



**South Cambridgeshire District Council**

**Annual Governance Statement 2008/09**

**For the period 1<sup>st</sup> April 2007 to 31 March 2008**

**April 2009 – DRAFT**

## **1. SCOPE OF RESPONSIBILITY**

South Cambridgeshire District Council 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, South Cambridgeshire District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/ SOLACE Framework *Delivering Good Governance in Local Government*.

A copy of the code is on the Council's website at [www.scambs.gov.uk](http://www.scambs.gov.uk). This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

## **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. 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, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2009 and up to the date of approval of the annual report and statement of accounts.

### **3. THE GOVERNANCE FRAMEWORK**

South Cambridgeshire District Council has a responsibility for ensuring a sound system of governance to meet statutory requirements requiring public authorities to adhere to proper practices in reviewing the effectiveness of their system of internal control and preparing a statement on internal control. This governance statement meets that requirement and sets out brief details of the arrangements the Council has in place regarding the key systems and processes comprising the Council's governance framework. This forms part of the Council's overall assurance framework, which incorporates the Local Code of Governance adopted by the Council covering six core principles and the accompanying supporting principles contained within the CIPFA/SOLACE Framework for delivering good governance in local government (2007).

This Council's framework makes reference to the outcomes and recommendations of the Audit Commission following the Corporate Governance Inspection ("CGI") of the Council in 2006 and the re-inspection in 2008.

#### **Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.**

- The Council has continued to work towards its three corporate objectives namely:
  - Working in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future
  - Delivering high quality services that represent best value and are accessible to all our community
  - Enhancing quality of life and building a sustainable South Cambridgeshire where everyone is proud to live and work
  
- These corporate objectives were underpinned by 21 service priorities, which were built into the service planning process and individual objectives for all employees in the Council, thereby providing a focus for improvements being made in all areas of the Council's work. A summary of key priorities for 2008/09 is identified below, each linked to the corporate objectives.
  - Delivering and managing growth
  - Securing a sustainable future for council housing
  - Waste and recycling
  - Tackling climate change
  - Improved service delivery
  - Improved customer satisfaction
  - Develop equalities practice
  - Enhance citizen engagement
  - Develop the role of scrutiny
  - Promote economic development
  
- The Council has communicated these objectives internally through monthly Corporate Briefs to staff, the Chief Executive and Council Leader's joint annual presentation to staff, the internal staff magazine 'Scene' and the intranet "In-Site". They have also

been communicated to South Cambridgeshire residents through its quarterly magazine "South Cambs" and via the website.

- The Council has developed its first Corporate Plan, which set out its priorities for 2008/09 and demonstrated how the Council planned to meet these challenges during the year, how it has continued to ensure improvements following the Corporate Governance Inspection and managed resources effectively to deliver high quality services to the whole community. The Corporate Plan is available on the Council's website.
- The Council has also approved new aims, approaches and actions which will replace the three current corporate objectives to form the framework for service planning, service priorities and budget setting from 2009/10 onwards. The new aims are: -
  - Being a listening council, providing first class services accessible to all
  - Ensuring that South Cambridgeshire continues to be a safe and healthy place for you and your family
  - Making South Cambridgeshire a place in which residents can feel proud to live
  - Assisting provision for local jobs for you and your family
  - Providing a voice for rural life
- In response to the CGI, an Improvement Board was set up, comprising external partners and Councillors. The Board continued to meet regularly throughout the year to track progress of the Council's improvement journey. The Leader of the Council and Chief Executive produced Improvement Update reports to the Board to inform them of the Council's progress and plans against the CGI as well as enabling the Board to comment on progress and consider where it could give support and direction to the efforts made by the Council. Cabinet was updated in April and July 2008, and was advised that the action plans were included within the new Corporate Plan and that progress was monitored alongside the review of the Corporate Plan.
- The new service plans that came into operation in April 2008 included the majority of the improvements needed; service plans were monitored by Portfolio Holders as part of the performance monitoring process.
- The Corporate Governance Committee has continued to take responsibility for all governance arrangements within the Council and undertakes the core functions of an Audit Committee.
- The Council produced its first annual report for some time during 2007/08 describing the services it provided, how it worked with other Councils and Partners, what the Council was seeking to achieve, what it actually achieved against the 3 corporate objectives, how much the Council charged to provide its services and how value for money and efficiency savings were made. The annual report will continue to be produced on an annual basis and the annual report for 2008/09 will be produced in the summer of 2009 after closure of the accounts.
- The Policy and Performance service drives delivery of the Corporate Plan, working closely with services to spread best practice, track performance and strengthen performance against local targets. The performance management framework

monitors delivery against targets and the Cabinet receives quarterly integrated business monitoring reports, which incorporate the Council's financial performance.

- The Council has continued to embed the communications strategy building a positive image of the Council in the local community through clear communication with residents, partners and staff. The communications team has been working to deliver key elements of the strategy, namely varying communication styles, media relations, staff communications, communications with councillors, news media and publications.
- Partnership working is an essential element for the Council to deliver its services effectively and assist the Council in meeting its objectives. The Partnerships Manager co-ordinates all communication with some 70 strategic and operational partnerships. In order to ensure that the Council participates in successful partnerships with robust governance arrangements, the Council has adopted a "Partnership Toolkit" that covers eight partnership standards agreed by the Corporate Governance Committee.
- The Council has developed a matrix of all its partners and has developed a partnerships register for significant partnerships, a risk management matrix and governance standards, in line with the Audit Commission's report on the governance of partnerships.
- New Terms of Reference were agreed during 2008 for the Local Strategic Partnership (LSP), which provide guidance for joint working arrangements with statutory, voluntary, business, community and faith organisations.
- The LSP provides a framework for addressing the social, economic and environmental concerns of people in South Cambridgeshire through partnership working. The Council's Sustainable Community Strategy, agreed in March 2008, outlines the LSP's long term vision for a sustainable South Cambridgeshire as well as its three year objectives and priorities. The South Cambridgeshire Local Strategic Partnership Board has met five times during the year, with regular attendance of the Council's Partnership Manager to discuss progress against indicators and targets.
- The Council has a Medium Term Financial Strategy, which is reviewed and updated annually as part of the budget setting process to support the achievement of the Council's corporate objectives. The budget and policy framework outlines the process and timetable to be followed each year when setting the Council's budget. The financial management framework includes regular budget monitoring reports to the Senior Management Team, Executive Management Team, Executive and Portfolio Holder meetings to ensure best use of council resources.

**Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles.**

- The Constitution was last updated in January 2009 and acts as the guide for the operations of the Council and identifies the roles and responsibilities of the Executive, Officers and Members. The Constitution also identifies the delegation of responsibilities for Council functions through Committees, the Executive, portfolio holders and officers, and sets out how decisions are made. It also sets out management and operational responsibility within the Council. All decisions are published in a weekly e-bulletin, which is distributed to all Members, staff and all parish councils within the district.
- The 'Member Toolkit', which provides a single point of reference for all Members referring to all of the various rules, procedures and guidance to help them perform their roles, was updated in July 2008
- The Toolkit contains the Code of Conduct and related guidance, together with all other related local codes and protocols governing Member behaviour, reference to the IDeA skills framework and the Member training programme.
- "New Member" information packs were issued to all Members elected at the May 2008 elections, together with an Induction Day for newly elected Members. Training programmes were delivered to Members, including sessions on Basic IT, Scrutiny and Overview, Equalities, Standards and the Code of Conduct, Planning and Licensing.
- The Constitution contains an updated Member-Officer Protocol and full job descriptions for Members, including role descriptions for Chairmen of the Council's Committees.
- The Monitoring Officer and Democratic Services team maintain an up to date version of the Constitution and ensure decision-making is fair and lawful. Advice from the Monitoring Officer and/or the Chief Finance Officer is taken on whether any decisions are outside the budget and policy framework. All Executive reports are forwarded to Legal and Finance prior to publication for input into the implications of proposed actions and strategies.
- Currently the Chief Executive is the designated Chief Finance Officer and Head of Paid Service and will ensure legality and prudence of financial decision making. He is the officer responsible for the proper administration of the Council's financial affairs under Section 151 of the Local Government Act 1972.
- Cabinet receives quarterly integrated business monitoring reports, covering the following areas:
  - Financial Performance
  - Corporate Plan Performance
  - CORVU – Integrated Performance Management System

**Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.**

- The Constitution acts as the guide for the operations of the Council and identifies the roles and responsibilities of the executive, officers and Members.
- The Constitution is supported by operational procedure manuals containing information on financial regulations, contract regulations, business procedures and processes to be followed in all areas of the Council.
- A tailored induction pack and induction day is provided to Members on commencement of their term of office and job descriptions for their respective roles are included within the Constitution. A Members' Code of Conduct and Members' Undertaking are also in place. Appropriate processes are in place to monitor compliance. All of these matters are referred to within the Member Toolkit.
- Members are asked to sign up to a Member Undertaking to show their commitment to abide by the codes and protocols within the Member Toolkit as a demonstration of support for the high standards of personal behaviour by Members and good working relationships with officers. Officers are bound by their own Code of Conduct.
- The Member Toolkit contains an internal disputes resolution procedure which can be used to deal with alleged breaches of the Code of Conduct.
- The Standards Committee promotes and maintains high standards of conduct within the Council and amongst all Parish Councils in the district through the Code of Conduct for Members. The Committee assesses; reviews and makes determinations in respect of allegations of misconduct against District and Parish Councillors, and makes recommendations to Council on matters such as reviews of the Code of Conduct. It has 19 members: 8 Council Members who are appointed by Council; 4 Parish members who are nominated by Parish Councils and there are 7 independent (lay) members whose appointment is ratified by Council.

**Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.**

- The Constitution acts as the guide for the operations of the council and identifies the roles and responsibilities of the executive, officers and Members. The Constitution also identifies the delegation of responsibilities for Council Functions through Committees and sets out how decisions are made. All decisions are published in a weekly e-bulletin, which is distributed to all Members, staff and the 90 Parish Councils within the Council's area.
- A Corporate Governance Committee, the terms of reference of which are set out in the Constitution, takes responsibility for all governance arrangements within the Council and undertakes the core functions of the Audit Committee.

- The Council has an in-house legal team supporting Members and all sections of the Council. A lawyer is always in attendance at regulatory committees to ensure that the limits of lawful activity are not breached and that decision-making is fair.
- The Scrutiny and Overview Committee is established and the Constitution provides an overview and mission statement for that committee and includes its principal objectives and terms of reference. The committee can call in for review any decision made by the Executive, Individual Portfolio Holders or by officers. A timetable for scrutiny programme planning sets out deadlines and an annual Scrutiny and Overview Committee report is produced to a meeting of Council.
- Portfolio Holder meetings are open to the public and, wherever possible, decisions are taken at these regularly scheduled meetings, in line with the Constitution. Matters decided outside of the formal meetings, for reasons of urgency, are published on pro-forma decision sheets.
- The Council has a complaints procedure in place. Complaints are reported to the Senior Management Team and Cabinet quarterly as part of the integrated business monitoring report. A report to Scrutiny and Overview in June 2008 reported the complaints received during 2007/08. A separate report will go to the Committee again during April 2009 to decide whether the Committee wishes to continue to review the complaints procedures within its work programme for 2009/10.
- The council has a Risk Management Strategy in place that was reviewed during the year and approved by the Corporate Governance Committee in September 2008. The document acknowledges the obligation to minimise risk and details the process for identifying, recording, assessing, managing and reviewing risk. A strategic risk register has been compiled and is reviewed quarterly by the Executive Management Team and Corporate Governance Committee. Project and service risk registers are also in place.
- As part of the Internal Audit plan for 2008/09 a risk maturity review was carried out to determine how embedded risk management arrangements are within the Council. The Council was deemed to be in between “Risk Defined” and “Risk Managed” which equates to a score of three to four out of five. An action plan has been agreed to further embed risk management in order to move towards a status of “Risk Enabled” which would score five out of five.
- The Council’s “Use of Resources” score has also increased from a level 2 (performing adequately) to a level 3 (performing well overall). Under individual themes, the score for Internal Control – Managing significant business risks also went from a 2 to a 3.
- The Council has a Code of Conduct for staff incorporated in the Constitution and an Anti Theft, Fraud and Corruption Policy, Capability and Disciplinary Procedures.
- The Council’s Whistleblowing policy has been promoted and communicated to staff throughout the year through “In-Site”, “Scene” magazine, and display of posters throughout South Cambridgeshire Hall and at the depot. The Standards Committee received a report by the Internal Audit Manager on 11<sup>th</sup> June 08 stating that there had



been no issues raised that required reporting. The 2008/09 declaration will be submitted during 2009/10.

**Principle 5: Developing the capacity and capability of Members and officers to be effective.**

- An Induction Pack is provided to all new and continuing Members. Members are also provided with a copy of the Member Toolkit which contains more detailed information about standards expected of councillors, and includes vital documents such as the Code of Conduct. An induction day is also held at which the Chief Executive and Corporate Managers provide brief overviews of their service areas.
- The Council has agreed a Member Development Strategy 2008 – 2011 to reflect the development needs which Members themselves identified through a self assessment process. This will assist members to build their skills to enable them to play a full part in the work of the Council and in leading their communities.
- The Council's Workforce Plan was refreshed during the year to take into account the developments during the year, new challenges facing the Council, corporate objectives and the links of service plans to the "golden thread".
- All posts within the Council have a detailed job description and person specification to ensure that staff are suitably qualified to undertake their responsibilities.
- Training needs are identified by the Council's appraisal scheme. Its objectives are to establish clear links between tangible performance objectives, targets, service plans and corporate objectives. It will enable agreed incremental progression, improve performance, identify development opportunities and improve communications and relationships.
- All staff have the option to apply for support in relation to further education and professional development leading to recognised qualifications, which meet business need, enhance or develop job performance and/or contribute to future role requirements.
- Upon appointment, new officers will attend an induction session with the Chief Executive and a formal half-day induction as well as being taken through a departmental induction programme with their line manager.
- The Council is developing its management training programme by reference to a competency framework and has carried out lunchtime seminars to help embed the framework in the personal development planning (PDP) process for managers.
- Executive Management Team is undergoing specific training to develop its capacity. In-house and external trainers provide training.
- Personal development plans are completed as part of the appraisal process, providing opportunities for development of officers in a variety of ways.

- The Corporate Governance Committee members received training from RSM Bentley Jennison on the role of the Committee, including links with internal and external audit, comparisons and links with audit and scrutiny and functions and activities governed by the Committee.
- The Council has been awarded the Investors in People Standard by demonstrating its commitment to improving business performance through its most valuable asset – its people. This award reflects the very strong ethos of providing development and personal support for staff, a good work-life balance, open and approachable managers, excellent career and professional development, high levels of service to residents, a sound appraisal process and staff involvement in the planning process.

**Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.**

- The Council has a Scrutiny and Overview Committee and the Constitution provides an overview and mission statement for this committee and includes its principal objectives and terms of reference. The committee has no decision-making powers, but can call in for review any decision made by the Executive or by Individual Portfolio Holders.
- A timetable for scrutiny programme planning is used that sets out deadlines and an annual Scrutiny and Overview Committee report is produced to the Council. The Scrutiny and Overview Committee meetings take place at different venues across the district.
- In 2007/08 the annual scrutiny report identified areas for improvement and there has been significant progress made against the actions identified.
- There has been extensive training and development to members facilitated by the Improvement and Development Agency (IDeA) on areas such as “scrutiny vision” for the future, team working and questioning skills and finance scrutiny.
- The Council’s Planning Committee meetings include the opportunity for public speaking by applicants and objectors in accordance with a protocol.
- All committee decisions are published in a weekly e-bulletin, which is distributed to all Members, staff and all Parish Councils within the district. All meeting agendas, minutes and decisions are published on the Council’s website.
- The Council has an existing consultation policy. This will be updated to reflect the new Duty to Involve effective from 1<sup>st</sup> April 2009.
- The Council’s Performance Plan has been succeeded by the Corporate Plan which clearly communicates the Council’s corporate objectives to partners and the public.
- South Cambs magazine is published four times a year and delivered to every household in the district, updating residents on council news.

- Regular media releases and briefings ensure local media are used as a channel for keeping residents informed of upcoming issues and council decisions.
- The Council continues to ensure that all communications with the public are accessible to all by providing translation, large print, standard phrase descriptions and Braille.

#### **4. REVIEW OF EFFECTIVENESS**

South Cambridgeshire District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

This review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates, including the Audit Commission through the CGI; CPA; Use of Resources and Direction of Travel statements

The following actions and processes have been applied in maintaining and reviewing the effectiveness of the governance framework over the last twelve months:

**The Council and its Senior Management Team** have developed and implemented a number of policies and corporate documents as well carrying out a number of actions, as follows: -

- The Corporate Plan 2008/09 was agreed that set out the priorities for the year
- The Council has continued to meet the current 3 corporate objectives as well as planning for 2009/10 by approving new aims, approaches and actions.
- The Council's Constitution has been reviewed throughout the year to reflect key changes in policy.
- The Chief Executive and Leader of the Council delivered presentations to all staff in December 2008 looking at the progress that had been made during 2008.
- A Sustainable Community Strategy has been developed that outlines the Local Strategic Partnership's long-term vision for a sustainable South Cambridgeshire as well as its corporate objectives and priorities.
- A Partnership Toolkit was introduced to ensure all partnership arrangements have been assessed and have adequate governance arrangements in place in order to meet the Councils objectives.
- The Medium Term Financial Strategy is linked to the Council's priorities and is embedded in the business planning process.
- Use of Resources 2008 has confirmed that there has been an increase in the overall score from a level 2 score of performing adequately to a level 3 score of performing well overall.
- The Capital Strategy has been developed to maximise the contribution of the capital programme towards the achievement of the Council's corporate objectives.

### **The Corporate Governance Committee:**

- Monitored performance of the Internal Audit function through quarterly reports
- Approved the Internal Audit Strategic Plan
- Monitored the Corporate Governance Inspection Follow Up Inspection and Action Plan
- Reviewed the Assurance Framework and Annual Governance Statement
- Reviewed the Local Strategic Partnership - Governance Arrangements
- Reviewed the Strategic Risk Register on a quarterly basis
- Appointed External Auditors
- Approved the Statement of Accounts for 2007/2008
- Reviewed the Risk Management Strategy
- Reviewed and approved new Contract Regulations
- Reviewed the Comprehensive Area Assessment and Use of Resources 2008/09 updates
- Reviewed the Crime and Disorder Reduction Partnership governance arrangements

### **The Scrutiny and Overview Committee:**

- Was involved in an eight month review of a residential development at Arbury Park, now named Orchard Park
- Carried out a review of the Council's financial and budget setting process, making recommendations agreed by the Cabinet.
- Provided robust scrutiny and challenge on issues including annual budget, community engagement, community safety, complaints process, neighbourhood panels and the Council's response to the Pitt Review on flooding.
- Continued to hold meetings throughout the district to encourage participation by residents and partners including Parish Councillors.
- Developed a selection of scrutiny topics to ensure that programme planning was aligned to corporate objectives and local concerns.
- Made significant progress in implementing identified areas for improvement from the 2007/08 Scrutiny Report, including speaking directly with Parish Clerks and local representatives to identify potential issues for scrutiny, developing a structured system of criteria to score annual work programmes and improving the communication channels of what scrutiny does.
- Carried out a training and development programme for committee members throughout the year, with attendance at various sessions and events run by IDeA and the Centre for Public Scrutiny
- Arranged a conference under the Cambridgeshire Scrutiny Network to look at the role of District Councils in scrutiny of the County's Local Area Agreement

### **The Standards Committee:**

- Received the Annual Report from the Internal Audit Manager on Whistleblowing
- Arranged for representatives to attend the 7<sup>th</sup> Annual Assembly of Standards Committees
- Appointed new Parish Members and additional Independent Members
- Established new arrangements to manage the local assessment of complaints following the transfer of responsibility from the Standards Board for England (SBE)

- Considered allegations of breached of the Code of Conduct at meetings of the Assessment and Review Panels
- Monitored the handling of complaints through quarterly reports from its Assessment, Review and Hearings Panels
- Received updates on references made to SBE and reports of Local Investigations
- Agreed a Standards Committee work programme
- Submitted quarterly reports to SBE
- Monitored the Operation of the Code of Conduct
- Provided advice and training to District and Parish Councillors in relation to the Code of Conduct
- Monitored the operation of the Council's Whistleblowing Policy
- Received the latest guidance from SBE on Determinations
- Received and responded to the Communities in Local Government consultation paper on Codes of Conduct for Local Authority Members and Employees
- Approved a draft procedure for dealing with multiple and vexatious complaints
- Reviewed Membership of Standards Committee Panels

**External Audit and Audit Commission's comments:**

- The Council has made good progress in improving corporate governance, which has been recognised during the re-inspection. Further improvements however are needed and are recognised in section 5 of this statement.
- The Council has achieved an improved score on the overall Use of Resources going from an overall score of 2 – performing adequately to a level 3 score of performing well overall.
- The Council's direction of travel is positive.
- The Council's Statement of Accounts received an unqualified opinion from External Audit

**The Council's Assurance Framework:**

- The assurance framework is underpinned by the following processes and policies:
  - Corporate objectives and priority setting
  - Service planning process
  - Annual budget and budgetary control process
  - Performance management framework
  - Self assessment against the local code of governance
  - Risk Management Strategy
  - Anti Theft, Fraud and Corruption Policy
  - Whistleblowing Policy
  - Codes of Conduct / Ethical Standards
  - Financial Regulations and Contract Regulations
  - Partnership protocols
  - Constitution
- The framework is also informed by the views of Internal and External Audit and other review agencies.

**Internal Audit:**

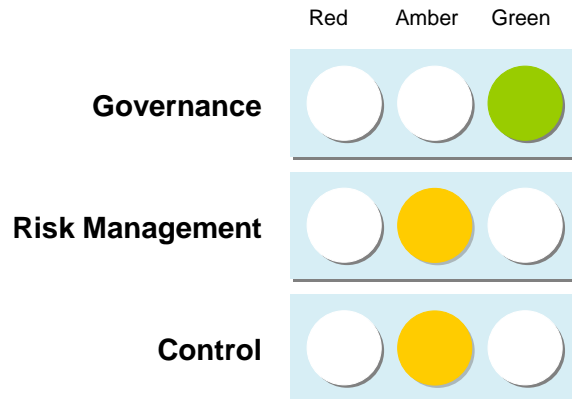
- The internal audit provision is managed, independently, by the Audit Partner and operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government 2006.
- The Audit Plan is prioritised by a combination of the key internal controls, assessment and review on the basis of risk and the Council’s corporate governance arrangements, including risk management.
- Regular meetings between the internal and external auditor and review of the internal audit work by external audit ensure that duplication of effort is avoided.
- All Audit reports include an audit opinion on the adequacy and application of the internal controls and prioritised action plans to address any areas requiring improvement. Audit reports are submitted to the Chief Executive, Executive Director and Corporate Managers as appropriate; the Corporate Governance Committee receives regular updates on progress of the plan and full reports on request.

**Internal Audit Opinion**

The Internal Audit Opinion in its Annual Report 2008/09 is as follows:

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of South Cambridgeshire District Council’s arrangements for governance, risk management and control.

For the 12 months ended 31 March 2009, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of South Cambridgeshire District Council’s arrangements is as follows:



## **5. IMPROVEMENTS DURING THE YEAR**

The Corporate Governance re-inspection made three recommendations to the Council to further improve its governance arrangements which are listed in the table below (R1,R2, R3). The Corporate Plan developed for 2008/09 identified an action plan for dealing with the initial responses to recommendations made in the Corporate Governance Re-Inspection report – March 2008. Progress was monitored through the Improvement Board, Executive and Corporate Governance Committee. In January 2009 the Improvement Board concluded that the Council was making good progress and was able to sustain improvement through service planning and improved performance management arrangements.

This table highlights the progress made in connection with the re-inspection and further significant governance issues from the Annual Governance Statement for 2007/08.

<b>Previous Recommendations 2007/08</b>	<b>Progress of Action in 2008/09</b>
<p>R1: The Council must ensure recent developments in political conduct and leadership are sustained, deepened and broadened.</p>	<p>R1: Cabinet has enhanced its leadership role; portfolio holder meetings are now open and consistent; scrutiny has improved; a member development strategy is being implemented; an all party workshop was held in December 2008 to discuss way members could work together.</p>
<p>R2: The Council must ensure the process of improvement continues to aim for profound and sustainable change in the way the Council operates.</p>	<p>R2: Senior management has been strengthened; the workforce plan has been reviewed; management training; succession planning and numerous changes to action feedback from the staff survey are being implemented; members of Cabinet and EMT have adopted cross-cutting themes to improve leadership and capacity; a new performance management system is in place; service planning has been consolidated.</p>
<p>R3: The Council must ensure that, concurrent with improvements in processes and procedures, its policies and behaviours address the needs of, and promote the well-being of, all sections of the community.</p>	<p>R3: Progress was hampered by staff absence but some progress was made in relation to equality and diversity. A draft Comprehensive Equalities Scheme has been consulted upon; a draft Gender Equality Scheme has been prepared following consultation; a draft Gypsy &amp; Traveller policy has been prepared; a new officer is in post and additional support has been made available to enable a full programme of Equality Impact Assessments to be carried out</p>

<p>2) Procedures for setting up new partnerships, reviewing their governance arrangements and completing risk assessments for partnerships have not yet been formalised.</p>	<p>A “Partnerships Toolkit” was introduced during 2008, to provide guidance to officers and members to assess the health of any partnership they are involved with and highlight where action maybe required to enhance their governance arrangements in order to achieve the Council’s objectives and priorities.</p> <p>Within the toolkit, there are detailed descriptions on its purpose and objectives, the eight standards of good governance, what good governance is, the Cambridgeshire Contact, good practice checklist and the whole start to finish process for considering partnerships.</p> <p>During 2008, all significant partnerships were risk assessed against the agreed likelihood criteria, including clear standards and expectations on governance arrangements. Each partnership was then plotted on a risk matrix to determine their overall score which will be updated annually.</p>
<p>3) There is a need to further improve the Council’s Scrutiny arrangements and processes.</p>	<p>The Council has one scrutiny committee – The Scrutiny and Overview Committee, which has twelve members drawn from the political groups in the same proportion as on the Council as a whole.</p> <p>Another strand of scrutiny is delivered through members of the committees who act as scrutiny monitors at Portfolio Holders’ decision making meetings. This enables to help develop a greater knowledge in an area of the Council’s work and therefore has offered well-informed challenge and influence.</p>
<p>4) Performance management is not currently embedded throughout the Council.</p>	<p>Due to technical problems with CORVU the implementation was delayed during 2008. In Jan 2009, a report to Scrutiny and Overview Committee stated that the implementation CORVU has been planned for April 2009.</p>



## **6. SIGNIFICANT GOVERNANCE ISSUES**

The following issue was identified during 2008/09 as a result of the review of arrangements and by the work of external and internal audit and may be regarded as significant :

2008/09 Recommendation	Action Planned for 2009/10
1) Following on from recommendation 4 from 07/08 the Council to ensure CORVU use is implemented successfully.	<i>To fully embed a performance management culture supported by a training programme for officers and members, and linking CORVU to service planning.</i>

In addition, whilst not a significant governance issue, risk management has been identified as an area for further improvement recognising the continuing work to enhance the process. It is therefore proposed that steps are taken to further embed risk management across all aspects of the Council's processes and procedures in accordance with the risk management action plan.

These improvements are planned to strengthen effective corporate governance.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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 as part of our next annual review.

Signed .....

Signed .....

Date:

Greg Harlock  
Chief Executive and Chief Finance Officer

Date:

Councillor Ray Manning  
Leader of the Council