BRENT COUNCIL
ANNUAL GOVERNANCE STATEMENT
2010/11

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 www.brent.gov.uk/constitution.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, processes, culture and values by which the authority is directed and controlled and the 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 of assurance.　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 2011 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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
1. Develop and promote thity's purpose and vision	During the year, the Council agreed its new Borough Plan , 'Brent – Our Future', for the four year period of 2010-2014. This document includes both the corporate objectives of the Council and our shared partnerships priorities. The Borough Plan sets out the Council's vision that *'Brent will be a thriving, vibrant place, where our diverse community lives in an environment that is safe, sustainable and well maintained. All our services will enable local people to fulfil their potential and improve their quality of life. Public resources will be used creatively and wisely to produce lasting benefits for our residents and the borough. Our commitment to reducing poverty, redressing inequality and preventing exclusion will be at the heart of all our actions'.* The Plan is focused around three core objectives as follows: • One Borough – Creating a sustainable built environment that drives economic regeneration and reduces poverty, inequality and exclusion; • One Community – providing excellent public services which enable people to achieve their full potential, promote community cohesion, and improve their quality of life; and • One Council – improving services for residents by working with partners to deliver local priorities more effectively and achieve greater value for money from public resources. The Plan references other key relevant documents, including the following: • Local Development Framework; • Climate Change Strategy; • Housing Strategy; • Sports and Physical Activity Strategy (as linked to the 2012 Olympic and Paralympic Games); • Cultural Strategy; • Health and Wellbeing Strategy; • Engagement Strategy; and • One Council Programme. The priorities of the Borough Plan are regularly promoted via The Brent Magazine, the website, press releases and targeted campaigns. 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.	

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2. Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements	Implementation of the Borough Plan is monitored by the Executive. Implementation of Service Plans is monitored throughout the year by Corporate Management Team (CMT) and Departmental Management Teams (DMTs) using a range of embedded systems and processes. Progress against the administration's priorities is also reported to the Executive and Overview and Scrutiny Committees.	
3. Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties.	The Council's Partnerships team is responsible for supporting local partnership arrangement, known as Partners for Brent. The team co-ordinates a broad range of collaborative activities, which stem from the Council's engagement with local public, private and voluntary sector organisations. Local partners collaborate within Brent through our Local Strategic Partnership (LSP) to deliver the vision set out in the Borough Plan 'Brent – Our Future 2010-2014'. The LSP includes partners from all sectors and consists of an LSP Strategic Forum, LSP Executive and Thematic Partnerships. The LSP's focus is to understand how to ensure the best outcomes for residents by aligning the work undertaken by different organisations in the borough and engaging people effectively in change. At service area level, objectives of partnerships are documented in the Service Plans and within contract documentation.	
4. Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.	The Council reports its performance and budgets every three months against a range of indicators. The Performance and Finance review report includes details on spending and activity as well as performance. A joint review of performance and summary of accounts is produced annually and summarised in the Brent Magazine.	
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.	The Council has a Performance Management Framework, as overseen by the Corporate Performance Team. The purpose of the Team is to strategically align all the Council's performance monitoring and reporting activity. They offer technical support and training on the Council's performance monitoring system Performance Plus, and also quality-check performance data and use this as a basis to compile key performance reports. Significant improvements have been made with regards to the quality of data used for performance monitoring, with the launch of a new Data Quality Strategy in February 2010. Below the Borough Plan the service planning framework serves as the cornerstone of the Council's approach to performance management. Each DMT is responsible for monitoring performance against	

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	their Service Plan and for reporting this upwards as appropriate. Key groups within the overall framework include: • Executive – agree proposals and challenge and question lead members and directors; • Performance and Finance Select Committee – examine specific performance issues in detail and make recommendations to the Executive for improvement; • Overview and Scrutiny Committee – examine specific performance issues in detail and make recommendations to the Executive for improvement; • CMT – challenge the performance of the Council as a whole and has overall responsibility for achieving corporate objectives; • LSP – challenges delivery around key partnerships; • High Level Monitoring Group – chaired by the Chief Executive and examines specific performance issues, providing ongoing challenge, support and direction and tracking of improvements; • Strategic Finance Group – examines budget and activity information to assess value for money; and • One Council Programme Board – oversees the progress and achievements against the Once Council Programme. 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.	
6. Put in place effective arrangements to identify and deal with failure in service delivery.	As per section 5 above, potential service failure is identified through the various levels of performance monitoring, and then dealt with at the appropriate levels in terms of identifying and monitoring the implementation of corrective actions. 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.	
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,	The One Council Programme Board measures progress against the Improvement and Efficiency Action Plan which underpins the Improvement and Efficiency Strategy. The One Council Programme Management Office has established a robust project and programme methodology to ensure the t delivery of change projects and realisation of benefits. This framework includes the preparation of sound business cases for all transformation projects within the programme and identification of future efficiencies. The regularly fortnightly monitoring of project plans enables effective management of delivery, identification of risk and tracking of both financial and non-financial benefits. A monthly pup-	

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plans and decisions.	date on progress in reported to the Corporate Management Team. In addition 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. The work undertaken by PwC in benchmarking the council's staffing structure informed the Staffing and Structure Review to ensure that our resources are aligned to service priorities.	

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 2011**	**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. Further details with regards to London Councils' positive assessment of these are set out against Core Principle 5. 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 In addition Members' Role Descriptions, which were agreed by the member Development Steering Group, have been sent to members and have been put on the member development intranet page.	
	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.	Regular meetings are held between the Chief Executive and Leader, with a shared understanding of respective roles.	
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 Services. 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	The scheme of Member allowances has been reviewed by the Constitutional Working Group (CWG) and a report recommending changes to the allowances scheme went to Full Council in September 2010 whereby the changes were approved. The scheme is published annually in accordance with the relevant 2003 regulations.	

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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 and guidance was refreshed in 2010 with a focus upon delivering the Improvement and Efficiency objectives. Performance and service monitoring have been covered in detail under Core Principle 1.	
	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 Borough Plan 2010-2014 sets out the aim to *'empower people by providing more opportunities for them to engage with local elected members on decisions affecting their area at ward forums'*. A new Brent wide Engagement Strategy has been formulated and agreed, setting out the *'ambition of the council and partners to inform, consult, engage and involve our communities in all aspects of service provision from design through to delivery'*. There are a range of ways in which the local community and other key stakeholders are consulted. Key ones include: • The Brent Magazine is regularly distributed to households, promoting Council policy and initiatives, and providing information on available services and consultation events. • The triennial Residents' Attitude Survey (RAS) is the principal measure of resident satisfaction with the area and with council services. The last survey was conducted in 2009 – a further survey would be scheduled for 2012. Findings from the RAS are fed into service planning and policy development programmes. The RAS is also used as an opportunity to recruit and refresh the Brent Citizens' Panel. • The Ward Working initiative focuses on members working in their communities to address local priorities and improve the way services are delivered on a neighbourhood level. • The Council's website is another key point of engagement, both with regards to publicising and communicating key information, as well as providing residents with the opportunity to access services via web technology. • There are five Area Consultative Forums (ACFs), each chaired by a councillor, with meetings open to all members of the public. At each meeting, there is also a 'Soapbox slot' for residents to express their views and concerns about issues that affects them directly or indirectly. • Outcomes of formal consultation are fed back through the Consultation Portal website. • A new website, 'Bmyvoice', was launched in March 2010, specifically for engaging and	Decision needs to be taken on whether ot not the Council will have a Resident's Attitude Survey in 2012. Recruitment to the Citizens' Panel is continuous through the Council's website and at area forums. A RAS in 2012 would provide an opportunity to completely refresh the citizens' panel. (Head of Consultation) Social media protocols to be introduced and consideration to be given to the possible use of social media in

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	communicating with Brent's younger residents. • The Brent Local Involvement Network (LINk) is an independent network, of residents, local charities, community groups and people who work in the borough who have an interest in improving health and social care services in and around Brent. A transitional contact for 2011/12 has been entered into. This will prolong the life of the LINk for a further year until the establishment of Local HealthWatch. • Staff are consulted via the annual Staff Survey, as well as on an ongoing basis as appropriate. Developments and initiatives are also communicated via the staff magazine, 'Insight', and the intranet. Additional workshops / meetings are also run as appropriate, for example, roadshows were held to communicate the new Corporate Strategy. The Borough Plan 2010-2014 stresses that *'our engagement and consultation activities will take into account the need to reflect the diverse needs of our population and seek out the views of all sections of the community'*. We are working towards achieving 'Excellence' level of the national equalities framework by 2012.	consultation channels. (Head of Communications and Marketing) The replacement of local LINks with local HealthWatch will be the subject of Dept of Health guidance to be issued in 2011. (Head of Consultation)
12. When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority.	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. Further details regarding the performance management of partnerships is set out against Core Principle 1.	
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.	Guidance on the legal status of partnerships is provided by the Borough Solicitor as appropriate.	

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 2011**	**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.	Executive members have undertaken a range of training including media and presentation skills, and key members have had support from an external mentor. Further details regarding member training are set out against Core Principle 5, including details of the positive assessment made by London Councils in this area. 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 Co-ordination Group, Leader's Briefing, Service Planning and Budget Awaydays. The Leader meets weekly with the Chief Executive and also addresses the Corporate Roadshows and the Senior Managers Conference.	
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 and re-issued in 2010. 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. A new Conflict of Interest Policy for staff was issued in December 2009. This provides clear guidance regarding contractual and other potential conflicts. A new Gifts and Hospitality Policy for staff was also issued in January 2010. Both policies have been rolled out across the Council. In both cases they make reference to the Prevention of Corruption Acts 1889-1916, as well as the Local Government Act 1972. The new Bribery Act 2010 comes into force on 1 July 2011 and hence both policies now need to be further reviewed and updated in light of this, taking account of the	Both policies to be further reviewed and updated in light of the Bribery Act 2010. (Borough Solicitor) Ensure new Conflict

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The local code should reflect the requirements for local authorities to:	**Position at March 2011**	**Actions Needed to Address Weaknesses and responsible officer**
	finalised guidance on 'Adequate Procedures' as issued by the Ministry of Justice in March 2011.	of Interest Policy and Gifts and Hospitality Policy are embedded (Service Area Directors)
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	The members of the Partners for Brent Executive have agreed terms of reference and roles as part of their governance arrangements. These establish the expected values and behaviours for effective partnership working. These include a commitment to addressing inequality, focusing on preventative actions and achieving value for money through greater collaboration.	

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
must be demonstrated by partners' behaviour both individually and collectively.	The corporate policy team is working closely with representatives of the voluntary sector to develop a new compact setting out principles for collaboration with the voluntary and community sectors.	

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 2011**	**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 Overview and Scrutiny Committee receive regular up-dates on the delivery of the One Council programme and performance monitoring. The programme of member led task groups enable non executive members to consider matter of concern to local communities and make recommendations for action to the Executive.	
	The Corporate Management Team (CMT) monitors 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. Mechanisms are in place to able to scrutiny of Executive decisions before they are made.	
	Further details regarding scrutiny in the context of performance management have been set out against Core Principle 1.	
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.	

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
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.	
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) in previous years.	
	The Corporate Complaints Policy was revised and reissued in January 2011, together with a new Corporate Complaints Manual. The complaints service is headed by our Corporate Complaints Manager, working with complaints managers and teams across the departments. This reporting line into the Corporate Complaints Manager was introduced in October 2010, and represents a positive move towards further promoting consistent, joined up complaints management across the Council.	
	The 2009/10 Annual Report on complaints performance was presented to the Overview and Scrutiny Committee in December 2010. As such, this noted that the number of complaints had increased by 5% in comparison to the previous year. However, this is linked to the scale of changes taking place across the Council, and, on the basis of the further developments made to the way in which complaints are now being handled, the projection for 2010/11 was for a decrease in complaint numbers of 70%.	
	In total, 77 complaints were investigated by the LGO during 2009/10. For the third year running, no formal reports were issued against the Council as a result of this. Only seven complaints resulted in local settlement, which represents one of the lowest settlement rates in London.	

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The local code should reflect the requirements for local authorities to:	**Position at March 2011**	**Actions Needed to Address Weaknesses and responsible officer**
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	

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The local code should reflect the requirements for local authorities to:	**Position at March 2011**	**Actions Needed to Address Weaknesses and responsible officer**
8. Ensure that risk management is embedded into the culture of the organisation; with members and managers at all levels recognising that risk management is part of their job.	The Risk Management Strategy was previously revised and was presented to Audit Committee in December 2008. A revised Corporate Risk Guidance document was also subsequently produced and circulated across the Council. Risk management training for Members took place in March 2009. As part of the above: • 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; • The Policy Co-ordination Group, combining the Executive and Corporate Management Team, review corporate risks through regular Corporate Hotspots monitoring reports. 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. • The Strategic Finance Group review high level finance risks through regular Financial Hotspots monitoring reports. 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 within the One Council programme are fully documented within the reporting framework of the programme. These are reported fortnightly to the Programme Board and a risk log is maintained. These are project risks and are not separately identified within the Risk Register. Operational risk arising from the One Council change programme feed into departmental registers; and • Risks are identified within Service Plans and considered on an ongoing basis by DMTs during the course of the year. Further work is now being undertaken to further develop and embed the framework across the Council during 2011/12. This will be focused on ensuring that risks are assessed in a consistent manner across all service areas, and that a consistent language is used in the identification of risk. In addition, work will be undertaken to identify the sources of assurance in respect of the key controls in place to manage risks, including internal management assurances, and the arrangements for collecting and reporting on these will be formalised.	Further work to be undertaken as outlined opposite. (Head of Audit & Investigations)

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
9. Ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the authority have access.	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.	
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. Further details with regards to London Councils' assessment of the quality of member training and the Monitoring Officer Advice Notes are set out against Core Principle 5 below.	
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 2011**	**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.	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.	
	A comprehensive induction programme was delivered for members following the local elections in May 2010. This included both general induction and service specific sessions. Further member development events were subsequently held during the course of the year, and 34 councillors formulated and agreed individual Personal Development Plans (PDPs).	
	As reported to the Standards Committee in the annual Review of the Member Development Programme May 2010-April 2011, the Council has been awarded the London Councils' charter for member development excellence. This lasts for three years, after which there will be a need for reassessment. The report from London Councils noted that *'Brent Council has worked very hard to introduce ways of providing support to its members and helping them to develop their skills and knowledge. This not only benefits the councillors themselves, but also ensures that their residents receive the best possible leadership and services from their local council.'*	
	In relation to standards, the assessors found that *'Brent's good practice on standards is widely recognised and there is now an annual working event with councils in the West London Alliance and more recently also included Barnet, Islington and Kensington & Chelsea'*. The assessors were also very impressed with the Monitoring Officer Advice Notes for members.	
	Going forwards, the member development programme will continue to be focused on specific needs identified through the PDPs. In addition, the Council is in the process of purchasing an e-learning package which will link into the Political Skills Framework tool purchased in conjunction with Harrow Council.	

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
	For officers, it remains a key policy of the Council to provide all new staff with an informative induction that explains the structure and work of the Council and the relationships between different parts of the organisation. It is also an important way of ensuring new staff understand the values of the organisation and the part they will play in supporting the achievements of its goals.	A concerted plan to ensure all new starters attend mandatory induction is required. CMT to monitor and ensure compliance within departments.
	Last year we had a target to improve the induction process and take-up on the corporate course and to address this; we have introduced a policy framework to include individual, local and corporate induction. All new entrants are also expected to attend a course within their first three months of being in the Council. The induction process marks the beginning of the relationship between the Council and all new starters are set up with e-learning accounts to complete the mandatory e-learning modules and also to complete a personal and/or any local induction programmes. The programmes are fundamental in setting standards and influencing patterns of behaviour conducive to working well with partners, colleagues and delivering excellent customer services.	(Head of Learning & Development and Strategic HR Managers)
	The key objectives of the corporate induction programme are for delegates to:	
	• Understand the organisations aims, values and the standards of behaviour and performance expected;	
	• Have an opportunity to identify and resolve at an early stage any concerns, issues or queries they may have relating to their employment; and	
	• Feel engaged and enthusiastic about working at Brent.	

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
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.	During the induction process officers are introduced to key personnel and statutory roles. On an individual level, each officer has a job description and person specification, which clarifies their role and identifies the knowledge, skills and competence required to undertake that role successfully. Each year officers have an annual appraisal containing developmental objectives and plans linked to providing them with any required support to enable continuous professional development, to bridge any skills or knowledge gaps and also to support the achievement of statutory goals and to meet Service Plans. The Council's Corporate Learning and Development policy, plans and service offering are based on corporate, strategic and service needs and also individual needs identified in team plans and individual appraisals. Statutory officer are encourage to maintain their CPD's, participate in and attend external forums to maximise their learning and to development good practice networking and sharing learning to improve service delivery. Adult Social Care and Children Social Care Professional training teams have come together under one manager and have join the corporate team, this year, to form a more diverse team with a higher level of creativity and capacity to meet professional and corporate needs. A new People strategy 2010-14 was created during this financial year and it also includes workforce development gaps and plans for building capacity and capability in the Councils' Workforce. The workforce development plan highlight actions and success criteria around six people priorities and will address the needs of statutory officers as appropriate. The six priority areas are as follows: • Develop strong leadership via the new Brent management model; • Streamline and re-configure the organisation on One Council principles; • Support effective change management that delivers timely results; • Build an agile and efficient workforce that adapts easily to change; • Close skills and resources gaps by developing and reskilling staff; and • Attract, retain and develop highly motivated, diverse and talented people.	The People Strategy and Workforce Development plan will be monitored and evaluated to identify achievements against the success criteria and taking the Council's agenda forward. To ensure the learning and development programme is aligned to meeting the specific needs of statutory officers. (Head of Learning & Development and Strategic HR Managers)
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.	As per Core Principle 5, section 1, with regards to assessing and developing members' skills.	
	The Council has a new People Strategy which is accompanied by a comprehensive Workforce Development Plan. This has identified the key skills and key learning and development that will ensure that the skills of the managers and workforce are enhanced to improve performance and deliver the Councils agenda. The introduction of Performance and Talent Management system will enable managers to better assess key competencies; development plans and to check on progress against the objectives which have been set for staff. This technological solution enables management information to be more easily	Further embedding of the generic core management competencies and tasks will be achieved through one of the work

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
	extracted and monitoring of appraisals will be more dynamic and achievements monitored in real time. Staffing and Structure project began the process of the introduction of generic management job descriptions which will embed corporate expectations and a common understanding of the management role.	streams of the Review of Employee Benefits project. A corporate programme to support the Role of the Manager will begin in July 2011.
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.	The annual review of the Member development programme was reported to the Standards Committee in March 2011, as detailed above at section 1.	
	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. 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. 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. The annual review of the Member development programme was reported to the Standards Committee in March 2011, as detailed above at section 1.	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. (Head of Learning & Development)
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	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. A summary of the Council's performance is published each year in the Brent Magazine and delivered to all households.	

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
training or development needs.	All performance data is available on the Council's website. As above under section 4, individual officer performance is assessed through the formal appraisal system.	
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.	As per Core Principle 2, section 11. In addition: • There are Service User Consultative Forums (SUCFs) which include: Pensioners forum; Black and Minority Ethnic forum; Voluntary Sector forum; Private Sector Housing forum; and Brent Disabled User forum; and • 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 worked on the development of the 'Bmyvoice' website that was launched in March 2010.	
7. Ensure that career structures are in place for members and officers to encourage participation and development.	The Council has a new People Strategy which is accompanied by a comprehensive Workforce Development Plan. This has identified the key skills and key learning and development that will ensure that the skills of the managers and workforce are enhanced to improve performance and deliver the Councils agenda. The introduction of Performance and Talent Management system will enable managers to better assess key competencies; development plans and to check on progress against the objectives which have been set for staff. This technological solution enables management information to be more easily extracted and monitoring of appraisals will be more dynamic and achievements monitored in real time. Staffing and Structure project began the process of the introduction of generic management job descriptions which will embed corporate expectations and a common understanding of the management role.	Complete work in relation to career pathways, generic job roles and talent management. (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 2011**	**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. (Head of Communications and Marketing))
	Use the staff magazine - Insight, the intranet, and internal briefing programme to communicate with staff.	
2. Consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required.	As per Core Principle 2, section 11. The new Engagement Strategy2010–2014 was developed in line with the new duty to inform, consult and involve, and the requirements of the Comprehensive Area Assessment (CAA) process. Although the CAA has now been abolished, the importance of consultation and the principles behind it remain. The Consultation Portal will be further developed to establish more effective ways of evaluating consultation activity.	Consultation Board to recommend a review of the current arrangements for a consultation portal. (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 oversaw the development of the new Brent Engagement Strategy. The 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 2011**	**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 2, section 11, and Core Principle 5, section 6. In addition to the SUCFs which 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)
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 Plan for 2010-2011 was agreed by CMT with an action plan to be provided. 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 revised Communication Plan and action plan to be developed for 2011-2012. (Head of Communications and Marketing) Review 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 previous period.	As per Core Principle 1, section 4. The Annual Review was published in October 2010 as part of The Brent Magazine.	Annual Review for 2011 to be produced in The Brent Magazine. (Head of Communications and Marketing)

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 2011**	**Actions Needed to Address Weaknesses and responsible officer**
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;

- Meets 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 2010/11 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;

- 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; and

- 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.

The Budget & Finance Overview & Scrutiny Committee

- 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.

- It also considers individual areas such as Adult Social Care, Waste Strategy, Customer Contact and Revenues and Benefits.

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 Services meets with the Council's external auditors on a regular 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 2011/12 to deal with these.

We have included an indication as to the progress made against those issues raised in the 2009/10 Annual Governance Statement.

- The One Council programme has continued to progress during 2010/11 and robust governance arrangements are in place to manage this. Delivery against this programme is fundamental to the financial health of the Council and to the delivery of efficient and effective services to the public. This remains the key area of focus for the Council going into 2011/12.

- One of the key drivers of the One Council programme is the need to achieve significant savings over the period 2010-2014. Following the severe funding cuts made by central Government during the year, coupled with additional demands on services, the Council needs to make savings of £41.7million in 2011/12. £21million is expected to come from the One Council programme, leaving the remainder to be found through other means. Over the two year period ending September 2011, it is expected that up to 700 posts will have been cut from the Council's establishment including more than 100 management posts. Whilst a proportion of the overall reduction relates to the deletion of vacant posts, this represents a challenge in respect of maintaining service delivery and appropriate spans of control. Separate to staffing, the Council is also looking at all its services to identify possible further areas for savings. Consultation with residents and all other key stakeholders has been, and will continue to be of significant importance during this period as well as ensuring that equalities issues are fully considered and addressed.

- In September 2010, the Council introduced a single accounting system (Oracle) to replace a multitude of departmentally based systems. The introduction of Oracle necessitated major changes in financial controls and processes and significant changes in roles and responsibilities for finance team across the council. This change, which took place midway through the financial year, also coincided with the introduction in local government of International Financial Reporting Standards (IFRS) which heralded major changes in accounting standards and the presentation of financial statements. The combination of these changes in one single year has generally been smooth but has not been without its challenges and the year end audit process will present risks in terms of the quality and timing of work.

- Allied to this, the Council has been required to review it core accounting procedures (e.g. bank reconciliations etc.) in order to support the production of its financial statements on Oracle. It is clear that further improvements need to be made to streamline these procedures and aid the faster closing of the accounts

- The Council has been progressing with the construction of the new civic centre, which is expected to be in use by March 2013. As well as significant financial benefits, there are also significant risks associated with the project, given its scale both in capital terms and in respect of the changes it will bring to ways of working and the rationalisation of the Council's property portfolio. However, as with the One Council programme, there are robust governance arrangements in place to manage this. The new building is expected to be the 'greenest' public building in the UK, with a BRE Environmental Assessment Method (BREEAM) 'Outstanding' rating. It is forecast to deliver net savings of between £2.6m - £4.3m per year through reduced rental, running and maintenance costs.

- The Government's decision to abolish the Building Schools for the Future (BSF) programme during 2010/11 had a significant impact on the Council. Four schools had been allocated a total of £80million under the programme.

- Moving forwards into 2011/12, Children & Families have identified a potential of approximately 188 unplaced Reception pupils for September 2011. Actions are being determined to avoid the Council failing to meet its statutory duty to ensure sufficiency of school places, but this represents a key area of challenge.

- 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. Members have been updated on the position throughout, and the Treasury Management Strategy and Annual Investment Strategy for 2010/11 reflected this. With regards to recovery, the position has improved since the time of the 2009/10 Annual Governance Statement. £5.5 million has now been recovered from Heritable Bank, plus 45% of the accepted interest. It is now expected that at least 80% of the original investment will be recovered, and hence £2million has been written off in the 2010/11 accounts, although the position may improve. The position in respect of Glitnir was resolved in November 2011 in favour of the Council and the recovery of almost all of the investment is expected in early 2012.

- Environment & Neighbourhoods continue to recognise monitoring and forecasting of income as a key risk, together with the actual level of income received in key areas including parking, planning, land charges and building control. Waste management costs have also been difficult to forecast. This has been identified in previous years and work has been progressing on developing more sophisticated models of the financial performance in these areas. Further work is needed though in 2011/12, both in respect of waste management and the parking account.

- As in previous years, the service for children with disabilities and children's Social Care Placements within Children & Families reported a significant budget overspend. Measures for resolving this continue to be worked upon as part of the transformation review being undertaken within the One Council programme. Expenditure relating to Special Education Needs (SEN) Statements has also continued to increase, with a further overspend of approximately £2.7million in 2010/11 in additional to the cumulative overspend of £3.0m already being tackled. Measures to address this will be actioned through consultation with the Schools Forum during 2011/12.

- Some concerns were raised in 2009/10 regarding the governance arrangements across the schools. In addition to actions being taken by Children & Families, a significant proportion of the 2010/11 Internal Audit Plan was allocated to auditing the schools, including all foundation schools. As part of this, a key issue was identified in respect of leasing arrangements that had been entered into without the review and approval of the Council's Director of Finance. In nine schools, this has resulted in significant issues from a value for money perspective. Joint action is now being taken between Children & Families, Finance & Corporate Services, and Legal & Procurement, partly to assist these nine schools, but also to help ensure that such issues do not arise in future. Concerns were also raised in respect of the salaries of a small number of Head teachers which contravened Department for Education guidelines. This has been brought to the attention of the Governing Bodies concerned.

- Also connected to the schools, significant control failures were identified in relation to the education capital portfolio, following the transfer of responsibility from Children & Families to the newly formed Regeneration & Major Works department. These have been largely rectified in-year and there are now clear governance arrangements in place involving legal, finance and procurement staff as appropriate. A protocol is being developed which head teachers and chairs of governors will be required to follow prior to any future capital works being submitted to the Council's Executive for approval. Connected to this, but on a Council wide level as opposed to just the schools, a new Project Management Framework has also been developed and will be rolled out in 2011/12, so as to help ensure that construction works and other major projects are managed in an effective and consistent manner across the Council going forwards.

- Adult Social Care has had significant difficulties in managing its overall budget in recent years, and this continued to be an issue in 2010/11.   As part of the One Council programme, significant transformation work has been progressing in this area, with a view to both improving service delivery, but also seeking to achieve savings and hence improve the overspend position. Connected to this, various measures are being taken to control overspending during the year, but this can conflict with the rising number of clients who meet the Council's eligibility criteria in respect of being entitled to a care service. Measures to control discretionary spending have been of limited effectiveness in the past.   Budget monitoring in this area is currently being reviewed and the transformation programme will continue into 2011/12.

- During the course of the year Brent Housing Partnership has been purchasing homes for temporary accommodation under the settled homes initiative backed by loans of more than £54m from the Council. Whilst the scheme appears generally to be operating well, a number of problems arose in respect of out-of-borough purchases which suggest that in this specific area, internal controls, including financial controls, are not as robust as required. Work is being undertaken to strengthen these controls and ensure that no repetition can take place in the current or future years.

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   Gareth Daniel
             Leader of the Council   Chief Executive