

Progress on 2018/2019 Stroud District Council's Governance Improvement actions for Audit and Standards Committee

AGS Review Reference	Governance matters identified / actions taken	Target Date and Lead Officer
Chief Financial Officer Assurance Statement	<p>Future Financial Sustainability</p> <p>The 2018/19 Medium Term Financial Plan (MTFP) identified core deficit of £1.4m by 2022/23.</p> <p>Actions taken in response to the above:</p> <p>The Council has already undertaken a number of savings actions to improve its financial position in the Medium Term including the transfer of the Subscription Rooms in March 2019.</p> <p>It has also moved to a position of being fully budgeted for key risk areas such as the Multi-Service contract with Ubico Ltd.</p> <p>Reaching financial self-sufficiency remains a key focus of the Council's Corporate Delivery Plan and the Council is actively pursuing new income generation opportunities including improved treasury management returns.</p>	<p>31st March 2020</p> <p>Chief Financial Officer (S151)</p>

Position at December 2019

Strategy and Resources Committee and Council approved the latest Budget Strategy in October 2019 which states that the core deficit will be £1.6m in 2023/24. This actually represents an improved position for the Council as this has been reached after fully funding the Ubico budget, building in the long anticipated County food waste payments reductions and the removal of a workforce savings target not based on a clear organisational plan.

The full MTFP is to be presented to Council in February 2020 and a further improvement to the £1.6m figure is expected.

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Corporate Governance	<p>Local Government Association (LGA) Corporate Peer Challenge (CPC)</p> <p>The LGA's offer to support sector led improvement provides a range of tools to help councils further strengthen local accountability and explore how effectively they are delivering services. Peer Challenges are part of this offer. They provide a robust and effective improvement tool managed and delivered by the sector, for the sector. Peers are at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge. There is currently an offer to all councils to have a peer challenge (at no cost) at a time of its choosing, and focusing on local needs and specific requirements. There is an expectation that councils will commission a Corporate Peer Challenge (CPC) every 4-5 years.</p> <p>Background and focus for the peer challenge at Stroud District Council (SDC)</p> <p>SDC last had a CPC in 2014. There is a relatively new political administration and leader and likewise a very new chief executive-Kathy O'Leary, having taken up post in November 2018. As such both the Leader and Chief Executive were very keen to have a relatively 'early' CPC in the spring of 2019. After a long period with relatively little organisational change and transformation SDC welcomed some external challenge.</p> <p>There is a clear mandate to promote and gain the benefits from progressive transformation and organisational change in the council.</p>	Ongoing Chief Executive

That is not to underplay the many strong aspects of service performance, such as recycling rates and progressive approaches in terms of the canals and regeneration. However, the Council is keen to guard against itself becoming insular and risk averse and the CPC is a useful milestone to provide some critical friend challenge around the Council's emerging plans for change and the views of the many stakeholder both internally and beyond who will be key to seeing that change through.

As such, as well as providing critical friend challenge of the core components it will be important the peer team encapsulates and feeds back a view on the above.

Based on the above, SDC participated in an LGA Corporate Peer Challenge, which involved a team from the LGA, comprising of a Chief Executive, senior managers and members from other councils.

The LGA review took place between 26th and 29th March 2019.

In delivering this focus the peer team explored the five core components (the underpinning features of good performance) that all LGA Corporate Peer Challenges cover:

1. **Understanding of the local place and priority setting:** Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. **Leadership of Place:** Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. **Financial planning and viability:** Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?

4. **Organisational leadership and governance:** Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
5. **Capacity to deliver:** Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to the above we asked the peer teams view on:

- How well the Council is currently meeting customer needs;
- How the council might make best use of technology in the delivery of efficient and excellent customer services;
- How well the structure supports the Council's vision and delivery of corporate objectives and how this might be improved;
- How best to achieve financial self sufficiency – including making the most of commercial investment and treasury management (with an eye on the benefit to the residents and businesses).

Exploring the core components above will help provide reassurance and an indication about the organisation's ability and capacity to deliver on its plans, proposals and ambitions, but will also allow the peer team where appropriate to comment on track record and achievements too, helping to demonstrate the council's journey of improvement.

	<p>Actions taken in response to the above:</p> <p>To monitor the progress made against the areas for improvement and development identified during the peer challenge.</p>	
<p>Position at December 2019</p> <p>The Senior Leadership Team has committed to regular update reports on progress on peer challenge actions. The most recent report was submitted to Strategy and Resources Committee on 17th December 2019.</p>		

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Brought forward from 2016/2017	<p>Procurement Action Plan</p> <p>The Council fully appreciates that an appropriate corporate framework for procurement and contract management is key to effectively managing risks of legal challenge and not securing best value goods, works and services. In 2017/18 the final elements of the corporate action plan to address weaknesses in the corporate framework identified in 2014/15 were completed i.e. a comprehensive programme of corporate procurement training was delivered to improve staff procurement competency levels.</p> <p>As part of the corporate oversight of procurement, the Principal Procurement Officer with the support of the Legal team is continuing to advise and oversee the application of the framework. As a consequence issues have been brought to the attention of relevant heads of service and directors to improve their teams' forward planning of procurement activities.</p> <p>Actions taken in response to the above:</p> <p>To continue to develop officer procurement competency and forward planning, procurement and associated governance issues (e.g. risk management) are included within the staff induction day; further regular updates and reports to committee and Senior Leadership Team (SLT) are provided on procurement activities including consolidation projects.</p>	Ongoing Principal Procurement Officer and Monitoring Officer

	<p>Details of all exemptions to Contract Procurement Procedure Rules (whether agreed or not) are provided to Audit and Standards Committee on a regular basis as part of the procurement updates.</p> <p>Regular update reports are taken to SLT on a regular basis to include any issues relating to the application of the procurement framework; forthcoming contract renewals with updates from contract owners, and progress on spend consolidation projects.</p> <p>Reports and briefing papers are also provided to Audit and Standards Committee to highlight any improvements to; or concerns; relating to the application of the procurement governance framework.</p> <p>Revised Procurement Strategy to be recommended to Council for approval at Strategy and Resources Committee on 13 June 2019; this includes an updated action plan reflecting the National Procurement Strategy 2018, the revised Environment Policy and recent motions agreed by Council relating to Modern Slavery Charter, Community Wealth Building and Single Use Plastics.</p>	
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Position at December 2019

The new Procurement Strategy (2019 – 2023) has been adopted by the Council, which reflects the aims and objectives of the National Procurement Strategy in the procurement aims.

The updated strategy also incorporates a new social value policy and reflects motions agreed at Council, such as CN2030, single use plastic, modern slavery charter and Unite construction charter.

Updates will be provided to Senior Leadership Team and committee on a regular basis.