

Report Title:	Annual Governance Statement 2019/20 – Progress Report
Contains Confidential or Exempt Information	No
Cabinet Member:	Councillor Rayner, Deputy Leader of The Royal Borough of Windsor and Maidenhead; Corporate & Resident Services, Culture & Heritage, Windsor and Armed Forces Champion
Meeting and Date:	Audit and Governance 17 May 2021
Responsible Officer(s):	Emma Duncan Monitoring Officer and Deputy Director of Law and Strategy
Wards affected:	All

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REPORT SUMMARY

- 1.1 The Corporate Overview and Scrutiny Panel reviewed the 2019/20 Annual Governance Statement (AGS) on 15 June 2020 and 24 November 2020. The Panel requested that update reports on issues identified in the accompanying Action Plan be presented to the Panel at appropriate future meetings.
- 1.2 The terms of reference of the Audit and Governance Committee that was created during 2020/21 now include reporting on the Annual Governance statement.
- 1.3 This report provides an update on actions undertaken in relation to the Action Plan attached to the AGS 19/20 and identified further areas for work to be incorporated into the AGS Action Plan 2020/21.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Audit and Governance Committee notes the actions already taken and those planned.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

Options

Table 1: Options arising from this report

Option	Comments
No other options considered	

3. KEY IMPLICATIONS

POLICY CONTEXT

3.1 The Council has established a number of Interim Strategic Objectives to cover the period 2020-21 including a number of Interim Focus Objectives as follows;

3.2 Interim Focus Objectives 2020-21

- Service Stand Up Plans (business continuity)
- Revised Service Operating Plans
- Transformation Plan
- Climate Strategy
- Governance
- People Plan – Values, Leadership, Black Lives Matter

3.3 Full details of the Council's interim focus objectives and the actions which will deliver these priorities are published on the Council's website. This report contributes the Governance, Transformation and People elements of the focus objectives.

Background

3.4 The Annual Governance statement for 2019/20 identified a number of areas for improvement.

3.5 The AGS Action Plan was previously reported to the Corporate Overview and Scrutiny Committee on 15 June 2020 and 24 November 2020. It now falls within the terms of reference of the Audit and Governance Committee.

3.6 This report updates on the action taken to address AGS Action Plan 19/20

Annual Governance Statement Action Plan 19/20

3.7 **AGS20.1a, b, c**

There is an identified lack of clarity amongst officers and Members regarding roles and responsibilities, this includes knowledge of appropriate procedures

The Statutory Officers Group meets regularly to discuss corporate governance arrangements and issues, and to reflect on recurring themes and spheres of activity relating to Council improvement.

The Group has reviewed and updated the Local Code of Corporate Governance to ensure it reflects the 2016 CIPFA/SOLACE guidance in respect of delivering good governance.

The revised document was published following review by the Corporate Overview and Scrutiny Panel on 27 May 2020.

All Member plus CLT workshop took place on 15/9/20 on 'Good Governance - Member / Officer Roles and Responsibilities'

Whilst the session was well received and peer support is ongoing with some political groups, there is still underlying confusion around where the line is with Members overstepping into operational officer roles and Officers not feeling able to "push back".

A support paper on officer contact throughout the authority has been shared with Group Leaders.

The LGA have offered a political awareness course for officers, which will be taken up and officers are being supported with..

The Council has adopted a new Code of Conduct for Members which reinforces the impartiality of officers and underlines the need for Members not to place officers under undue pressure in providing advice and carrying out their operational roles. There is still further work needed to get to the position where Members understand that officers are apolitical and work on behalf of the whole Council but helping the Administration deliver their political priorities within the Council's governance frameworks.

There has been some issues with some behaviour towards officers by Members. Training is planned on the new Code for both Officers and Members and the Member/Officer Protocol will be reviewed.

3.8 **AGS20.2**

Staff reductions have placed a new level of work pressure on particular departments. Whilst there are signs that morale related to working for the Council has improved, we still need to work hard on giving staff a clearer sense of our direction of travel.

Focus groups with all members of staff were held between December 2019-February 2020. A draft set of values was developed out of the feedback and presented to officers in May 2020. A report submitted to Cabinet in July 2020 was approved unanimously.

The Council now has a new set of Values that are now starting to drive other changes and improvements to for example, appraisal, induction, mobile working and ICT.

The Values were rolled out across the Council and significant effort was placed on internal communications, ICT and safe working practices as most colleagues moved to remote working.

An Action Plan has been developed to deliver these further improvements.

Work has started on the development of the new Corporate Plan with engagement of Members, Staff and the wider community, and this is

underpinned by the work already done on values for RBWM. This should help the Council target resources to priority areas and help people see how their work can contribute to the Council's key strategic objectives, meaning that the Council can make the best use of scarce resources and deliver tangible outcomes for our residents.

3.9 AGS20.3

Lack of robustness of challenge re business cases/benefits – consistency of business cases; follow up re benefits realisation.

A number of actions were agreed as part of the CIPFA review. In particular strengthening input from finance earlier into business case development and also consistent input into all relevant committee reports.

The Capital Review Board was established in 2020/21 which reviews and provides input early into any Capital business cases being developed.

External training on 'Questioning Skills' offered to all O&S Members in Sept 2020.

Independent reviews have already been undertaken on a number of existing relationships including Optalis and Afc with other reviews underway according to agreed timelines in the action plan.

Once the new Corporate Plan is further developed over the summer of 2021, the Strategy and Performance Team are developing a new performance framework that will allow Members to track performance of benefit realisation aligned to the outcomes in the corporate plan.

3.10 AGS20.4

Business Continuity Plans for all service areas need to be updated to reflect the impact of COVID-19

Business Continuity training and workshops took place between September – December 2019. Each service has completed a business impact assessment and rated the priority of their services that are required to keep functioning, dependent on timing and what the 'event' is.

Existing business continuity plans were implemented in response to COVID-19 and services were asked to review their effectiveness in light of this. 42% provided feedback.

3.11 AGS20.5

Organisational capacity in key areas; Over a number of years capacity within the Council has been reduced, presumably to reduce costs. This has focused on 'back office' functions but this has left the organisation under capacity and capability in a significant number of areas. Many of these weaknesses are reflected in this AGS. As could be expected

reducing capacity and capability has led to poorer outcomes and compliance problems.

There has been initial review of areas where capacity gaps existed and the following identified;

- Strategy/Policy Development
- Monitoring Officer
- Insight, Engagement and Consultation
- Transformation
- Data Analytics
- Project Management
- Procurement

Resource has been allocated for these roles in the 21/22 budget and relevant roles recruited to.

As a result of the capacity allocation there has been significant improvements on the following;

- Mainstreaming EQIAs into the decision making process
- New Member Code of Conduct
- New consultation framework
- Recording of decisions and compliance with the Constitutional rules
- Development of the Council's Corporate Plan
- Wider consultation and engagement on key Council initiatives and projects
- New Transformation Strategy
- Development of more robust and mainstreamed procurement processes
- Use of data to support decision making
- Implementation of new engagement platforms (Engagement HQ)
- Implementation of new performance management software (Inphase)

There is a need to keep capacity in key areas under review in the future, whilst the release of resource has allowed some immediate issues to be addressed, the lack of resource over a period has meant that RBWM is behind the curve, in terms of core governance and this poses risks to the Council and the

delivery of outcomes to residents. Considerations around appropriate resource levels will form part of ongoing Medium Term Financial Planning.

3.12 **AGS20.6 and AGS20.7**

Contract management – lack of a central register, lack of oversight due to self-service arrangements, lack of understanding of role and responsibilities by contract managers./Procurement

Significant work has been undertaken in AfC and Optalis to strengthen commissioning practice. This includes PeopleToo support in AfC and recruitment of a dedicated Commissioning Manager (now in post). Restructure completed in Optalis to align commissioning, performance and finance.

Key contracts are now identified, although there is further work to do on this to capture all relevant information. A procurement toolkit has been developed and will be implemented later in the year. Waivers are being reported and monitored and challenged where appropriate.

3.13 **AGS20.8**

Decision making – report quality varies and can lead to a lack of clarity over decisions taken; absence of sign off from statutory officers, lack of understanding of appropriate use of officer decision notice.

Reports are now circulated to key officers prior to publication, which is a significant step forward however sometimes the volume of reports being circulated at short notice can impact on the ability of key officers to adequately review them. The corporate core is still underdeveloped in this regard and we corporately need to move to a position where professional expertise is engaged early in the development of proposals which relies on all Council officers to engage in making these improvements.

The officer decision notice process has been reviewed and CLT have been provided with advice and guidance on ensuring compliance

The Forward Plan is now used as a work planning tool.

3.14 **AGS20.9**

Values and Behaviours: Continuing the progress of improving the culture of the organisation and ensuring compliance with relevant procedures and ethical standards.

New organisational values have been developed through direct engagement with staff. These were launched to the workforce in June 2020 and were shared with Cabinet for their endorsement in July 2020. Examples of positive and negative behaviours to accompany each value. An action plan is in place to support the embedding of the values throughout the organisation. Activities are in progress in accordance with the action plan.

The new appraisal process incorporating the values is ready and has been implemented. The performance review cycle will now tie in with the municipal year. Briefing sessions are currently being run for managers on the new scheme and an information video will be available for all staff.

Crucial conversations training was undertaken to equip staff with the skills to have difficult conversations vertically within their reporting lines and also horizontally with peers to support the adoption of the new values.

The Staff Survey identified a number of areas for improvement, in particular some staff feel that Elected Members do not demonstrate the Council's core values, although it remains unclear at this stage whether this is due to the number who come into direct contact with members through their work or not. It is recognised that further work in this area will be beneficial to understand this in more detail given nearly 70% of staff were neutral in relation to this question.

The Monitoring Officer reported to the Standards Panel in relation to Member Standards of behaviour in April 2021 and actions from that Annual Report will be incorporated into the AGS 20/21 and action plan.

3.15 **AGS20.10**

Failure to deliver projects for improvements in IT infrastructure impacting PSN compliance which would result in detrimental impact on services including Registrars, Electoral and Revenues and Benefits.

The Modern Work Place project is complete in the initial phases.

The VPN project is near completion with the final session being held on 28 April. Remote installation schedule for 57 staff members is also nearing completion.

3.16 **AGS20.11**

Pension Fund Governance: The Authority has not had sufficient understanding of its role in managing the Pension Fund and has not been as proactive as is needed. The Pension Fund has not had sufficient capacity and experience to ensure good governance.

There has been a detailed review of the Pension Fund governance arrangements through an external review by a recognised Pensions expert. An action plan has been developed and agreed with at least 50% of actions already undertaken. Interim additional resource has been deployed to support this area and a permanent role created and recruited to. Changes to the constitution to clarify the decision-making process has also been undertaken.

3.17 **AGS20.12**

Financial Governance

A detailed CIPFA review was considered at July Overview and Scrutiny committee. An action plan approved in July 2020 and reports to corporate overview and scrutiny on a quarterly basis indicate the progress against the plan with the majority of actions already delivered.

- 3.18 Training for all budget holders on financial processes of compliance for approving spend and monitoring have been held; further training will be provided throughout the financial year on relevant topics to ensure that financial best practice is core to the way the organisation operate
- 3.19 Additional permanent capacity, at senior level, has been in place through 2020/21 which supports actions being taken to continue to improve financial governance issues.

Next Steps

- 3.20 As part of the Council’s improvement journey the Council’s key governance statutory officers (Head of Paid Service, S151 officer, Monitoring Officer and deputies) meet as the Statutory Officer Group to discuss governance related issues.
- 3.21 As part of preparing the AGS for 2020/21 a review has been undertaken against the Centre for Governance and Scrutiny’s “Governance Risk and Resilience Framework” which aligns with the CIPFA Code which underpins the AGS.
- 3.22 The outcomes from this together with other issues from the AGS 19/20, issues identified from the Monitoring Officer report, issues raised through audit, complaints or other routes will form the basis for the AGS 20/21 and Action Plan.
- 3.23 The Audit and Governance Committee are due to consider the AGS 20/21 in July 2021.

4. LEGAL IMPLICATIONS

- 4.1 None arise directly as a result of the report, however good governance clearly helps RBWM meet its legal obligations to its residents and service users protects the Council from legal challenge. More importantly good governance is the cornerstone of building trust between RBWM and the people that it serves.

5. RISK MANAGEMENT

Table 2: Impact of risk and mitigation

Risk	Level of uncontrolled risk	Controls	Level of controlled risk
Poor Governance/legal challenge/council	High	Those identified as part of the Code of Corporate Governance	Medium

not meeting it's objectives			
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6. POTENTIAL IMPACTS

6.1 Equalities:

This is an internal governance report and does not require an EQIA screening.

6.2 Climate change/sustainability:

Not relevant

6.3 Data Protection/GDPR:

Not relevant

7. CONSULTATION

7.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".

7.2 This is an internal governance function and does not require consultation.

8. TIMETABLE FOR IMPLEMENTATION

8.1 Report is for noting – no decision.

9. APPENDICES

9.1 This report has no appendices.

10. BACKGROUND DOCUMENTS

10.1 This report is supported by 0 background documents:

11. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
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Cllr Rayner	Deputy Leader of the Council, Resident and Leisure Services, HR, IT, Legal, Performance Management and Windsor; Armed Forces Champion	06/05/21	
Duncan Sharkey	Managing Director	06/05/21	
Adele Taylor	Director of Resources/S151 Officer	06/05/21	07/05/21
Andrew Durrant	Director of Place	06/05/21	
Kevin McDaniel	Director of Children's Services	06/05/21	
Hilary Hall	Director of Adults, Health and Commissioning	06/05/21	
Andrew Vallance	Head of Finance	06/05/21	
Elaine Browne	Head of Law	06/05/21	
Nikki Craig	Head of HR Corporate Projects and IT	06/05/21	07/05/21
Louisa Dean	Communications	06/05/21	
Karen Shepherd	Head of Governance	06/05/21	

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Audit	No	No

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