Wiltshire Council
Where everybody matters

AGENDA SUPPLEMENT (1)

Meeting:	Audit
Place:	Council Chamber - Council Offices, Bradley Road, Trowbridge, BA14 0RD
Date:	Wednesday 28 September 2011
Time:	**10.30 am**

The Agenda for the above meeting was published on _Tuesday 20 September 2011_ and indicated that the reports detailed below would be to follow. These are now available and are attached to this Agenda Supplement.

Please direct any enquiries on this Agenda to Anna Thurman, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line (01225) 718379 or email anna.thurman@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

6. **Annual Governance Statement** *(Pages 1 - 24)*

    A report by the Monitoring Officer is attached.

9. **Risk Management Update** *(Pages 25 - 48)*

    A report is attached.

Annual Governance Statement

2010-11

REVISED DRAFT

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 2011 and up to the date of approval of the statement of accounts for 2010/11.

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 to ensure that it remains fit for purpose. The last major review was undertaken during 2010 by the Standards Committee with the assistance of its Constitution Focus Group. Amendments were agreed by the Council and implemented from 1 December 2010. The Constitution Focus Group remains in place to review the Constitution in the light of the Localism Bill and other relevant new legislation.

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. The Overview and Scrutiny arrangements consist of four main select committees covering Organisation and Resources, Children's Services, Environment, and Health and Adult Social Care. The Select Committees have established a number of standing and ad hoc task groups to undertake detailed monitoring and reviews. Rapid scrutiny exercises provide other opportunities when time constraints exist. Scrutiny member representatives can also be appointed to boards of major projects.

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.

The Standards Committee is chaired by an independent member.

20. 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

21. 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).

22. 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.

23. 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

24. 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
- Contract Regulations
- Members' Code of Conduct
- Officers' Code of Conduct
- Corporate Complaints Procedure

25. The statutory officers - the Head of Paid Service (Chief Executive), 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 legal and democratic services, finance, governance and procurement teams and by Internal Audit.

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

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

27. 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.

28. The Governance Assurance Group meets regularly, 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 oversees the implementation of measures to address these. It has a key role in promoting and supporting sound governance across the organisation.

29. The Group is supported by the Chief Executive, who acts as a link between the Group and the Corporate Leadership Team, ensuring that issues and activities identified by the Group are considered and addressed.

Management of Resources, Performance and Risk

Financial management

30. Financial management and reporting is facilitated by:

   - monthly 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 will be introduced in 2011/12 to report progress on the Business

Plan. This builds on the quarterly progress reports used for the Corporate Plan in 2010/11.

34. The Risk Management Strategy has been reviewed to ensure that risk management arrangements remain appropriate and reflect the Business Plan. The revised strategy strengthens risk management arrangements and complies with good practice so that 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. Within this framework the Council has a Corporate Business Continuity Plan, which outlines the arrangements that will operate in the event of a major service disruption. Service Business Continuity Plans are being developed in conjunction with the Corporate Business Continuity Plan to address service specific issues and incidents.

Internal Audit

37. The main role of Internal Audit is to provide an independent and objective opinion to the Council on its internal control environment, comprising risk management, control and governance by evaluating its effectiveness in achieving the Council's objectives.

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 have been obtained from all service directors and reviewed by the Assurance Group. These confirm that suitable governance arrangements were in operation within each department during the relevant period and there are no significant governance issues to report other than those referred to in Section E

Monitoring Officer

42. The Monitoring Officer has not 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 Head of Internal Audit's annual report, and also by comments made by the 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:

- A series of 18 community area seminars during March and April 2011 discussing the Council's approach to localism as set out in the Business Plan, what this means for communities and the role local people can play in the future.

- Regular staff briefings by the Leader and Chief Executive 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 7,200 people attending area board meetings. Over 1,000 local issues have been resolved and over £ 750,000 has been allocated to support

250 community projects, 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 and in further detail in the Area Board Handbook.

51. 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;
- enhance the area boards' decision making role;
- clarify and promote the role of the community area partnerships;
- raise public awareness of the area boards;
- recognise and enhance the role of parishes within the area board framework.

52. A further review is being undertaken during 2011 to assess progress in addressing these issues.

53. Town and Parish Councils have been consulted to determine which functions and responsibilities they would like to have delegated to them and this work continues to be developed. During 2010/11 a number of council assets were transferred to parish councils and other community groups. The Council has adopted a policy for the transfer of assets and continues to keep the governance issues under review.

54. The Council has developed a four year procurement plan that aims to deliver £ 36 million of cashable savings to the Council's revenue budget. The plan is governed by the Corporate Procurement Board, which is chaired by the Director of Resources and has membership from each of the Council's departments at service director level, as well as the Cabinet Member for Procurement.

55. The procurement plan aims to deliver the necessary savings by:

- influencing future spend with our external supplier base;
- negotiating existing arrangements with our key suppliers;
- redesigning and streamlining our procurement processes to make them more efficient;
- developing procurement staff to enable them to deliver the procurement plan.

56. The existing Partnership Protocol and Register has been reviewed and updated to ensure that all partnerships across Wiltshire Council are captured. The revised protocol will ensure that partnerships are

underpinned by good governance and to complement the protocol a new electronic database and supporting guidance have been developed.

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

57. The Constitution sets out clearly the roles and responsibilities of members
and officers in the decision making process. This includes schemes of delegation which were reviewed in 2010 as part of the review of the Constitution.

58. The Council has adopted a Member and Officer Relations Protocol which:

- outlines the essential elements of the relationship between members 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 members 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

59. All staff are required to meet high standards of ethical conduct under the Officers' Code of Conduct. A revised Code of Conduct for Officers was introduced in May 2010.

60. 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.

61. The Council's Governance Team 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.

62. 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.

63. The Council's Standards Committee plays an important role in overseeing and promoting ethical governance throughout the Council, and this role is established in the Council's Constitution. Further information on its work is contained in its Annual Report for 2010-11. In particular, the Committee is playing an active role in ensuring that the Council has in place arrangements to promote and maintain high standards of conduct following the proposed abolition of the current statutory standards regime as a result of the Localism Bill.

64. The Standards Committee has maintained oversight of ethical governance, receiving reports on the efficacy of the whistle-blowing procedure, customer complaints procedures, the member's Register of Interests, and a range of other governance matters.

65. The Committee has fulfilled its statutory role by receiving, assessing and determining complaints brought under the Code of Conduct for Members in Wiltshire Councils, and has worked to ensure that the processes that underpin this statutory function are kept under review to ensure that they work effectively.

Internal Audit

66. 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. The latest review of Internal Audit by the Council's external auditors, KPMG, confirmed that Internal Audit is meeting the various standards laid down by the Code of Practice. Although there were issues highlighted by KMPG in respect of IT audit work these issues have now been addressed.

67. The Internal Audit Annual Report 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.

68. 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 2010-11 it is able to give a substantial assurance on the adequacy and effective operation of the Council's overall control environment. This represents an improvement over the previous year, when the audit opinion was one of limited assurance, following the major structural reorganisation of moving from five councils into one.

69. The response of management throughout the Council to the results of audit work has continued to be positive and constructive, and in the main 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.

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

External Audit

71. The latest report to those charged with governance, issued by KPMG in respect of Wiltshire Council for 2009/2010, was presented to the Audit Committee in September 2010. The Letter summarised the key issues arising from the audit of Wiltshire Council for the year ended 31 March 2010 and an assessment of the Authority's arrangements to secure value for money in its use of resources.

72. The letter highlighted the key message as follows:

- KPMG concluded that "overall, there are sufficient procedures in place for Managing Finances, with significant improvements noted in the financial statements process." However, KPMG highlighted "that improvements could be made in cost/performance benchmarking, fees and charges strategy and debt monitoring."

- KPMG concluded that "The Council continues to actively manage its resources with a significant programme in place to rationalise its assets, but areas of improvement can still be made in workforce planning arrangements and obtaining internal and external feedback on staffing matters. Procedures for Governing the Business remain robust overall, and improvements have been made in Data Security"

- KPMG stated that they "have worked with officers throughout the year to discuss specific risk areas. The Authority addressed the majority of issues appropriately. There were also a couple of areas where the Authority has made significant adjustments to the accounts following further considerations made arising from the audit process."

- An unqualified audit opinion was issued for the 2009/2010 Statement of Accounts. They also reported that the wording of the 2009/2010 Annual Governance Statement accords with their understanding.

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

73. 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.

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

75. 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 new (four year) Business Plan;

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

  - Gynaecological cancer services, out of hours services, end of life care strategy, Care Quality Commission annual assessment and inspection report, Focus project, Local Safeguarding Adults Board, burn care and soft tissue sarcoma services, GWR ambulance services performance, Dementia Strategy, Helping People to Live at Home review, head and neck cancer services, funding of carers services, mental health services reconfiguration, older people accommodation strategy.

  - Carbon reduction plan, PFI for housing, flood risk management, Local Transport Plan, renewable energy, car parking and waste collection.

- special educational needs (SEN) in mainstream schools, special schools and post-16 SEN, placements for looked after children, adoption and fostering processes, PFI schools, and provision of 16-19 education in specific areas of the county. In considering Cabinet proposals for changes to special educational needs, scrutiny members expressed concern that the public consultation had not aided people's understanding of the relevant issues and the objectives of the review. In response, the Cabinet implemented a number of measures to improve the Council's public consultations in the future.

The work of the Overview and Scrutiny Committee is being reviewed in order to ensure that it aligns more closely with the Council's business plan.

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

- review and approval of the first Annual Governance Statement and Statement of Accounts of the new Council for 2009/10;

- review of the work and findings of Internal Audit, including the Annual Report and audit opinion on the control environment;

- review of the Council's risk managements arrangements;

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

77. Risks are identified and monitored by service 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.

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

79. From March 2010 work has focused on improving the Corporate Business Continuity Plan. Representatives of services that would have to take a lead role in various kinds of service disruption were involved in designing the response arrangements to ensure that they are realistic and appropriate. The benefit of these arrangements is that they are sufficiently generic to respond to a wide range of service disruptions, using in-house resources as a first line of defence and taking advantage of the flexibility provided by the Campus and Operational Delivery Programme. The Corporate Business Continuity Plan was presented to the Corporate Leadership Team in November 2010 and has been published internally.

80. Awareness of the business continuity process and response arrangements has been variable across the organisation. Since December 2010 Business Impact Analyses data quality has improved through individual reviews on a service level. Further work will be undertaken with service representatives to improve and embed their business continuity arrangements within their services and to widen the general awareness of business continuity amongst all employees. This will also be used to introduce the identification of expected costs of business continuity strategies.

81. The Business Continuity Policy was reviewed in summer 2010 in order to improve management arrangements.

82. The Council's Business Plan sets out how the Council will manage the risks and challenges arising from the reduction in government funding (28.4% over the next 4 years), and the substantial changes in the way local government is organised.

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

83. The Council is committed to the ongoing development of its members and recognises the importance of building up the capacity and effectiveness of its members.

84. The Council's Councillor Development Policy:

- establishes members' individual training needs 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.

85. A cross party Councillor Development Group meets every eight weeks to monitor the budget and to discuss progress and ideas on member development.

86. 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.

87. A Comprehensive Councillor Development Programme has been produced for 2011/12. This covers a range of topics from community leadership to ICT skills and links in with the corporate aims and values of the Council. The programme also anticipates the new challenges that will be faced by councillors in relation to the big society and localism agenda.

88. Councillors are asked 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 member led.

89. Wiltshire Council continues to deliver key actions from the People Strategy 2008-2012. The People Strategy is being refreshed to link and support the key priorities identified in the Council's Business Plan. The delivery of the People Strategy is critical to enabling us create the capacity we need to work in different ways and successfully meet current and future challenges.

90. Key priorities are:

- Leadership and Management Development - Programmes of development ongoing;
- Councillor Development - a programme has been developed with and for Elected Members;
- Performance Development Framework (Appraisal) refreshed to incorporate the new Council Values and Behaviours and in an electronic format;
- A business focused blended learning programme of employee learning which will include the changing capability requirements e.g. commissioning and partnership skills;
- Corporate 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;
- Continue to deliver a programme of Harmonisation of Terms and Conditions;
- 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;
- Revision of Terms and Conditions of employment to deliver savings to ensure that we have a set of terms and conditions that helps us to compete effectively in the labour market and support retention of key knowledge and skills required to deliver services.

E) Significant Governance Issues

91. The following have been identified as significant governance issues in view of their size, complexity and impact on the delivery of the Council's priorities:

SAP Financial Systems

92. Last year's Annual Governance Statement identified a significant governance issue with regard to the implementation of the SAP system to

administer the Council's core financial systems. This represented a very significant transition for the processing of financial transactions, with the result that during the transitional period in 2009-10 there was an adverse impact on system controls.

93. Since that time considerable work has been undertaken throughout 2010-11 in order to ensure that financial controls have been improved within SAP systems. In addition, further work has been undertaken and is in progress as follows, in order to ensure that the Council derives the maximum benefit from its implementation of SAP:

- The Council's external auditors, KPMG, undertook a post-implementation review of SAP, which was reported to the Overview and Scrutiny Organisation and Select Committee in November 2010, and the Audit Committee in December 2010. The report concluded that ultimately the Council had achieved a great deal in successfully implementing a major SAP system. Nevertheless, the report identified a series of recommendations aimed at improving the management of future major projects, and these are being taken forward as part of current proposals for the further development of SAP.

- In order to rationalise, improve and develop SAP further, and help meet corporate plans to improve efficiency and effectiveness, a programme of work is underway to address both short-term implementation developments in SAP, and longer-term development needs. The overall aims of this work are to improve users' experience of SAP, reduce duplication and maintenance of data, and deliver meaningful and timely management information to service managers.

Housing Landlord Service Improvement Plan

94. Following a poor Audit Commission report in May 2010 an improvement plan was developed that put in place over 100 actions, addressing all the recommendations arising from the inspection and reflecting local aspirations. Three quarters of the actions in the plan have been completed.

95. In May 2011 Cabinet agreed a new plan for improvement of the Council's Housing Landlord Service, addressing the remaining actions from the initial plan, but within a new context resulting from major changes in finance, regulation, tenancies and allocations, and new service standards developed by the Tenants Services Authority.

96. The new plan contains just over 40 key actions which ensure that focus is maintained on the areas of weakness.

97. Progress against the new plan will be monitored carefully.

Implementation of the Transformation Programme

98. In February 2011 the Council approved a comprehensive Business Plan, setting out how it intends to meet the significant challenges that the Council is facing over the next four years and deliver its vision to create stronger and more resilient communities. The Business Plan is ambitious and involves major transformational change to make the Council as efficient as possible and equipped for the future.

99. The Council is developing robust governance arrangements to underpin the delivery of the Business Plan and the effective management of the risks involved.

100. Issues arising from the transition to a unitary authority, including harmonisation of policies and practices, were identified as a significant governance issue in last year's AGS. The majority of those issues have now been addressed. However, any that remain outstanding have been identified and there are clear plans in place to ensure that they are resolved. Monitoring will continue until this work has been completed.

Managing Significant Reductions in Government Funding and Changes in Legislation.

101. Following the General Election in May 2010 Following the General Election in May 2010 and the Coalition Government's Comprehensive Spending Review, the Council is required to absorb a reduction of 28.4% in grant funding from the Government over the next four years and respond to major changes in local government legislation. At the same time it must manage the increasing demand for services, for example, to protect vulnerable children and adults. The Council's Business Plan sets out how these challenges will be met, but the position needs to be closely monitored to ensure that the pressures arising from these changes, particularly in children and adult care services, are effectively managed.

Governance Arrangements for Dealing with Complaints Involving Third Parties

102. The Council is undertaking a review of its governance arrangements for dealing with complaints made to the Council about third party bodies with which it is involved. This follows a review of the Council's handling of a complaint regarding an equality and diversity issue in which two other organisations were involved.

Proposed Senior Management Restructuring

103. The Leader has initiated a consultation process on a proposal to achieve financial savings through a restructuring of the senior management team, involving the removal of the post of chief executive and a corporate director post. The Cabinet will be considering this proposal in the light of the

outcome of the consultation on 6 October 2011. The risks and governance issues associated with this proposal will be considered as part of the decision making process.

Jane Scott
Leader of the Council   _____

Andrew Kerr
Chief Executive   _____

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Cabinet - 13 September 2011

Agenda Item No. 8 - Annual Governance Statement 2010/11

Agreed Changes

Paragraph 68:

At the end of the paragraph add: *'Although there were issues highlighted by KPMG in respect of IT audit work these issues have now been addressed.'*

Paragraph 83:

Delete: *'The group will submit its application for charter status during 2011'.*

Insert: *'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.'*

Add new paragraph 106:

[To flag up the proposed senior management restructuring as a potential significant governance issue]

The Leader has initiated a consultation process on a proposal to achieve financial savings through a restructuring of the senior management team, involving the removal of the post of chief executive and a corporate director post. The Cabinet will be considering this proposal in the light of the outcome of the consultation at the end of this month. The risks and governance issues associated with this proposal will be considered as part of the decision making process.

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WILTSHIRE COUNCIL   **AGENDA ITEM NO.**

AUDIT COMMITTEE
28 September 2011

<u>**Risk Management Update Report**</u>

PURPOSE OF REPORT

1. To update Audit Committee on the Council's Risk Management arrangements and to review the Risk Register, with particular reference to:

    *   providing assurances to Audit Committee that risks are being managed in the Council;
    *   providing information on the significant risks of the Council.

2. This report provides information about the risks rated as high/significant, with comments from officers responsible for the risk. Each risk on the register has a risk action plan, which provides more information about the risk and how it is being managed. Appendix A contains the Risk Action Plans for each of the six significant risks reported below.

MAIN CONSIDERATIONS/RELEVANT ISSUES

3. **Proposed changes to Senior Management Structure**

4. The Leader has initiated a consultation process on a proposal to achieve financial savings through a restructuring of the senior management team, involving the removal of the post of chief executive and a corporate director post. The Cabinet will be considering this proposal in the light of the outcome of the consultation at the end of this month/early October. The risks and governance issues associated with this proposal will be considered as part of the decision making process. This will feed into our usual risk management processes, and if any significant risks identified these will be included in future risk management reports.

5. The Corporate Risk Management Group (CRMG) has considered the Council's risks. The high risk areas are outlined below:

6. **Risk Ref. RCE001**
    Managing the Volatile Nature of Care Placement Requirements within the Resources Available
    Owner of risk: Carolyn Godfrey

    <u>Children</u>

Rating	I	L	Risk	Direction
Current	4	3	High	–
Target	3	3	Medium	Action Status Moderate progress

7. A number of processes/strategies are in place to mitigate the risks. This includes Looked After Children (LAC) Placement Audit Group.

8. The Placement Panel effectively scrutinises new and requested admissions to Care. However, the LAC Placement Audit Group will now review Placements already made to ensure that opportunities for further reduction of costs, Rehabilitation Plans to Families and Permanency Plans are prioritised. This ensures a pincer approach both at point of admission and also once in care. This will occur across the entire Children and Families Social Care Service and will include the Referral and Assessment Team and Community Safeguarding Teams as well as those within the Children in Care Service.

9. **Risk Ref. RCS033**
   Managing the Volatile Nature of Care Placement Requirements within the Resources Available
   Owner of risk: James Cawley

Rating	I	L	Risk	Direction
Current	4	3	High	-
Target	3	3	Medium	Action Status Moderate progress

   <u>Older People, Older People with Mental Health Problems and People with Physical Impairment</u>

10. Demand for services continues; the Department has a range of strategies to manage the demand in the future and to reduce dependency on services including Accommodation Strategy, Help to Live at Home and Disabled Children and Adults Review.

11. In addition, Cabinet has approved the procurement of block contracts and framework agreements with the NHS for the provision of nursing home care for Wiltshire residents. Following a recent court case judgement around fair fee levels, legal advice has been obtained which suggests that undertaking a procurement approach is the best means by which this work can be progressed. This work will be undertaken jointly with the NHS which will ensure a joint Council and NHS approach to the market, which will benefit customers.

12. Robust budgetary management procedures are operating within the department and work with NHS partners continues.

13. **Risk Ref. RNP139**
    Delivery of a Successful Waste Management and Landfill Strategy
    Owner of risk: Tracy Carter

Rating	I	L	Risk	Direction
Current	4	3	High	-
Target	4	2	Medium	Action Status Moderate progress

14. Significant action has been taken to improve waste reduction and recycling, and increase waste diversion from landfill. Waste reduction has been assisted by the economic slowdown, plus national and local action. Waste and recycling collection changes programmed for 2011/12 are forecast to increase recycling significantly, from 41.1% currently to about 50%.

15. One contract for the further diversion of waste from landfill has already started (Hills /Lakeside), securing enough capacity to avoid LATS (Landfill Allowances Trading Scheme) fines until the scheme ends in 2013 and reduce the landfill tax bill. In recent years, landfill tax has become far more important than LATS as a financial driver.

16. The government review of the national waste strategy, published in May 2011, does not change the underlying requirement to significantly reduce waste to landfill. At a more detailed level, the decisions to discontinue the Landfill Allowances and Trading Scheme (LATS) in 2013 and to discontinue national indicators provide increased flexibility. However, the government recycling target of 50% by 2020 and references to possible "landfill bans" maintain the pressure to increase recycling and divert waste from landfill. Potentially conflicting statements encouraging use of weekly collections but leaving the decision to local authorities threaten to undermine measures to increase recycling whilst controlling expenditure.

17. A second contract, the Hills / Entsorga Mechanical Biological Treatment (MBT) was signed in April 2011. If this project delivers forecast waste diversion, the Council will have sufficient diversion capacity to continue reducing the landfill tax bill until about 2019, on current forecasts. Therefore, the second contract would reduce the likelihood of this risk. The proposed changes to waste and recycling collections will provide further scope to reduce landfill. The council would also meet the Corporate Plan 2010-14 target for reducing waste to landfill (25% by 2014). The risk has therefore been reviewed; the likelihood has been reduced to reflect the significant progress achieved, but not to the target level because the MBT plant is not yet operating.

18. Major budget increases required to fund the changes to waste and recycling collections were agreed by Council in February 2011. The programme for delivery of new services has been agreed and has commenced. Revenue costs will rise by more than £1 million. These costs will need to be covered in future MTFPs and annual budgets. In summary appropriate mitigation measures have been identified and planned. All have bee implemented and all are complete or on track.

19. **Risk Ref. RNP140**
    Delivery of 350 Unit Housing PFI Scheme
    Owner of risk: Sue Redmond

Rating	I	L	Risk	Direction
Current	4	3	High	–
Target	4	2	Medium	Action Status Moderate progress

20. The latest VfM bid was submitted on 1/6/11 and the Housing Minister has now agreed (14/7/11) to continue to support the project through to financial close (contract award). We have reduced the contract period by seven years, to 20 years, and this has enabled us to reduce our maximum credit allocation by £6 million, to £77 million.

21. We are currently in the process of finalising the contract and financial models with the government/bidder. Our internal approval process is scheduled for mid-September. All projects now need to be signed off by the Treasury before financial close and this will add about a month to the programme. Based on current assumptions, financial close is likely to be in mid-November, at the earliest. Persimmon has indicated a December deadline to achieve start on site.

22. Risk Ref. RNP142
Delivery of a Transformed Waste Collection Service
Owner of risk: Tracy Carter

Rating	I	L	Risk	Direction
Current	4	3	High	-
Target	1	3	Low	Action Status Moderate progress

23. Following intensive negotiations with the trade unions and a period of staff consultation, all in-house waste collection staff have now moved to new posts on harmonised Wiltshire Council terms and conditions.

24. The waste directorate's management team has worked hard with HR to avoid creating poor industrial relations resulting in disruption to services. Affected staff have had previous Bank Holiday working recognised with an element of pay protection deployed where applicable. Differences in take-home pay between depots, now mitigated to a large degree, and steps have been taken to allow additional resilience by paying standby payments in certain circumstances, such as during periods of inclement weather. From December 2011 onwards, collection arrangements over public and bank holidays will be the same across the county. A significant risk has been managed out successfully.

25. New waste and recycling collection services are being rolled out to programme, with user information packs and collection calendars now being distributed to residents ahead of the new bins. New collections will begin in the north of the county on 10 October 2011. Risks have been identified and appropriate mitigation measures put in place. All mitigation measures are on track as is the project itself.

26. The risk remains high because of the possibility of adverse publicity if there are any problems with implementing the new services or when north and south Wiltshire move to fortnightly collections for their non-recycled waste. This is programmed for February and March 2012 so we anticipate the risk being reduced in April or May next year.

27. Risk Ref. RP006
Procurement Programme targeted savings not fully aligned to Business Plan requirements
Owner of risk: Michael Hudson / Caroline Bee

Rating	I	L	Risk	Direction
Current	3	3	Medium	▲
Target	2	2	Low	Action Status Significant progress

28. The level of risk is maintained at amber as whilst it is not thought that it is going to be possible to deliver the original pure procurement savings of £11 million next year in line with the business plan, detailed work on the savings opportunities within 2011/12 and for future years indicate that the savings achievable will need to be revised in the business plan targets. The savings targets are based on 2009/10 actual spend information and the Business Plan is based on the 2010/11 Base Budget, therefore anomalies exist in making percentage savings on budgets which overspent in 2009/10 or have already been reduced by alternative savings proposals. There are also cases where the amount of addressable spend for pure procurement is limited due to contracts already being in existence, which either cannot be broken or, which on being reviewed are deemed to already provide best value for money. This risk is being mitigated through a new review of alternative procurement and non-procurement opportunities.

29. To realign the savings target to the Business Plan we will need to realign the programme approach and include service review savings. This will be discussed with CLT as part of the budget monitoring and budget setting process but is outside the remit of the Programme in isolation.

High Risks Included in the Previous Report where the Level of Risk has Reduced

30. **Risk Ref. RR083: Availability of resilient and appropriate software and hardware to deliver Benefits Service**

31. The maintenance of four existing systems is administratively costly, expert staff based in the hubs are capable of maintaining the software and daily and overnight procedures. Hardware maintenance with so many servers and interfaces remains complex and will continue to present risks. A great deal of work has been undertaken to update procedures, existing equipment and the management of servers to mitigate the risk.

32. The project is well under way to replace the current systems with one. The procurement stage is complete, contracts have been signed with the successful supplier and a project plan implemented to go live with one system at the end of November 2011. The data from the four legacy systems has been sucessfully consolidated, on time, at the beginning of August 2011. User acceptance testing is underway and the third 'cut' of converted data returned by the contractor in mid August, which is ahead of the original schedule. The go live date thus remains 28 November 2011 and risks are being mitigated.

33. **Risk Ref. RR004: Inaccurate information in the Configuration Management Database (CMDB)**

34. The score for this risk has reduced from High to Medium due to the following actions by the Corporate ICT team since becoming responsible for the CMDB:

   - The launch of specialist software tools that are integrated with the new ICT service desk software means that networked devices are now being actively managed by Wiltshire council staff and each service call is used as an opportunity to verify asset numbers;
   - Various ICT asset databases have been analysed to identify the gaps. The team is now carrying out a tracing exercise, which involves e-mailing and telephoning staff, conducting site surveys and sending out a census document.
   - All mobile data devices are encrypted and audits are being carried out by ICT Security to verify that the encryption is active.

35. **Risk Ref. RR084: Failure to secure alternative accommodation for the Coroner by June 2011 when the current tenancy is due to expire, with consequential impact on his ability to deliver Coroner services**

36. This risk was reported as an emerging risk in the last report and was scored as High. The lease for the existing premises has been re-negotiated to allow time to develop alternative premises and will continue for as long as required. The Capital Asset Board agreed alternative premises in April 2011. There is a programme in place to transfer from the Trowbridge and Castle Street, Salisbury premises in 18 months time. Due to these actions the risk is now scored as Low.

37. **Risk Ref. RNP146: Local Development Framework (LDF) Process**

38. The score for this risk has reduced from High to Medium due to the fact that good progress has been made with the Wiltshire Core Strategy. A recent high court ruling indicates that it is unlawful for development plans to be prepared on the basis of the Government's intention to revoke Regional Spatial Strategies (RSS), as such the timing of the revocation of the RSS through enactment of the Localism Bill presents a risk to the development of the Core Strategy and legal advice is being sought.

39. The risk is minimised through ensuring that the proposed revised housing figures are developed using an evidence based approach and the additional stage of consultation will also help test their robustness. However, the ruling may have implications for the emerging South Wiltshire Core Strategy, on which consultation has just been completed on revised figures for this part of the county and are due to be examined by the Inspector in August 2011. Advice from legal will help consider the full extent of the risk.

40. **Comprehensive Spending Review (CSR) and changes to legislation – Capacity of council services to manage demands.**

41. This was previously reported as a high scoring risk. As the CSR is over it was decided to re-name this risk to something more relevant to the on-going challenges the authority is facing, as follows:

42. **Capacity of Council services to manage demands and changing legislation.**

43. Finance are pro-actively monitoring the financial position of the council as follows:

- Four year financial plan;
- Business Plan;
- Improved forecasting tools and approaches;
- Regular budget monitoring;
- Review of key service areas and review of budgets and charging strategy.

44. Due to these actions the assessment of the level of this risk has reduced to medium and will not be included in this report unless it increases to high or becomes more significant.

Other areas of key risks to note include:

Emergency Planning and Business Continuity (BC)

Emergency Planning

45. The Wiltshire and Swindon Local Resilience Forum (LRF) maintain and review a Community Risk Register which complements the National Risk Register and informs multi agency emergency planning at a local level.

46. The new Head of the Wiltshire and Swindon Local Resilience Forum (LRF) Risk Assessment Sub Group has introduced a new format for the Community Risk Register (CRR). In the future risks will be moderated by the group as different agencies may have different perspectives on individual risks. The Risk Sub Group's aim is to risk assess and review very high and high risks annually, medium risks every two years and low risks every four years. As part of this process the Olympic Games 2012 and Porton Down have been identified as new risks.

Business Continuity Management (BCM)

47. Approximately 50 Business Impact Analysis review meetings with services took place until the end June 2011. As an outcome of these meetings several services are currently still gathering additional details, in particular regarding staffing figures and resources requirements. Services which currently undergo restructuring and which have not yet finalised their new structures may find it difficult to provide up to date staffing requirement figures. It was agreed with these services that figures should be provided as soon as the restructure is completed.

48. The second stage of the review cycle started on 27 June. While during the BIA stage services were approached by departments, for the next stage critical services are being targeted first. (DCE Children and Families, DCS Adult Care, Highways, Building Control, Fleet services).

49. Service Business Continuity Plan Reviews are used as an opportunity to ask services to identify the costs of service maintenance during a disruption of normal operations. This approach was prepared during the BIA review stage. After the initial first few Service BC Plan meetings it has become evident that estimating costs for an unknown event is not the easiest task and may require more discussion with individual services.

50. Service BC Plan review meetings are likely to continue until the end of the year.

Corporate Negligence Occupational Health & Safety (CNOHS)

Health and Safety (H&S)

51. The on-line incident reporting procedure has been revised and re-launched making it easier and quicker to use. From September schools should also be able to report accidents on-line.

52. The new contract for undertaking fire risk assessments has been given to SERCO Fire International Training Centre. As a result costs associated with this statutory function will reduce by about 50%.

Occupational Health (OH)

53. A revised pre-employment screening procedure will come into operation in September/October. The new procedure will speed up the recruitment process and avoid the need to handle, data input and store over 500 questionnaires per year.

54. The latest six monthly figures show that 509 management referrals were received by the occupational health service between January - July 2011. This is a figure consistent with the previous year's figure but represents a 25% increase from the same period in 2009. Mental health related concerns (both work and non-work related), as well as musculoskeletal and back complaints remain the highest reason for referrals.

55. The Management Matters module on Managing Pressure, Preventing Stress has been re-commissioned and extended on back of positive feedback from managers

56. One year fixed term part-time contract post created for OH Project Officer to undertake key projects linked to staff vaccinations/health surveillance.

Risk Management Arrangements

57. The CRMG is continuing its work to ensure that the Council's risk management arrangements are working well, that appropriate action is being taken, and that good quality information is being made available to managers and members as appropriate.

   - A complete review of DCE risks is currently underway and new and updated risks are being identified.
   - Business Services are currently reviewing the risks within their service area. An overview of the council risk management process was given to the Insurance team who are now identifying risks within their team. Any high or significant risks identified will be considered for inclusion on the departmental risk register.
   - The risks identified for the 'Wiltshire Online' programme have been scored using the council scoring criteria and entered onto a risk register.
   - A review of Arts and Archives risks has taken place. New risks have been assessed and scored for inclusion in the departmental risk register.
   - Finance has reviewed the risks they have on the departmental risk register to ensure they are up to date.
   - Legal and Democratic Services has carried out a complete review of their risks.
   - A review of Campus and Operational Delivery Programme workstream risk registers has taken place.

The next Risk Management Update for Audit Committee will be in March 2012.

RECOMMENDATIONS

The Audit Committee is requested to:

- Note the Corporate Risk Management Update
- Consider the Significant Risks and Risk Action Plans attached as Appendix A

Report authors   -   Eden Speller, Head of Business Arrangements
                  -    Venita King, Business Performance Manager
                  -    Rose Outen, Business Performance Manager

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WILTSHIRE COUNCIL RISK ACTION PLAN

Risk Ref: RCE001	Risk: Managing the volatile nature of care placement requirements within the resources available CHILDREN	Date of Action Plan Update: August 2011

Current Risk Rating: (High, Med, Low)	Target Risk Rating: (High, Med, Low)	Progress on Risk Action Plan:
I = 4 L = 3 Current Score = 12 High	I = 3 L = 3 Target Score = 9 Medium	RAG = Amber

Comment on Current Status of Risk (for use in risk management update reports)

Children:

A number of processes/strategies are in place to mitigate the risks. This includes LAC Placement Audit Group.

The Placement Panel effectively scrutinises new and requested admissions to Care. However, the LAC Placement Audit Group will now review Placements already made to ensure that opportunities for further reduction of costs, Rehabilitation Plans to Families and Permanency Plans are prioritised. This ensures a pincer approach both at point of admission and also once in care. This will occur across the entire Children and Families Social Care Service and will include the Referral and Assessment Team and Community Safeguarding Teams as well as those within the Children in Care Service.

Action Plan

Risk Owner	Carolyn Godfrey	Key Officer/s	Sharon Davies, Lin Hitchman

Scope / Background to Risk
(Insert information about the risk that explains it further including any history, cause of risk and potential impact and likelihood evaluation information)

Cause: Changes in legislation, market pressures and the rising number of complex cases significantly affect the Council's ability to influence or control the continuing increase in costs of services for children, disabled people and older people. Major changes in policy & practice instituted by the NHS are also relevant, as are demographic and economic pressures.

Impact: Financial impact is significant. Increasing placement costs are a barrier to investment in preventative work.

Controls in place to manage risk

1. Out of Authority monitoring System in place, to provide accurate data re number of children placed and cost of placements, monthly supervision with Team Managers where all OOA placements are discussed to prevent placement drift

2. Commissioning Strategy 2010/2011 in place, with monthly meetings chaired by Service Director for Commissioning to ensure compliance with agreed actions

3. Attendance at Major Contract Task Group meetings bi-monthly to monitor Quarriers contract compliance.			
Actions to take to improve the management of this risk OR Contingency Arrangements	**Responsibility for action**	**Date for completion**	**Progress / Status Report for Improvement Actions**
1. Placement panel implemented during January 2011 will continue to scrutinise current placements for children placed in out of authority placements to ensure wherever possible children can be returned to live in in-house provision.	1. Lin Hitchman	1. Ongoing, outcomes will be measured on a quarterly basis	Monitoring system to be implemented and outcomes reported to commissioning Group throughout 2011.
2. Increase in in-house foster placements and targeting of return of young people from expensive OOA placements	2. Lin Hitchman	2. Progress monitored month on month	Recruitment campaign to be undertaken 2011/2012
3. Increase in range of post 16 provision in accordance with Commissioning Strategy 2010 and sufficiency duty	3. Lin Hitchman	3. 2011/2012	Development of Supportive Lodgings/Host Family resources, establishment of Service level Agreements with voluntary and private providers
A review of all admissions in care for 2010 - present will be undertaken with an analysis of reasons for coming into care.	4. Jackie Chipping / Jeremy Fletcher	4. September 2011	To continue

WILTSHIRE COUNCIL RISK ACTION PLAN

Risk Ref: RCS033	Risk: Managing the volatile nature of care placement requirements within the resources available ADULT	Date of Action Plan Update: August 2011

Current Risk Rating: (High, Med, Low)		Target Risk Rating: (High, Med, Low)		Progress on Risk Action Plan:
I = 4 L = 3 Current Score = 12	High	I = 3 L = 3 Target Score = 9	Medium	RAG = Amber

Comment on Current Status of Risk (for use in risk management update reports)

Older People, Older People with Mental Health Problems and People with Physical Impairment

Demand for services continues. The Department has a range of strategies to manage the demand in the future and to reduce dependency on services including Accommodation Strategy, Help to Live at Home and Disabled Children and Adults Review.

In addition, Cabinet has approved the procurement of block contracts and framework agreements with the NHS for the provision of nursing home care for Wiltshire residents. Following a recent court case judgement around fair fee levels legal advice has been obtained which suggests that undertaking a procurement approach is the best means by which this work can be progressed. This work will be undertaken jointly with the NHS which will ensure a joint Council and NHS approach to the market which will benefit customers.

Robust budgetary management procedures are operating within the department and work with NHS partners continues.

Action Plan

Risk Owner	James Cawley	Key Officer/s	Nicola Gregson

Scope / Background to Risk (Insert information about the risk that explains it further including any history, cause of risk and potential impact and likelihood evaluation information)

Cause: Market pressures and the rising number of complex cases significantly affect the Council's ability to influence or control the continuing increase in costs of services for children, disabled people and older people. Major changes in policy & practice instituted by the NHS are also relevant, as are demographic and economic pressures.

Impact: Financial and service impact is significant. Increasing placement costs impact upon the Council's ability to purchase the required amount of nursing care and could impact on its ability to meet the needs of some customers.

Controls in place to manage risk

1. Regular monitoring of all placement activity is in place

2. All placements are approved at a senior level following individual negotiations with providers

Actions to take to improve the management of this risk OR Contingency Arrangements	Responsibility for action	Date for completion	Progress / Status Report for Improvement Actions
1. Alternatives to care home placements are being proactively commissioned.	1. Nicola Gregson	1. Sept 2011 to March 2012	1. Project plan in place and working group meeting weekly to review progress against targets
2. Procurement exercise is being undertaken to secure nursing bed provision at an appropriate cost.	2. Nicola Gregson	2. October 2011	2. Work is progressing against the procurement plan

WILTSHIRE COUNCIL RISK ACTION PLAN

Risk Ref: RNP139	**Risk: Delivery of a successful Waste management and landfill strategy**	**Date of Action Plan Update:** August 2011

Current Risk Rating:		**(High, Med, Low)**	**Target Risk Rating:**		**(High, Med, Low)**	**Progress on Risk Action Plan:**
I = 4 L = 3	Current Score = 12	High	I = 4 L = 2	Target Score = 8	Medium	RAG = Amber

Comment on Current Status of Risk (for use in risk management update reports)

Significant action has been taken to improve waste reduction and recycling, and increase waste diversion from landfill. Waste reduction has been assisted by the economic slowdown, plus national and local action. Waste and recycling collection changes programmed for 2011-12 are forecast to increase recycling significantly, from 41.1% currently to about 50%. One contract for the further diversion of waste from landfill has already started (Hills /Lakeside), securing enough capacity to avoid LATS (Landfill Allowances Trading Scheme) fines until the scheme ends in 2013 and reduce the landfill tax bill. In recent years, landfill tax has become far more important than LATS as a financial driver.
 	
 The government review of the national waste strategy, published in May 2011, does not change the underlying requirement to significantly reduce waste to landfill. At a more detailed level, the decisions to discontinue the Landfill Allowances and Trading Scheme (LATS) in 2013 and to discontinue national indicators provide increased flexibility. However, the government recycling target of 50% by 2020 and references to possible "landfill bans" maintain the pressure to increase recycling and divert waste from landfill. Potentially conflicting statements encouraging use of weekly collections but leaving the decision to local authorities threaten to undermine measures to increase recycling whilst controlling expenditure.
 	
 A second contract, the Hills / Entsorga Mechanical Biological Treatment (MBT) was signed in April 2011. If this project delivers forecast waste diversion, the Council will have sufficient diversion capacity to continue reducing the landfill tax bill until about 2019, on current forecasts. Therefore, the second contract would reduce the likelihood of this risk.
 The proposed changes to waste and recycling collections will provide further scope to reduce landfill.   The council would also meet the Corporate Plan 2010-14 target for reducing waste to landfill (25% by 2014). The risk has therefore been reviewed; the likelihood has been reduced to reflect the significant progress achieved, but not to the target level because the MBT plant is not yet operating.
 Major budget increases required to fund the changes to waste and recycling collections were agreed by Council in February 2011. The programme for delivery of new services has been agreed and has commenced. Revenue costs will rise by more than £1 million. These costs will need to be covered in future MTFPs and annual budgets.
 	
 Whilst the above measures will reduce pressures on the Council, it is certain that the costs of waste management will still increase significantly (see Scope of Risk). The following additional control measures are in place:
     (1) consideration for control of waste management as part of Medium Term Financial Plan and budget planning cycles;
     (2) the Waste Service is currently reviewing longer term issues and will update or formally review the council's waste management strategy during 2011/12;
     (3) action by Head of Waste Management, working with the Head of Waste Collection, to increase recycling and other diversion performance within
        budget allocations (see above for performance and agreed service changes). Also wood waste has been diverted from landfill to energy from waste production since December 2008;

(4) monitoring of the LATS for availability and cost of allowances.

The target risk rating is dependent upon funding being made available to support the mitigation measures. The council's Financial Plan 2011-15 identifies the following increase in base budgets needed to deliver the above improvements :

2011/12	2012/13	2013/14	2014/15
£2.5 m	£2.763 m	£2.443 m	(£0.089 m)

These forecasts will need to be regularly updated, to reflect such variables as contract price inflation and RPI, the results of procurement of services beyond 2016, when one contract terminates, Landfill Tax and LATS, waste tonnage, progress with recycling, the effects of harmonisation of waste and recycling collections (2011/12) and progress with other diversion contracts.

Action Plan			
Risk Owner	Tracy Carter	**Key Officer/s**	Tracy Carter / Andy Conn

Scope / Background to Risk
(Insert information about the risk that explains it further including any history, cause of risk and potential impact and likelihood evaluation information)

Cause: The EU Landfill Directive requires a major change in waste management, with much more emphasis on waste reduction, re-use and recycling, or production of energy from waste, and much less disposal to landfill. The UK government has created two powerful financial incentives to reduce landfill. (1) The Landfill Allowances Trading Scheme has a reducing landfill allowance for each waste disposal authority to 2020. This applies to biodegradable waste (about 68% of Municipal Solid Waste). Fines for exceeding the allowance have been set at £150 per tonne of biodegradable waste, although trading, banking and borrowing can be used as short term measures in most years. In June 2011 government announced that this scheme would be terminates at 2013. (2) Landfill Tax has risen significantly and is set to rise from the 2011/12 rate of £56 per tonne, by £8 increments to £80 per tonne in 2014/15. Governemnt is alos examinnig the case for further restrictions on landfill (Strategy review June 2011). There is also increasing public support for recycling and waste minimisation.

Impact: Diversion from landfill by means of recycling and energy from waste projects is relatively expensive in the short term. Benefits realisation assessments of Energy for Waste (EfW) projects and the current proposal to harmonise waste and recycling collections show initial outlay leading to major cost avoidance in a few years time. Markets and prices for recyclables are unpredictable. These factors combine to create a risk of failure to manage the overall costs of waste management. The major identified additional risks for the service and budget are: (1) from 2006/07 – payment of increased landfill tax per tonne (certain) and purchase of LATs allowances (possible), subject to waste reduction and landfill diversion achieved; (2) from 2009/10 – payment for diversion contracts. (Hills / Lakeside EfW commenced June 2009, MBT contract due to commence 2013). (3) from 2016 - a new payment regime for waste management services, including a large recycling operation, following the conclusion of the current contract; (4) Up to 2013, risk of further penalties associated with the LATS scheme in certain "scheme" years, as a pro rata share of any EU penalty charged to the UK; (5) The LATS and Landfill Tax schemes or the definition of council waste management responsibilities may be changed by government, affecting the Council's financial assessments; LATS is due to terminate in 2013. (6) Possible additional government measures to further restrict use of landfill. The government will consult on possible measures, including landfill bans, from June 2011. An additional area of risk, currently more limited, is the increased scope of Landfill Tax. In Autumn 2009, the government announced that the low rate of landfill tax (LFT)(£2.50 per tonne) would be extended to (inter alia) all material used as landfill cover (previously exempt). The Council now pays LFT on this tonnage. (7) the government review of waste policy has not required councils to revert to weekly waste collections, but pressure is still being mainitained by some ministers, particularly for weekly food waste collections, increasing both collection and disposal costs.

Controls in place to manage risk

1. Waste minimisation programme - joint venture Recycle for Wiltshire work with Wiltshire Wildlife Trust and subsidised sale of food waste digesters to Wiltshire residents

2. Actions to increase recycling and composting -

   The heads of waste management and waste collection are working to increase opportunities for recycling and composting, within budget allocations (see above for performance and agreed service changes)

   The council consulted on proposed changes to harmonise waste and recycling collections during June-August 2010 and Cabinet agreed to proceed in October 2010. Service changes will take place between October 2011 and March 2012. Significant additional diversion of waste to recycling and composting is forecast to result.

   A new recycling centre has opened at Marlborough (March 2011).

   A project is underway to increase access to kerbside recycling services by residents of flats.

3. Actions to divert additional waste from landfill, to energy from waste production -

   The Lakeside contract commenced June 2009 (50,000 Tonnes Per Annum)

   The Westbury MBT contract has been signed (see above)

   Household wood waste delivered to recycling centres (about 7500 Tonnes Per Annum) is being sent to energy from waste production under the existing waste management contract.

4. Consideration for control of waste management as part of Medium Term Financial Plan and budget planning cycles

5. Monitoring of the Landfill Allowances Trading Scheme (LATS) for availability and cost of allowances and reporting accurate date on waste tonnages to the national (statutory) Waste Data Flow system

Actions to take to improve the management of this risk OR Contingency Arrangements	Responsibility for action	Date for completion	Progress / Status Report for Improvement Actions
1. The waste service is currently reviewing longer term issues and will update or formally review the council's waste management strategy during 2011/12, to update forecasts, targets and priorities from 2011 onwards. Strategic Environmental Assessment / Sustainability Appraisal of the revised strategy will be required. This will require consultancy support, the cost of which may exceed the current budget allocation. Cabinet approval of the revised strategy will be required.	1. Andy Conn	1. 30/03/2012	Action 1 - the waste service carried out vision / blueprint work during the Summer and Autumn of 2010. Work on the strategy review is programmed for 2011/12. Staff capacity is expected to be limited, due to the demands of the planned harmonisation of waste and recycling collection services.
2. The waste service will also be preparing for the continued operation of contracted out services as the FOCSA west Wiltshire collection	2. Tracy Carter	2. Various from 2011	Action 2 - to follow the early stages of Action 1

contract (2014) and the Hills waste disposal and recycling contract (2016) expire. Options for future service delivery and costs will be investigated. Again, significant consultancy support may be required. A Cabinet decision on preferred options will be required.		onwards	
3. Use of project management techniques within the waste service, to improve operation of service improvement projects	3. John Geary	3. Ongoing	Action 3 has commenced and is being applied to work required to implement the proposed collection service changes.
4. Improve collection and management of waste data in the newly formed waste service	4. Andy Conn and Martin Litherland	4. 31/03/12	Actions 4 and 5 have commenced. A relatively long time scale will be needed, due to the time required for finalisation of the waste collection service staff structure and resolution of pay and terms / conditions harmonisation issues (departmental and 4 area services).
5. Increase co-ordination of staff resources across the newly formed waste service to help deliver the Recycle for Wiltshire joint venture, encouraging residents to minimise and recycle more waste	5. Andy Conn and Martin Litherland	5. 31/03/12	Actions 4 and 5 have commenced. A relatively long time scale will be needed, due to the time required for finalisation of the waste collection service staff structure, and resolution of pay and terms / conditions harmonisation issues (corporate and 4 area services).

WILTSHIRE COUNCIL RISK ACTION PLAN

Risk Ref: RNP140	Risk: Delivery of 350 unit housing PFI scheme		Date of Action Plan Update: July 2011
Current Risk Rating:	**(High, Med, Low):**	**Target Risk Rating:**	**(High, Med, Low):**	**Progress on Risk Action Plan:**
I = 4 L = 3 Current Score = 12	High	I = 4 L = 2 Target Score = 8	Medium	RAG = Amber

Comment on Current Status of Risk (for use in risk management update reports)
As previously reported, due to issues concerning affordability and planning, Cabinet agreed that the housing PFI scheme would be reduced from the provision of 400 homes to around 350. These will be delivered in a phased approach, with approximately 242 homes being provided in phase 1.
Following the government's Spending Review, the Department for Communities and Local Government (DCLG) / Homes and Communities Agency (HCA) confirmed continuing funding support for the project (22/11/10), subject to rigorous demonstration of value for money (VfM). The VfM review finally reported in March and we quickly addressed the points of concern.
All projects were subsequently asked to identify additional savings and to accept a reduced level of PFI credit. Our revised bid was submitted on 1/6/11 and the Minister has now agreed (14/7/11) to continue to support the project through to financial close (contract award). We have reduced the contract period by seven years, to 20 years, and this has enabled us to reduce our maximum credit allocation by £6 million, to £77 million.
We are currently in the process of finalising the contract and financial models with the government/bidder. Our internal approval process is scheduled for mid-September. All projects now need to be signed off by the Treasury before financial close and this will add about a month to the programme. Based on current assumptions, financial close is likely to be in mid-November, at the earliest. Persimmon has indicated a December deadline to achieve start on site.

Action Plan

Risk Owner	Sue Redmond (as of 17/5/11)	**Key Officer/s**	Graham Hogg / Mike Swabey / Chris Trowell

Scope / Background to Risk (Insert information about the risk that explains it further including any history, cause of risk and potential impact and likelihood evaluation information)

Cause: Scheme unaffordable. Unable to demonstrate value for money. Unable to secure sufficient sites with planning permission. Persimmon withdraws sites. Lack of resources. Lack of budgetary control. Loss of political/HCA support. Delays. **Impact**: Loss of £83m PFI credit. £2.3m abortive set up costs. Overspend on set up costs. Failure to meet corporate plan objective. 350 households left in unsuitable accommodation. Reputational damage.

Controls in place to manage risk

1. Affordability gap resolved by reduction in scheme to around 350 units (Cabinet 24/11/09).

2. Planning permission granted for 242 units. Timing issue on remaining units resolved by phased approach (Cabinet 24/11/09).

3. Cabinet agreement to enter into contract (22/6/10).

4. 2011/12 budget in place.

Actions to take to improve the management of this risk OR Contingency Arrangements	Responsibility for action	Date for completion	Progress / Status Report for Improvement Actions
1. Project Agreement (PFI contract) to be agreed by HCA / DCLG / IUK.	Chris Trowell	16/9/11	Derogations response finally received from HCA 15/4/11 (submitted 10/9/11). Project Agreement/derogations due to be re-submitted 5/8/11.
2. Value for money position to be approved by HCA.	Chris Trowell	8/7/11	VfM feedback received 21/3/11 (submitted 9/12/10). Revised bid accepted 14/7/11 (submitted 1/6/11).
3. Land issues on Council sites arising from Contractor due diligence to be resolved.	Janet Lee / Mark Hunnybun / Chris Trowell	31/8/11	Issues in respect of Council provided sites largely resolved.
4. Manor School site to be sold to Sarsen.	Graham Garrett / Tim Slater	31/8/11	Documentation almost agreed. Sale and purchase to be completed as soon as possible.
5. Submit Final Business Case.	Chris Trowell	23/9/11	FBC to reflect new Treasury approval process. Council internal approval scheduled for 14/9/11. In discussion with HCA to overlap derogations approval / FBC submission.

WILTSHIRE COUNCIL RISK ACTION PLAN

Risk Ref: RNP142	Risk: Delivery of a transformed Waste Collection Service			Date of Action Plan Update: July 2011

Current Risk Rating:	(High, Med, Low)	Target Risk Rating:	(High, Med, Low)	Progress on Risk Action Plan:
I = 4 L = 3 Current Score = 12	High	I = 1 L = 3 Target Score = 3	Low	RAG = Amber

Comment on Current Status of Risk (for use in risk management update reports)

Following intensive negotiations with the trade unions and a period of staff consultation, all in-house waste collection staff have now moved to new posts on harmonised Wiltshire Council terms and conditions.

The waste directorate's management team has worked hard with HR to avoid creating poor industrial relations resulting in disruption to services. Affected staff have had previous Bank Holiday working recognised with an element of pay protection deployed where applicable. Differences in take-home pay between depots, now mitigated to a large degree, and steps have been taken to allow additional resilience by paying standby payments in certain circumstances, such as during periods of inclement weather. From December 2011 onwards, collection arrangements over public and bank holidays will be the same across the county.

New waste and recycling collection services are being rolled out to programme, with user information packs and collection calendars now being distributed to residents ahead of the new bins. New collections will begin in the north of the county on 10 October 2011.

The risk remains high because of the possibility of adverse publicity if there are any problems with implementing the new services or when north and south Wiltshire move to fortnightly collections for their non-recycled waste. This is programmed for February and March 2012 so we anticipate the risk being reduced in April or May next year.

Action Plan

Risk Owner	Tracy Carter	Key Officer/s	Tracy Carter / Martin Litherland

Scope / Background to Risk
(Insert information about the risk that explains it further including any history, cause of risk and potential impact and likelihood evaluation information)

Cause: 1) Failure to implement harmonisation of pay and conditions exposing the Council to possible legal challenge.

2) Failure to transform the four current waste collection systems into a single, consistent service covering the whole council area.

3) The government review of waste policy during 2011 does not require councils to revert to weekly waste collections, but ministers are continuing to press for weekly food waste collections, which would increase both collection and disposal costs.

4) Lack of space in existing network of depots to accommodate vehicles and staff for new services.

Impact: 1) Could seriously damage and undermine the pay harmonisation process across the council as a whole and failure to achieve a negotiated collective agreement with the unions could lead to poor industrial relations in the longer term and disruption of a key service used by every resident;

2) Public complaints about inequality and discrimination due to different collection systems remaining in place, possible multiple ombudsman cases, criticism and low assessment by central government and to some boycotting of recycling by residents, leading to failure to hit landfill diversion targets, and to budget pressures.

3) Increases in both collection and disposal costs, the latter due to increased waste disposal to landfill and payment of LFT.

4) May not be possible to deliver services if staff and vehicles cannot be accommodated.

Controls in place to manage risk

1. Changes to recycling and waste collection services are under way. These will harmonise collections across the county and are forecast to deliver significant additional diversion of waste to recycling and composting.

2. Significant progress has been made by project teams on the various workstreams.

3. Regular meetings take place with union representatives. Staff representatives have been consulted on JEQs for new roles within the waste collection service. The new collection service structure has been agreed by the council and recruitment of staff to new posts is under way .

Actions to take to improve the management of this risk OR Contingency Arrangements	Responsibility for action	Date for completion	Progress / Status Report for Improvement Actions
1. Use of project management techniques within the waste service, to improve operation of service improvement projects	1. John Geary	1. Ongoing	These actions have all commenced and are regularly reviewed. Project teams are meeting as frequently as necessary to progress the work on both role remodelling and waste collection service projects.
2. Alternatives to using Wiltshire Council depots for delivery of new services are being explored	2. Martin Litherland	2. March 2012	These actions have all commenced and are regularly reviewed. Project teams are meeting as frequently as necessary to progress the work on both role remodelling and waste collection service projects.
3. Communications strategy is being developed to ensure that all staff are kept informed of proposed changes. Communications will continue through the service change period into 2012.	3. Martin Litherland	3. March 2013	These actions have all commenced and are regularly reviewed. Project teams are meeting as frequently as necessary to progress the work on both role remodelling and waste collection service projects.

WILTSHIRE COUNCIL RISK ACTION PLAN

Risk Ref: RP006	Risk: Procurement Programme Targeted savings not fully aligned to Business Plan requirements	Date of Action Plan Update: 6 September 2011

Current Risk Rating:	(High, Med, Low)	Target Risk Rating:	(High, Med, Low)	Progress on Risk Action Plan:
I = 3 L = 3 Current Score = 9	Medium	I = 2 L = 2 Target Score = 4	Low	RAG = Green

Comment on Current Status of Risk (for use in risk management update reports)
The level of risk is maintained at amber as whilst it is not thought that it is going to be possible to deliver the original pure procurement savings of £11m next year in line with the business plan, detailed work on the savings opportunities within 2011/12 and for future years indicate that the savings achievable will need to be revised in the business plan targets. The savings targets are based on 2009/10 actual spend information and the Business Plan is based on the 2010/11 Base Budget, therefore anomalies exist in making percentage savings on budgets which overspent in 2009/10 or have already been reduced by alternative savings proposals. There are also cases where the amount of addressable spend for pure procurement is limited, due to contracts already being in existence which either cannot be broken or which on being reviewed are deemed to already provide best value for money. This risk is being mitigated through a new review of alternative procurement and non-procurement opportunities. To realign the savings target to the Business Plan we will need to realign the programme approach and include service review savings. This will be discussed with CLT as part of the budget monitoring and budget setting process but is outside the remit of the Programme in isolation.

Action Plan

Risk Owner	Michael Hudson / Caroline Bee	Key Officer/s	Caroline Bee

Scope / Background to Risk (Insert information about the risk that explains it further including any history, cause of risk and potential impact and likelihood evaluation information)

Cause: Savings targets for P&C are based on 2009/10 actual spend information; Business Plan is based on 2010/11 Base Budget. Therefore anomalies may exist in making %age savings on budgets which overspent in 2009/10. Also opportunity assessments and further work on candidate lists for future savings evidence that assumptions on available savings are not realistic given other commitments across the council or current arrangements being better than anticipated. **Impact**: Financial risk. Savings targets may be achieved in P&C Programme but spend may still exceed targeted budget base in Business Plan.

Controls in place to manage risk
1. Budget monitoring process at corporate level. Programme does not own budgets and mitigating actions. 2.

3.			
Actions to take to improve the management of this risk OR Contingency Arrangements	**Responsibility for action**	**Date for completion**	**Progress / Status Report for Improvement Actions**
1. Compare all addressable spend in P&CP with 2010/11 Base budget to identify variations & report findings	1. Caroline Bee	1. Date	Business Plan and budget contain reduced targets for expected savings from P&CP therefore providing margin for error. P&CP savings targets remain but appear to be non deliverable in isolation to other corporate actions, hence action 3 below.
2. Review & adjust P&CP savings targets as necessary	2. Caroline Bee	2. Date	Risk of P&CP savings becoming out of line with Business Plan forecasts increases over the course of the programme. Business Plan contains £9m for 2013/14 then £11.6m for 2014/15 (red). Completed, hence escalation to action 3
3. Programme needs to move to Phase 2 and a review of addressable spend and savings targets must be undertaken with a refresh of the approach to procurement savings to maximise VFM from spend, including service redesign and demand management. This will move the programme away from pure procurement and will feature as part of the budget setting 2012-13 process. The action plan therefore becomes the contingency arrangement within the budget monitoring and budget setting processes at a corporate level.	3. Caroline Bee	3. October 2011	At present it is difficult to see how £11m pure procurement savings can be made from the current candidate lists. To realign the savings target to the business plan we will need to realign the programme approach and include service review savings. This will be discussed with CLT as part of the budget monitoring and budget setting process but is outside the remit of the Programme in isolation.