

Pembrokeshire County Council

**‘Working together to
improve life in Pembrokeshire’**



Annual Governance Statement

2016-17



www.pembrokeshire.gov.uk

Overview of Pembrokeshire County Council in 2016-17

Key Facts

- Pembrokeshire has 10 Town Councils and 67 Community Councils serving the community.
- There are 60 elected County Councillors.
- The population of Pembrokeshire is estimated to be 124,728 in 2017.
- The Council employs approximately 6,500 staff, including schools.
- Council tax in 2016-17 was 26.4% lower than the Welsh average.
- Pembrokeshire received the 19th worst financial settlement from Welsh Government in 2016-17, resulting in a £16.3m funding gap.
- Second largest 21st Century Schools Capital Programme in Wales.
- Second highest performing Council in Wales announced in 2016-17, and amongst the most improved Councils for two successive years.
- Contributor to the Swansea Bay City Region City Deal.
- City of Culture 2021 bid for St Davids.

Service Provision

- Approximately 7m collections of refuse and recycling from approximately 61,000 households and 1,100 businesses a year. Collected 70,000 tonnes of waste and recycling, with over 65% recycled.
- Providing 97 car parks with more than 8,000 car park spaces.
- Maintaining nearly 2,500 km of roads, approximately 665 km of footways, 746 bridges and culverts, and 228 highway retaining structures.
- Preserving 12.3km of Council-owned coastal defences.
- 7 Leisure Centres, with a total annual membership of 8,500; 1.25m public visits and 320,000 school visits.
- Providing and funding 70 public toilets across the County.
- Operating Parc Gwyn Crematorium, delivering 1,400 cremations.
- Operating and maintaining 11 cemeteries, with responsibility for 150 burials per annum.
- Provided Social Services support to 5,436 adults, and 864 children, young people and their families.

Review of Governance Arrangements

What is Governance?

The Council is responsible for ensuring that its business is conducted in accordance with laws, regulations and its ethical standards. The governance framework is the processes, culture, values and systems by which this is achieved.

To deliver good governance in local government, both the Council and its Officers must try to achieve the Council's objectives whilst acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

Local Code of Governance

Pembrokeshire County Council is required to publish its Local Code of Governance, which demonstrates its commitment to achieving the principles of best practice defined in the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE, 2016). Following publication of 'Guidance to Welsh Authorities' in October 2016, the Local Code was re-written and approved by Cabinet on 12 June 2017.

How do we know our arrangements are working?

Pembrokeshire County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The outcome of the review is captured within the Annual Governance Statement, which accompanies the Statement of Accounts.

The Audit Committee has responsibility for reviewing and assessing the Council's risk management, internal control and governance arrangements and making recommendations to Council on the adequacy and effectiveness of arrangements. In discharging this responsibility, the Audit Committee receives a quarterly report on the work undertaken by Internal Audit, External Audit and/or Regulator recommendations, the corporate risk register, and progress against the actions identified in the previous year's Annual Governance Statement.

As part of the annual assessment, a workshop is undertaken with the Corporate Management Team to assess current arrangements against the behaviours and activities defined as demonstrating best practice within the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE). Additionally all Directors, Corporate Heads of Service and Statutory Officers are required to complete a checklist and signed statement to assess effectiveness of their areas of responsibility.

The Internal Control Group meet throughout the year and review the progress to address issues identified in the Annual Governance Statement, as well as any issues identified through internal or external reviews. Any issues outstanding up until the Statement of Accounts is produced is considered for inclusion within the Annual Governance Statement.

The diagram on the next page demonstrates the Governance Framework, including the sources of assurance and outcome of the review for 2016-17.

Governance Framework 2016-17

Local Code of Governance

Assurance Required On

- Achievement of objectives;
- Adherence to ethical standards;
- Compliance with laws, regulations and internal policies & procedures;
- Standards of conduct and behaviour;
- Financial management, including achievement of value for money;
- Sustainability;
- Quality of service delivery;
- Management of risk;
- Accountability.

Sources of Assurance

- Constitution
- Codes of conduct
- HR policies & procedures
- Service policies & procedures
- Scrutiny function
- Audit Committee
- Internal & external audit & Regulators
- Corporate Management Team
- Complaints
- Medium Term Financial Plan (MTFP)
- Whistleblowing procedure
- Counter Fraud

Assurance Received

- Statement of accounts
- Internal audit reports
- External audit reports
- Regulator reports
- Head of Internal Audit Opinion
- Improvement review
- Committee minutes
- Ombudsman report
- Performance reviews

Areas to Focus On

- Financial Challenges
- Transformation Programme
- Secondary school budgets
- Secondary school IT networks
- Support for new Members
- Contract management recording
- Partnership governance arrangements
- Further work required on evidencing options and rationale for decision making
- Post implementation reviews
- Lessons learnt
- Preparation for the General Data Protection Regulation
- Strengthening risk management arrangements
- Workforce planning
- Reviewing the effectiveness of assets
- Management of Commercial tenancies

Annual Governance Statement

How the Council Operates

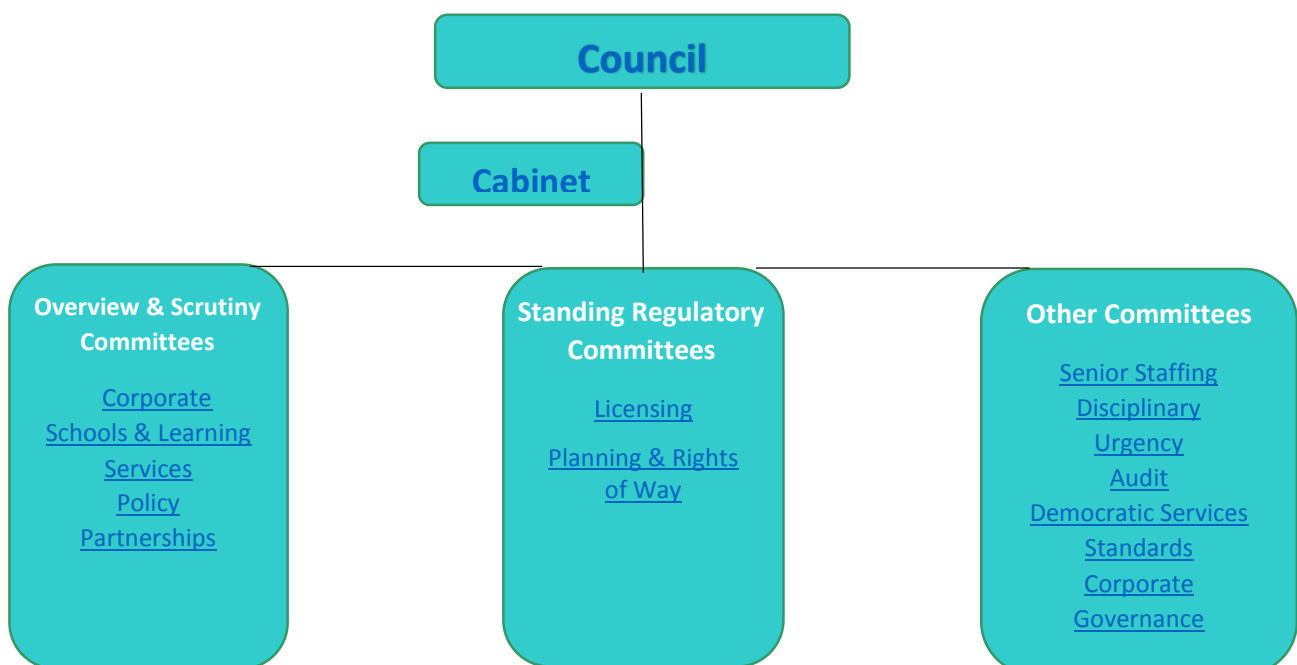
Roles and Responsibilities

There are 60 Elected Members who are collectively responsible for the governance of the Council. The Council's responsibilities include:

- **Agreeing the Council's constitution, comprising the key governance documents including the executive arrangements and making major changes to reflect best practice;**
- **Agreeing the policy framework including key strategies and agreeing the budget;**
- **Appointing Chief Officers;**
- **Appointing Committees responsible for overview and scrutiny functions, audit and regulatory matters and also for appointing membership to them.**

The Council appoint the Leader, who will then appoint their Cabinet. There are 5 Overview & Scrutiny Committees and 9 Regulatory and Other Committees, see structure below. In addition, the Planning & Rights of Way Committee is supported by the Planning Delegation Panel, and the Licensing Committee by the Licensing Sub-Committee.

All Committees are required to be politically balanced.



The Chief Executive leads the Corporate Management Team consisting of Directors, supported by Statutory Officers. The Chief Executive advises Members on policy and procedures to drive the aims and objectives of the Council. Senior Management and Statutory Officers are responsible for advising Cabinet and Overview & Scrutiny Committees on legislative, financial and other policy considerations to achieve the aims and objectives of the Council. They are also responsible for implementing Member's decisions and for service performance.

Statutory Officers

The Council has a number of statutory positions:

- Head of Paid Service & Returning Officer – Chief Executive
- Chief Finance Officer (Section 151 Officer) – Director of Finance
- Director of Social Services – Director of Social Services & Leisure
- Chief Education Officer and Lead Director for Children & Young People's Services – Director for Children & Schools
- Head of Democratic Services – Head of Legal & Committee Services
- Monitoring Officer

Decision Making

The [Constitution](#) sets out how the Authority operates, the various bodies which make up the Authority, how decisions are made and the procedures which are followed. Some of these processes are required by law, while others are determined locally by the Council. Following a comprehensive review, a revised Constitution came into effect on 18 November 2016.

Target Operating Model

The Target Operation Model is a set of design principles to support and shape changes to service provision in order to deliver future services in line with the Medium Term Financial Plan. [The Target Operating Model](#) was approved by Council on 14 July 2016.

Public Involvement

The Council continued to hold annual public consultation events throughout the autumn, to raise awareness of the pressures that the Council is experiencing and to invite suggestions on how the Council could improve within its limited resources.

The Constitution provides the opportunity for members of the public to ask questions at Council. Additionally, members of the public are welcome to make suggestions as to issues which Overview and Scrutiny Committees should review and report on.

During 2016 the public have been invited to give their views as part of the development of the [well-being assessment to develop the well-being plan](#).

Corporate Planning

The Local Government Act 2009 requires us to publish our Improvement Objectives annually. The Improvement Plan is structured around the six key outcomes in Pembrokeshire's Single Integrated Plan. This is the Partnership plan that reflects the aims for public service as a whole in Pembrokeshire. The Well-being of Future Generations (Wales) Act 2015 has changed the way that public services plan. The Well-being Plan will be published in 2018 and will be the plan for Pembrokeshire. Our Corporate Plan will sit alongside this to demonstrate how the Council will assist in achieving the long-term vision for Pembrokeshire. For 2017-18, [Pembrokeshire County Councils Corporate Plan](#) (which replaces the Improvement Plan), is aligned to the well-being goals to achieve the sustainable development principle.

The Improvement Objectives for 2016-17 included two objectives that focused on changing the way that the Council operates. The list below were the Improvement Objectives for 2016-17:

Improvement Objective 1: School Improvement

We will challenge and support our schools to consistently improve learning outcomes and help children and young people reach their fullest potential, particularly at Key Stage 4 (GCSE).

Improvement Objective 2: Town Centres Regeneration

We will enable, facilitate and deliver a range of regeneration projects that improve the environment and contribute to increased vitality and vibrancy in our main town centres.

Improvement Objective 3: Adult Social Care

We will implement a range of improvements to Adult Social care with the aims of strengthening preventative and community based services and increasing personalisation of services. Improvements to Learning Disability Services will be a particular priority within this Objective.

Improvement Objective 4: Governance

We will continue to improve our governance and scrutiny arrangements to enhance the transparency and accountability of decision making.

Improvement Objective 5: New Ways of Working

We will continue to improve our governance and scrutiny arrangements to enhance the transparency and accountability of decision making.

Business Risk Management

Members and Officers are responsible for ensuring that risk is considered in the decisions that they take and suitable arrangements are put in place to manage risk. The Audit Committee has responsibility for overseeing the Councils Business Risk Management arrangements.

The Council's Business Risk Management Strategy is reviewed and updated annually to ensure it remains aligned to the Council's objectives and is a true reflection of the risk appetite. The Business Risk Management Strategy outlines the roles, responsibilities and the approved framework for managing business risk.

The Corporate Risks identified and managed during 2016-17 are summarised below, including the residual risk rating (1 low to 16 high) for each quarter (Q):

Corporate Risk	Residual Rating Q4	Residual Rating Q3	Residual Rating Q2	Residual Rating Q1
Failure to deliver the Medium Term Financial Plan (MTFP)	12	12	8	8
Loss of Key Staff, Corporate Memory and Expertise	12	12	12	12
Abortive work on Vision & Corporate Objectives following significant changes to Council	12	N/A	N/A	N/A
Failure to comply with Welsh Language Standards	12	12	12	12
Uncertainty of Grant Funding and failure to comply with terms and conditions	9	9	9	9
Failure to have appropriate Joint Working Arrangements	9	9	9	9
21 st Century Schools Programme and Project Management	8	8	16	16
Member/Officer Relationships	8	8	16	16
Safeguarding	8	8	8	8
Key Stage 4 Underperformance	8	8	8	8
Decision Making	8	N/A	N/A	N/A
Information Governance (failure to comply with the General Data Protection Regulation)	8	N/A	N/A	N/A
Demand and Demographics	6	6	6	6
Regulatory Recommendations	6	N/A	N/A	N/A
Transformation Programme	N/A	12	16	16
Failure to comply with State Aid rules	N/A	9	9	9
Insufficient Business Continuity & Disaster Recovery	N/A	8	8	8
Corporate Assessment	N/A	6	6	6

The Red, Amber and Green highlights the difference in rating with red being high risks, amber medium and green low. The Transformation Programme risk was incorporated into the Medium Term Financial Plan risk from quarter three onwards. State aid, Business Continuity and delivering the recommendations from the Corporate Assessment were removed from the corporate risk register during quarter four.

Counter Fraud

The Audit, Risk & Information Service are responsible for Counter Fraud and Investigations into purported fraud and irregularity. During 2016-17 a number of management reviews were also undertaken by the service. The list below is a summary of the themes of investigations undertaken in 2016-17:

- Social Services – management and compliance with expected standards
- Schools – process for the administration of National Tests

Annual Governance Statement 2016-17

- Contract Framework allocation
- Asset Management
- Income Collection

The Council has a Zero Tolerance approach to Fraud. This ethos is supported by a [Whistleblowing Policy](#) and a [Counter Fraud, Corruption & Bribery Strategy](#), which is due to be reviewed and updated in 2017. Additionally the Council participates in National Fraud Awareness week.

Internal Audit

Internal auditing is an independent, objective assurance and consulting service designed to add value and improve Pembrokeshire County Councils operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, internal control, financial management and governance arrangements.

The Head of Internal Audit produces an [annual risk-based internal audit plan](#) which is approved by the Director of Finance (Section 151 Officer) and the Audit Committee.

The service is required to comply with the Public Sector Internal Audit Standards (PSIAS). In accordance with the PSIAS, the Head of Internal Audit is required to deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual opinion of the Head of Internal Audit was:

“Based on the work undertaken by the Internal Audit Service during 2016-17, and agreement by management to implement the recommendations made following audit reviews, it is my opinion that overall, subject to variation between individual services/systems and the need for further improvement and development in some areas, the Authority has adequate governance, internal control, risk management and financial management arrangements in place which are operating effectively.”

External Audit

The Wales Audit Office are the appointed external auditors for Pembrokeshire County Council. During 2016-17 the following work has been published by the Wales Audit Office:

- [Pembrokeshire County Council Annual Improvement Report 2015-16](#)
- [Financial Resilience in Local Authorities in Wales \(National Study\)](#) and Local Report
- [Community Safety in Wales \(National Study\)](#)
- [Charging for Services and Generating Income by Local Authorities](#)
- [Coastal Flood and Erosion Risk Management in Wales](#)
- [Local Authority Funding of Third Sector Services](#)

Regulators

The Care and Social Services Inspectorate Wales (CSSIW), provides a professional independent opinion of the provision of Social Services in Wales. During 2016-17, the following National reports were published:

- [National inspection of care and support for people with learning disabilities](#)
- [National review of care planning for children and young people subject to public law outlines pre proceedings](#)

Annual Governance Statement 2016-17

- [National review of domiciliary care in Wales](#)
- [Deprivation of Liberty Standards: Annual monitoring report for Health & Social Care in 2015-16](#)

Chief Finance Officer

The Director of Finance is the Authority's appointed Chief Finance Officer (Section 151 Officer). This statutory post is responsible for overseeing and delivering the financial management of the Council. This role conforms with the good practice requirements within the CIPFA statement on the Role of the Chief Financial Officer in Local Government.

The Director of Finance has been involved in reviewing corporate governance arrangements and in preparing this annual governance statement. The Director of Finance has given his assurance on the controls in place to manage the Council's finances. This is supported by the assurance opinion provided by Internal Audit in their review of financial systems for 2016-17, all of which received a substantial assurance opinion.

Medium Term Financial Plan

The Council has experienced a significant reduction in financial settlements from Welsh Government over the last three years. This combined with significant workforce, pay, inflation and demographic pressures has resulted in a funding gap of £41.5m (2014-15 to 2016-17). The funding gap was bridged by a combination of £6.3m additional income from Council Tax increases (including base changes) and £35.2m in cost reductions/efficiencies/service transformation. In order to plan for future pressures and reductions in funding settlements, a four year Medium Term Financial Plan (MTFP) is maintained, reviewed and updated at least annually. The [MTFP 2017-18 to 2020-21](#) (including the Transformation Programme) was reviewed and approved by Council on 2 March 2017.

Performance Management

National and local performance measures are monitored on a quarterly and annual basis. These make up a "suite" of performance measures which we monitor to ensure performance is maintained, any issues are identified and corrective action taken. This information forms part of the quarterly [Integrated Budget, Internal Control, Business Risk Management and Performance Report](#) which is presented to Cabinet and Corporate Overview & Scrutiny Committee.

In 2016-17, the [Local Government Data Unit](#), in their annual report on local authority performance, announced Pembrokeshire County Council as the second best performing Council in Wales (based on 2015-16 performance data), and one of the most improved Councils for the second consecutive year.

Annual Governance Statement 2016-17 Action Plan

Significant Governance Issues	Current Position	Action Required in 2017-18
<p>Financial Challenges</p> <p>The UK Governments commitment to reduce net borrowing and the national debt is expected to continue. Welsh Government have advised that, “The big picture is that the impact of austerity on the Welsh Government’s budget during the rest of this Assembly term will be unremitting.” Therefore reduced financial settlements from Welsh Government are expected to continue until at least 2021. The projected funding gap for Pembrokeshire County Council for 2017-18 to 2020-21 is £45.3m. The shortfall of £2m in the 2016-17 cost reductions and efficiencies target of £13.8, has been rolled over to 2017-18.</p> <p>The impact of Britains exit from the EU on future grant funding arrangements is still unknown. Where possible the Council needs to prepare for losses and the impact on the improvement of our objectives.</p>	<p>The Medium Term Financial Plan is updated regularly to reflect changes in predicted settlements, and changes to inflation, demographics and new pressures.</p> <p>The Director of Finance is a Member of the Society of Welsh Treasurers who meet regularly to discuss changes and share best practice.</p> <p>Member involvement in the budget setting process has continued over the last few years and will continue.</p> <p>Integrated Financial Management, Internal Control, Risk Management and Performance reports are presented to Cabinet and Corporate Overview and Scrutiny Committee on a quarterly basis.</p> <p>Ongoing public and employee consultation exercises to raise awareness of the financial position.</p> <p>Internal Audit work incorporates reviews of the Cost Reduction and Efficiency Programme, the Transformation Programme and the financial resilience of the Council.</p>	<p>The MTFP is a live document and is subject to update whenever there is a significant change that will impact on future funding and budgets.</p> <p>Wherever possible Officers and Members will continue to provide feedback on any Welsh Government Consultations that are likely to impact on future service delivery (additional funding pressures).</p> <p>Senior Officers and Members will continue to lobby Welsh Government for a more equitable funding per capita.</p> <p>Budget workshops with Members and Senior Officers have been scheduled to commence in the Summer 2017.</p> <p>Public and staff consultation exercises to continue.</p> <p>Internal Audit work to continue to provide assurance on the financial resilience of the Council, including reviews of the Transformation Programmes and Cost Reductions and Efficiencies Programme.</p>

Significant Governance Issues	Current Position	Action Required in 2017-18
<p>Transformation Programme</p> <p>The Transformation Programme has been established to assist the Council to meet current and future service demands with reducing resource. The requirement for the Cost Reduction/Efficiency/Service Transformation programme over the four year period of the MTFP is £34.5m. Failure to deliver this will have a significant financial impact on the Council.</p>	<p>During 2016-17 a Transformation Board was established (four Senior Officers and three Members) and a Head of Transformation has been appointed.</p> <p>Ten transformation work streams have been identified which will develop the way that the Council operates in line with its approved Target Operating Model.</p>	<p>Project plans will be established for all work streams with milestones, threats and opportunities, and financial targets identified.</p> <p>Ongoing monitoring by the Transformation Board to ensure that the work streams are on target to achieve the anticipated transformation and deliver financial savings within the expected timeframes.</p> <p>Continued close links between the Transformation Programme and the MTFP so that any shortfalls are identified and alternative savings made at the earliest opportunity.</p> <p>Internal Audit work plan to include reviews of the Transformation work streams.</p>

Significant Governance Issues	Current Position	Action Required in 2017-18
<p>Local Government Reform</p> <p>A White Paper setting out how Councils will be required to deliver some of their services collaboratively or on a regional footprint was out for Consultation from the end of January 2017 to beginning of April 2017. Amongst the proposals are a mandatory economic development footprint that would also cover certain planning functions and transport. Councils would have some flexibility over what footprint they use to share responsibilities for other mandated services including educational improvement, social services, additional learning needs, public protection and promotion of the Welsh language. Councils still have the option of merging under the new plans.</p>	<p>The Council has continued to look for opportunities to collaborate either formally or informally to effect better service delivery at reduced costs.</p>	<p>The Council must continue to consider the impact of this reform should it become legislation. Proposals to changes in service delivery will need to take account of the potential for mandatory collaboration to avoid waste of public funds.</p> <p>The Council will continue to explore collaboration opportunities with partner organisations where there is a natural synergy.</p>

Priorities for Improvement	Current Position	Action Required in 2017-18
Corporate Contract Monitoring This has been a Priority for Improvement for the last two years.	During 2016-17, the Procurement Service has re-launched its approach to Contract Management, strengthening the process itself and up skilling nominated Contract Managers. A Procurement Procedure note was issued in April 2017 to all Heads of Service and nominated Contract Managers, outlining the requirements. Training is now mandatory for all nominated Contract Managers. Two thirds of Contract Managers have received training to date.	Ongoing training will be provided. Compliance will be monitored by the Procurement Service to ensure that the new arrangements are working effectively.
Partnership Governance Arrangements Building on the work undertaken in 2016-17 to strengthen the overall governance arrangements in relation to Partnerships.	A definitive list of strategic Partnerships has been agreed. Work is underway to ensure that the requirements of the Partnerships Procedure have been complied with.	Ensuring that Partnership Agreements comply with the requirements of the CIPFA Delivering Good Governance Framework. This will be monitored via the Partnerships Overview & Scrutiny Committee.
Secondary School Financial Planning Four Secondary Schools had a budget deficit at the end of 2016-17, with the Council taking over the financial management of one of the schools. An Internal Audit review highlighted a number of weakness with the current financial arrangements for Secondary Schools which need to be addressed.	A dedicated officer is undertaking a twelve month project working with Secondary Schools to assess their financial planning arrangements, assisting them to develop a more robust approach and ensure that they all develop Medium Term Financial Plans.	The recommendations made by Internal Audit need to be implemented. All Secondary Schools to develop a more robust approach to financial planning supported by individual Medium Term Financial Plans.

Priorities for Improvement	Current Position	Action Required in 2017-18
<p>Secondary School IT Networks</p> <p>An Internal Audit review identified a number of significant weaknesses. The Head of IT is working closely with Secondary Schools to address these issues.</p>	<p>The Head of IT is working closely with the Pembrokeshire Association of Secondary Heads (PASH) to move to a more robust model.</p>	<p>Head of IT to continue to work with Pembrokeshire Association of Secondary Heads to agree a new IT Vision for schools, using a centrally shared model for infrastructure including storage, remote access, and active directory.</p>
<p>Support for the New Administration/ Members</p> <p>Following the Local Government elections in May 2017, 19 new Councillors were appointed. This has resulted in a change of Leadership, Cabinet, and new Committee Memberships. In order to ensure that the Council continues to operate effectively, the new Administration and new Members will require ongoing support from Officers.</p>	<p>The Monitoring Officer and Head of Legal & Committee Services scheduled a comprehensive induction programme for new and existing Members, which is scheduled to continue throughout the summer.</p> <p>New Members were invited to meet Directors and Heads of Service as part of the induction process to raise awareness of the remit of each Directorate.</p>	<p>An ongoing programme of training for the new Administration to support new Members and Members in new roles, will continue to be delivered. Training will be tailored to the requirements of individual roles, e.g. Effective Audit Committee Training.</p>

Priorities for Improvement	Current Position	Action Required in 2017-18
<p>Options Appraisal and Evidencing Rationale for Decision Making</p> <p>A corporate review of Governance arrangements highlighted that there are some areas of good practice where Members are presented with options and a rationale for the recommended course of action. However, it was identified that this isn't consistent practice and needs to be improved. This was consistent with a recent recommendation from Wales Audit Office.</p>	-	<p>Report templates to be amended to ensure the options considered, or to be considered, are recorded, and the opportunities and threats identified with each option. Options needed to be aligned to the Target Operating Model as the framework for decision making.</p>
<p>Post Implementation Review & Lessons Learned</p> <p>The Internal Assessment of Governance Arrangements has identified that there are examples of good practice across the Authority where post implementation reviews are undertaken, however, further work is required to ensure that there is a consistent approach.</p>	-	<p>Post Implementation Review should be embedded into the culture of the Authority, in terms of major service changes and significant programmes and projects to ensure that aims and objectives have been achieved and any issues are identified and shared as part of a lesson learned approach.</p>

Priorities for Improvement	Current Position	Action Required in 2017-18
<p>Strengthening Risk Management Arrangements</p> <p>The Internal Audit review of Business Risk Management identified that significant progress has been made in recent years, however, there is still further room for improvement.</p>	<p>The Corporate Risk Register is a live document that is subject to formal review and update on a quarterly basis by officers and Members.</p> <p>There is an approved Business Risk Management Strategy in place which is subject to annual review.</p> <p>Directorate and Service Risk Registers are in place but are not consistently reviewed and updated to ensure that the most relevant risks are captured.</p>	<p>Corporate training on Business Risk Management needs to be delivered. This will take the form of an e-Learning Module and training workshops for relevant officers.</p> <p>The Governance, Assurance & Information Manager to attend quarterly DMT meetings to provide feedback on compliance with the Business Risk Management Framework at a Directorate level.</p> <p>Escalation of non-compliance with the Business Risk Management Strategy to Senior Officers and the Audit Committee.</p> <p>Ensuring that all significant Partnerships are supported by Risk Registers.</p>
<p>Workforce Planning</p> <p>In order to ensure that the workforce is equipped to deliver the needs and priorities for the Council in future years, the Council needs to match the right employees with the right skills to the right roles. Succession planning is also key to ensure that the knowledge officers in key roles have is captured and shared. This is a requirement of the Well-being of Future Generations Act (Wales) 2015.</p>	<p>A Workforce Planning Strategy was approved by Cabinet on 13 March 2017.</p>	<p>Each Directorate will need to consider its future service and the skills and workforce required to deliver those services. Where single points of failure (officers with knowledge in key posts) are identified, there will need to be some contingency planning to ensure that this knowledge is captured.</p> <p>Workforce planning has been identified as a risk within the Corporate Risk Register and as such, Internal Audit have scheduled work to assess the arrangements in place across the Authority.</p>

Priorities for Improvement	Current Position	Action Required in 2017-18
Reviewing the Effectiveness of Assets There is a Strategic Asset Management Plan 2015-16 to 2019-20 in place which identifies a number of key outcomes, which includes 'unlocking the full opportunities and value for our asset base; improve rental income; optimisation of assets, etc', however, this has not progressed at the expected pace.	Assets and Agile has been identified as one of the Councils 10 Transformation work streams. A Strategic Asset Management Group consisting of both officers and Members (Leaders of each Political Group) was created and meets on a regular basis.	Continued implementation and delivery of the Strategic Asset Management Plan, ensuring full integration with the Corporate Plan, Medium Term Financial Plan, Workforce Planning Strategy and Transformation Programme.
Management of Commercial Tenancies An Internal Audit review identified that commercial leases and tenancy reviews have not been undertaken in the expected timescales resulting in potential lost income to the Authority.	-	Implementation of the recommendation made by Internal Audit in a timely manner.
Management of Data and Preparation for the General Data Protection Regulation (GDPR) GDPR is the largest change to the management of personal information over the last 20 years and will come into force on 25 May 2018.	A project has been established to ensure that the Authority is compliant by the 25 May 2018. The Project Sponsor is the Director of Finance and the Project Lead is the Governance, Assurance and Information Manager. An Information Asset Review is being undertaken to assess compliance and identify areas for improvement. An Information Governance Members Risk Champion has been identified.	Ongoing monitoring of the GDPR project by the IT & Information Governance Steering Group and CMT. Completion of the GDPR project and any compliance requirements identified. Awareness raising in-house and with contractors/service providers. Continued consultation with the Information Commissioners Office in Wales.

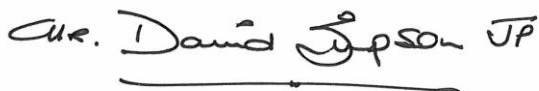
Leader/Chief Executive (Head of Paid Service)

We have been advised on the implications of the results of the review of the effectiveness of the governance framework including the system of internal control by the Internal Control Group and a plan to address weaknesses and ensure continuous improvement of the system in place.

To the best of our knowledge, the framework identified above has been effectively operated during the year.

The process by which the effectiveness of the governance framework including the system of internal control is reviewed will continue to be developed in the future taking account of the Code, experience, best practice, appropriate guidance and any changes in legislation impacting on the Annual Governance Statement.

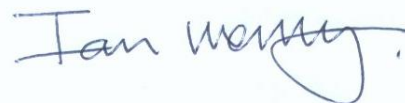
We propose over the coming year to take steps to address the above matters to enhance further our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as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



COUNCILLOR D.SIMPSON

Leader

Date:



I. WESTLEY

Chief Executive

Date: