



# **Delivering good governance and continuous improvement**

**Assessment of the Council's  
governance and improvement  
arrangements for 2014-15**

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# Introduction

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## Why do we need an annual assessment of our governance arrangements?

Denbighshire County Council is responsible for ensuring that it has robust governance arrangements in place so that it does the right things, in the right way, for the right people, at the right time, in an inclusive, open, honest and accountable way. Good governance is essential to both the Council and the public. It supports the Council in making the right decisions, reduces the likelihood of things going wrong and protects it when problems do occur. It inspires confidence in the public that we are taking decisions for the right reasons, protecting service quality and spending public money wisely.

This document explains and assesses our governance arrangements for 2014-15 and identifies any improvements needed to make the arrangements more robust.

## Self-assessment of our arrangements

Within our annual governance review, we are required to carry out a self-assessment of our arrangements. In the past we have also carried out a corporate self-assessment showing how we achieve continuous improvement, but we now combine these self-assessments in an approach to avoid duplication, as managing and monitoring of performance and improvement is also an important element of good governance. This innovative self-assessment helps us to understand our strengths and weaknesses in relation to the six key principles of good governance that we use in our governance framework:

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### Focusing on our purpose and on the outcomes for citizens and service users

**Performing effectively in clearly defined functions and roles**

**Promoting values for the whole organisation and demonstrating good governance through our behaviour**

**Taking informed and transparent decisions and managing risk**

**Developing our capacity and capability to be effective**

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

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## Summary of our governance arrangements

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### Review of effectiveness

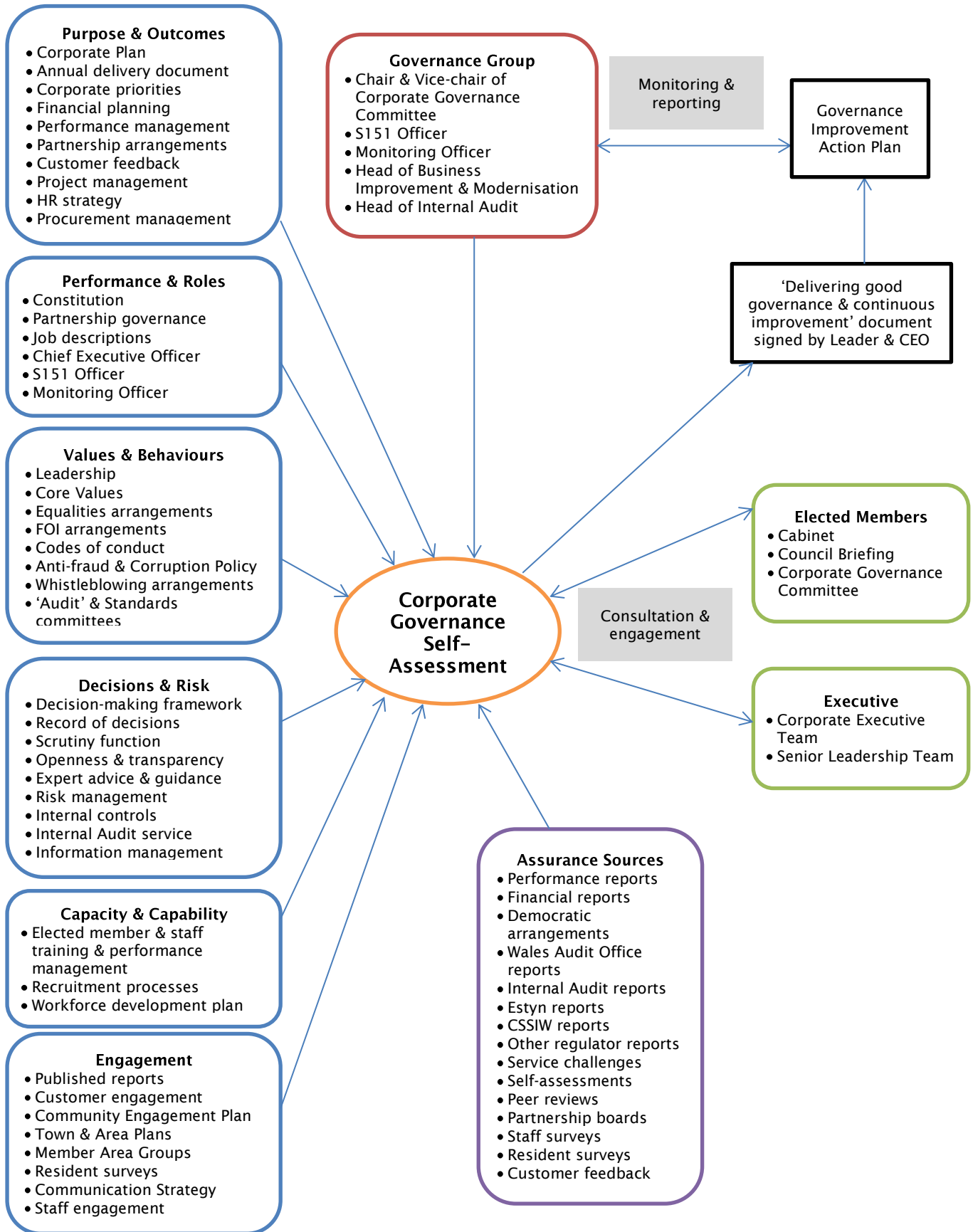
We are required to review the effectiveness of our governance arrangements each year, which includes:

- maintaining an on-going evidence framework showing how we can give assurance on our governance arrangements;
- regularly reviewing the effectiveness of the Council's Constitution;
- reviewing governance arrangements within services delivered on our behalf by partnerships, arms-length organisations etc.;
- having a 'virtual' Governance Group comprising the Chair and Vice-chair of the Corporate Governance Committee, Head of Finance & Assets (S151 Officer), Head of Legal, HR & Democratic Services (Monitoring Officer), Head of Business Improvement & Modernisation, and Head of Internal Audit to monitor governance arrangements, develop our self-assessment and any action plans arising from it;
- consulting widely on our self-assessment with senior management and elected members;
- providing training for elected members to ensure that they fully understand their roles and responsibilities relating to corporate governance; and
- using information from various sources to inform our governance arrangements, for example, service challenges, performance reports, risk management, external regulator reports, the Head of Internal Audit's Annual Report.

**In summary, our self-assessment provides evidence and assurance that the Council has robust governance arrangements in place. Where we have identified areas for improvement, we have an action plan to address them (Appendix 1).**

**We will monitor and report progress on the action plan to the Corporate Governance Committee on a regular basis.**

## Summary of our governance framework



## Focusing on our purpose and on the outcomes for citizens and service users

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### ...we are clear about what we are trying to achieve

Our Corporate Plan 2012-17 clearly shows what we are aiming to achieve and sets out our priorities for the five year period. Each year we develop a Corporate Plan Delivery Document to show what we expect to do in the forthcoming year to support the delivery of our priorities and how we will go about it. The Wales Audit Office Annual Improvement Reports conclude that we are making good progress in delivering our improvement programme, that our corporate performance management arrangements support reliable self-evaluation and that our arrangements to support improvement are good. **(Paragraph to be updated once latest WAO report received)**

We have clearly stated how our corporate priorities link to our medium-term financial plan and have identified financial and staffing resources to support the delivery of our objectives. We sought residents' views on the cuts that we are considering, to engage them more on how these cuts will impact on them and their communities and what can be done to lessen the impact. We recognise that the scale of cuts that we need to make will not be evenly spread across our services, mainly because some services, like schools, must be protected, while other areas are high priority and high risk, such as social services. Others are important statutory functions that we must continue to do, like planning, payroll, financial management and regular performance reporting to Welsh Government and regulators.

While the scale of these cuts will inevitably mean that we have to do 'less with less' we will still continue to provide vital universal services. The difficult budget decisions that we are now having to make are not only about balancing the books for the next two years, but they will also shape local services that will be provided in the future. We are a high performing Council and this will not change, even after these cuts are implemented.

As part of reviewing the way we work, we are reviewing our governance arrangements to ensure that public money is spent wisely and that the public continues to receive good services and value for money. We will be implementing new monitoring arrangements during 2015 to ensure that any third party or arms-length service providers have robust governance arrangements, and will implement scrutiny arrangements to monitor their financial and operational performance.

We have also reviewed the way we deliver services through our Town and Area Plans during the year to improve clarity around the overarching policy intentions of the Plans and to improve the consistency in how they are developed and delivered. Improvements will also ensure that Plans are more strategic, provide clearer information on anticipated benefits and how impacts will be measured. Cabinet has

endorsed the preparation of revised lists of priority projects and a new process for allocating funding to these projects.

We have a comprehensive partnership governance toolkit that provides guidance to ensure that, for each partnership, there should be a clear statement of the partnership principles, objectives and proposed outcomes. It also includes guidance on measurement of service quality so that customers receive good service, however we deliver our services. We are aware that not all partnerships use the toolkit, so we need to review the guidance to ensure that it is user-friendly and effective. This is a follow-up piece of work from our Partnership Landscape review, which began under the auspices of the Denbighshire Strategic Partnership Board. This review has informed local and national policy by highlighting the complexity of partnership activity in Denbighshire and beyond.

### **...we make sure that service users receive a high-quality service and value for money**

We monitor our performance regularly, take half-yearly reports to Scrutiny and Cabinet meetings and produce an Annual Performance Report to evaluate progress. We are planning to increase reporting to Scrutiny and Cabinet to quarterly to maintain a focus on performance during a period of service reduction.

Denbighshire has maintained its position as the best performing council in Wales for a fourth year according to the Welsh Government's National Strategic Indicators:

- Of the 30 National Strategic Indicators, 16 were in the top quartile
- Above the median, our position has slipped slightly, now ranking second in Wales
- We have seen improvement in 19 indicators
- We performed among the best in Wales in 6 indicators

The Service Performance Challenge uses a variety of reports and a service self-assessment to review performance against the service plan, benchmarking information and a 'need and demand' report, which highlights possible future pressures and changes in the external environment to which the service may need to respond. This process has been highlighted as good practice through the Care and Social Services Inspectorate Wales (CSSIW) recent annual report.

*"Within the council there is keen interest and support from elected members. They play a key role in the exemplary 'service challenge' meetings where they question lead officers about the performance and impact of the council's services."*

The Wales Audit Office provided an unqualified audit report on our financial statements for 2013-14, raising no significant issues or material weaknesses in our internal controls. Our Internal Audit service reviews our key financial systems annually and provided positive reports during the year. However, in 2013/14,

Internal Audit produced a critical report on the procurement of construction services that highlighted several weaknesses, including that our procurement strategy was out of date. During 2014/15, Internal Audit has continued to monitor progress on the report's improvement action plan and report it to Corporate Governance Committee. These reviews show that progress with improvement has been slow and several deadlines missed, so procurement remains a significant governance issue later in this document.

The programme and project management methodologies, and the Verto system are working well across the Council, with some real deliverables now being realised. Overall, visibility of our activities is improved through effective and consistent reporting on our projects to Corporate Executive Team (CET) and various committees.

The Verto system has now been developed and extended to incorporate the Council's performance management processes. Forthcoming service business plans are currently being developed using the system. Through the flexibility of the system, we are able to integrate our service business plans with programme and project activities, thus being able to report using key dependencies, such as progress against outcomes or priorities.



## Performing effectively in clearly defined functions & roles

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### ...we are clear about the roles and responsibilities in our organisation

The Council's main governance guidance is provided in our comprehensive Constitution that:

- clearly sets out respective roles and responsibilities of elected members and officers, particularly relating to governance, although it needs to be updated to take account of changed role titles and elected member portfolios;
- includes a formal scheme of delegation and reserve powers for decision-making; and
- includes the process for holding County Council and Cabinet to account for their decisions and performance.

Our partnership governance toolkit provides guidance on defining each partner's role in the partnership, line management responsibilities for staff supporting the partnership and legal status but does not provide clear guidance on the roles of partnership board members. We have already identified the need to review this guidance, and we will need to promote its use across all partnerships in Denbighshire.

### ...we make sure that we carry out these roles and responsibilities

Our Constitution includes a protocol to ensure that elected members and employees understand each other's roles and that they work effectively together. We have also clearly identified the roles and responsibilities of key officers in the Council:

- Our CEO is responsible and accountable to the organisation for all aspects of operational management.
- Our S151 Officer is responsible for ensuring that appropriate advice is given to the organisation on all financial matters, keeping proper financial records and accounts, and maintaining an effective system of internal financial control.
- Our Monitoring Officer is responsible for ensuring that the organisation follows agreed procedures and complies with all applicable statutes and regulations.

## Promoting values for the whole organisation and demonstrating good governance through our behaviour

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### ...we ensure that our organisational values are put into practice and are effective

We have a set of core values - **Pride, Unity, Respect and Integrity** – that are well-embedded in the organisation and are clearly reflected in our Constitution, Partnership Governance Framework, Financial Regulations, Contract Procedure Rules and employee appraisal process.

Our leadership sets the tone for the organisation by creating a culture of openness, support and respect. We are currently carrying out our latest staff survey, but the previous survey in 2013 reported that 83% of employees felt that the leadership team had a clear vision for the future, compared to only 58% in the 2011 survey. There was also a high level of confidence (84%) in the leadership team. This same level of improved confidence was reflected at service level, with 81% believing that their service had a clear vision for the future and having confidence in their manager.

We continue to develop and enhance our work on equalities and human rights, although the decision to delete the post of Corporate Equality Officer will require services to become more accountable for their work with people with protected characteristics. We continue to work with the North Wales Public Sector Equalities Network, with whom we have a joint Strategic Equality Plan. In addition, we have developed and produced a new e-learning module, which is in the process of being implemented across key customer-facing services.

**Internal Audit's staff survey found that there is still work to do to improve awareness of corporate equalities arrangements. (Paragraph to be updated once latest survey completed).**

### ...we provide leadership by behaving in ways that exemplify high standards of conduct and effective governance

We have various ways in which we demonstrate our core values and high standards of conduct and effective governance, for example:

- we have clear and transparent Freedom of Information arrangements to allow access to information;
- our codes of conduct for elected members and employees form part of induction training, although we need to ensure that we have arrangements in place to ensure that we regularly raise awareness of these codes;

- we have a register of financial interests and hospitality for elected members and employees to ensure transparency;
- we have a process for elected members to declare interests generally and in relation to specific issues and/or reports at meetings;
- we have a protocol to ensure that elected members and employees treat each other with respect and behave professionally;
- our customer feedback and complaints framework allows the opportunity for customers to comment on the behaviour of elected members and employees;
- we have an anti-fraud and corruption policy dated 2006, but we are in the process of reviewing and updating it;
- we have revised our whistleblowing procedures that enable issues to be raised freely with a wide range of people or bodies. The new model constitution has included in it a new whistleblowing policy. The draft, which had previously been consulted upon with unions, will be checked against this and redrafted where necessary for further consultation;
- our financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010);
- our Corporate Governance Committee carried out a self-assessment in 2013/14 that confirmed that its terms of reference conform with the Local Government (Wales) Measure 2011;
- following the above self-assessment, the Head of Internal Audit provided training to elected members on their governance responsibilities;
- the Head of Internal Audit's annual report confirmed that we operate an effective system of internal control, governance and risk management; and
- we operate an effective and impartial Standards Committee to uphold good behaviour by elected members.

## Taking informed and transparent decisions and managing risk

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### ...we are rigorous and transparent about how we make decisions

We have a clear decision-making framework to show who can make what decisions and we keep a comprehensive and published record of decisions made. All key decisions include an assessment of financial implications, contribution to corporate priorities, risks and equality impacts, although we are aware that we need to carry out some quality control reviews on equality impact assessments to ensure that they are robust.

We advertise our 'public' meetings in advance so that they are open for public and media attendance, and all of our reports are discussed openly unless they meet strict criteria for confidential discussion.

Our scrutiny function is effective, supported by evidence and data analysis, to challenge decision-makers constructively.

### ...we use good quality information, advice and support

Elected members are provided with clear, concise but comprehensive reports and advice for decision-making that clearly explain the implications of the decision. Reports should not exceed four pages and we use a corporate report template to ensure that all information is included, together with a checklist that has to be completed in all cases to confirm that all information is included in the report before submission.

We have arrangements in place to provide and record proper professional advice on matters that have legal or financial implications well in advance of decision making and at meetings. External advice is obtained where required, particularly in specialist areas.

The Research and Intelligence Team and the Corporate Programme Office have been combined following a service restructure. This new team, in addition to business as usual activities, will focus on key change activities and will begin to develop a strategic platform for management information and reporting, enhancing decision making processes.

### ...we have effective risk management, information management and control systems

We review our Corporate Risk Register formally twice a year, with each Corporate Director considering the risks that they currently manage, reviewing mitigating actions and the external environment to assess the risk score and adding new risks as appropriate. This includes identifying changes in legislation affecting Council

services, such as the new Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations Bill. The Corporate Governance Committee monitors risk management arrangements and reviews the Corporate Risk Register.

We have an independent and objective internal audit service providing assurance across the whole range of the Council's services, including partnerships. The Head of Internal Audit's annual report confirmed that we operate a robust system of financial and operational internal controls. During the year, the Head of Internal Audit carried out the required self-assessment review to ensure that the service complies with the new Public Sector Internal Audit Standards. The resulting improvement plan will be reported to Corporate Governance Committee as part of the Annual Internal Audit Report 2014/15 and monitored by the Committee.

We discuss any reports of external regulators at the relevant management and elected member levels and monitor action plans arising from their reviews.

Information management has historically been seen as a significant governance weakness in our Annual Governance Statements following adverse internal and external audit reports. A Corporate Information Team was formed during 2013 to address these weaknesses. Since this time, significant improvements have been made, which has recently resulted in the risk being reduced from amber (major) to yellow (moderate).

Some of the main actions addressed include:

- appointing a Corporate Information Manager to provide strategic leadership in this area;
- providing a corporate approach to information management via the launch of an Information Management Strategy;
- developing a corporate approach to managing information risk through the development and launch of an Information Risk Policy;
- improving competency levels in the Council through the development and launch of a suite of e-learning modules, including Data Protection, Freedom of Information and Document Management;
- achieving Public Sector Network (PSN) accreditation;
- developing a consistent way of handling information security breaches via the development of a policy;
- introducing secure email facilities via Egress;
- appointing an Access to Information Officer to handle the increasing volume of information requests; and
- improving the management of our electronic documents through the implementation of EDRMS (electronic document records management system).

, for example:

- improve arrangements for securely destroying our confidential waste;
- refresh the information security policy framework;
- embed EDRMS into paper-heavy teams by March 2016 (end of project);
- widen access to the county's archive materials via the development of an improved online presence;
- develop an Information Asset Register;
- publish more information to our website to meet our statutory obligations and reduce numbers of information requests; and
- raise further awareness and embed information retention rules into services.

The Council's Information Risk Policy includes a requirement to include specific information in the 'annual governance statement' and to share and discuss this with the Corporate Governance Committee. In May 2014, the Council's Senior Information Risk Officer (SIRO) reported the following to the Corporate Governance Committee for 2013/14:

- There has been no major breach of the Data Protection Act by the Council during the year.
- The SIRO reported two information risk incidents to the Information Commissioner during the year.
- These incidents affected two individuals and the Council took immediate action to address the issues and improve processes. **(This paragraph will be updated with information from the latest SIRO report)**

## Developing our capacity and capability to be effective

**...we make sure that our elected members and employees have the required resources, skills, knowledge and experience they need to perform well**

We have elected member and employee induction programmes to ensure that key information is imparted at an early stage, have rolled out induction and refresher training to services and carried out an 'audit' of recently recruited members of staff to ensure that it is being carried out. It is a much improved process and significantly more inductions are being carried out.

There is a current process in place for appraising the performance of Cabinet members, which has been strengthened by aligning their priorities to the Corporate Plan, which is in response to the CEO's paper on 'Sharpening our Act'.

Scrutiny Committees produce annual reports on their work to County Council but the Corporate Governance Committee's self-assessment highlighted that it had not formed part of this performance monitoring arrangement in recent years. During the year, the Committee's chair produced a report that will be presented to Council in line with the Scrutiny annual reports.

Employees receive annual performance appraisals, resulting in training and development plans to help them achieve their objectives and fulfil their roles effectively. **We improved performance in 2013/14, with 89% of eligible employees receiving an annual appraisal. To date for 2014/15, 87% have been completed. (this will be updated before the final version)**

We are trying to modernise the way we work so we can use valuable time and resources better. The Modernisation Board has initiated several projects that create service delivery efficiencies and we have developed a Flexible Working Policy Statement and guidance that sets out how we expect employees to work in the future and also what support we can provide. To improve our efficiency and mobility, we have:

- rolled out new IT equipment;
- upgraded the Local Area Network and Wi-fi to support flexible working;
- continued to review our office accommodation requirements;
- agreed a hot-desk policy;
- continued to roll out EDRMS to more services;
- implemented Central Invoice Registration, which will reduce the number of invoices not paid on time and avoid late payment fines; and
- developed a Customer Service Strategy to show how we will deliver excellent customer service.

## ...we ensure that we can continue to perform effectively during periods of change

Strategic HR Business Partners undertake a workforce planning exercise with each service annually to identify their priorities for the coming 12 months. This year this has included the Freedom and Flexibilities review. This enables HR to understand and prioritise the level and timing of support that services may require. The discussions with services cover service aims and priorities, workforce profile, upcoming challenges and risks, resource and skills gaps and critical posts. This allows HR to develop a Workforce Priority Plan, agreed with the Senior Leadership Team. In addition, the data collected from performance appraisals enables us to identify corporate people development priorities for the coming 12 months.

To help develop potential senior managers of the future, we use Middle Managers conferences to engage them. 'Yr Hwb' cohort for 2014 has now come to an end, and members of the team were involved in a range of key projects, including the Electronic Mailroom Business Case development, the Financial Inclusion Project E-Learning module, Modernisation Programme stakeholder and communication events and also work on Economic and Community Ambition Programme stakeholder events. Directors and Heads of Service provided mentorship for each of the Hwb members.

More of our projects are being delivered from within services, benefitting as a result of the extensive project management training that has been undertaken over the past two years. This has resulted in a reduction of our Corporate Project Management resource, contributing to our resilience to change and our efficiencies.

Our Volunteering Strategy offers a useful starting point for developing a corporate vision for volunteering. We will continue to develop this Strategy through the delivery of the Wellbeing Plan to take into account developments across the county in areas such as time-banking pilots, partnership working, and developing initiatives to support employees to volunteer their time and expertise to benefit their communities.



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

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### ...we take an active and planned approach to dialogue with and accountability to our external regulators

We take a proactive approach to external regulation, for example:

- regular meetings to discuss developments, their work and outcomes;
- involving and consulting them on key decisions that may affect our governance arrangements;
- acting on any improvements that they identify in their reports; and
- presenting their reports to the relevant committees to keep elected members informed.

### ...we engage effectively with the public and other stakeholders

We publish our Annual Statement of Accounts, including this self-assessment of our governance and improvement, on our website and it is open for public inspection and challenge for the designated period. We also publish our Annual Performance Report so that the public can see how well we are performing in the delivery of our Corporate Plan.

Our customer feedback and complaints framework provides the opportunity for customers to comment on our services. We listen to these views when deciding on service planning and improvement.

We have improved our community engagement during the year and are committed to undertaking further initiatives in 2015, for example:

- our Corporate Community Engagement Strategy and Toolkit is on our website and intranet and is a useful resource for all services. The Strategy will become embedded in the engagement philosophy of all services so that minimum standards are adopted. We anticipate that the Strategy and Toolkit will be revised in spring 2015 to ensure that it continues to be 'fit for purpose' and encompasses recent trends in engagement opportunities;
- also being produced in 2015 is Denbighshire's Children and Young People's Participation Strategy, which is a specific guide for all services and partner organisations. The Strategy is a platform to ensure that we involve children and young people in decisions, planning and reviewing the services that might affect them directly (e.g. school policies, youth service provision, public transport, children & family's social services etc.) or indirectly (e.g. highways, housing, waste management etc.);
- undertaking further work to manage our on-line consultation policies and use of on-line survey tools such as 'Survey Monkey';

- ensuring that the ‘National Principles of Public Engagement’ and the ‘Children and Young People’s Participation Standards’ are embedded in the delivery of services
- continuing our close liaison with the 37 city, town & community councils within the county through ‘cluster’ meetings and an annual liaison meeting attended by our Chief Executive, Council Leader and Council Chairman. We will be reviewing our Charter with all councils in 2015;
- we are further developing our engagement with residents and businesses through the use of social media;
- our Armed Forces Covenant Partnership brings together all key agencies involved in ensuring that we meet our commitment to the Armed Forces Covenant, and we have organised a welfare / drop-in session for armed forces personnel and veterans;
- following the devastating floods in the east ward of Rhyl in December 2013, we held several flood ‘drop-in’ sessions with affected residents during 2014 and produced regular welfare and coast protection newsletters;
- we carried out a resident survey in 2013, with over 2000 residents taking part and we reported on this in our last Annual Performance Report. A similar survey will take place in 2015; and
- for many years, volunteers have provided added value and complemented the work of paid staff to enable the Council to deliver better and more effective services. In turn, volunteers also gain positive satisfaction from helping others and gaining new skills and making a contribution to the life of their community.

An extensive engagement and consultation debate took place in 2014 to discuss the Council’s budget proposals in light of the significant savings the Council was expecting to make. The ‘Cutting our Cloth’ budget debate was promoted through press releases and briefings, social media, and promotion in key buildings. This provided the opportunity for residents to submit their contributions in different ways and we received over 822 survey responses

In addition to the budget debate, services carry out individual engagement and consultation, usually on a specific issue, for example on our review of schools provision, and Adult Social Services conducted a Feedback Fortnight on its services. Responses received influence current and future delivery of services.

In delivering Denbighshire’s Single Integrated Plan (Supporting Independence & Resilience: Denbighshire’s Wellbeing Plan 2014-2018) we extensively engaged with the community to establish our vision and priority areas. The Plan places the community at the heart of its philosophy and focuses on having a positive impact for the people of Denbighshire.

The Council is the lead partner in delivering an Engagement Strategy and Action Plan on behalf of the Local Services Board (LSB). A working group, chaired by the

Council has delivered work packages as part of the Strategy's action plan, including the development of a dedicated LSB website and logo

We have completed and initiated several actions that have either changed or will change our engagement with businesses:

- Businesses endorsed the final Economic and Community Ambition Strategy, which set us the challenge of delivering it, including a Consultation Programme. We received positive feedback from the business community to a county wide 'Open for Business' event at the Royal International Pavilion in Llangollen. Businesses and their representatives continue to provide positive feedback and are now engaged in the design and governance of our 'Better Business for All' project.
- Our Contract Procedure Rules now include community benefit clauses that promote the use of local business/labour/goods and supplies in all contracts. These are mandatory for all projects over £2m. We continue to engage with suppliers through a programme of events organised by Business Wales but our new approach to supplier development is currently on hold while the Strategic Procurement Unit reviews its business plan. However, we are actively engaged with the Third Sector to ensure that they have the opportunity to tender.
- Denbighshire's first Annual Business Survey was run during 2014, with 502 businesses taking part through a mixture of face to face, online and telephone engagement. The survey reached many well established small businesses in particular. The survey provided valuable insight into business confidence and satisfaction with a range of business support services offered by the Council and partners. It also provided details of business structure, use of digital media and demand for superfast broadband, as well as demand for a range of support the Council could offer in future. The survey will be an annual event, with the new survey being launched in March 2015. Similarly our Public Protection Team is actively engaging with local businesses as part of its 'Business Friendly Programme'.

We need to ensure that effective opportunities exist for businesses to provide feedback to the Council. As key stakeholders in the delivery of the overall vision for our economy, we need to increase business participation in making decisions about how we plan and invest Council budgets and resources for greatest economic effect. What is pleasing to see is that the 16 high Priority Projects in the Economic and Community Ambition Programme all offer potential for businesses to become engaged at the appropriate time, and that some of them are already actively doing this.

The Leader and Corporate Director for Economic and Community Ambition had planned to undertake annual visits to Business Groups and to the Top 10 businesses in the county to ensure that we are doing all we can to support local businesses and facilitate easy and accessible contact with senior decision makers within the Council. These visits have not progressed yet as we have given priority

to supporting the Freedoms and Flexibilities budget efficiency process and reviewing the Economic & Business Development (EBD) team. The review of the EBD team includes creating three roles to allow specific focus on business engagement - one generic role to support business networking and advice signposting, and two lead officer roles focusing respectively on high growth and lower growth potential key businesses.

The Economic & Community Ambition Board has requested this to be a priority for 2015, with a plan to be presented to the Board in March 2015. The Board has suggested one business visit per month. One visit was carried out in January 2015, which proved to be very useful, allowing facilitation of contact with relevant Council services to allow the business to discuss its plans for growth. The Council also received feedback from a study undertaken by a research fellow on its behalf in which he spoke with eight key businesses, which the Council will now be able to follow up.

### **...we take an active and planned approach to responsibility to our staff**

We have several tools (policies, procedures, workforce planning; 1:1s.) to help manage our staffing resources effectively, consistently and fairly. Our Strategic HR service has completed a major programme to improve its performance since being identified as a significant governance issue in the Annual Governance Statement for 2012/13. The service has also reported its progress on implementing improvements arising from an adverse Internal Audit report to the Corporate Governance Committee. A further review by internal audit in August 2014, reported that the HR Service has completed a significant amount of work to address the issues raised previously and to achieve the majority of actions detailed in its ambitious improvement plan.

We are confident that the new HR model will become better embedded across the Council and, by building and maintaining better relationships between HR and the services it supports, the anticipated benefits should finally be achieved.

We have a variety of ways to ensure that we involve our employees and their representatives in decision-making. We carry out regular staff surveys and the 2013 survey resulted in an increased response rate from 37% to 44.6% over the 2011 survey. The latest survey highlighted that:

- more employees (83%) are proud to work for the Council;
- more employees (88%) are satisfied with the Council as an employer;
- over 90% of employees stated that they enjoy their work, know what is expected of them and get on well with their colleagues;
- change management has improved, but can perhaps be better, as only 60% feel that we plan and deliver changes well; and
- communication has improved, but can perhaps be better, as only 64% feel well informed about what is going on in their service.

Our whistleblowing procedures ensure that employees can raise issues of concern freely with a wide range of people/bodies.

## Significant governance issues

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The issues in the table below, together with any less significant issues that we have identified in our self-assessment above, will be added to our Governance Improvement Action Plan managed by the Council's Governance Group and monitored by the Corporate Governance Committee (Appendix 1). The following two significant governance issues were included last year but have not progressed far enough to be removed as yet.

### Significant Governance Issue 1

In future, we accept that some services and functions will stop or be transferred to others who may be able to deliver them at lower or no extra cost. We need to finalise the review of our governance arrangements to take account of this, ensuring that public money is spent wisely and the public continues to receive good services and value for money.

<b>Proposed action to address the issue</b>	We will be developing and implementing a new framework during 2015 to ensure that any third party or arms-length service providers have robust governance arrangements, and will implement scrutiny arrangements to monitor their financial and operational performance.
<b>Responsibility for the action</b>	Head of Internal Audit to develop and launch the new framework.
<b>Timescale for improvement</b>	Framework to be completed by 30 June 2015 and launched following senior management and elected member approval.

### Significant Governance Issue 2

In 2013/14, our Internal Audit service provided a critical report on the procurement of construction services that highlighted several weaknesses, including that our procurement strategy is out of date. Internal Audit's recent follow up of the improvement action plan shows that, although we have developed a new draft strategy and Contract Procedure Rules, progress with improvement is slow and behind schedule. The Corporate Governance Committee has requested a progress report in May 2015, expecting the action plan to have been completed.

<b>Proposed action to address the issue</b>	Complete action plan and provide update report to Corporate Governance Committee.
<b>Responsibility for the action</b>	Acting Head of Strategic Procurement Unit
<b>Timescale for improvement</b>	May 2015

We propose over the coming year to take steps to address the above matters to enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: ..... (Leader) .....2015

Signed: ..... (Chief Executive) .....2015

## Governance Improvement Action Plan

Improvement Area	Action	Responsibility	Timescale
<b>Significant Governance Issues</b>			
<p>In future, we accept that some services and functions will stop or be transferred to others who may be able to deliver them at lower or no extra cost. We need to finalise the review of our governance arrangements to take account of this, ensuring that public money is spent wisely and the public continues to receive good services and value for money.</p>	<p>We will be developing and implementing a new framework during 2015 to ensure that any third party or arms-length service providers have robust governance arrangements, and will implement scrutiny arrangements to monitor their financial and operational performance.</p>	<p>Head of Internal Audit to develop and launch the new framework.</p>	<p>Framework to be completed by 30 June 2015 and launched following senior management and elected member approval.</p>
<p>In 2013/14, our Internal Audit service provided a critical report on the procurement of construction services that highlighted several weaknesses, including that our procurement strategy is out of date. Internal Audit's recent follow up of the improvement action plan shows that, although we have developed a new draft strategy and Contract Procedure Rules, progress with improvement is slow and behind schedule. The Corporate Governance Committee has requested a progress report in May 2015, expecting the action plan to have been completed.</p>	<p>Complete action plan and provide update report to Corporate Governance Committee.</p>	<p>Acting Head of Strategic Procurement Unit</p>	<p>May 2015</p>



Improvement Area	Action	Responsibility	Timescale
<b>Partnership Governance</b>			
<p>Our partnership governance toolkit does not provide clear guidance on the roles of partnership board members. We are aware that not all partnerships use the partnership toolkit, so, as part of a comprehensive review of the partnership landscape, we need to review the guidance to ensure that it is user-friendly and effective.</p>	<p>This will form part of the review of third party and arms-length service providers above</p>	<p>Head of Internal Audit to develop and launch the new framework.</p>	<p>Framework to be completed by 30 June 2015 and launched following senior management and elected member approval.</p>
<b>Constitution</b>			
<p>The Council's main governance guidance is provided in our comprehensive Constitution that clearly sets out respective roles and responsibilities of elected members and officers, particularly relating to governance, although it needs to be updated to take account of changed role titles and elected member portfolios.</p>	<p>A new Model Constitution has been developed for Wales. Our current Constitution will be reviewed in light of the new model and updated to reflect changed job titles and portfolios.</p>	<p>Head of Legal &amp; Democratic Services</p>	<p><b>To be agreed</b></p>
<p>Our codes of conduct for elected members and employees form part of induction training, although we need to ensure that we have arrangements in place to ensure that we regularly raise awareness of these codes.</p>	<p>Elected members have been provided with several training sessions on the Code of Conduct and refresher sessions are made available each year. A strategy for maintaining awareness among employees will be developed.</p>	<p>Head of Legal &amp; Democratic Services</p>	<p><b>To be agreed</b></p>

Improvement Area	Action	Responsibility	Timescale
<b>Equalities</b>			
<p>We are continuing our work to improve awareness of equalities issues. But Internal Audit's staff survey found that there is still work to do to improve awareness of corporate equalities arrangements.</p>	<p>The Corporate Equalities Group will discuss the Internal Audit report at its July 2014 meeting. At the same meeting, the Group will consider for approval a new e-learning training module on equalities issues. Following approval, this new module will be rolled out.</p>	<p>Head of Business Improvement &amp; Modernisation</p>	<p><b>To be agreed following latest IA survey (this area will be deleted if improvement evident)</b></p>
<b>Policy Framework</b>			
<p>We have an anti-fraud and corruption policy, although we have not reviewed and updated this since 2006.</p>	<p>This policy has been reviewed and a new draft policy will be presented to Corporate Governance Committee.</p>	<p>Head of Legal &amp; Democratic Services</p>	<p><b>To be agreed</b></p>
<p>The value of effective business engagement is only just being recognised, which means that we have a lot more work to do before we see the benefits that result from recent developments. We need to ensure that effective opportunities exist for businesses to provide feedback on the delivery of the Economic and Community Ambition Strategy / Programme and identify what we need to do to make engagement with the Council a valuable activity for businesses. In the longer term, as key stakeholders in the delivery of the overall vision for our economy, we need to increase business participation in making decisions about how we plan and invest Council budgets and resources for greatest economic effect.</p>	<p>Leader and Corporate Director for Economic and Community Ambition to undertake annual visits to Business Groups and to the Top 10 businesses in the county to ensure that we are doing all we can to support local businesses and facilitate easy and accessible contact with senior decision makers within the Council.</p>	<p>Leader &amp; Corporate Director for Community Ambition</p>	<p>Annual</p>