

**BRENT COUNCIL
ANNUAL GOVERNANCE STATEMENT
2009/10**

1 Scope of responsibility

- 1.1 The 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.
- 1.2 In discharging this overall responsibility, the 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.
- 1.3 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 contained in the council's Constitution and can be found on our website at <http://www.brent.gov.uk/Democracy.nsf/>.
- 1.4 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

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 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.

2.3 The governance framework has been in place at the Council for the year ended 31 March 2010 and up to the date of approval of the statement of accounts.

3 The governance framework

3.1 The key elements of the systems and processes that comprise the Council's governance arrangements are set out over the following pages against the six core principles upon which the CIPFA/SOLACE Framework is based. The six core principles being as follows:

1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of members and officers to be effective; and
6. Engaging with local people and other stakeholders to ensure robust public accountability.

3.2 Each of these core principles are broken down into a number of supporting principles and these are used by the Council on an annual basis to review and summarise the key elements of the overall governance framework, as well as to identify specific actions needed to address any weaknesses and/or to achieve further improvement in the year ahead. The arrangements for reviewing the effectiveness of the governance framework are detailed in section 4 of this statement.

3.3 The tables set out over the following pages provide an overview of the key elements of the governance arrangements against the six core principles, together with any actions to be focussed upon during the 2010/11 financial year.

CORE 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 local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
1. Develop and promote the authority's purpose and vision	<p>In November 2006 the Council agreed its Corporate Strategy for the following four year period. The aims and targets set out in the Strategy are consistent with those set out in the Community Strategy and have been used to support the development of the Local Area Agreement (LAA) 2008.</p> <p>The priorities of the Corporate Strategy are regularly promoted via The Brent Magazine, the website, press releases and targeted campaigns.</p> <p>At service area level, service priorities are extensively consulted on with users and other relevant stakeholders. Service Plans are presented annually to Lead Members prior to finalisation.</p>	<p>A new Corporate Strategy will be developed by September 2010 to reflect the priorities under the new administration</p> <p>Director of Policy and Regeneration</p>
2. Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements	<p>Implementation of the Corporate Strategy is monitored by the Executive. The LAA is monitored by the Local Strategic Partnership (LSP) and Executive.</p> <p>Implementation of Service Plans at service area level are monitored throughout the year by Departmental Management Teams (DMTs) using a range of embedded systems and processes.</p>	
3. Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties.	<p>In 2009 the IDEA framework was used to assess the LSP and establish a new governance structure. The LSP Strategic Forum makes recommendations to the LSP Executive regarding priorities.</p> <p>The Council and its partners on the LSP identified 35 priorities for inclusion in the LAA for 2008 to 2011.</p> <p>At service area level, objectives of partnerships are documented in the Service Plans and within contract documentation.</p>	
4. Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.	<p>A joint review of performance and summary of accounts has been produced annually over the last two years and summarised in the Brent Magazine.</p> <p>Progress against the Corporate Strategy was last published in August 2009.</p>	
5. Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.	<p>The Corporate Strategy set out specific improvement targets across the range of council services. These are reflected in our LAA priorities, and also within Service Plans, and are monitored through the corporate PerformancePlus system. Performance reports on all Council and partnership improvement priority areas are reported to the Executive and the CMT on a quarterly basis.</p> <p>Significant improvements in monitoring of shared Community Plan objectives have taken place with quarterly monitoring reports on the LAA targets being considered by the LSP.</p> <p>A new Improvement and Efficiency Strategy was published in 2008 and an action plan prepared which</p>	

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	<p>is now being addressed through the One Council programme.</p> <p>At service area level, additional mechanisms are in place to monitor the quality of service being delivered, be this directly or through partner organisations.</p> <p>The bi-annual Residents Attitude Survey is a further source of information regarding service users' satisfaction with the services being provided. The last survey was carried out in 2009/10.</p>	
6. Put in place effective arrangements to identify and deal with failure in service delivery.	<p>Potential service failure is identified through the PerformancePlus system and Service Plans. These are regularly reviewed and referred to the Corporate Management Team for a corporate response and remedial action.</p> <p>Performance issues in relation to specific partner organisations / contractors are dealt with at service area level in accordance with agreed contract management procedures. Issues are escalated as appropriate.</p>	
7. Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.	<p>The Improvement & Efficiency Strategy was published during 2008/09 which set out the framework for improving value for money and performance over the next four years.</p> <p>A comprehensive benchmarking exercise of the Council's services was undertaken in conjunction with RSe Consulting. The results of this work led to the identification of areas to be included in the first wave of service reviews as part of the Improvement and Efficiency Strategy.</p> <p>Additional benchmarking of services included CIPFA benchmarking clubs for support services and a comparative review of efficiency savings and service costs with Hounslow and Hammersmith & Fulham Councils.</p> <p>Deloitte MCS Ltd have benchmarked the cost of the finance function as a result of the One Council review of finance.</p> <p>The One Council Programme Board measures progress against the Improvement and Efficiency Action Plan which underpins the Improvement and Efficiency Strategy. The council now brings together finance, activity and performance monitoring in a single performance and finance review report which enables officers and members to have a more holistic view of progress across the council on Value for Money. In addition, development of a value for money tool-kit for managers is one of a range of measures to support managers delivering better value for money. Unit costs are also used to measure progress in key areas e.g. on the children's transformation agenda.</p> <p>In addition PWC have benchmarked the council's staffing structure which has informed the Staffing and Structure Review.</p>	

CORE PRINCIPLE 2 - Members and officers working together to achieve a common purpose with clearly defined functions and roles		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
1. Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice.	Article 2 of the Constitution describes the role of Members of the Council, the Executive, Mayor, Full Council and overview and Scrutiny.	
	Up to date job descriptions are in place for Senior Officers. Monitoring Officer Advice Notes give advice to Members on decision making and standards of conduct. Local Democracy and Standards WebPages are updated regularly.	
	All Executive decisions and key decisions by officers are recorded	
2. Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers.	Roles and responsibilities are covered in the Constitution	
	Up to date job descriptions are in place for Senior Officers.	
3. Determine a scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority taking account of relevant legislation and ensure that it is monitored and updated when required.	Clearly set out in the Constitution.	
	The Borough Solicitor maintains a register of officer authorisations. The Constitution is renewed and reported to full Council every May.	
4. Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management.	Covered in the Constitution and job descriptions.	

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5. Develop protocols to ensure that the leader and chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.	<p>Chief Executive and Leader agreed respective roles following election in May 2006 and met on a weekly basis.</p> <p>New arrangements have been made with the new Leader following the local election in May 2010 with regular meetings taking place..</p>	
6. Make a senior officer (usually the section 151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.	Covered in the Constitution and job description.	
	Covered by statute and Financial Regulations.	
	All Executive reports have to be cleared by the Director of Finance & Corporate Resources. Director attends all Leader's briefings and meetings of the Executive and full Council.	
	Independent assurance on the adequacy and effectiveness of the overall systems of internal control, including internal financial control, is provided by the Council's external auditors, internal auditors and a number of other external bodies / inspectorate. Both the internal and external auditors report to the Audit Committee on a quarterly basis.	
7. Make a senior officer (other than the Responsible Financial Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are complied with.	Covered in the Constitution and job descriptions.	
	Covered by statute and Financial Regulations.	
	All reports have to be cleared by the Borough Solicitor who attends all Leader's briefings and meetings of the Executive and full Council. A lawyer also attends all other committee meetings and is responsible for issuing the legislation tracker, monitoring officer advice notes and legal bulletins.	
8. Develop protocols to ensure effective communication between members and officers in their respective roles.	These are Covered in Part 7 of the Constitution and in the Access to Information protocol.	
9. Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective remuneration panel (if	<p>The scheme of Member allowances has been reviewed by the Constitutional Working Group (CWG) and there have been two interim reports recommending changes to the allowances scheme.</p> <p>As at the end of March 2009, the scheme was subject to a further review. This has since been reported to Full Council in May 2009.</p> <p>The scheme is published annually in accordance with the relevant 2003 regulations</p>	

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applicable).		
10. Ensure that effective mechanisms exist to monitor service delivery.	The PerformancePlus system is now fully operational across the Council and a standard service planning template was refreshed in 2010 with a focus upon delivering the Improvement and Efficiency objectives.	
	An integrated quarterly Performance and Finance monitoring report is now produced. This is reviewed by the Executive, CMT and the Performance & Finance Select Committee.	
11. Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.	The principal mechanisms for stakeholder consultation include the Place Survey, completed 2008 and the Brent Residents' Attitude Survey, completed 2009.	Improvements to area forums are being recommended as part of a review. A further round of recruitment to the Citizens' Panel is planned for July 2010. Improvements are being made to the Consultation Portal (Head of Consultation)
	On-going consultation on the organisation's vision, strategic plans and priorities is undertaken through a number of established consultation mechanisms. These include five area consultative forums, six service user consultative forums, the Brent Youth Parliament and the Brent Citizens' Panel. The Citizens' Panel was refreshed through further rounds of recruitment using the 2008 Place Survey and the 2009 Residents' Attitude Survey. Panel membership now stands at just over 2,000. Outcomes of consultation are fed back through the Consultation Portal website. Promote council policy and services via The Brent Magazine, the council website and wider media. Use the staff magazine – Insight – the intranet, Brent Brief and Take 5 to communicate with staff. Launch of 'Bmyvoice' in March 2010, a website specifically for engaging and communicating with Brent's younger residents.	
12. When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the	The term 'partnership' is defined in the Constitution and a partnership map has been established.. Protocols and guidelines for the operation of joint working have been agreed by the LSP and covers roles and responsibilities, protocols for financial administration and staff management. In January 2008 a partnership conference was held in Brent, addressed by the Local Government Ombudsman, to consider the issue of complaints within partnerships and a protocol for handling partnership complaints	

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partnership and to the authority.	has been established.	
13. When working in partnership: ensure that there is clarity about the legal status of the partnership ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.	So far guidance has been given on specific projects such as South Kilburn Neighbourhood Trust, WLA Joint Procurement Unit and other WLA initiatives.	

CORE PRINCIPLE 3 - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
1. Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.	<p>Executive members have undertaken a range of training including media and presentation skills and key members have had support from an external mentor. This will be ongoing.</p> <p>The Member Code of Conduct includes the 10 general principles of conduct, including respect for others, leadership and stewardship. The Constitution contains the Planning Code of Practice, Licensing Code of Practice, Code of Practice on Publicity and the protocol for Member Officer Relations. Members and Chief Officers work collaboratively on the Policy Coordination Group, Leader's Briefing, Service Planning and Budget Awaydays.</p> <p>The Leader meets weekly with the Chief Executive and also addresses the Corporate Roadshows and the Senior Managers Conference.</p>	Training will be given to all new members following the local election in May 2010
2. Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols.	A new Code of Conduct for Officers was agreed in 2005. Other codes, including the IT Usage Policy and Harassment Policy are all held on the intranet and are subject to regular review. Staff are made aware of their responsibilities through general communications, such as the Chief Executive Newsletter, Insight Magazine and via attachments to payslips, as well as at team briefings.	
	The Brent Member Code of Conduct reflects the model code published by the government.	
3. Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.	The Constitution contains various other codes including: Licensing, Planning, Member Officer relations. Advice notes are issued by the Borough Solicitor regarding conduct.	
	The registers of Members' interests and Members' gifts and hospitality are now placed on the web site enabling easy public access.	
	<p>A new Conflict of Interest Policy for staff was issued in 2009/10 and is currently being rolled out. This provides clear guidance regarding contractual and other potential conflicts.</p> <p>A new Gifts and Hospitality Policy for staff has been issued.</p>	<p>Ensure new Conflict of Interest Policy and Gifts and Hospitality Policy are embedded</p> <p>Service Area Directors</p>

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The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
4. Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners.	The Member Code of Conduct includes reference to Leadership and Stewardship and other values. The Code of Conduct and competency framework which has been developed for managers and staff together with a management charter sets out the expected behaviours for officers, including Leadership and working with others.	
5. Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.	Standards of conduct for Members are set out in the Constitution.	
	Protocol for Member/officer relations is set out in Constitution.	
	Standards Committee has remit to monitor compliance.	
6. Develop and maintain an effective standards committee.	The terms of reference for the Standards Committee are set out in the Constitution. The Committee has an independent chair and vice chair., and two alternate independent members available. The Committee has an annual work programme and is supported by the Borough Solicitor.	
7. Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.	The organisation's shared values are reflected in various policies and procedures, such as the Planning Code of Practice and its Access to Information Rules, both which encourage transparent, informed and well reasoned decision making. These are reinforced by the guidance notes issued to members from time to time in the form of Monitoring Officer Advice Notes and in legal bulletins. The Corporate Strategy also includes clear corporate values for the Council. The One Council programme requires an explicit framework that recognises the importance of high standards in relation to personal behaviour, professional conduct and organisational governance.	
8. In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.	As part of the process for agreeing the 35 improvement priorities for the LAA partners, there is a commitment to a number of values around addressing inequality, focusing on preventative actions and delivering value for money through the LAA. They have also signed up to a 'Compact Agreement' setting out the principles for partnership working and how they engage with the voluntary and community sector.	

CORE PRINCIPLE 4 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
1. Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall and of any organisation for which it is responsible.	The Executive are responsible for the implementation of policy and ensuring the effectiveness of service delivery.	
	Scrutiny is responsible for monitoring the performance of the Executive.	
	The Corporate Management Team monitor delivery of the One Council programme through a Programme Board and a Programme Management Office.	
	The Chair of Overview and Scrutiny is given an opportunity to report back to every full Council meeting. Call in arrangements in the Constitution allows Overview and Scrutiny to review decisions made by the Executive. Forward Plan Select Committee is able to scrutinise decisions before they are made.	
2. Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.	Decision making arrangements are set out in the Constitution. The Council operates a Leader and Cabinet (Executive) model of decision making. Although some decisions are reserved for Full Council, most are made by the Executive or by committees, sub-committees or officers. There are currently no decision making powers delegated to individual Members. In accordance with the Local government Act 2000, the Council has mechanisms in place to allow the effective, independent and rigorous examination of the proposals and decisions by the Executive. These mechanisms involve the Overview and Scrutiny process including call-in and question time. The conduct of the Council's business is governed by the Constitution, which includes Standing Orders and Financial Regulations.	
	Decision making meetings of the Executive are open to the public.	
	Copies of reports and decisions are available on the intranet and through the One Stop Shop and Libraries.	
	All meetings are clerked by well trained and experienced committee support officers and lawyers are present to provide advice on law and procedure.	
3. Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.	The registers of Members' interests and gifts and hospitality are now placed on the web site enabling easy public access.	
	The Monitoring Officer prepares an annual report to the Standards Committee.	

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The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
4. Develop and maintain an effective audit committee (or equivalent) which is independent or make other appropriate arrangements for the discharge of the functions of such a committee.	The Audit Committee has met quarterly during the year. The terms of reference are set out in the Constitution.	
	The provision of the internal audit function within the Council is through the Audit & Investigations Team, working in partnership with Deloitte & Touche Public Sector Internal Audit Ltd. The Audit Committee approve the annual Internal Audit Plan and receive progress reports at each quarterly meeting.	
	External audit is provided by the Audit Commission. Their plans, interim reports and annual audit letter are all presented to the Audit Committee.	
5. Put in place effective transparent and accessible arrangements for dealing with complaints.	The Council has a well regarded corporate complaints procedure that has been praised and endorsed by the Local Government Ombudsman (LGO), as set out in the annual LGO letter and our annual report on complaints which is submitted to the Overview and Scrutiny Committee. Complaints are initially handled by service area managers and, if appealed, by trained complaints officers within departments. A central team is also in place with the Policy & Regeneration Unit to handle escalated complaints on behalf of the Chief Executive and to oversee the process as a whole.	
6. Ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.	Members are required to make sound decisions based on written reports which are prepared in accordance with the report writing guide and have to be cleared by both Finance and Legal. The Executive receives a briefing (Leaders Briefing) two weeks prior to the Executive meeting when members can ask detailed technical questions of officers.	
7. Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.	All reports must be cleared by Finance and Legal and contain financial and legal implications. Legal and Finance officers are available as needed to give clear robust advice	
8. Ensure that risk management is embedded into the culture of the organisation; with members and managers at all levels recognising	The Risk Management Strategy has been revised and was presented to Audit Committee in December 2008. A revised Corporate Risk Guidance document has also been produced and circulated across the Council. Risk management training for Members took place in March 2009. As per the revised Strategy, Members have a key role in the management of risk via the following:	Further work to be done on the development of positive risk

CORE PRINCIPLE 4 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
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that risk management is part of their job.	<ul style="list-style-type: none"> The Deputy Leader and Lead Member for Corporate Resources have overall responsibility for ensuring that working risk management processes are in place; The Executive / Council consider risks as part of their decision making role on corporate policies, including the annual budget setting processes, major policy decisions and major projects; and The Policy Co-ordination Group, combining the Executive and Corporate Management Team, review corporate risks through regular Corporate Hotspots monitoring reports. <p>Links to Business Continuity established. Additional guidance on project risk provided Additional training provided to DMTs and corporate risk owners. Participation monitored.</p>	<p>guidance however the latest training provided to DMTs and Corporate Groups included some advice on the need to consider positive risk aspects as part of the evaluation process (Head of Procurement Strategy & Risk Management / Assistant Director of Regeneration / Head of Emergency Planning & Business Continuity)</p> <p>E-learning tool not yet developed, additional work required to specify the level and variety of training to be offered. (Head of Procurement Strategy & Risk Management)</p>

CORE PRINCIPLE 4 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
	Corporate Hotspots include the highest category – likelihood and impact – of cross-council level and service area level risks, e.g. significant risks to the achievement of key strategic objectives, to the finances of the authority, to the health and well-being of residents and/or staff, or to the reputation of the authority.	
	Financial Hotspots are identified and reviewed across each of the Service Areas on a monthly basis by the Strategic Finance Group. In each case the risk is assessed in terms of the minimum and maximum impact from a monetary perspective. In addition, an indication is provided as to whether the risk has been included in the year-end forecast for each Service Area, thereby providing a link between risk management and budget monitoring.	
	Risks are also identified as part of the budget setting process. Major spending risks were identified for 2009/10 and in each case a 'worst case' monetary figure was recorded and reported at SFG.	
	A consistent, standard risk template has been devised and is utilised for the drafting of Service Plan related risk. Risks are linked to both Service Plan objectives and Council objectives. Reporting cycles established, reports provided to Corporate Groups to match meeting cycle. Feedback gathered. Risks evaluated and amended where appropriate	(Head of Procurement Strategy & Risk Management) Assurance framework to be fully developed. (Head of Procurement Strategy & Risk Management / Internal Audit)
	Risks within the One Council programme are fully documented within the reporting framework of the programme. These are reported fortnightly to the Programme Board. A risk log is maintained on a separate Excel spreadsheet. These are project risks and are not separately identified within the Risk Register. Operational risk arising from the One Council change programme will be recorded in departmental registers.	
9. Ensure that arrangements are in place for whistle blowing to which staff and all those contracting with	There is a Whistleblowing Policy in place. This has been publicised to staff and is on the intranet under 'Raising Concerns'. Whistleblowing allegations are dealt with, in the first instance, by the Audit & Investigations Team.	

CORE PRINCIPLE 4 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
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the authority have access.		
10. Actively recognise the limits of lawful activity placed on them by, for example the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities.	See above section 6. In addition regular Monitoring Officer Advice Notes are issued. Regular training is provided to ensure Members understand areas of risk	
11. Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law.	See above section 6. In addition regular Monitoring Officer Advice Notes are issued. Advice is tailored and specific regarding the Authority's capability and capacity to take relevant action including liability of the organisation	
12. Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice into their procedures and decision making processes.	Legal comment and consultation on reports. Monitoring Officer Advice Notes issued and Legislation Trackers in place.	

CORE PRINCIPLE 5 - Developing the capacity and capability of members and officers to be effective		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
1. Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.	<p>The Council runs a Member development programme which is reported to the Standards Committee annually. The Borough Solicitor provides training to new and existing Members on decision making and standards of conduct.</p> <p>The Council has a Corporate Learning & Development Plan and programme which is reviewed and evaluated on an annual basis to meet the strategic and service objectives of the Council. The programme is also developed on the basis of a training needs analysis of individual staff as a result of annual performance appraisal. Each new member of staff is required to undergo induction training. However, induction rates are still below 100%.</p>	<p>A concerted plan to ensure all new starters attend mandatory induction is required. CMT to monitor and ensure compliance within departments.</p> <p>(Head of Learning & Development and Strategic HR Managers)</p>
2. Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation.	<p>Officers have an annual appraisal containing developmental objectives linked to the Corporate Strategy and Departmental Service Plans. The Council's Corporate Learning and Development Plan and service offering are based on the needs identified in individual appraisals and Service Plans.</p> <p>Workforce Development Plans have now been completed for all Service Areas including current and future skills and staffing requirements.</p> <p>Each role has a job description and role specification.</p>	
3. Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.	<p>As part of the development of departmental Service Plans and Workforce Development Plans, analysis is being undertaken to identify the skills required for future service delivery to ensure that officers are fully skilled to deliver quality services.</p> <p>Whilst many areas/professions have a clear career structure, work is being undertaken to develop career pathways, generic job roles and a talent management system. A new management development centre has been established to assist in the further development of junior and middle managers. The current workforce development planning work includes succession planning.</p> <p>A Talent management and succession planning scheme was approved by CMT in March 2009.</p> <p>The development of job families and generic job roles is being addressed via a One Council project covering Remuneration and Performance issues.</p>	<p>Staffing and structure review project and remuneration and performance review will address career and talent management frameworks for the organisation going (Assistant Director,</p>

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The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
		HR)
4. Develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.	<p>The Learning & Development Plan and service offering reflect the skills and knowledge required to deliver the corporate strategy and is reviewed on an annual basis to ensure continuing improvement and alignment to the goals of the Council. Individuals are encouraged to develop through their annual appraisal, six monthly reviews and regular one-to-ones which focus on improving performance and achievement of corporate/departmental objectives.</p> <p>A new appraisal system has been developed based on the competency framework which includes providing a customer focussed service, and leadership and influencing skills. The corporate training offering also offers courses on customer care and working with partners.</p> <p>As indicated above, the Council has an annual corporate Learning & Development programme based on strategic objectives including the Council's performance improvement priorities. A national performance management training programme has recently been piloted for staff in conjunction with the corporate Policy and Performance team.</p> <p>The annual review of the Member development programme was reported to the Standards Committee in March 2009.</p>	<p>Achieving higher levels of staff appraisal is a priority for the organisation to focus on improving performance. A review of the appraisal scheme to improve implementation and quality is required.</p> <p>(Head of Learning & Development)</p>
5. Ensure that effective arrangements are in place for reviewing the performance of the authority as a whole and of individual members and agreeing an action plan which might for example aim to address any training or development needs.	<p>Standards for performance are set out in the Corporate Strategy and individual Service Plans. Quarterly reports on service and financial performance are produced and considered by the CMT, Executive and Performance & Finance Select Committee. This includes performance on key partnership targets within the LAA.</p> <p>A summary of the Council's performance is published each year in the Brent Magazine and delivered to all households.</p> <p>All performance data is available on the Council's website.</p>	
6. Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority.	<p>Area and Service User Consultative forums (ACfs and SUCfs) are chaired by Members and supported by lead officers from the service areas.</p> <p>SUCfs include: Pensioners forum; Black and Minority Ethnic forum; Voluntary Sector forum; Private Sector Housing forum; and Brent Disabled User forum.</p> <p>The Brent LINK (Local Information Network) was set up in July 2008.</p> <p>A new partnership Brent Engagement Strategy 2010-2014 has been developed.</p>	<p>Improvements in the running of area forums are being planned as part of a review.</p> <p>The work of the Brent LINK is scrutinised through a contract monitoring process.</p>

CORE PRINCIPLE 5 - Developing the capacity and capability of members and officers to be effective		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
		New Engagement Strategy to be launched at the end of May 2010 (Head of Consultation)
	The Youth Parliament has been operating since March 2007 and provides an opportunity for children and young people to present their views to the Council. The Youth Parliament has been operating since March 2007 and provides an opportunity for children and young people to present their views to the Council. Brent Youth Parliament worked on the development of a website specifically for young people in the borough. 'Bmyvoice' was launched in March 2010.	
	Regular ward meetings provide a forum for Members to discuss matters of concern with officers and shape how services are provided at the neighbourhood level. Depending on the issues being addressed, these meetings may be attended by the Police and other relevant partner agencies.	
	All committee meetings are held in public, with the exception of any elements relating to exempt or confidential information.	
7. Ensure that career structures are in place for members and officers to encourage participation and development.	Whilst many areas/professions have a clear career structure, work is being undertaken to develop career pathways, generic job roles and a talent management system. A new management development centre has been established to assist in the further development of junior and middle managers. The current workforce development planning work includes succession planning. A Talent management and succession planning scheme was approved by CMT in March 2009.	Complete work in relation to career pathways, generic job roles and talent management. (Assistant Director, HR) Talent management scheme to be introduced during 2009/10. (Assistant Director, HR)

CORE PRINCIPLE 6 - Engaging with local people and other stakeholders to ensure robust public accountability		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
1. Make clear to themselves, all staff and the community, to whom they are accountable and for what.	Council policy and services are promoted to residents via The Brent Magazine produced monthly, the Council website and wider media. Neighbourhood Bulletins are produced for each of the 21 wards twice a year to directly communicate response to issues raised by local residents.	Continue using and further developing / improving all forms of communication. (Director of Communication & Diversity)
	Use the staff magazine - Insight, the intranet, and internal briefing programme to communicate with staff. Brent Brief, a fortnightly briefing document to allow managers to deliver corporate, service area and team information was introduced in March 2009. Take 5, a fortnightly e-bulletin to all staff was introduced in January 2010.	
2. Consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required.	A new Consultation & Engagement Strategy, Brent Engagement Strategy 2010 – 2014 has been developed in line with the new duty to inform, consult and involve, and the requirements of the Comprehensive Area Assessment (CAA) process. The Consultation Portal will be further developed to establish more effective ways of evaluating consultation activity.	Strategy to be published at the end of May 2010. Consultation Portal to include a Consultation Diary and a News Centre (Head of Consultation)
3. Produce an annual report on scrutiny function activity.	An annual report is presented to the Overview & Scrutiny Committee in July each year.	
4. Ensure that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively.	The Brent Consultation Board, established 2009, scrutinises all major consultation projects. The Consultation Board has overseen the development of the new Brent Engagement Strategy. New strategy promotes evaluation of consultation and engagement activity.	Core training on consultation strategy and techniques being developed. (Head of Consultation)
5. Hold meetings in public unless there are good reasons for confidentiality.	All meetings are held in public. Some parts of meetings are held in private when exempt or confidential information might be disclosed. This is subject to the agreement of the members present.	

CORE PRINCIPLE 6 - Engaging with local people and other stakeholders to ensure robust public accountability		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
6. Ensure arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.	As per Core Principle 5, section 6, Brent’s consultation network includes area and service user consultative forums, the Brent Youth Parliament and the Brent Citizens’ Panel and the Brent LINK (Brent Local Information Network). Service user consultative forums cover Pensioners, Black and Minority Ethnic, Voluntary Sector, Private Sector Housing and Disabled Users. Other consultation, voluntary sector and user groups are currently being mapped by the Consultation Team.	Mapping of other consultation and voluntary sector groups is ongoing. (Head of Consultation)
	2009 Residents' Attitude Survey undertaken in 2009. The results of the 2009 Residents’ Attitude Survey were published in the December 2009 issue of The Brent Magazine.	Residents’ Attitude Survey findings available on council website. . (Head of Consultation)
7. Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result.	A Communication Strategy 2007-2010 has been agreed by CMT. All major consultations need to be referred to the Consultation Board at the planning stage. New Brent Engagement Strategy sets out standard for ensuring proper feedback to consultees.	A Communication Strategy to support the Corporate Strategy will be produced for 2010-2014. Further development of consultation portal in progress. (Head of Consultation)
8. On an annual basis, publish a performance plan giving information on the authority’s vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in	The Annual Review was published in October 2009 as part of The Brent Magazine.	

CORE PRINCIPLE 6 - Engaging with local people and other stakeholders to ensure robust public accountability		
The local code should reflect the requirements for local authorities to:	Position at March 2010	Actions Needed to Address Weaknesses and responsible officer
the previous period.		
9. Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.	All Committee Reports, Agendas and Minutes are made available through the council's web site.	
10. Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.	The Council's managing change policy includes guidance on staff and trade union consultation. A draft engagement policy has also been developed. The role of the line manager in people management has been documented and is shortly to be published which includes guidance on engagement. The content of this is being incorporated into the Council's new people management courses.	

4 Review of Effectiveness

4.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit & Investigation's Annual Report and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 The process that has been applied in maintaining and reviewing the effectiveness of the governance framework, is described below:

The Council

- Has monitored performance against the Corporate Strategy Objectives by taking an annual report and has set the annual budget in accordance with the Corporate Strategy priorities;
- Receives the annual budget report which summarises the financial position and the transactions for the year and considers the annual performance plan; and
- Has agreed a Constitution which sets out the decision making structure, delegated authority, standing orders and financial regulations. These underpin the internal control framework.

The Executive

- Makes key decisions in accordance with the Budget and Policy Framework;
- Has sessions with the Corporate Management Team twice per year to consider the medium term financial strategy and its linkages with the council's policy priorities; and
- Meets monthly with the Corporate Management Team to receive an update on the Council's financial position and monitoring reports from the Strategic Finance Group.

The Audit Committee

- Has met four times during 2009/10 and has considered the work of Internal Audit during the year, the Head of Internal Audit's annual report and opinion and the External Auditor's annual letter;
- Maintains an overview of the Council's Constitution in respect of contract standing orders and financial regulations;
- Monitors the effective development and operation of risk management and corporate governance in the Council; and

- Reviews the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- Monitors the Council's Treasury Management policies.

The Standards Committee

- Receives reports from the council's Monitoring Officer on issues concerning member conduct and would consider reports referred from Ethical Standards Officers or the Monitoring Officer which require investigation and/or determination.

The Forward Plan Select Committee

- Enables pre-scrutiny of Executive decisions by non-executive members.

Overview & Scrutiny

- Oversees and scrutinises decisions made by the Executive;
- Has cross cutting sub-committees to examine detailed performance information on a six monthly basis, namely the Health Select Committee, Childrens Select and the Performance & Finance Committee.

The Performance & Finance Select Committee

- Receives reports on budget monitoring and considers the Annual Performance Plan and quarterly "Vital Signs" document. It also considers individual areas such as Adult Social Care, Waste Strategy, Customer Contact and Revenues and Benefits.

Budget Panel

- Is a sub-committee of Overview & Scrutiny and participates in the budget setting process by examining the robustness of the budget; the ability to deliver savings; key revenue budget outputs and decisions; and key capital budget outputs and decisions.

Audit & Investigations

- Provide assurance to the Council on operational and financial controls via delivery of an agreed audit plan;
- Produce an Annual Audit Report including the Head of Audit annual opinion on the Council's internal controls; and
- Where identified as a result of audit work, significant internal control weaknesses have been reported to Service Directors and copied to the relevant Service or Corporate Area Director. Recommendations for improvement are made in each report. Each significant audit report is followed up after a suitable period and any failure to implement recommendations is noted and reported back to the relevant director and the Audit Committee.

External Audit

- The Director of Finance & Corporate Resources meets with the Council's external auditors on a monthly basis and, if appropriate, they raise any concerns they have regarding the internal control environment. These meetings become more frequent during the closing of the accounts process when any material weaknesses or issues are raised.
- 4.3 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5. Significant Governance Issues

- 5.1 Set out below are a number of significant governance issues which have been identified, together with a summary of the actions taken to date, or which are being proposed for 2010/11 to deal with these.

We have included an indication as to the progress made against those issues raised in the 2008/09 Annual Governance Statement.

- The One Council programme is now well underway with robust governance arrangements. Delivery against this programme is fundamental to the financial health of the council and delivery of efficient and effective services to the public. This will remain the key area of focus for the council.
- The Council is also progressing with the construction of a new civic centre and with a significant schools expansion programme under the Building Schools for the Future (BSF) programme. This major transformation agenda will require significant levels of resource and co-operation from staff across the Council.
- From a treasury management perspective, the collapse of the Icelandic banks left the Council with two outstanding deposits: one for £10m with Heritable Bank and one for £5m with Glitnir Bank. The Council has been working with other local authorities, the Local Government Association (LGA) and other organisations such as the Chartered Institute of Public Finance and Accountancy (CIPFA), to recover the two loans or to mitigate the effects of non-recovery until the situation is resolved. Members have been updated on the position throughout and the Treasury Management Strategy and Annual Investment Strategy for 2009/10 reflected this. To date £3.5 million has been recovered from Heritable Bank and the latest estimate is that 90% in total will be recovered. In relation to Glitnir, the full amount will be refunded if the Council's status as a preferred creditor is determined by the Icelandic Courts.
- There is, however, significant uncertainty concerning the new Government's plans to cut public spending and how this may impact upon the council's ability to deliver against its priorities. Specifically, there are risks concerning continued delivery of the BSF programme and the impact this may have on the provision of adequate school places across the borough.

- Environment & Culture continue to recognised monitoring and forecasting of income as a key risk. This was identified in last year’s AGS and requires more sophisticated models of the financial performance in waste management, the parking account and income associated with property.
- The Social Care Placements within Children and Families reported a significant budget overspend. Measures for resolving this were actioned which included a reduction in forecast overspending and securing budget growth through the 2009/10 budgeting process and reviewing the service through a Gold project in the One Council Programme.
- Some concerns remain regarding the governance arrangements across schools and the council are taking steps to ensure these are robust with an internal audit programme which now includes all foundation schools.
- Adult Social Care has had significant difficulties in managing its overall budget in recent years. There was a significant overspend in 2008/09 and this remains so in 2009/10. Overspending budgets are identified and this is fed into the budget setting process for the following year. All appropriate measures are taken to control overspending during the year, but this can conflict with the rising number of clients who meet the council’s eligibility criteria being entitled to a care service. Measures to control discretionary spending have been of limited effectiveness in the past and proposals to deliver efficiencies have been delayed. Budget monitoring in this area is currently being reviewed.

5.2 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:

Councillor Ann John
Leader of the Council

Gareth Daniel
Chief Executive