

Review of 2015/16 AGS Action Plan – November 2016

	Potential Governance Issue	Progress to Date
1	<p>Housing Revenue Account (HRA) - there is a risk that the Authority will be unable to protect its housing asset and services to tenants as a consequence of reduced income to the HRA.</p> <p>Government policy on Welfare Reform is resulting in a number of direct challenges to rent collection; the Spare Room Subsidy and the Benefit Cap have already had an impact.</p> <p>Further Welfare Reform changes, including the implementation of Universal Credit and its revised payment period, and changes proposed in the Housing & Planning Bill, reducing social housing rents by 1% each year for the next 4 years, mean there will be less income and that income will be harder to collect.</p>	<p>In addition to the controls outlined in the May 2016 Audit Committee report (budget setting process, redesign of the housing management structure, Kier NT review and revised 30 year Capital Investment Plan) the following controls are in place to reduce the risk:</p> <ul style="list-style-type: none"> • Joined up working between Housing and Adult Social Care - this works towards ensuring there is appropriate and efficient delivery of relevant services to those who need it. • A new management structure within housing - the revised management structure enables the changes that have been made to the HRA 30 year plan to be implemented. • Annual review of the HRA - this ensures that any impact from changes in Government legislation are reflected in the HRA plan and approved by Cabinet. • NTC representation on national HRA working groups - the Authority has representation on the DCLG (Department for Communities & Local Government) and CIPFA (Chartered Institute of Public Finance & Accountancy) HRA working groups. This enables specific NTC issues to be raised and allows us to comment and influence change on HRA regulations, e.g. 'Pay to Stay' and 'Sale of Higher Value Assets'. • Review of the Payment Strategy - review the way tenants pay their rents, resulting in easier payment methods e.g. the introduction of more direct debit payments, which will ensure

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		<p>that rents are collected.</p> <ul style="list-style-type: none"> • The Mayor's Welfare Reform Group continues to meet to consider the implications of the welfare reform policy. • Self service/agile working - through the implementation of self service and agile working overall costs should be reduced.
2	<p>Creating a Brighter Future Programme (CBF) has been rolled out across the Authority and represents a new plan for delivery in addition to major culture change and new ways of working.</p> <p>To enable the objectives of the Programme to be met it is important that the current monitoring processes that are in place will enable robust financial and service challenges to continue during the year. There is a risk that if the CBF programme is not successfully implemented the Authority may be unable to deliver improved services and meet the increased demand on Council services within reducing resources.</p>	<p>In the May 2016 Audit Committee report the following controls were listed against the CBF as contributing to a reduction in the risk - governance framework, regular updates reported to Lead Member Briefings and CBF programme risk register. In addition the following controls are in place:</p> <ul style="list-style-type: none"> • Overall Project Initiation Document (PID) and individual Terms of Reference for all projects within the programme - an overall PID and Terms of Reference are in place for all CBF projects which are in varying stages of delivery. This spans all service redesign projects (ready for school, work and life; cared for, safeguarded and healthy; and great place to live, work and visit) plus the infrastructure and enabling projects. This documentation is currently being revised to ensure it reflects TOM (Target Operating Model) thinking. • Target Operating Model, this addresses the financial challenge while enabling us to deliver Our North Tyneside Plan and CBF priorities. It informs and defines the financial plan - there are a number of Business Cases to support the delivery of TOM and reduction of cost which forms the basis of the budget proposals for 2016/2017 and beyond. • A refreshed Joint Strategic Needs Assessment (JSNA) - this

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		<p style="text-align: center;">provides a new approach to needs assessment to provide an improved foundation for Creating a Brighter Future.</p>
3	<p>Section 75 Agreement - the Authority has a s75 Agreement in place with North Tyneside Clinical Commissioning Group (CCG) which sets out a comprehensive set of financial and performance metrics which the Better Care Fund (BCF) Partnership Board uses to monitor the implementation of BCF schemes, including the risk of overspends.</p> <p>The NHS in totality is under financial pressure and the CCG has a forecast deficit of £19.0m in 2015/16 which could have financial implications for the Authority's revenue budget in the current and future years.</p> <p>The CCG has a financial recovery plan in place based on the delivery of QIPP (Quality, Innovation, Productivity and Prevention) programmes, managing demand, whole system change and commissioning external support to challenge and test the plans in place and the ability to deliver those plans.</p> <p>The delivery of this plan could have implications for both Adults and Children's Social Care services and could impact on the assumptions included in the Authority's current and future year's budget and financial plans with regard to financial transactions with the CCG.</p>	<p>The controls in place in relation to the Section 75 Agreement outlined in the Audit Committee report of May 2016 covered established governance arrangements for the BCF, progress updates reported to Lead Member Briefings, Section 75 Agreement in place and a Turnaround Board in place at the CCG. Additionally the following controls are in place:</p> <ul style="list-style-type: none"> • Continued meetings and dialogue with the CCG - The Authority is currently seeking to work with the CCG to identify areas where potential efficiencies could be achieved across the whole of the BCF funded projects. • The Policy and Framework and Guidance for the BCF - this specifically requires that funding transferred for social care should, as a minimum, be at the equivalent level as that of 2015/16. • Assessment process for the BCF - the process includes input from NHS England and the LGA and is designed to ensure that the above is met.
4	<p>Business Rates - the Chancellor of the Exchequer recently announced that local authorities will be able to keep all the business rates that they collect from local businesses.</p>	<p>The May 2016 Audit Committee report listed the following controls as being in place to reduce the risk associated with business rates – highly effective engagement with businesses and national working groups established. In addition the following controls are in place:</p>

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	<p>The original business rate retention scheme gave local authorities the potential to retain 50% of business rate income and up to half of any growth in business rates revenue from new assessments added to the rating list. The remainder was returned to central government and redistributed.</p> <p>Full retention will potentially give local authorities greater ability to plan for the long term, more financial independence and an increased incentive to generate growth as 100% of business rates will be retained.</p> <p>There are a number of risks with the new proposals which the Authority will need to address. For example, a lack of business growth or the shutting of a business will impact on the Authority's revenues.</p> <p>The Authority will also have to bear 100% of business rates appeals, this was previously 50%.</p> <p>The current business rates system has a safety net in place for those local authorities that see a reduction in business rate income by more than 7.5%. It is anticipated that this will stay in place, but this hasn't been confirmed. The Authority will need to assess and plan for this potential risk. In addition resource implications will need to be taken into account to manage the change in the administration of business rates.</p>	<ul style="list-style-type: none"> • A Task & Finish Group, Business Rates Retention, has been set-up to influence central government direction on the proposed Business Rates Retention system. • Presentations have been received from the Department for Communities & Local Government both to the region and jointly to the Local Government Association. • The Authority considers and responds to consultations issued on the proposed changes to business rates. • Regular meetings are held with the Valuation Office. These meetings highlight any significant changes to the ratings list and the implications of the 2017 revaluations. • Weekly monitoring of the Valuation Office appeals data is carried out to gain an understanding of the Authority's position.
5	<p>Information Governance - there is a risk in relation to information governance that unless there are robust policies and systems in place and implemented there is a</p>	<p>Controls outlined in the May 2016 Audit Committee report covered Senior Information Risk Officer (SIRO), information security group, information governance improvement plan and Strategic Information</p>

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<p>possibility that sensitive data may be lost. Some information held by the Authority is extremely sensitive in nature which requires robust policies and systems to be in place to ensure that it is as secure as possible, and that staff are fully aware of the procedures that they need to follow when dealing with such information. If the Authority fails to have robust policies in place there is a risk that the Data Protection Act could be breached leading to fines and compensation claims.</p>	<p>Governance Officer.</p> <ul style="list-style-type: none"> • Customer Journey and Digital Delivery Board - as part of the review of our ICT Strategy, a governance board has been established recognising the links between ICT and Information Governance. Its membership includes the SIRO, Head of Digital Strategy and the Head of Commercial and Business Redesign. It will help ensure that our ICT enables us to take a confident and robust approach to information governance and security, demonstrating the importance of information governance, putting the Authority in a strong position. The outcomes agreed at the Board are reported to relevant Cabinet Members. • Suite of policies have been reviewed and updated - all relevant policies have been reviewed and the Information Governance Handbook has been approved. They have been published on the Intranet and shared with Heads of Service and Managers via email. An example of this is the Incident Log that will be used to record information breaches and near misses. All policies are to be subject to review at least every 3 years (2017 at the latest) or when and where required. • Encryption of portable devices and use of Citrix - this helps ensure that if any portable devices are mislaid or lost, unauthorised access will be prevented. • Compulsory E-Learning in respect of Information Sharing and Information Governance Awareness Training (linked to IPR) - it is mandatory for all staff handling information to undertake E-Learning. Staff will complete an annual refresh to ensure that

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		<p>they are fully aware of the correct procedures for managing Council information. A new training module has been developed which will be mandatory for all staff. The new module will monitor who has completed the training and issue a report to managers informing them of which staff have not. Consideration will be given to disciplinary procedures if training is not completed.</p> <ul style="list-style-type: none"> • Strategic Information Management Forum - this is an assurance group consisting of Heads of Service and Senior Managers, their role is to help ensure that the Council's Information Governance, IT systems and processes are fit for purpose. The Group enables Senior Managers to ensure that consistency is applied to the approach to Information Governance and sign off of referrals to the Information Commissioner's Office. • Asset Information Register and Information Asset Owners (IAO) - this enables the Authority to readily identify the information it holds. It will also enable us to look into flows and identify any risk. Relevant training has begun to be implemented and will continue to be rolled out. The register is completed at a high level and it is planned to drill down in order to produce a more detailed register. The IAOs and custodians are currently being reviewed; this will be an ongoing process to reflect changes to information as they occur. There are individual IAOs at senior management level who own the information risk at service level, monitoring access and its use. • Information Governance Assurance Framework – a framework has been established and documented which clearly sets out

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		<p>the key roles, bodies and controls within the Authority and how they interact in order to provide assurance that the Authority's Information Governance systems are operating effectively.</p> <ul style="list-style-type: none"> • Central Information Team – in May 2016 the Central Information Team was established within Law and Governance to co-ordinate and drive forward improvements in Information Governance across the Authority. The team plan is focused upon addressing the recommendations of the Audit Report (dated 10 February 2016), in addition to forthcoming fundamental legislative changes to the data protection regime.
6	<p>Partnerships - the Authority needs to continue to embed and review governance arrangements that are in place in respect of all partnerships to ensure required services are delivered satisfactorily, whilst also achieving and sustaining value for money.</p> <p>In addition the Authority needs to ensure that boundaries and responsibilities remain clear and are robustly managed, recognising that operations and staffing in both partner organisations and the Authority change over time.</p>	<p>The May 2016 Audit Committee report outlined controls against the governance structure and the delivery of Key Performance Indicators. In addition the following controls are in place:</p> <ul style="list-style-type: none"> • Alignment of the CBF Programme with ENGIE strategic plans - this will ensure all parties are aware of how the business partnership is working towards developing the Authority's priorities and ENGIE Business Plan. A commercial offer has been received from ENGIE which is currently being considered. • ENGIE and Capita have been asked to contribute to the Council's CBF/TOM objectives - this will ensure that partnership delivery plans are in line with policy objectives. A commercial offer has been received from ENGIE which is currently being considered. • Deed of Variation - following ongoing discussions with Capita a Deed of Variation has been drafted and is in the process of being agreed and signed. It will place more emphasis on the six strategic objectives (Job Protection, Co-Location, Investment, Growth, Financial Efficiencies and Improved Performance)

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		providing the basis for more robust monitoring.
7	<p>The White Paper 'Education Excellence Everywhere' published in March 2016 signalled a fundamental change in local authority relationship with schools, requiring most schools to form or join multi-academy trusts by 2022. However, Government has now abandoned plans for new laws to make all schools convert into an academy. It will be replaced by legislation enabling the Government to force schools to convert when local authorities have consistently poor results across their schools. The Government will also step in when there are so few schools under local authority control that a council can "no longer support its remaining schools".</p>	<p>The Audit Committee report in May 2016 stated that "the Authority would continue to keep a watching brief on how Government deal with the question of academies". The following new controls have been put in place:</p> <ul style="list-style-type: none"> • Clarification from Central Government - information has been sought from the Department for Education on how the Authority should respond to national changes and contribute even more to North East education. Also the Cabinet Member for Children, Young People and Learning has written to the Secretary of State for Education seeking clarification on a number of points relating to high performing local authority areas. This has been reinforced by the Mayor who has asked both MPs to do the same. • Agreement from all partners on how to work together to manage the changes to the education system - a proposal was agreed with head teachers, governing bodies and other parties on how to work together with the Authority during the next two years. Additionally a paper has been produced for Governing Bodies to discuss the current position and the relationship with the Authority. An options paper has also been produced describing what may happen across North Tyneside in the context of current performance, the current status of schools and national policy. These discussions will be followed up with a special event with the Mayor and Cabinet Members, Chairs of Governing Bodies and Head Teachers on 8 December.