



Audit & Governance Committee
7 December 2015

Governance Update Report

SUMMARY AND PURPOSE:

The purpose of this report is to provide a half year update on the areas within the 'Continually Strengthening Governance' section of the 2014/15 Annual Governance Statement and the governance arrangements during the first six months of 2015/16.

RECOMMENDATIONS:

The Committee is asked to:

- a) Confirm whether it is satisfied with the ongoing governance work; and
- b) Agree whether any concerns should be referred to the Cabinet or to the relevant Cabinet Member.

CONTINUALLY STRENGTHENING GOVERNANCE:

- 1 The 2014/15 Annual Governance Statement (AGS) identified areas that required strengthening in order to enhance the overall governance arrangements. Progress on these areas is monitored by the Governance Panel¹ and is summarised below.
- 2 Children's and Safeguarding Service

The following areas of improvement were identified:

- '- There is a need to reduce reliance on long term agency resource particularly in management/supervisory roles;*
- As the number of children in receipt of direct payments increases, the council must ensure it has robust systems in place to demonstrate that social care reviews are conducted in a timely manner in line with stated policy;*
- The council needs to improve its administration of looked after children's personal finances to ensure it meets its statutory duty as the corporate parent.'*

¹ Consisting Director of Legal and Democratic Services (Chair), Director of Finance, Senior representatives from HR and Policy & Performance, Chief Internal Auditor, Risk and Governance Manager

3 Contract Management

The following area was highlighted in the AGS:

'There is a need to ensure that the council's central contract management system contains key information on significant contracts to enable effective contract monitoring and timely procurement.'

- 4 An update on progress on the Management Action Plans for the areas above is included within the Internal Audit half year report on this agenda.

2015/16 GOVERNANCE ARRANGEMENTS:

- 5 Updates on many different areas of governance are continuously reported to senior management and members through networks, groups and boards. The information below provides an update on key areas of governance that are supporting the increasing number and scale of challenges that the council is facing.

Governance strategy

- 6 The Governance Panel has developed a one page governance strategy, in alignment with the Council's Corporate Strategy. The governance strategy, attached at annex 1, clearly sets out the meaning of governance and the benefits of good governance. The strategy will help promote the importance of good governance and is underpinned by the council's Code of Corporate Governance.

Networked leadership approach

- 7 The council's leadership focuses on strategic issues through a networked approach, which enables cross council working to focus on outcomes. In particular, the Statutory Responsibilities Network (SRN) takes a lead on risk and governance and receives updates from the Strategic Risk Forum (chaired by the Director of Finance) and the Governance Panel (chaired by the Director of Legal and Democratic Services) as appropriate.

Financial planning

- 8 The Medium Term Financial Plan (MTFP) has been refreshed to incorporate latest data on demand and the likely future financial outlook. While some clarity has emerged, indicating a challenging financial future, much uncertainty continues pending the autumn spending review.
- 9 A report was provided to Cabinet in November 2015 that updated them on the strategic challenges facing the council in developing its MTFP (2016-21), including the revenue budget and the Capital Programme. This has ensured early transparency ahead of the Cabinet meeting on 2 February 2016 that will formally recommend the 2016/17 budget to full County Council.

Ethical standards

- 10 The officer Code of Conduct sets out the standards of values and ethics expected from officers and supports the council's aim to provide high quality services fairly and efficiently. The Code of Conduct has been updated to incorporate the 7 Standards of Public Life to ensure that officers are aware of the recognised ethics of public service.

Children's Improvement Plan

- 11 Progress on the delivery of the Children's Improvement Plan is being monitored in a number of ways, including through independent external review (Department for Education and Ofsted), the Improvement Board (chaired by the Deputy Leader), internal programme and project arrangements and member scrutiny and oversight, in particular the Social Care Services Board.

Projects and programmes

- 12 The Cabinet and member boards continue to be regularly updated with progress on key strategic projects, programmes and collaborative working such as the Better Care Fund and Families, Friends and Communities. This enables continuous focus, review and monitoring of key areas to support the delivery of the council's strategic goals.

Staff

- 13 A pay and reward strategy review is being undertaken and officers are working closely with senior management, members, and the trade unions. The approach to performance management across the organisation is being reviewed, which will build on the existing system, focusing on what staff are doing and how they are doing it, and developing collective ownership of outcomes.
- 14 A staff survey has recently taken place that focused on the employee experience. Results are due in early 2016 and will provide information on how staff feel about the organisation.

IMPLICATIONS:

Financial

- 15 There are no direct financial implications of this report.

Equalities

- 16 There are no direct equalities implications of this report.

Risk management

- 17 An effective governance and internal control environment leads to improved performance and outcomes for residents.

WHAT HAPPENS NEXT:

Governance update reports will be provided to future Committee meetings.

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Sources/background papers: 2014/15 Annual Governance Statement,
Governance Panel papers, working papers, Cipfa/Solace Framework for Delivering
Good Governance in Local Government, The Code of Corporate Governance
