

Annual Governance Statement 2018/19



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Scope of Responsibility

Gloucester City Council (GCC) 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. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

GCC acknowledges its responsibility for ensuring that there is effective governance within the Council and as such has developed a Code of Corporate Governance that defines the principles and practices that underpin the governance arrangements operating within the Council.

The Code is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance 'Delivering Good Governance in Local Government framework - 2016 Edition', the key focus being on sustainability i.e. economic, social and environmental and the need to focus on the longer term and the impact actions may have on future generations.

A copy of the Code can be accessed on the Council's website. However, a summary of the seven core principles upon which it is based can be found on page 9 of this document.

This statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) (a) and (b), which requires the Council to prepare and publish an Annual Governance Statement (AGS).

The responsibility for leading and directing the annual reviews of the effectiveness of the Council's governance arrangements against the Code and providing ongoing oversight and robust challenge, is the Council's Statutory Officers, comprising, the Managing Director, Chief Financial Officer (S151 Officer) and the Monitoring Officer and when completed, the findings are reported to and improvement actions identified, monitored by the Audit and Governance Committee.

What is Governance?

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- ❑ leadership and management;
- ❑ performance and risk management;
- ❑ stewardship of public money; and
- ❑ public engagement and outcomes for our citizens and service users.

What is the purpose of a Governance Framework?

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. 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 services and value for money. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, the Council:

- ❑ operates in a lawful, open, inclusive and honest manner;
- ❑ makes sure that public money and assets are safeguarded from inappropriate use, or from loss and fraud, properly accounted for and used economically, efficiently and effectively;
- ❑ has effective arrangements for the management of risk;
- ❑ secures continuous improvement in the way that it operates;
- ❑ enables human, financial, environmental and other resources to be managed efficiently and effectively;
- ❑ properly maintains records and information; and
- ❑ ensures its values and ethical standards are met.

What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

In this document the Council:

- ❑ acknowledges its responsibility for ensuring that there is a sound system of governance;
- ❑ summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- ❑ describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- ❑ provides details of how the Council has responded to any issue(s) identified in last year's governance statement; and
- ❑ reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Gloucester City Council for the year ended 31st March 2019 and up to the date of approval of the statement of accounts.

It should be noted however, that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Council's Governance Assurance Framework, which underpins the AGS, has been in place at the Council for the year ended 31st March 2019 and up to the date of approval of the AGS and Statement of Accounts.

What is a Governance Assurance Framework?

Assurance provides confidence, based on sufficient evidence, that internal controls are in place and are operating effectively and that objectives are being achieved. An Assurance Framework is a structure within which Members and Senior Management identify the principal risks to the Council meeting its key objectives, and through which they map out both the key controls to manage them and how they have gained sufficient assurance about the effectiveness of those controls. The assurance framework underpins the statements made within the Annual Governance Statement.

A governance assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes overview and oversight and robust challenge by the Council's Statutory Officers i.e. the Managing Director, Monitoring Officer and Chief Financial Officer.

In addition, 'the three lines of defence assurance model' is in place which helps Members and Senior Management to understand where assurances are being obtained from, the level of reliance they place on that assurance and identify potential gaps in assurance.

The Three Lines of Defence in effective Risk Management and Control

Assurance can come from many sources within the Council. The Three Lines of Defence is a concept for helping to identify and understand the different sources of assurance.

By defining these sources into three categories i.e. the First Line (functions that own and manage risks e.g. management and supervisory controls), the Second Line (functions that oversee risks e.g. Governance structures and processes such as Audit and Governance Committee, Scrutiny, Boards) and the Third Line (functions that provide independent assurance on the management of risks e.g. HMRC, Information Commissioner, Internal/External Audit), helps the Council understand how each contributes to the overall level of assurance and how best they can be integrated and supported. Please see page 7 below which summarises the Council's governance assurance framework, which is based on the three lines of defence model.

What is the Council's Governance Assurance Framework?

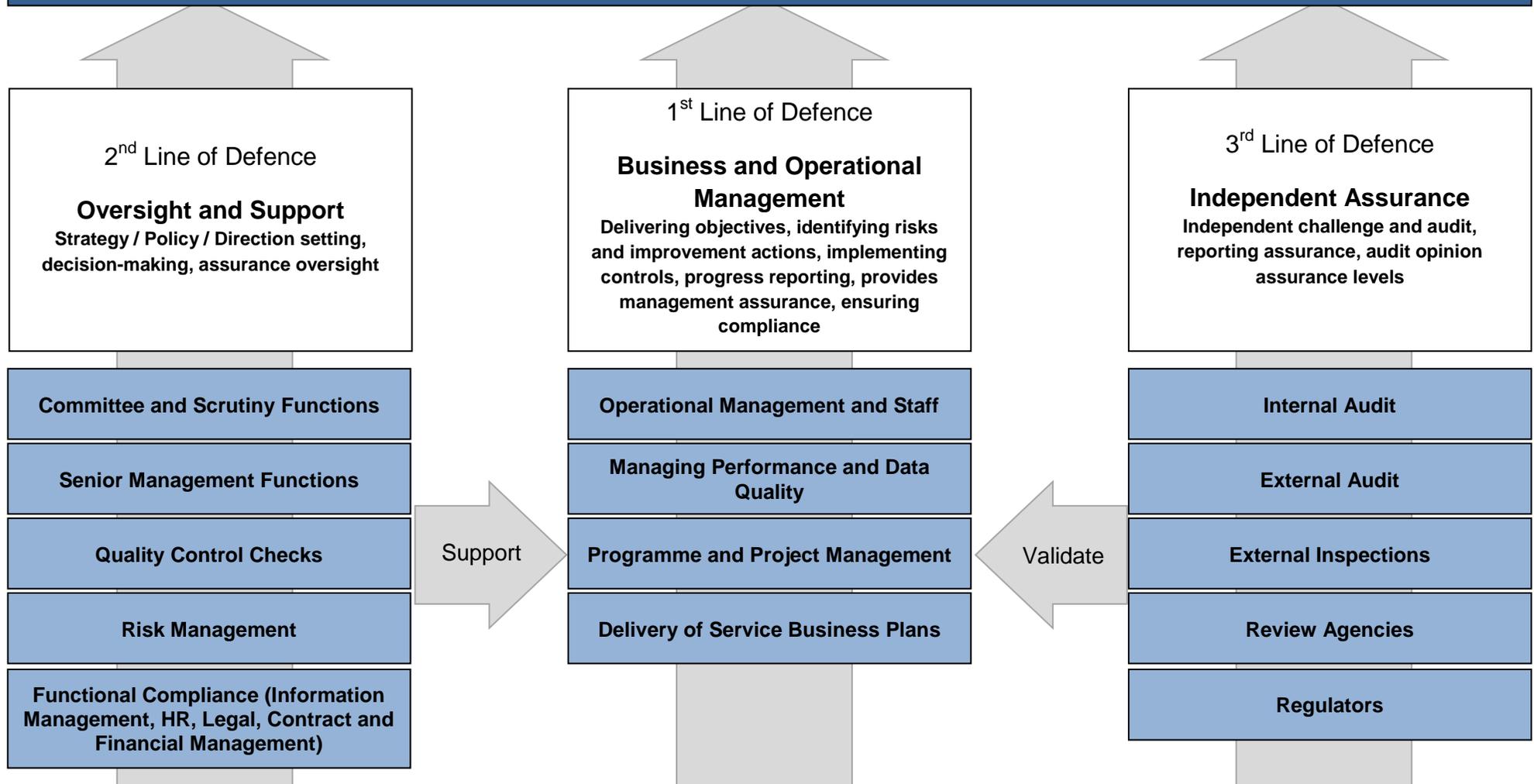
Annual Governance Statement (AGS)

Audit and Governance Committee

(AGS Approval Committee)

Leader, Managing Director, Chief Financial Officer, Monitoring Officer, Senior Management Team

(Provides oversight of the 3 lines of defence assurance framework)



How has the Annual Governance Statement been prepared?

In preparing the Annual Governance Statement the Council has:

- ❑ reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance;
- ❑ updated the Council's Local Code of Corporate Governance to reflect this guidance which includes the revised seven principles of good governance and associated required actions and behaviours taken by the Council that demonstrate good governance; and
- ❑ assessed the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.

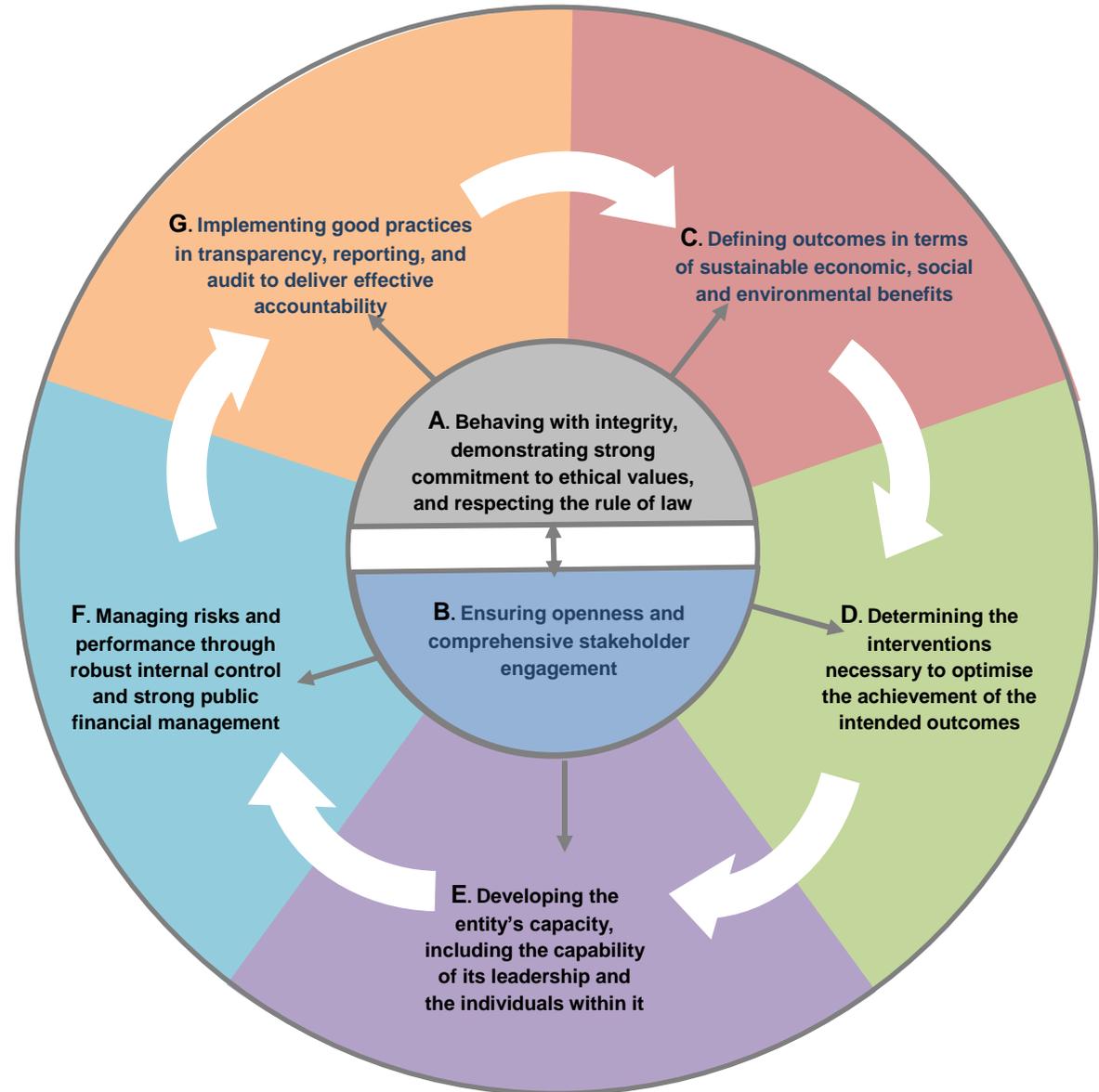
How does the Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance arrangements. The key sources of assurance that inform this review are outlined below:

- ❑ The development and implementation of a Member / Management governance assurance framework which enables the Council to gain assurance that good governance actions and behaviours are operating within the Council;
- ❑ The work of Members and Senior Officers of the Council who have responsibility for good governance;
- ❑ The Chief Internal Auditor's annual opinion which has provided a **satisfactory** independent opinion on the effectiveness of the Council's control environment comprising, risk management, control and governance.
- ❑ The annual report on Risk Management Activity 2018/2019;
- ❑ Any comments made by the Council's External Auditors; and
- ❑ Any other review agencies and inspectorates.

What are the key elements of GCC's Governance Framework?

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance:



The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

Principle A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Supporting Principles:

Behaving with integrity

Demonstrating strong commitment to ethical values

Respecting the Rule of Law

How we do this:

- ❖ The Council has an [Audit and Governance Committee](#) to promote high standards of Member conduct. Elected Members must follow a [Code of Conduct](#) to ensure high standards in the way they undertake their duties. The Monitoring Officer advises Members on the Code of Conduct.
- ❖ Officer behaviour is governed by the Officers' Code of Conduct. The Code has been formulated to provide a set of standards of conduct expected of employees at work.
- ❖ External providers of services acting on behalf of the Council are also required to comply with the Code of Conduct.
- ❖ These Codes are regularly reviewed to ensure they are operating effectively.

- ❖ Arrangements exist to ensure that Members and officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. These include:
 - Registers of disclosable conflicts of interests;
 - Declarations of disclosable conflicts of interests and disclosable other interests at the start of meetings; and
 - Registers of gifts and hospitality.
- ❖ A corporate complaints procedure exists to receive and respond to any complaints received.
- ❖ Actively seek to deter and prevent fraud and corruption and ensure where irregularity is suspected that it is thoroughly investigated.
- ❖ The required leadership and staff 'behaviours' are embedded into the performance appraisal process.

- ❖ The [Constitution](#) sets out the responsibilities of the Council, the Cabinet, Scrutiny and other Committees, as well as officers, including decision making powers.
- ❖ The Council has a duty to appoint three of its staff to specific roles, these being:
 - The Head of Paid Service (Managing Director), who has overall accountability for the governance arrangements operating within the Council.
 - The Monitoring Officer who has a key role in ensuring that decisions taken by the Council are within the law and the Council complies with the provisions of its Constitution.
 - The Chief Financial Officer is the principal financial adviser to the Council and is responsible for the proper administration of the Council's financial affairs and internal control environment.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Supporting Principles:

Openness

Engaging comprehensively with institutional stakeholders

Engaging stakeholders effectively, including individual citizens and service users

How we do this:

- ❖ The [Gloucester City Council Plan 2017-2020](#) sets out our key objectives, actions, projects, measures and targets.
- ❖ Cabinet Member decisions and significant officer decisions are also reported on the Council's website.
- ❖ The Council publishes an [annual report on the activity of the Overview and Scrutiny Committee](#).
- ❖ Data is published in accordance with the [Local Government Transparency Code](#) which enables more power to be placed into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.

- ❖ Elected Members are democratically accountable to their local area and this provides a clear leadership role in building sustainable communities.
- ❖ The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.
- ❖ Formal [Public Consultation](#) arrangements and public meetings held to ascertain stakeholder views prior to developing and implementing key policy changes.
- ❖ Developed and implemented alternative service delivery models to allow for resources to be used more efficiently and effectively.

- ❖ Elected Members have the opportunity to scrutinise decisions that have been taken by the Members through the 'call-in' mechanism. This allows an opportunity for further consideration of the issue before implemented.
- ❖ Have Your Say: If you have ever wanted to make your views heard, but simply don't have the time to attend public meetings or events, our free email alerts service will help keep you connected and updated on the things that matter to you and will enable you to have your say on a variety of issues and topics within Gloucester.
- ❖ City Life is the Council's digital newsletter for the residents of Gloucester. Latest issue is [here](#).

Principle C

Defining outcomes in terms of sustainable, economic, social and environmental benefits

Supporting Principles:

Defining outcomes

Sustainable economic, social and environmental benefits

How we do this:

- ❖ The [Joint Core Strategy](#) (JCS) is a partnership between Gloucester City Council, Cheltenham Borough Council and Tewkesbury Borough Council, supported by Gloucestershire County Council which will set out a strategic planning framework for the three areas.
- ❖ [Gloucester City Plan](#): Gloucester is a transforming, growing and regeneration City. Together with the Joint Core Strategy (JCS), the Gloucester City Plan (GCP) will continue Gloucester's regeneration journey by providing the development framework to guide the City's future growth up to 2031. It covers a timeframe of 15 years between 2016 and 2031.
- ❖ A Budget and Medium Term [Money Plan](#), Capital Programme and annual budget process ensure that financial resources are directed to the Council's priorities and targets. These are reported to and monitored by the Senior Management Team, Overview and Scrutiny Committee and Cabinet.

- ❖ Together Gloucester is a savings programme which has identified efficiency savings across the organisation in a systematic and considered manner.
- ❖ The Council aims to ensure that the purchase or commissioning of goods, services or works required to deliver services is acquired under Best Value terms.
- ❖ The Council has developed business continuity plans to ensure that critical service delivery can be maintained or recovered during an emergency.
- ❖ The Council's decision making process requires consideration of the 'sustainability' i.e. economic, social and environmental impacts of policies and plans when taking decisions about service provision.
- ❖ The Council works with partner organisations where there are shared objectives and clear economic benefits from joint working.
- ❖ Programme and project management arrangements require consideration of Political, Environmental, Societal (i.e. increased demand for a service and demographic changes), technological, legislative, economic and efficiency issues, risks and opportunities and value for money.

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Supporting Principles:

Determining interventions

- ❖ The Council's decision making process ensures that decision makers receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the risks and opportunities associated with those options, thus helping to inform those decisions.
- ❖ Public consultation is undertaken to ensure that feedback from citizens and service users are fully considered when making decisions about service improvements / changes.
- ❖ The Council has a [complaints](#) procedure to enable our customers to tell us how we are doing, whether good or bad, so we can review what we do and change the way we work to enable us to deliver excellent customer service.

Planning interventions

- ❖ The Council has developed annual Service Plans, Service Level Agreements, Shared Service Agreements and contracts with defined outcomes and a balanced set of measures and risks to evaluate performance. These plans are aligned to the Council Plan, Joint Core Strategy and City Plan objectives.
- ❖ A strategic planning / performance framework and 'input to impact' methodology has been developed which enables individual service priorities link to the Council's priorities. This methodology requires consideration of the inputs, activities, outputs, outcomes and impacts associated with and needed to achieve these priorities. This then informs key performance indicators / targets.

Optimising achievement of intended outcomes

- ❖ The Council has developed and implemented a [Budget](#) and Medium Term Financial Plan.
- ❖ The financial plan demonstrates how the Council's financial resources will be deployed over the next five years to deliver declared aims and priorities.
- ❖ The Money Plan sets out the overall shape of the Council's budget by determining the level of resources that will be available and how these are currently allocated between services.
- ❖ The Council ensures the achievement of 'social value' (i.e. a way of thinking about how scarce resources are allocated and used when awarding a contract) when commissioning services and service planning.
- ❖ [Performance reporting](#) arrangements are in place analysing trends and latest budget position which are monitored at management and committee meetings and mitigation strategies are implemented to manage current and emerging risks.

How we do this:

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Supporting Principles:

Developing the Council's capacity

How we do this:

- ❖ The Council participates in relevant benchmarking exercises and peer reviews to help inform how the resources are allocated, so that outcomes can be achieved effectively and efficiently.
- ❖ Collaborative working and alternative service delivery models are fully considered as part of the option appraisal process, when looking to determine how the Council's resources are allocated in order to meet our priorities.
- ❖ The Council has refreshed its workforce organisational development plan to align with the Council's new structure / operating model.
- ❖ A Talent Management Programme has been implemented to support succession planning and we are actively seeking to develop talent via our apprenticeship offering and support for staff undertaking professional qualifications.
- ❖ The Council has access to an Occupational Health Service that offers health assessments, health screening, health and well-being advice, ill health retirement advice, rehabilitation advice and advises managers on health related performance or attendance issues and an Employee Assistance Programme which provides staff counselling and advice.

Developing the capability of the Council's leadership and other individuals

- ❖ The Council's Constitution clearly defines the statutory and distinctive leadership roles of the Leader of the Council and the Managing Director, whereby the Managing Director leads on implementing strategy and managing the delivery of services and other requirements set by Members.
- ❖ A Members Development Programme is in operation, which supports continued Member development.
- ❖ The Council's staff performance appraisal process and talent assessment / management arrangements are in place. This provides an opportunity to reflect on how the individual is performing, what is going well and also where the individual may need further support or development as part of their role.
- ❖ The above includes leadership skills and behaviours as these behaviours are essential for the delivery of our key priorities, to continue to support our savings targets, and form part of our on-going commitment to personal and professional development.
- ❖ A comprehensive training and development offer is in place for managers and staff covering a range of core skills and leadership and management training. This includes a bespoke, modular programme for Senior Leaders and a dedicated Team Leader training programme in addition to a range of core skills training.
- ❖ Senior managers qualified at level 5 in coaching and mentoring and due to launch a joint coaching and mentoring offer with the County Council.

Principle F

Managing risks and performance through robust internal control and strong public financial management

Supporting Principles:

Managing Risk

How we do this:

- ❖ The Council has a [Risk Management Policy / Strategy](#) which clearly defines the roles and responsibilities for managing risk, confirming that risk management is an integral part of all our business activities including all aspects of business planning, option appraisals and decision making.
- ❖ Business Continuity arrangements are in place for critical services to ensure they can continue to operate in an emergency.
- ❖ The Audit and Governance Committee monitor the adequacy of the risk identification, monitoring and control of strategic and operational risk within the Council.

Managing Performance

- ❖ [City Council Plan 2017-2020](#) outlines our four clear priorities i.e. Working to create a vibrant and prosperous city, to maintain a safe and attractive city, to build strong and resilient communities and to provide great services that ensure Value for Money.
- ❖ A business planning framework is in operation which sets out our key priorities/ tasks / targets / risks for the day job in order to meet these priorities.
- ❖ Officers hold bi-monthly performance meetings with their relevant Cabinet Portfolio Holder.
- ❖ Priorities are monitored through our performance, programme and project management framework and overseen by, and reported to the relevant Committees and Cabinet.

Robust internal control

- ❖ There is an Internal Audit (IA) function (100% compliant with Public Sector Internal Audit Standards) which has provided a **satisfactory** independent opinion on the effectiveness of the Council's control environment comprising, risk management, control and governance.
- ❖ The Council takes fraud, corruption and maladministration very seriously and has established policies and processes which aim to prevent or deal with such occurrences. These can be found within the [Anti Fraud and Corruption Policy Statement and Strategy and confidential reporting procedure \(Whistleblowing\)](#).
- ❖ Audit and Governance Committee is responsible for monitoring and reviewing the above.

Managing Data

- ❖ Data is managed in accordance with the law. The key information management and security policies in place or being refreshed are: The [Data Protection Policy](#), Freedom of Information [Publication Scheme](#) and Information Security Incident Management Policy.
- ❖ Information Sharing protocols are in place when sharing data with third parties.
- ❖ Policy ownership rests with the Senior Information Risk Officer (SIRO) and the Information Security Board Members who are responsible for agreeing, monitoring, promoting and reviewing Policy implementation.

Strong public financial management

- ❖ Robust budget management arrangements are in place including monitoring and review by the Overview and Scrutiny Committee and Cabinet.
- ❖ External Audit review and report on the Council's financial statements (including this Annual Governance Statement), providing an opinion on the accounts and concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
- ❖ The Audit and Governance Committee monitor the effectiveness of the Chief Financial Officer's responsibility for ensuring an adequate internal / financial control environment.

Principle G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Supporting Principles:

Implementing good practices in transparency

Implementing good practices in reporting

Assurance and effective accountability

How we do this:

- ❖ Agendas and minutes of Council, Cabinet and Committee meetings including Scrutiny are publicly available on the [Council's website](#).
- ❖ The Council has a Freedom of Information Act publication scheme (to ensure the members of the public have access to all recorded information held by the Council).
- ❖ Compliance with the Local Government Data Transparency Code which sets out the minimum data that the Council should be publishing, the frequency it should be published and how it should be published e.g. expenditure exceeding £500, grants to voluntary, community and social enterprise organisations, senior salaries etc. This makes it easier for local people to contribute to the local decision making processes and help to shape public services.

- ❖ The published [Annual Statement of Accounts](#) is the statutory summary of the Council's financial affairs for the financial year. The purpose of the Annual Statement of Accounts is to give clear information on the income and expenditure of the Council and to demonstrate the Council's stewardship of public money for the year.
- ❖ The Council publishes an [Annual Governance Statement](#) in order to report how we have monitored the effectiveness of our governance arrangements (self assessed against the seven key principles set out within our Code of Corporate Governance) in year and on any planned changes in the coming year.
- ❖ The Audit and Governance Committee review and approve the Annual Statement of Accounts and Annual Governance Statement.

- ❖ Accountability and decision making arrangements are clearly defined within the Council's Constitution. These accountabilities include arrangements when delivering services with our key partners.
- ❖ The Audit and Governance Committee provide independent assurance to the Council on the adequacy and effectiveness of the governance arrangements and internal control environment operating within the Council.
- ❖ Risk based internal auditing provides ongoing assurance that the key risks material to achieving the Council's objectives are being managed.
- ❖ Peer reviews and benchmarking undertaken to ascertain good practice and implement improvements as identified.

What are the key roles of those responsible for developing and maintaining the Governance Framework?

The Council	<ul style="list-style-type: none"> - Approves the Council Plan. - Approves the Constitution (including Standing Orders and Financial Regulations). - Approves key policies and budgetary framework.
Cabinet	<ul style="list-style-type: none"> - The main decision-making body of the Council. - Comprises six Cabinet Members (including the Leader) who have responsibility for particular portfolios.
Audit and Governance Committee	<ul style="list-style-type: none"> - Provides independent assurance to The Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. - Promotes high standards of Member conduct and approves the Annual Statement of Accounts and Annual Governance Statement.
Committees	<ul style="list-style-type: none"> - There are four main Committees (excluding the Audit and Governance Committee). The Overview and Scrutiny Committee scrutinises the Council's performance. The Planning Committee and Licencing Enforcement Committee oversee relevant regulatory matters and the General Purposes Committee makes recommendations to Council on a range of matters including amendments to the Constitution and electoral matters.
Managing Director (MD) Senior Management Team	<ul style="list-style-type: none"> - The Managing Director has overall accountability for the governance framework. - Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues and oversees the implementation of Council policy.
Chief Financial Officer (s151)	<ul style="list-style-type: none"> - Accountability for developing and maintaining the Council's governance, risk and control framework. - Contribute to the effective corporate management and governance of the Council.
Monitoring Officer	<ul style="list-style-type: none"> - To advise the Council on ethical issues, standards and powers to ensure The Council operates within the law and statutory Codes of Practice. - Overall responsibility for the maintenance and operation of the Confidential Reporting Procedure for Employees. (Whistleblowing) and contributes to the effective corporate management and governance of the Council.
Internal Audit	<ul style="list-style-type: none"> - Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. - Delivers an annual programme of risk based audit activity, including counter fraud and investigation activity. - Makes recommendations for improvements in the management of risk.
External Audit	<ul style="list-style-type: none"> - Audit / review and report on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
Managers	<ul style="list-style-type: none"> - Responsible for developing, maintaining and implementing the Council's governance, risk and control framework. - Contribute to the effective corporate management and governance of the Council.

How has the Council addressed the governance improvement actions from 2017/18?

The Annual Governance Statement 2017/18 contained the following key improvement actions. Details of the issues and how they have been addressed during the year have been reported to the Audit and Governance Committee at their meeting on 21st January 2019. Please note that whilst improvement plans are in place to address these issues, due to their significance in relation to governance and inherent risk, one of these actions have been carried forward into the 2018/2019 Action Plan to enable their ongoing monitoring.

AGS 2017/18 review reference	Action	Position as at 31 st March 2019
AGS Assurance Framework	Future Financial Sustainability / Efficiency Savings	Carried forward into the 2018/ 2019 AGS Action Plan
AGS Assurance Framework	Local Government Association (LGA) Corporate Peer Challenge	An action plan to respond to the review findings was produced and reported to Cabinet on 10 th October 2018 as complete.
Revised CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)	CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)	Initial self assessment against the guidance completed and discussed at the committee meeting on 11 th March 2019. Audit and Governance Committee member survey arranged to finalise assessment and agree an action plan to deliver any improvements identified. Annual self assessment to be undertaken.
AGS Assurance Framework	Corporate Performance / Risk Management	Quarterly performance reports are now provided to members alongside the Council's financial monitoring, this is a significant improvement in performance monitoring. The risk register has been implemented on Pentana and this work continues to be progressed.

What are the key 2018/19 Governance matters identified?

The review of the effectiveness of the Council’s governance framework has identified the following actions that will need to be addressed during 2019/20, which includes the carried forward actions from 2017/2018.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
AGS Assurance Framework	<p>Future Financial Sustainability / Efficiency Savings</p> <p>The Money Plan sets out the Council’s strategic approach to the management of its finances and presents indicative budgets and Council Tax levels for the medium term. It also comments on the significant financial risks facing the Council in the forthcoming years and explains what the Council is doing to reduce those risks. The Money Plan forecasts indicate the need for a continued delivery of savings in each year of the Plan. In February 2019, Council approved the implementation of the target savings for the Money Plan 2019-24. In addition to savings in previous years, further savings of £0.250m in 2019/20 were included. With the inclusion of settlement figures for 2019/20 and the assumption of further formula grant reductions over the life of the plan, further savings will be required. The financial gap is £0.090m in 2019/20.</p> <p>Due to the high levels of further savings required, the Council put in place a transformation programme called ‘Together Gloucester’ to deliver required efficiencies in line with the Council’s Money Plan.. The Council’s challenge is to continue this journey of transformation to fully implement Together Gloucester and designed outcomes. The Council has now commenced its move to Shire Hall and the digital transformation journey is continuing to deliver the required transformation and savings.</p> <p>Actions taken in response to the above: Close monitoring of budgets will be carried out in each financial year. Continuous monitoring of service pressures and ongoing focus on preventative support.</p>	31st March 2020	Head of Policy and Resources

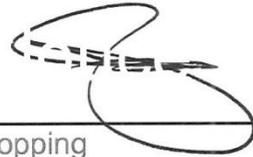
Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
AGS Assurance Framework	<p data-bbox="315 197 943 236">Together Gloucester Service Transformation</p> <p data-bbox="315 300 1691 438">A peer challenge was undertaken in November 2017 and made 10 recommendations for future action and corporate improvement. This action has been completed. However the Council is continuing its transformation journey.</p> <p data-bbox="315 502 1691 845">The Together Gloucester programme is focussed on putting in place a coherent transformation programme and a clearer narrative for our internal transformation plans. Identifying and promoting Gloucester's 'Unique Selling Point' and use it consistently for inward investment, tourism, cultural and economic development regeneration and to establish a stronger identity for Gloucester. Finding effective ways to harness the co-operation, spending power and resources of local, county and regional partners to shape and deliver Gloucester based solutions which have a beneficial social impact and make the most of our 'asset based community development' approach.</p> <p data-bbox="315 909 1025 948">Additional Actions taken in response to the above:</p> <p data-bbox="315 1011 1666 1150">The Council commissioned Ignite, a market leader in this field, to help us develop a resourced transformation programme which will enable us to redesign business processes and develop a robust IT transformation plan. The transformation proposals were presented to Cabinet on 12th September 2018.</p>	31st March 2020	Managing Director

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	<p>In October 2018 Together Gloucester 2 (TG2) was launched to deliver 5 transformational work streams:</p> <ol style="list-style-type: none"> 1. Accommodation – the relocation of the City Council’s main offices to Shire Hall, Gloucester to provide a fully agile, IT enabled working environment; 2. Service Redesign – to critically examine 180 high volume or high value operational processes to eliminate, streamline, simplify or automate where possible; 3. IT Investment – to implement an ambitious programme of investment in hardware and software to enable service redesign and office agility; 4. Commercialisation – to explore opportunities to reduce expenditure or increase income from the Council’s commercial, contracted or commissioned activities; and 5. Strategy, Performance and Governance – to increase the Council’s capacity better manage its strategic direction, its performance management and its programme and project governance. <p>All elements of the TG2 programme are underway.</p>		

Certification

I can confirm that the Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government 2016.

Signed:



Jon Topping
Chief Financial Officer (S151 Officer)

Date:

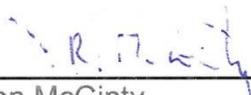
24th May 2019.

To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas identified on pages 19 – 21 above. We propose over the coming year to take steps to address the above matters to further 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 during the year and as part of our next annual review.

Signed:



Paul James
Leader of the Council



Jon McGinty
Managing Director

Date:

24th May 2019

31st May 2019