this includes children's, adults and communities. For children's the position is: Agreed programmes of change are taking place in relation to child and adolescent mental health and disabilities. The council has commissioned a new integrated model the Herefordshire Intensive Placement Support service which, when it becomes fully operational in January 2015, will begin to change the models of delivery for some of the most vulnerable children in the County.</p>	<p>reflected in the future action plan.</p> <p>Service planning workshops have identified operational focuses for development in 2015/16.</p>

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					<p>The CCG is leading on mental health needs assessment work to identify further programmes of change. The council has acted as lead commissioner for changes in short breaks services for families of children with disabilities and is currently working with the CCG to further develop the model to move away from residential and institutional forms of support.</p>	
23.	<p>Decisions supported by more informed options appraisals including assessment of risks/opportunities – the number of legal challenges indicates a need for greater consistency/robustness in this area. Internal risk management processes are not sufficiently clear.</p>	<p>a) High value cases regularly reviewed by senior legal services officers; evolving risks evaluated and relevant colleagues and Members kept informed.</p> <p>b) Legal services restructured to address capacity/skills gaps; recruitment to populate new structure.</p>	BN	Ongoing	<p>Completed. Deputy Solicitors to the Council now involved routinely in leading legal input and advice on high value cases.</p> <p>Completed. New structure in place that reduces historic spend and ongoing costs on external legal fees by ensuring sufficient skills and capacity are available in the in-house</p>	<p>There has been improvement in the quality of reports informing decision makers; continued inclusion on the action plan is not required</p>

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
		<p>c) Decision reports and options appraisals to follow the principles of good decision making.</p>	BN	Ongoing	<p>legal team. Two posts remain vacant following difficulties experienced in recruiting lawyers of the right calibre.</p> <p>Draft reports undergo an internal review (by finance, legal, procurement, equality, governance, communications and risk leads) prior to submission to the decision-maker which includes quality assurance against the principles of good decision-making.</p>	
		<p>d) Internal audit review of risk management scheduled for 2014/15 will inform future improvement actions</p>	RB		<p>Internal audit review completed and action plan agreed by management board including regular review of risk register.</p>	<p>Greater ownership of risk management has been achieved and this is now a regular item on management board agenda with key risks also included in the regular performance reports to cabinet; continued inclusion in the action plan is not required.</p>
Principle 5: Be transparent and open;	responsive to Herefordshire's needs and accountable to its people					
24. Arm's length/partnership	a) Include as part of the review	BN	BN	End March	See 3 a above	

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governance – General Overview & Scrutiny has highlighted the need to ensure future arrangements have strong and clear links back to council governance processes.	<p>of the Council's Constitution (see point 4 above)</p> <p>b) Ensure LEP, West Mercia Energy and Hoople governance is appropriately reflected in the Constitution</p> <p>c) Review of functioning of HWBB and further development of ToR</p> <p>d) Approval of the system wide transformation programme through the governance system to ensure clarity of role of Boards</p>	BN	2015	<p>See 3a above. In addition, the Marches LEP joint executive committee has approved an accountability framework meeting government requirements; this is published on the Marches LEP website.</p> <p>Health and Wellbeing Board developed new terms of reference and revised membership during 2015. This is now completed although will be subject to regular review to monitor functioning, impact and any changes in statutory guidance.</p> <p>Completed</p>	

**Owner:**

RB = Richard Ball, Assistant Director Place Based Commissioning

HC = Helen Coombes, Director Adults and Wellbeing

JD = Jo Davidson, Director Children's Wellbeing

GH = Geoff Hughes, Director for Economy Communities and CorporateAN = Alistair Neill, Chief Executive

BN = Bill Norman, Assistant Director Governance

PR = Peter Robinson, Chief Financial Officer

CT = Carol Trachonitis, Equality Information and Records