Division(s): N/A

AUDIT & GOVERNANCE COMMITTEE – 14 JANUARY 2015

SECOND PROGRESS ON THE ACTIONS IN THE 2013-14 ANNUAL GOVERNANCE STATEMENT

Report by Head of Law & Governance

Introduction

1.   Audit & Governance Committee approved the Annual Governance Statement (AGS) for 2013/14 in July 2014. The AGS lists six 'Actions' to be carried out in 2014/15. Progress on these actions was reported at the last meeting of this Committee in November. This report updates the first report. It is the second of three progress reports.

The Progress Report

2.   Annex 1 gives the 'First Progress Report on the Six AGS Actions' for 2014/15. Progress has been made on all of the six AGS Actions, though there is limited change since the report two months ago.

Financial and Staff Implications

3.   There are none.

Equalities Implications

4.   There are none.

RECOMMENDATION

5.   **The Audit & Governance Committee is RECOMMENDED to note the progress on the AGS Actions.**

PETER CLARK
Head of Law & Governance

Background papers: The Annual Governance Statement 2013/14, which is at the back of our Annual Statement of Accounts for that year
https://www.oxfordshire.gov.uk/cms/sites/default/files/folders/documents/aboutyourcouncil/accestoinformation/StatementofAccounts2013-14.pdf

Contact Officer: David Illingworth (01865) 323972

Annex 1 - Second Progress Report on the Six AGS Actions

Action	Progress
	Changes since the First report are underlined
1. Data Transfers and Security (on-going from 2012/13) Ensuring that where appropriate, data is transmitted securely either using 'Government Connect', or Egress Switch email and file transfer software or another secure software system.	• The authority now holds <u>250</u> PSN email licenced accounts (replacing Government Connect GCSx accounts) and <u>1,511</u> Egress Switch licences, in addition to CJSM accounts • A comprehensive communications plan has been drafted and is now in operation so that messages about sending data securely are consistently reinforced • <u>Guidance</u> has been drafted and issued to staff on the correct system to use when communicating with other public partners, Schools and voluntary organisations. • Targeted emails have also been sent to licence and account holders to ensure they are using the systems appropriately • All staff that have PSN secure email accounts have signed up to the PSN Acceptable User Policy (AUP). • At the beginning of 2014 a new PSN Email system was delivered, with training to support account-holders in the use of the new system • 'Tell Us Once' teams in Registration Service and CSC were migrated to PSN in May 2014 • The ICT Newsletter that was handed out at this year's Staff Conference included details about the use of secure email. We also take the opportunity to remind staff of the need to communicate securely and the arrangements in place at our regular on site, support visits.

Action	Progress
	Changes since the First report are underlined
2. Data Quality (on-going from 2013/14) Agree, implement and report on the performance of a **Data Quality Strategy** within the organisation and with third parties	A revised version of the Data Quality Strategy has been produced and this is being taken through the various stages of approval: • Firstly by the Information Governance Group (on 28<u>th</u> <u>October 2014);</u> then by the • Corporate Governance Assurance Group <u>(15<u>th</u> September 2014)</u> – with a specific focus on the proposed organisational and policy changes required to embed Data Quality within the organisation; and then by • Chief Executive's Office Departmental Leadership Team <u>(8<u>th</u> January 2015);</u> and if this is referred on, to the • County Council Management Team
3. Commercial Services Board (on-going from 2013/14) The Board's framework should be embedded and implemented effectively. This will provide an on-going robust overview of the adequacy of procurement and contract management arrangements across the organisation including contract performance and visibility of issues/risks.	The Board continues to meet monthly. The pipeline of commercial activity continues to be monitored. The business case review group a subset of the Board has added further to its capacity to review the commercial aspects of business cases. The Board's sponsorship of Contract Management Framework implementation has led to an improved picture of baseline activity for the Platinum group of contracts with 22 or 26 assessments complete - although not all have been signed off/action plans developed. Over 240 people have identified themselves as contract managers and of these 114 have been validated for one of the contract management training events. The first "Effective Contract Management" module is now live following a successful pilot with 8 training cohorts running through to March 15.

Action	Progress **Changes since the First report are underlined**
	Embedding the Boards work and re-enforcing its role and purpose continues to be challenging and further work on this is being undertaken, particularly by supporting the development of a more consistent approach to commissioning. <u>Work is underway to look at how the commissioning cycle and the Commercial Services Board fit into the wider context. Further work is required and an action plan is being rolled out. The Commercial Services Board will report to CCMT by 31st March 2015.</u>
4. Business Continuity a. Undertake a review of Business Continuity processes, guidance documents and templates to ensure that they reflect contracted services and rationalised process. b. Ensure that appropriate BC toolkits, training and testing information is available to staff and managers. c. Ensure that all necessary plans exist, can easily be accessed on a central database and are up to date and realistic. d. Ensure that plans are updated when there is organisational change, estate rationalisation or increasing flexible or agile working. e. Ensure that business continuity arrangements are reviewed and if necessary changed when commissioning or externalising services. f. Ensure that Tier 3 managers sign off the plans.	Good progress is being made within business continuity with a new Business Continuity and Resilience Officer starting in the organisation in July 2014 to undertake a review of business continuity processes and the relationship of this area to audit, assurance and directorates. A review of business continuity processes is underway using Good Practice principles, starting with consultation with directorate and service leads which will inform the drafting of a new suite of guidance and templates by early 2015. A review of directorate and corporate extraordinary meetings plans is underway to ensure consistency of approach throughout. A new joint emergency and business continuity programme will be launched by the end of the current year, offering training and exercise opportunities to individuals and key groups using online, table-top and immersive exercise techniques. The new BC & Resilience Officer has made good progress working with the Business Continuity Steering Group Members to review Group 1 service BC plans and to start to build a new system for the collation and management of these. The new system should enable the managers to review plans in a timely way and in response to structural or organisational change to ensure that they remain current and reflect

Action	Progress
	Changes since the First report are underlined
	risk, service priorities and desired return schedules.

Overall, steady progress in being made to review requirements and to work with directorates to deliver new systems that reflect organisational priorities.

Extended CCMT were involved in an Emergency Planning exercise in December 2014. |
| **5. Externalisation of Human Resources and Finance Services**

Setting up, implementing and embedding our new operating model includes extensive working with another public body and other work. The following action is required as a result.

Develop for the approval of CCMT and the Audit & Governance Committee a robust assurance framework for the governance and systems of internal control for the planned externalisation of services including explicitly those where there may be a transfer in full or in part of key control processes.

Risks arising as our partners access our data and other information assets will need to be explicitly considered.

The output of this process is to be reviewed by CGAG, approved by CCMT and Audit & Governance Committee. | An extensive programme of work to ensure the successful transfer of Human Resources and Finance Services to Hampshire County Council began in September 2014.

There is an established governance framework for the project. The Chief Finance Officer and Chief HR Officer attend regular Joint Board Meetings with Hampshire County Council. A Project Initiation Document (PID) has been signed by both authorities to clearly identify the deliverables and scope of the project. Within OCC, the Externalisation Board comprising the Sponsors and other senior officers oversees the project and receives reports from relevant workstream leads, including any risks and issues that they have highlighted.

During the initial design phase of the project, a series of workshops identified all the operating differences in processes between the two authorities, including any internal control issues. The risks and issues log is a fundamental part of the project management arrangements and is reviewed frequently at both workstream and Board level. Any proposed changes to internal controls are considered and agreed by the Finance Leadership Team.

Work over the next few months will include continued development, agreement and build of future processes and technical solutions, where security of data issues will be considered. The |

Action	Progress
	Changes since the First report are underlined
	Business Readiness work stream <u>now underway</u> will ensure that Directorates and schools understand and are prepared for any changes as a consequence of the Project. <u>Following the completion of the initial design phase there is now agreement over the functions that are in scope for transferring to the IBC. There are a small number of functions that have been identified as being out of scope currently; as a result a new "Impacts" project, is being scoped to look at the management and operation of these retained functions going forward. The "Impacts" project will operate under the same internal governance board arrangements as the Externalisation programme.</u>
6. Partnerships To undertake a review of governance arrangements in relation to key strategic partnerships where the council is a formal member.	<u>The Council is now necessarily involved in a complex system of Partnerships. Steps are being taken to ensure that Councillors and staff are aware of and understand these new arrangements:</u> • The Head of Law & Governance <u>and the Head of Policy</u> gave a briefing in July that was open to all councillors. Staff were also briefed, in August. • A report was presented to the full meeting of the County Council on 9th September outllning the work being done by various strategic partnerships. A similar report was put to the Oxfordshire <u>Partnership, with verbal updates where necessary, on 2nd October.</u> • The report to Council outlines the governance arrangements for each of the partnerships. <u>Next year's report will look at the formal and informal feedback mechanisms.</u>

Action	Progress
	Changes since the First report are underlined
	• Governance arrangements for the Environment and Waste Partnership were to be reviewed in October, but will now be considered at the January 2015 meeting. Details of the main partnerships that the Council is involved in were set out in the first progress report to this Committee, in November 2014. Since then functions of the 'Spatial Planning and Infrastructure Partnership' have been incorporated into the Oxfordshire Growth Board. The Oxfordshire Growth Board is a Joint Committee charged with the delivery, on behalf of the Local Enterprise Partnership, of the projects agreed in the City Deal and Growth Deal that fall to the councils - working collaboratively - to deliver. It also exists to advise on matters of collective interest, to seek agreement on local priorities and influence relevant local, regional and national bodies. The draft Terms of Reference for the Growth Board are attached at Annex 2.

Annex 2 – Draft Terms of Reference – Oxfordshire Growth Board

1.0 Governance

1.1 The Oxfordshire Growth Board (the joint committee) includes the local authorities within the Oxfordshire LEP comprising, Cherwell District Council, Oxford City Council, South Oxfordshire District Council, Vale of White Horse District Council, West Oxfordshire District Council and Oxfordshire County Council.

1.2 It will also include co-opted non-voting named members from those organisations listed at 4.4 below. In addition, when considering matters that sit under the purview of the Local Transport Board then Network Rail and the Highways Agency will have the right to attend the Growth Board as non-voting investment partners.

1.3 The Oxfordshire Economic Growth Board is a Joint Committee under s101 (5), 102 Local Government Act 1972 and s9EB Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012.

1.4 The Committee will be hosted under local government arrangements and this will be rotated in accordance with the arrangements for the Chairman (see Section 8.1).

2.0 Accountable Body

2.1 The Accountable Body for the Growth Board is Oxfordshire County Council which will provide Section 151 and Monitoring Officer roles to the Committee.

2.2 The County Council's Chief Finance Officer (Section 151 Officer) in conjunction with the LEP Chief Executive will provide the Growth Board with a quarterly financial report. This report will provide the Board with an overview of the funds spent, funds committed against funds allocated

2.3 Programme management will be provided by the Growth Board Programme Manager and will include milestones and outcomes achieved and where necessary, ensure that action plans are put in place to address any concerns.

2.4 For those programmes and funding streams where another local authority is the Accountable Body, e.g. the Enterprise Zone, the relevant Section 151 Officer will provide the financial and programme performance information to the County Council's Chief Finance Officer to enable a complete picture to be presented to the Growth Board.

2.5 The Local Transport Board Assurance Framework will be the basis on which the appraisal, assessment and prioritisation for proposed Local Growth Fund projects and future growth programmes will be undertaken, which may be revised by the Growth Board as wished, subject to approval by the DfT

3.0 Purpose of the Oxfordshire Growth Board

3.1 To facilitate and enable collaboration between local authorities on economic development, strategic planning and growth.

3.2 To deliver cross-boundary programmes of work including City Deal, Growth Deal, Strategic Economic Plan and Local Transport Board programmes, within government timescales, including agreeing the detailed contents of specific priorities, plans, projects and programmes.

3.3 To approve and monitor the implementation of a detailed work programme as laid out in the City Deal, Strategic Economic Plan and Local Transport Board programmes together with any future Growth Deals or other programmes as agreed.

3.4 To bid for the allocation of resources to support the above purposes. For the avoidance of doubt these terms of reference are not to be read as incorporating any non-Executive functions and each constituent Authority shall retain the capability to exercise all executive functions generally and specifically in relation to economic development, strategic spatial planning and strategic transport planning. Further, these terms of reference are not to be read as entitling the Board to bind, either financially or contractually, any constituent Authority."

4.0 Membership

4.1 As the Joint Committee is discharging executive functions then the appointed person must be from the Executive. There should be one member from each constituent authority.

4.2 Each constituent authority shall appoint a substitute (also being an executive member). The substitute member shall have the same rights of speaking and voting at the meetings as the member for whom the substitution is made.

4.3 Subject to the legal right of the Joint Committee to appoint a Chairman and Vice Chairman of its choice each year the proposed protocol is that there will be a rotating Chairman and Vice Chairman as set out in table 8.2 below.

4.4 Other non-voting members as required for good linkages with the Local Enterprise Partnership shall be a single named-position representative from the bodies as detailed below:

• LEP : Chairman
• Oxford University
• Skills Board
• Harwell/Diamond Light Source
• LEP Business Rep
• LEP Oxford City Business Rep
• Homes and Communities Agency

4.5 When considering matters that sit under the purview of the Local Transport Board then a single representative of Network Rail and the Highways Agency will have the right to attend the Growth Board as non-voting investment partners

5.0 Voting

5.1 One member one vote for each constituent authority member although members intend to agree matters on a unanimous basis where possible.

5.2 Normal rules as to declarations of interest to be applied to local authority members in accordance with the respective Council's Code of Conduct.

6.0 Quorum & Safeguard

6.1 The quorum for a meeting shall be four voting members.

6.2 Where the effect of a particular proposition, if adopted by the Committee, would be to give rise to contractual or financial implications for any constituent authority, then a protocol will be established where the expectation would be that the vote of the member appointed by that constituent authority, in favour of the proposition, would be required. In respect of other matters, all other voting will be on a normal majority basis.

6.3 When considering matters that sit under the purview of the Local Transport Board, this protocol will apply to the vote of the member appointed by the County Council.

7.0 Functions

7.1.1 The opportunity provided by establishing the Growth Board and aligning the strategic meetings including SPIP and the LTB is to streamline the governance arrangements and incorporate the combined terms of reference under a single governing body:

From the Spatial Planning & Infrastructure Partnership

• To provide a forum for partnership working and collaboration on spatial planning, economic development, housing, transport, and general infrastructure issues arising at regional and sub-regional level;

• To lead and co-ordinate liaison with the Local Enterprise Partnership on Oxfordshire wide issues and support the LEP in the identification of priorities and development of investment strategies and economic plans for Oxfordshire;

• To lead and co-ordinate liaison with the Homes and Communities Agency (HCA) to develop plans to enhance Oxfordshire share of HCA development programmes and contribute to any related interaction with Government agencies;

• To lead on production of joint work on cross border issues to ensure partners meet the requirements of the Duty to Cooperate and wider national policy;

• To lead and coordinate the Homes and Communities Agency (HCA) process on regeneration and housing issues leading to the production of the Local Investment Plan (LIP) and contribute to any related interaction with Government agencies;

• To seek agreement on local priorities and targets and advise partners on matters of collective interest in the fields of activity listed above;

• To seek agreement on alignment between national and regional and local funding streams in the fields of activity listed above and prioritise competitive funding bids;

• To assess whether spatial planning, infrastructure and public services are integrated and make recommendations to encourage this.

From the Local Transport Board

• To have the role of prioritising transport schemes to be funded from devolved funding sources, not already within the remit of the Local Transport Authority, to ensure that decisions are made in one place and supported by all relevant partners and stakeholders;

• To have the ability to comment on wider consultations, such as the Local Transport Plan, and funding investment decisions from national agencies, e.g. Network Rail, Highways Agency, where these have a strategic impact on the local transport network;

From the City Deal and Growth Board

• To oversee the delivery of all of the local government aspects of City Deal, Growth Deal (where local authorities are the delivery partners) and to have oversight of the LEP Work Programme;

• Prioritisation of the investment in the Escalator Hubs, the allocation of funding from City Deal and the accountable body for each project;

• Establishing the City and relevant Growth Deal projects infrastructure programme and agreement of the contribution level from either retained business rates or the proposed funding streams;

• Responsible for prioritising the delivery of schemes to be funded through the City Deal infrastructure fund, for transport, housing or economic development schemes;

• Agreement to the work programme for the City Deal, relevant Growth Deal projects and in support of the Strategic Economic Plan..

8.0 Meetings

8.1 The Chairman and Vice-Chairman of the Growth Board will be elected at the first meeting but are expected to follow the arrangements as set out in paragraph 8.2.

8.2 The lead authority for convening meetings will be that of the elected Chairman and it will provide Secretary/Clerk support to the Board. Meetings shall be held on a bi-monthly basis, meetings may be called as and when required to ensure that critical timescales are met.

Year	Chairman	Vice chairman
2014/15	West Oxfordshire District Council	Cherwell District Council
2015/16	Cherwell District Council	Oxfordshire County Council
2016/17	Oxfordshire County Council	Oxford City Council
2017/18	Oxford City Council	South Oxfordshire District Council
2018/19	South Oxfordshire District Council	Vale of White Horse District Council
2019/20	Vale of White Horse DC	West Oxfordshire DC

9.0 Secretariat and Support

9.1 The secretariat and support will be provided by the existing SPIP Executive Officer Group, now known as the Growth Board Executive. Other investment partners will be involved as appropriate, e.g. Homes and Communities Agency, Environment Agency, Highways Agency, Network Rail; to advise on the investment and work programme.

9.2 The Group will be chaired by the lead authority (as in previous SPIP arrangements). In the first instance this will be West Oxfordshire.

10.0 Scrutiny Arrangements

10.1 Decisions made by the Committee shall be subject to the scrutiny arrangements of each constituent authority.