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Annual Governance Statement

2011-12

Wiltshire Council
Where everybody matters

Contents

A. Scope of Responsibility

1. Wiltshire 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. We also have 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 overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, including the management of risk, and facilitating the effective exercise of its functions.

B. The Purpose of the Governance Framework

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

4. The assurance framework and the system of internal control are significant parts of that framework. They are designed to manage risk to a reasonable level. They 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 assurance framework and the system of internal control are 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 assurance framework also provides a mechanism for monitoring and implementing a system of continuous governance improvement.

5. The governance framework has been in place at the Council for the year ended 31 March 2012 and up to the date of approval of the statement of accounts for 2011/12.

C. The Governance Framework

6. The Council's governance framework comprises a broad range of strategic and operational controls, which work together to ensure the sound running and well being of the Council. The key elements are summarised below.

7. Documents referred to are available from the Council or may be viewed on the Council's website (www.wiltshire.gov.uk).

Purpose and Planning

8. The Council's vision and goals are set out in its 4 year Business Plan, which was adopted by the Council on 22 February 2011. The Council's vision is to create stronger and more resilient communities and in support of this it has the following goals:

   - provide high quality, low cost customer focused services;
   - ensure local, open and honest decision making;
   - working with our partners to support Wiltshire's communities.

9. The Business Plan is supported by a Financial Plan, which demonstrates how it will be funded. The management of the Council's strategic risks helps achieve the Council's objectives.

Policy and Decision-Making Framework

10. The Council's Constitution provides the framework within which the Council operates. It sets out how decisions are made and the procedures which must be followed to ensure that these are efficient, effective, transparent and accountable.

11. The Constitution defines the role and responsibilities of the key bodies in the decision-making process - the Council, Cabinet, and Committees, including the Strategic Planning Committee, Area Planning Committees, Licensing Committee, Overview and Scrutiny Select Committees, Standards Committee, Audit Committee, Staffing Policy Committee, Officer Appointments Committee and Area Boards.

12. The Constitution is reviewed regularly by the Monitoring Officer and the Standards Committee through its Constitution Focus Group to ensure that it reflects changes in the law and remains fit for purpose.

13. The Leader and Cabinet are responsible for discharging the executive functions of the Council, within the budget and policy framework set by the Council, and some of this is delegated to Area Boards.

14. The Council publishes a Forward Work Plan once a month giving details of all matters anticipated to be considered by the Cabinet over the following 4 months, including items which constitute a key decision.

15. Schemes of Delegation are in place for Cabinet Committees, Cabinet Members and Officers to facilitate efficient decision-making. The Leader has established two Cabinet Committees - the Cabinet Capital Assets Committee and the Cabinet Business Relief Committee.

16. The Council has established 18 area committees known as Area Boards. Each area board exercises local decision making under powers delegated by the Leader.

17. During 2011-12 the overview and scrutiny arrangements consisted of four main select committees covering Organisation and Resources, Children's Services, Environment, and Health and Adult Social Care. The Select Committees established a number of standing and ad hoc task groups to undertake detailed monitoring and reviews. Rapid scrutiny exercises have provided other opportunities where there have been time constraints. Scrutiny member representatives can also be appointed to boards of major projects. The arrangements for overview and scrutiny were revised by Council in May 2012.

18. These arrangements serve to hold the Cabinet, its Committees, individual Cabinet Members and Corporate and Service Directors to public account for their executive policies, decisions and actions.

19. The Standards Committee is responsible for:

   - promoting and maintaining high standards of conduct by Members and Officers across the Council;
   - determination of complaints under the Members' Code of Conduct;
   - oversight of the Constitution, complaints in relation to the Council's services, and the whistle blowing policy.

20. On 15 May 2012 the council appointed a new standards committee with terms of reference that reflect the council's responsibilities under the new standards regime which will come into effect on 1 July 2012.

21. The Audit Committee is responsible for:

   - monitoring and reviewing the Council's arrangements for corporate governance, risk management and internal control;
   - reviewing the Council's financial management arrangements and approving the annual Statement of Accounts;
   - focusing audit resources;
   - monitoring the effectiveness of the internal and external audit functions;
   - monitoring the implementation of agreed management actions arising from audit reports.

Wiltshire Pension Fund

22. The Wiltshire Pension Fund is overseen by the Wiltshire Pension Fund Committee. This Committee has its delegated power from the full Council, rather than the Executive (Cabinet), so as to avoid any conflict of interest (e.g. in relation to the setting of employer contributions).

23. This Committee is responsible for all aspects of the fund, including:

- the maintenance of the fund;
- preparation and maintenance of policy, including funding and investment policy;
- management and investment of the fund;
- appointment and review of investment managers.

24. The Wiltshire Pension Fund Committee exercises its responsibilities in relation to investment management when it sets investment policy and appoints/monitors external investment managers.

Regulation of Business

25. The Constitution contains detailed rules and procedures which regulate the conduct of the Council's business. These include:

- Council Rules of Procedure
- Budget and Policy Framework Procedure
- Financial Regulations and Procedure Rules
- Procurement and Contract Rules
- Members' Code of Conduct
- Officers' Code of Conduct
- Corporate Complaints Procedure

26. The statutory officers - the Head of Paid Service (Service Director, HR and Organisational Development), the Monitoring Officer (Solicitor to the Council) and the Chief Finance Officer have a key role in monitoring and ensuring compliance with the Council's regulatory framework and the law. The statutory officers are supported in this role by the Council's HR, legal and democratic services, finance, governance and procurement teams, and also by the internal audit service which is provided by South West Audit Partnership (SWAP).

27. The following bodies have an important role in ensuring compliance:

- Audit Committee
- Overview and Scrutiny Committees and Task Groups
- Standards Committee
- Internal Audit, through SWAP
- External Audit and Inspection Agencies.

28. The Council has established a Governance Assurance Group whose membership is composed of senior officers with lead responsibility for key areas of governance and assurance, together with an elected member who is the vice-chair of the Audit Committee, and a member of the Standards Committee. Other officers and members attend by invitation to provide the Group with information about issues on which the steering group is seeking assurance. Officers can also bring any concerns about the Council's governance arrangements forward to the Group for

consideration.

29. The Governance Assurance Group meets monthly and has a forward work plan. It is responsible for gathering evidence for and drafting the Annual Governance Statement. It identifies any potential significant governance issues throughout the year, and seeks assurance on the effectiveness of measures to address these. It has a key role in promoting and supporting sound governance across the organisation and reports as required to the Corporate Leadership Team.

Management of Resources, Performance and Risk

Financial management

30. Financial management and reporting is facilitated by:

- Regular reports to Cabinet on the Council's Revenue Budget and Capital Programme;
- regular review by the Corporate Leadership Team;
- bi-monthly consideration of these reports by the Budget and Performance Task Group;
- budget monitoring by Service Managers;
- compliance with the Council's Budgetary and Policy Framework, Financial Regulations and Financial Procedure Rules;
- compliance with external requirements, standards and guidance;
- publication of Statement of Accounts;
- overseeing role of the Audit Committee.

31. The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government, issued in 2010.

Performance and Risk Management Reporting

32. The Council's Business Plan sets out how the Council will:

- protect our most vulnerable citizens by investing in their services;
- invest in the future of Wiltshire by enhancing key service areas;
- keep the council tax low;
- make savings to cover the cut in government funding and projected investments.

33. It also identifies the benefits and outcomes to be delivered over the next four years. These are supported by corresponding programmes and measures, with clear responsibilities for delivery. A new 'scorecard' approach has been introduced to report progress on the Business Plan.

34. The Risk Management Strategy is being reviewed to ensure that risk management arrangements remain appropriate and opportunities and threats are identified and managed to help achieve the Council's priorities.

35. Reports which cover the significant corporate risks are submitted to the Corporate Leadership Team on a quarterly basis and to the Audit Committee six monthly.

36. The Council's Business Continuity Policy provides a framework to maintain and develop business continuity arrangements at both corporate and service levels. It sets out the responsibilities of different management levels and groups as part of this process.

Internal Audit

37. The main role of Internal Audit is to provide an independent and objective opinion on the Council's control environment.

38. Internal Audit has the following additional responsibilities:

   - providing support to the Chief Finance Officer in meeting his responsibilities under Section 151 of the Local Government Act 1972, to make arrangements for the proper administration of the Council's financial affairs;
   - investigating any allegations of fraud, corruption or impropriety;
   - advising on the internal control implications of proposed new systems and procedures.

39. The annual Internal Audit Plan is based on an assessment of risk areas, using the most up to date sources of risk information, in particular the Council's Corporate and Service Risk Registers. The Plan is agreed with Corporate Directors and Service Directors, and presented to the Audit Committee for approval. The Committee receives reports of progress against the plan throughout the year. The Internal Audit Annual Report summarises the results and conclusions of the audit work throughout the year, and provides an audit opinion on the internal control environment for the Council as a whole.

External Audit and Inspections

40. The Council is subject to reviews by external inspection agencies, OFSTED, and the Care Quality Commission (CQC). The results of these inspections are used to help strengthen and improve the Council's internal control environment and help secure continuous improvement.

Directors Assurance Statements

41. Directors' assurance statements are being obtained from all service directors and will be reviewed by the Assurance Group. Any significant governance issues identified will be reported in Section E.

Monitoring Officer

42. The Monitoring Officer has not to date made any adverse findings in the course of the exercise of his statutory responsibilities.

D.   Review of Effectiveness

43. The 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 Council who have responsibility for the development and maintenance of the governance environment, the Council's internal audit function provided by SWAP, and also by reports of external auditors and other review agencies and inspectorates.

44. The key principles of corporate governance are set out in the Council's Code of Corporate Governance as follows:

- Focusing on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area;

- Engaging with local people and other stakeholders to ensure robust public accountability;

- Ensuring that members and officers work together to achieve a common purpose with clearly defined functions and roles;

- Promoting high standards of conduct and behaviour, and establishing and articulating the Council's values to members, staff, the public and other stakeholders;

- Taking informed, risk based and transparent decisions which are subject to effective scrutiny; and

- Developing the capacity of members and officers to be effective in their roles.

45. The effectiveness of the Council's assurance framework and system of internal control is assessed against these six principles.

Focus on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area

46. The Council's vision and goals are set out in its Business Plan 2011-2015. This is consistent with the long term priorities that are set out in the Community Plan 2011-2026.

47. The Community Plan (our sustainable community strategy) was developed with partners during 2010/11 and approved by the Council on 17 May 2011. It gives partner organisations a set of general principles to check their plans against. It has three long term priorities:

   - Creating an economy that is fit for the future;
   - Reducing disadvantage and inequalities;
   - Tackling the causes and effects of climate change.

Engaging with local people and other stakeholders to ensure robust public accountability

48. The Council has taken steps to make its purpose and responsibilities clear to staff and the community it serves. These have included:

   - Regular staff briefings by the Leader and Corporate Directors and involvement in the corporate induction process.

   - Communication channels, including the Council's website and Intranet, Team Wire and Elected Wire (an on-line briefing for staff and councillors respectively), Your Wiltshire residents magazine, delivered to all households in Wiltshire and providing information about Council services, how to get involved, and information from partner agencies. The Council also arranges face-to-face events, including road shows, area boards, contact centres, customer forums and exhibitions.

49. The ongoing development of area boards has played a key role in ensuring robust public accountability and engagement with more than 10,000 people attending area board meetings over the past year. Over 600 local issues have been resolved and over £1.4m has been allocated to support local projects by the Boards, generating in excess of £3 million of external funding and investment in our communities.

50. The governance arrangements for the area boards is set out in the Council's Constitution.

51. In 2011 the Area Boards' processes were the subject of internal audit review and no significant areas of risk were found. The recommendations arising from the review were addressed during the year.

52. The Leader undertook a review of the operation of area boards in 2010, involving consultation with councillors, parish councillors, officers, partners and the general public. The review highlighted a number of actions to be taken to develop area boards, and in particular to:

- *ensure that a representative cross section of the community is engaged at a local level* – changes have since been introduced to ensure that the Boards and the Council are focusing on the needs of those people either cannot or who rarely attend Area Board meetings. This has included the launch of the Wiltshire Voices programme, the Joint Strategic Assessment profiling, online blog sites and increased use of social networking to involve and engage local people.

- *enhance the area boards' decision making role* – over the last year more functions have been delegated to the Area Boards - most notably additional highways functions. Place based budget pilots and campus developments will increase this further during 2012, with further devolution promised in the Council's Localism Programme.

- *clarify and promote the role of the community area partnerships* – the introduction of community area Joint Strategic Assessments have reinforced role of the Community Area Partnerships and community-led planning which has improved the collaborative relationship with the Area Boards.

- *raise public awareness of the area boards* – the introduction of community area network news letters and e-bulletins have helped increase awareness of Area Boards activities and this in turn has helped improve public satisfaction with the Boards.

- *recognise and enhance the role of parishes within the area board framework* – parish councils are now seen as the most local level of Wiltshire's area governance arrangements with increased devolution of consultation to parish level and a change in the way in which issues are managed.

53. A further review was undertaken in 2011 which revealed a 12% increase in public satisfaction with the Area Boards. Each Area Boards was provided with its results with a best practice checklist to encourage further improvements. The survey and self assessment will now be repeated annually.

54. During 2011/12 a number of council assets were transferred to parish councils and other community groups. The Council has reviewed its policy for the transfer of assets and renewed its commitment in this area.

55. The Council has re-written Section 11 of the Constitution, now called the Procurement and Contract Rules. These new rules introduce an improved approach to planning and delivering procurement related expenditure.

Specific responsibilities have been given to Service Directors to create and present a 12 month (minimum) plan identifying where procurement activity will take place within their respective Service Areas. To govern the activity and capture the resulting benefits the Corporate Procurement and Commissioning Board has been established with a new membership and Terms of Reference. The Board will be chaired by the Service Director for Finance (also Section 151Officer) and be attended by the Cabinet Member for Procurement, a Corporate Director, the Solicitor to the Council, the Head of Procurement, and the relevant Service Directors.

56. The new approach to procurement governance will create a check and challenge system as a powerful and effective means of holding procurement decision-makers to account, ensuring legal and process compliance, and introducing renewed focus on delivering value for money. It will also ensure that those responsible for procurement decisions are clearly identifiable. The procurement operation is focusing on optimising supply side benefits and constructively managing demand through the Procurement and Commissioning Board.

57. The Partnership Protocol and Register, now in operation for one year, has captured the Council's existing partnerships arrangements. At present there are 51 identified partnerships in operation. Each partnership has an identified owner within the Council and has been reviewed to identify the risk status. The details of each partnership are available via the electronic Partnerships Register on the Council's intranet.

Ensuring that councillors and officers work together to achieve a common purpose with clearly defined functions and roles

58. The Constitution sets out clearly the roles and responsibilities of councillors and officers in the decision making process. This includes schemes of delegation which are currently under review as part of the ongoing review of the Constitution.

59. The Council has adopted a Councillor and Officer Relations Protocol which:

- outlines the essential elements of the relationship between councillors and officers;
- promotes the highest standards of conduct;
- clarifies roles and responsibilities;
- ensures consistency with the law, codes of conduct and the Council's values and practices; and
- identifies ways of dealing with concerns by councillors or officers.

Promoting high standards of conduct and behaviour, and establishing and articulating the authority's values to members, staff, the public and other stakeholders

60. All staff are required to meet high standards of ethical conduct under the Officers' Code of Conduct.

61. The Officers' Code of Conduct was significantly strengthened by the introduction in the spring of 2012 of the Behaviours Framework. This framework clearly articulates the behaviours expected of council officers, and forms an integral part of the Council's recruitment and performance management procedures.

62. The Council is developing a new code of conduct for councillors and arrangements for dealing with member misconduct complaints under the requirements of the Localism Act 2011 which come into effect from 1 July 2012.

63. The Council has a Whistle Blowing Policy and an Anti-Fraud and Corruption Policy which were updated in 2010. It has also introduced an Anti Money Laundering Policy. The Standards Committee receives an annual report on the effectiveness of the whistle blowing policy. The Audit Committee has responsibility for monitoring the implementation of the Anti Fraud and Corruption Policy and Strategy and the Anti Money Laundering Policy.

64. The Council's Governance Service is responsible for customer complaints, access to information legislation, the Code of Conduct for Members, and the promotion of good governance within the Council and with key partners, including the town and parish councils of Wiltshire. This helps to ensure that robust governance arrangements are supported across the Council.

65. The Council is developing a culture that reflects a modern, new organisation that embraces change, treats everybody fairly and values diversity. To this end it has agreed the following core values:

   - Placing its customers first;
   - Strengthening its communities;
   - Adopting a 'can-do' approach in everything it does.

66. The Council's Standards Committee has played an important role in overseeing and promoting ethical governance throughout the Council. Further information on its work is contained in its Annual Report for 2011-12. In particular, the Committee has played an active role in ensuring that the Council has in place arrangements to promote and maintain high standards of conduct following the abolition of the statutory standards regime as a result of the Localism Act 2011.

Internal Audit

67. Internal Audit represents an important element of the Council's internal control environment, and to be effective it must work in accordance with the Code of Practice for Internal Audit in Local Government, which lays down the mandatory professional standards for the internal audit of local authorities.

68. From November 2011 the Council's internal audit function has been provided by SWAP. In reviewing the effectiveness of the Council's internal audit arrangements the Council's external auditors, KPMG, identified that this change inevitably had an impact on Internal Audit during the year, but despite this they found that Internal Audit generally complied with the Code of Practice for Internal Audit in Local Government.

69. The Internal Audit Annual Report and Opinion 2011-12 summarises the results and conclusions of the audit work throughout the year, and provides an independent audit opinion on the internal control environment for the Council as a whole.

70. The levels of assurance obtained from the range of audits completed during the year has led Internal Audit to the overall audit opinion that for 2011-12 it is able to give reasonable assurance on the adequacy and effective operation of the Council's overall control environment. KPMG's interim audit report 2011/12 supports this in its finding that the Council's organisational control environment is effective overall.

71. The response of management throughout the Council to the results of audit work has continued to be positive and constructive, and appropriate action is being taken to manage the risks identified in audit reports. Progress on the implementation of agreed management actions is reported regularly to the Audit Committee.

72. Following a recommendation from the Audit Committee, Internal Audit reports and recommendations for management action are received by the relevant Cabinet Members.

External Audit

73. The latest report to those charged with governance, issued by KPMG in respect of Wiltshire Council for 2010/2011, was presented to the Audit Committee in September 2011. The Letter summarised the key issues arising from the audit of Wiltshire Council for the year ended 31 March 2011 and an assessment of the Council's arrangements to secure value for money in its use of resources.

74. The letter highlighted the key message as follows:

- KPMG issued an unqualified opinion on the accounts.

- KPMG confirmed that the Council had addressed critical accounting matters appropriately. This included the implementation of International Financial Reporting Standards (IFRS), which had been addressed appropriately by the Council.

- KPMG identified a number of adjustments to the draft financial statements, however these were all classification errors and as such had no impact on the overall reported financial position or performance. They concluded that this result demonstrates the high level of care and resource that the finance team put into preparing the financial statements and the working papers for audit.

- KPMG also confirmed that the quality of the accounts and the supporting working papers provided to them was excellent. Officers dealt efficiently with audit queries and the audit process was completed to the planned timescales. It was noted that this was achieved whilst coping with the department restructuring and the transition to IFRS which resulted in a significant amount of additional work for KPMG and Finance staff.

- KPMG concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Taking informed, risk based and transparent decisions which are subject to effective scrutiny

75. Cabinet Members and Officers exercising delegated powers are required to take decisions in accordance with their respective schemes of delegation. The Leader's protocol for decision-making by Cabinet Members ensures transparency by requiring publication of the intention to make a decision on 5 clear days' notice and the final decision.

76. Risk assessment forms an integral part of management reporting supporting the decision making process.

77. Work of the Council's Overview and Scrutiny Select Committees, task groups and associated activities have focused on:

- Supporting/challenging the delivery of one council benefits and efficiencies, service redesign, harmonisation and transformation;

- Monitoring the performance of the Council's major service providers including external contractors and partners;

- Reviewing the implementation of major corporate projects;

- Monitoring the Council's (and its statutory partners) performance against targets;

- Engaging in the Council's budget setting process and budget monitoring;

- Engaging in the development of the Council's Business Plan;

- Initiating reviews into matters of local concern relating to service delivery and contributing to the development and review of policy.

78. In May 2012 the Council agreed revised arrangements for its overview and scrutiny function to increase its effectiveness by providing greater consistency of approach across the function, delivering a single work programme based on the Council's priorities, and encouraging increased councillor engagement.

79. The work undertaken by the Audit Committee this year has included:

- review and approval of the Annual Governance Statement and Statement of Accounts for 2010/11;

- review of the work and findings of Internal Audit, including the Annual Report and audit opinion on the control environment, and the approval of the provision of Internal Audit services through SWAP with effect from 1 November 2011;

- review of the Council's risk management arrangements;

- review of the work and findings of external audit, including the Annual Audit Letter and Report to Those Charged with Governance.

80. Risks are identified and monitored by services departments. Significant risks are identified and reviewed on a regular basis by the Corporate Risk Management Group. Reports are issued on the significant risk areas through the Council's reporting arrangements. Training on Risk Management is delivered to Members annually, including the development of specific training for staff involved in risk arrangements as a result of their work.

81. The risks associated with major projects are managed through project management arrangements with regular reporting to the relevant boards and member bodies.

82. Work in respect of the Council's Business Continuity Management processes have continued and the quality of data collected through business impact analysis (BIA) has improved overall.

83. Since November 2011 the council has experienced a series of actual and intentional disruptions to its services and these have been used to further strengthen business continuity arrangements. Aspects of the corporate business continuity management were successfully invoked as a precautionary measure, with the formation of a tactical a strategic group and regular situation reports to CLT and Cabinet.

84. Public protection is currently undergoing a systems thinking review and business continuity will be the pilot for emergency planning. In addition, the corporate business continuity policy will undergo an in-depth review to assess how business continuity management structures have performed and to keep the policy in line with the leaner council structures.

85. The Council's Business Plan sets out how the Council will manage the risks and challenges arising from the reduction in government funding and the substantial changes in the way local government is organised.

Developing the capacity of councillors and officers to be effective in their roles

86. The Council is committed to the ongoing development of its councillors and recognises the importance of building up their capacity and effectiveness.

87. The Council's Councillor Development Policy:

- establishes councillors' individual training needs and protocols and allocates budget according to the Council's priorities;
- ensures equality of access to funds and training events;
- evaluates the effectiveness of councillor development annually to inform the allocation of funding for future years.

88. A cross party Councillor Development Group meets every eight weeks to discuss ideas on councillor development to equip councillors with the skills and knowledge they need to perform their role, encourage greater involvement in local democracy, and monitor the budget.

89. Wiltshire Council was externally assessed by South West Councils on 9 August 2011 and was subsequently awarded Charter Status for Councillor Development. This is recognition that the Council has achieved best practice in the way it provides learning and development opportunities for its elected councillors. The accreditation lasts for three years. The Council hopes to apply for charter plus status after the new Council has been elected in 2013.

90. A Comprehensive Councillor Development Programme has been produced covering a range of topics from community leadership to ICT skills. This links in with the corporate aims and values of the Council and also anticipates the new challenges that will be faced by councillors in relation to localism. As part of this work a level 5 qualification (degree

level), in leadership and management, was developed and a number of councillors successfully achieved their certificates.

91. Councillors are encouraged to complete a training needs assessment form each year and are also offered a one to one meeting with a learning and development professional. The training needs highlighted by this process are taken into account when producing the development programme to ensure that it is councillor led.

92. A refreshed People Strategy is being developed to support delivery of the business plan, embed the behaviours framework and develop the culture of the council. An action plan will support the delivery of the People Strategy, which is critical to enabling the Council to create the capacity it needs to work in different ways and successfully meet current and future challenges.

93. Key priorities include:

- Corporate and service workforce planning framework - the organisational wide workforce plan is critical in identifying the people resources required now and in the future to deliver the priorities identified in the business plan;

- Review of terms and conditions of employment and reward schemes to deliver savings and to ensure that the Council's terms and conditions enable it to compete effectively in the labour market and support retention of the key knowledge and skills required to deliver services;

- Review and refresh of HR policies and procedures that support good people management practices and enable effective deployment of policies and procedures by managers and employees;

- Development and maintenance of self service tools and information (HR Direct) for managers and employees to improve the delivery of HR services, enable effective deployment of HR policies and procedures and develop effective people management capacity;

- Delivery of a performance management framework, including a refreshed electronic appraisal which incorporates the new Council values and behaviours, as well as the development of a framework of performance management tools for managers;

- Leadership and management development - programmes of development ongoing. A review and refresh of all management development programmes is taking place to ensure the content incorporates the new Council values and behaviours;

- Councillor development - a programme has been developed with and for elected members;

- A business focused blended learning programme of employee learning which will include the changing capability requirements e.g. commissioning and partnership skills;

- Continue to deliver an employee assistance programme in partnership with Job Centre Plus, independent financial advisers and occupational health for managers and staff who are at risk of redundancy as part of service reviews and operational restructuring.

IT Control Environment

94. The Council's external auditors, in their Interim Audit Report 2011-12, recognise that improvements have been made in the IT control environment, particularly in relation to the SAP system, but have identified a number of areas for further improvement. These are the subject of ongoing work and discussions between the Council and its auditors, the outcome of which will be reported to the Audit Committee at its meeting in September.

Housing Landlord Service Improvement Plan

95. Wiltshire Council's housing services are engaged in a range of improvement projects which will modernise the services and address the issues raised in recent audits. The improvements include:

- new maintenance and repairs contracts reflecting the self financing model;

- an Asset Management Strategy and Business Plan;

- a new IT system design with improved work flows;

- a restructure of the Housing Management function;

- improved tenancy engagement and participation.

96. This work will start to deliver real improvement in the autumn of 2012. The programme of work is governed by a programme board which considers all risks and issues at its fortnightly meeting.

Governance Arrangements for Dealing with Complaints Involving Third Parties

97. The Council is undertaking a review of its complaints arrangements following a restructure of this function in the first part of this year. This will include a review of its arrangements for dealing with complaints involving third parties.

Police and Crime Panel

98.   Work is underway to meet the requirement of the Police and Social Responsibility Act 2011 to appoint a Police and Crime Panel, as a joint committee with Swindon Borough Council. The role of the Panel will be to hold the directly elected Police and Crime Commissioner to account for the effective policing of the force area from November 2012.

E) Significant Governance Issues

99.The following have been identified as significant governance issues:

Transfer of Public Health Functions

Wiltshire Council and NHS Wiltshire are preparing for the transfer of public health functions to the council in April 2013 under the Health and Social Care Act 2012. This may be regarded as a significant governance issue due to the nature and complexity of the proposed transfer and the steps that need to be taken in order to ensure a smooth transition. An integrated Transition Board has been set up to oversee the activities of the transition project and sub-groups. The Transition Group is chaired by the Council member for Public Health and Protection Services and comprises o f members from both the PCT and the council, representing the various sub-groups.

The council has established a shadow Health and Well-being Board in anticipation of the statutory requirement to have a Board in place in April 2013. The Board will be a committee of the council and will have a strategic leadership role in promoting integrated working between the council and the NHS, and in relation to public health services. It will be the key partnership and focal point for strategic decision making about the health and well-being needs of the local community.

Risks associated with the transition are reported to the Transition Board and to the Council and NHS Wiltshire where necessary.

Safeguarding and Looked after Children Services

In March 2012 Ofsted carried out an inspection of Wiltshire's safeguarding and looked after children services. Their report, published on 24 April 2012, found:

- the overall effectiveness of safeguarding services is inadequate;

- wider safeguarding provision is effective and in a number of instances there is evidence of good and outstanding practice;

- the capacity for improvement is adequate.

- political and managerial ambition and prioritisation across the partnership are at least adequate and provide a clear direction of travel. There is a strongly evidenced commitment from all partners to ensure that the well-being and safety of children and young people are central to service planning and delivery.

- Services for children and young people who have learning difficulties and those who are disabled have been transformed over the past 18 months and are good with some outstanding features.

The inspectors reported that as soon as the issues were raised with the Council that immediate and appropriate action was taken to ensure the children and young people identified were re-assessed and appropriately protected. A detailed improvement plan was drafted and shared with inspectors before they left. This plan has subsequently been developed following receipt of the inspection report.

The immediate actions as set out in the inspection report and the improvement plan are either well underway or have been completed. An Improvement Board has been set up and has already met twice. The terms of reference for this board and its role have been agreed. Its key purpose is to oversee, challenge and support the delivery of improvement. Membership is at senior level and includes representatives from the Council, health services and police and the chair of the newly established safeguarding scrutiny task group. An independent chair has been appointed. A multi-agency operational group, will support the board to ensure that the improvements are delivered.

An external audit of all child protection cases, open cases held within the Referral and Assessment team, and cases where children have returned home following accommodation by the Council, has been undertaken and action has been taken in response to any identified issues. Additional management capacity is in place and quality assurance processes have been strengthened. Staff and managers are regularly updated and invited to attend development sessions.

The Department for Education has confirmed that the Council's actions to date have been timely and appropriate and the inspectors stated that the Council is committed, within challenging budget reductions, to protecting its front line services.

Implementation of the Transformation Programme

The Council's Business Plan is ambitious and involves major transformational change to enable the Council to meet the significant challenges that it is facing and deliver its vision to create stronger and more resilient communities.

The Transformation Programme covers a wide range of activities, including:

- systems thinking service reviews across all services within the council to find leaner ways of working and to ensure that the right service is offered in the right way from the customer's perspective;

- working with partners in the community, such as police, fire service and GPs to use buildings and resources in a more efficient way to share the way services are offered;

- rationalising the council's assets to ensure that they are fit for purpose, sustainable, and provide better value for money. This includes the campus development programme where the council is investing in modern and sustainable local community facilities designed by the local communities in each community area;

- reviewing ICT hardware, software and processes to ensure that they are fit for purpose and enable the efficient and effective delivery of the council's services.

The council has established a corporate programme office to support the delivery of a single, coordinated programme of transformation for all projects within the Business Plan,, creating one consistent approach to project management across the council.

Managing Significant Reductions in Government Funding and Changes in Legislation

The funding formula for local government and other public sector partners is changing in 2012 for 2013/14. As yet only draft guidelines have been issued and a final announcement is not expected until January/February 2013. That is the same time as the Council Tax is set. This causes uncertainty over the process of setting budgets and precepts. Alongside this the changes proposed will give more localised decisions around areas such as local business rates and council tax collection, which in turn will increase the volatility risk of income. At the same time the Council must manage the increasing demand for services, for example, to protect vulnerable children and adults. The Council will need to develop plans over the next few months to anticipate these challenges.

Jane Scott
Leader of the Council   _____

Corporate Directors   _____

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