Annual Governance Statement 2014/15

Scope of Responsibility

The City of Wolverhampton 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.

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, which includes arrangements for the management of risk.

The council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This code is incorporated within the council's Constitution, which is available for review on the council's website.

The council is also responsible for the strategic management and administration of the **West Midlands Pension Fund** with the council's Managing Director, Monitoring Officer and Section 151 Officer holding specific responsibilities for supporting both the members of the Pensions Committee and the Local Pension Board in their role.

Wolverhampton Homes is the council's Arm's Length (Housing) Management Organisation (ALMO) and is a company wholly owned by the council. The control of the ALMO is through the Board which has representatives drawn from 1/3 council, 1/3 tenants and 1/3 independent. There is a Management Agreement between the council and Wolverhampton Homes which sets out the contractual and governance arrangements between the parties.

How the statement has been prepared

Each Director is required to complete and sign an annual controls assuirance statement. These are then considered by the Head of Audit and other

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key officers, alongside a number of other key documents as laid out in the table charting the council's governance framework (review of effectiveness column) later in this statement. The outcome of this exercise forms the backdrop to this statement, and the statement was approved by the Strategic Executive Board on 16 June 2015 and the Audit Committee on 6 July 2015.

The Governance and Assurance Framework

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

The council is composed of 60 Councillors. There are ten Cabinet Members with distinct areas of responsibility. Overview and Scrutiny arrangements include a Scrutiny Board and a number of Scrutiny panels. There are also a number of Committees and Councillor Advisory Groups. All Councillors meet together as the Council and meetings and are open to the public. The conduct of the council's business is defined by formal procedures and rules, which are set out in the Constitution. The Constitution explains the roles and responsibilities of the executive, non-executive, scrutiny and officer functions and the delegation arrangements that are in place. It also contains the Financial Procedures Rules, Contract Procedure Rules and the Codes of Conduct. The council is required to appoint a Monitoring Officer who, in addition to leading an annual review of the Constitution to ensure it remains fit for purpose, also advises on compliance with the Constitution and ensures that decision making is lawful and fair. The Director of Governance has been appointed to this statutory post.

Risk management and internal control are a significant part of the governance framework and are designed to manage risk to a reasonable level. They 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 systems of risk management and internal control are based on an on-going 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.

Both internal and external audit are key assurance providers and they report back regularly to the council throughout the year.

The council has a Corporate Plan, which sets out what the strategic priorities are for the City – a stronger economy, stronger communities, supported by a Confident Capable Council. The plan articulates the seven outcomes the council are working to achieve and the objectives which underpin these. Each objective has a more detailed 'plan on page', which is owned by a Director or Service Director and sets out the key things needed to do to achieve it. This will ensure clear leadership and accountability for performance across the council. This approach is underpinned by the governance environment, which is consistent with the six core principles of the CIPFA/ SOLACE framework. In reviewing the council's priorities and the implications for its governance arrangements, the council carries out an annual review of the elements that make up the governance framework to ensure it remains effective.
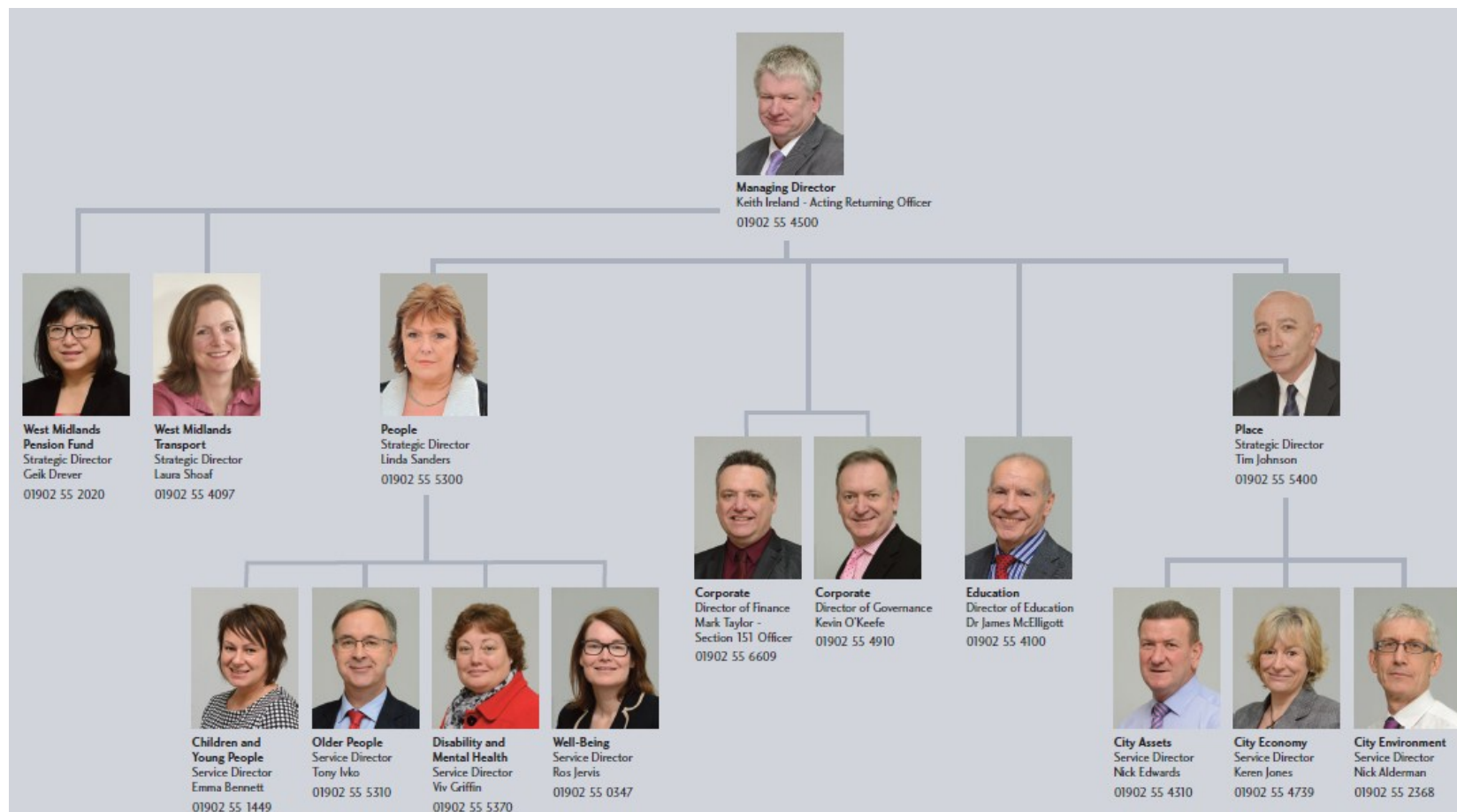
The governance framework has been in place at the council for the year ended 31 March 2015 and up to the date of approval of the annual report and statement of accounts.

The key elements of the systems and processes that comprise the council's governance framework, and where assurance against these is required, and can be found, are described below.

Core principles of the CIPFA/ SOLACE framework	Assurances required	Governance framework providing assurance	Review of Effectiveness	Issues identified
Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

Members and officers working together to achieve a common purpose with clearly defined functions and roles

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Developing the capacity and capability of members and officers to be effective

Engaging with local people and other stakeholders to ensure robust public accountability | • Delivery and communication of an agreed corporate plan
• Quality services are delivered efficiently and effectively
• Clearly defined roles and functions
• Management of risk
• Effectiveness of internal controls
• Compliance with laws, regulation, internal policies and procedures
• Value for money and efficient management of resources
• High standards of conduct and behaviour
• Public accountability
• Published information is accurate and reliable
• Implementation of previous governance issues | • The Constitution (including Head of Paid Service, Chief Financial Officer and Monitoring Officer)
• Council, Cabinet and Committees
• Scrutiny function
• Audit Committee (and Sub-Committee)
• Standards Committee
• Internal and External Audit
• Strategic Executive Board
• Wider Leadership Team
• Directors Assurance Statements
• Corporate Plan
• Medium Term Financial Strategy
• Strategic Risk Register and Assurance Map
• Codes of Conduct
• Business Planning and Performance Management Framework
• Whistleblowing and other anti-fraud related policies
• Complaints System
• Financial Procedures Rules
• Contract Procedure Rules
• modern.gov (the council's committee management information system) | • LGA Corporate Peer Challenge
• Independent Review of the process for the Medium Term Financial Strategy and Budget
• External Audit Report to Those Charged with Governance (ISA 260) Report
• External Audit – Financial Resilience Report
• Annual Internal Audit Report
• Annual Audit Committee Report
• SIRO Annual Report
• Statement of Accounts
• Local Government Ombudsman Report
• Scrutiny reviews
• Annual Governance Statement – follow up of previous year issues | • Future Space
• Corporate Landlord
• Savings targets
• Procurement, Contract Management and Monitoring
• The Better Care Fund
• Future Works
• Partnership Governance
• Combined Authority
• Corporate Peer Challenge |

The key change to the governance framework during the year was that of a senior management restructure creating a new focus on performance and delivery of the council's corporate plan. This was achieved through replacing the Chief Executive post with that of a new Managing Director (Head of Paid Service) role, reducing the number of strategic directors from three to two and refocusing the assistant director roles as service directors in order to ensure accountability.

In previous years statements the council reported that it was not fully compliant with CIPFA's Statement on the Role of the Section 151 Officer in Local Government (2009) as the Section 151 Officer post was not at the same level in the council as members of the Corporate Management Team (known as the Strategic Executive Board) and they did not report directly to the Chief Executive. However, following the senior management restructure referred to above, the Section 151 Officer is now at this level and reports directly to the new Managing Director post. Therefore, the council is now able to report full compliance with the CIPFA statement. The new senior management structure is shown below.

Managing Director
Keith Ireland - Acting Returning Officer
01902 55 4500

West Midlands Pension Fund
Strategic Director
Geik Drever
01902 55 2020

West Midlands Transport
Strategic Director
Laura Shoaf
01902 55 4097

People
Strategic Director
Linda Sanders
01902 55 5300

Corporate
Director of Finance
Mark Taylor - Section 151 Officer
01902 55 6609

Corporate
Director of Governance
Kevin O'Keefe
01902 55 4910

Education
Director of Education
Dr James McElligott
01902 55 4100

Place
Strategic Director
Tim Johnson
01902 55 5400

Children and Young People
Service Director
Emma Bennett
01902 55 1449

Older People
Service Director
Tony Ivko
01902 55 5310

Disability and Mental Health
Service Director
Viv Griffin
01902 55 5370

Well-Being
Service Director
Ros Jervis
01902 55 0347

City Assets
Service Director
Nick Edwards
01902 55 4310

City Economy
Service Director
Keren Jones
01902 55 4739

City Environment
Service Director
Nick Alderman
01902 55 2368

The role of the Director of Children's Services
The statutory DCS role within the council is held by the Strategic Director – People, who also holds a Statutory Director of Adult Social Services role and reports directly to the Managing Director.

An assurance process was undertaken when the structure was first implemented in 2011 and a matrix management approach is well established to ensure the single and unambiguous line of accountability required. A whole family approach is considered to be fundamental to effective service delivery and capacity to achieve this integrated approach is ensured through a People Directorate Leadership Team with four Service Directors as follows:

- Children and Young People
- Older People
- Disability and Mental Health (including All Age Disabilities)
- Public Health and Well-Being

The Cabinet Member with responsibility for Children and Young People and the DCS meet regularly with and work closely with the Director and Cabinet Member for Education; positions which were deliberately established in order to ensure an enhanced focus on driving educational performance in the City.

A new monthly Education Board involving the Managing Director and chaired by the DCS helps to ensure a co-ordinated approach. The Children and Young People's Trust Board is chaired by the statutory Cabinet Member for Children and Young People and also contributes significantly to a whole system children's approach in the City.

It is considered that these arrangements together provide a clear line of political and professional accountability for children's well-being. They also allow the full and comprehensive leadership focus in the City on delivering the 'People'/Children and Family elements of the council's Corporate Plan whilst also ensuring absolute clarity of senior officer accountability.

West Midlands Pension Fund
The West Midlands Pension Fund has completed its own "Assurance Framework – Supporting the Annual Governance Statement" which identified that there had been no adverse matters arising from the work behind their assurance framework.

Wolverhampton Homes
Wolverhampton Homes have included a Statement of Corporate Governance within the Company's Financial Statements for 2014/15. This states that the control framework has been reviewed by the Company's Audit Committee on behalf of the Board of Wolverhampton Homes and found to be effective. The review included an assurance statement from the Company's internal auditors.

Managing the Risk of Fraud and Corruption

With regards to the CIPFA Code of practice on managing the risk of fraud and corruption - having considered all the principles, we are satisfied that the council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. The activities undertaken in this area were primarily led during the year by a dedicated sub-committee of the Audit Committee.

The Review of Effectiveness

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 Members and senior officers within the council who have responsibility for the development and maintenance of the governance framework, Internal Audit's annual report, the Scrutiny function and also by reports made by the council's external auditors and other review agencies and inspectorates, as noted above.

Internal Audit has concluded that based on the work undertaken during the year of areas key risk, the implementation by management of the recommendations made and the assurance made available to the council by other providers as well as directly by Internal Audit, it can provide reasonable assurance that the council has adequate and effective governance, risk management and internal control processes". Key areas of concern have been included within the governance issues noted below.

A number of issues were identified in the 2013/4 Annual Governance Statement and an update of the progress made in implementing the actions to improve these areas is included below. Where sufficient progress has not been made, the issues have been included in the 2014/15 issues.

Progress on the Governance Issues from 2013/14

The table below describes the governance issues identified during 2013/14 and the progress made against these during 2014/15. While a number of issues from 2013/14 have been carried forward to 2014/15, these often relate to a range of on-going activies that develop as issues are addressed and programmes continue.

2013/14 - Key areas for Improvement	Update on position and implication for the 2014/15 Annual Governance Statement
Future Space Delivery arrangements are being developed for the refurbishment of the Civic Centre. The intention is that construction works will begin in early 2015 subject to the final business case evidencing an on-going annual revenue saving of £500,000. **Corporate Landlord** The adoption of the Corporate Landlord Model is being progressed incrementally against the Strategic Asset Management Review. The adopted work programme for the implementation was approved by both the Strategic Land and Property Board and the Operational Land and Property Board and is now being actively monitored by both Boards. The key deliverables in the programme include: • Centralisation of property related budgets. • Creation and delivery of a funded programme of annual condition surveys and statutory testing. • Creation and delivery of more robust cyclical maintenance programme based on the annual condition surveys. • Development and delivery of a more robust Disposal Programme to achieve the capital receipts from disposals in the MTFS. • Agreement of service profiles by building profile for services for Facilities Management to deliver to their clients. • Development and delivery of the annual renewables programme.	**Future Space** Work has progressed with the programme moving under the Place Directorate (in terms of leadership and accountability). New governance is in place with a Future Space Programme Board meeting monthly. A refreshed business case will be presented to Members in June 2015 after which the council will have clarified the scope and intention of the programme and resources it wishes to deploy to achieve the agreed outcomes. **Carried forward to 2014/15** **Corporate Landlord** The Corporate Landlord model continues to be embedded within the council's policies and procedures. As part of senior management restructure the Corporate Landlord transferred to City Assets within the Place Directorate in January 2015. An initial review of the functional operation of the Corporate Landlord teams has been undertaken to reflect corporate priorities and statutory compliance – along with ensuring value for money for users of the service. As part of this, a review of the planned actions took place. Some aspects remain on track as previously described (such as the disposals programme). Others have been consciously deferred to allow resources to be re-directed to ensure effective management of the Corporate Landlord services and achievement of corporate objectives (such as financial outturn). One such item which has been deferred is the

• Support to service reviews being conducted with Directorates in respect to providing options appraisals in respect to meeting the property needs for new service operating models. • Development of a revised Corporate Asset Management Plan.	Strategic Asset Management Plan which will now be developed and subsequently adopted to reflect services' requirements aligned with the Medium Term Financial Plan. **Carried forward to 2014/15**
Savings Targets Whilst the council's current and historical savings targets have been largely delivered the extremely challenging financial environment continues to require substantial year on year savings. The failure to deliver already identified savings and develop further savings will adversely impact upon the council's ability to meet its objectives. Close monitoring of the situation continues at both senior officer and Councillor level.	Significant work continued to be undertaken through the budget process to identify the additional savings required for 2015/16. As a result, in March 2015, Council were able to approve a balanced budget for 2015/16 without the use of general reserves. Recasting the projected budget challenge to include pressures that we have become aware of during the last year has resulted in the budget challenge increasing from £123 million to £134 million over the period 2014/15 to 2018/19. The increase is largely due to the rising costs of Looked After Children, pay and pension costs, and continuing Government grant cuts. However, savings totalling £87.8 million have been identified during the 2014/15 and 2015/16 budget setting processes. The council is now faced with finding further savings totalling £46.3 million over the next four years. Council approved that £20 million of additional savings for 2016/17 should be identified and reported to Cabinet in June 2015, in order to demonstrate that a balanced budget can be achieved in 2016/17. Work has started to identify the next £20 million of savings. **Carried forward to 2014/15**
PSN Compliance Prior to 2013 Wolverhampton City Council obtained GCSx accreditation enabling secure access to and exchange of information with central government and government agencies. The introduction of the Public Services Network (PSN) during 2013 demanded improved technical security standards and more robust Information Governance requirements. The council's compliance with the PSN Code of Connection requirements was approved by the Cabinet Office on 19 November 2013 following an independent health check of the council's ICT estate, looking for vulnerabilities from external sources of attack and from within the council followed by a comprehensive evaluation of the council's network and security	Significant progress has been made regarding the removal of Windows XP desktops and Windows 2003 servers from the ICT estate. A small number of each type of device remains with a schedule and active programme of work to complete their removal by May 2015. Internal and external ICT health checks have been performed in preparation for the next PSN submission during May and June 2015. Remedial actions are underway in response to a small number of identified vulnerabilities. All vulnerabilities will be dealt with by May 2015. Reconfiguration and enhancement of the remote and mobile access architecture is progressing, reflecting the latest PSN guidance, enabling

architecture, ICT operational practices and information governance policies by CLAS consultants at the Cabinet Office. PSN compliance remains at the heart of all ICT decisions regarding the introduction of new services. A continual programme of infrastructure upgrades and refresh ensures compliance is maintained, with the council undertaking the annual accreditation process during May and June 2014.	the provision of additional online services to mobile workers. A pilot architecture is currently operational working towards a full operational solution by the end of quarter two. The existing remote and mobile access architecture remains compliant with PSN guidelines.
Contract Management and Monitoring Having identified the range of contracts that are in place the main task is to establish how the reporting process is being managed and whether the contracts are meeting their original expectations. With the wide variety of contracts it will be necessary to develop several different approaches to contract management however the main principles will be early involvement for the contract managers (at tender stage), regular reporting on performance, planned reviews to assess the options available and general awareness training for nominated contract managers.	A Contract Register has been populated with details of all current contracts with the commissioning officer, responsible person (Service Director) and procurement lead stated. A Category management and Procurement Gateway process has been introduced that includes identification of the Contract Manager at the start of the procurement process. A standard Contract Review template has been developed and a programme of training is being developed to support a consistent approach to realising benefits from contracts. **Carried forward to 2014/15**
Procurement The Procurement Board will be instrumental in guiding the development of strategic procurement. The introduction and utilisation of e-procurement systems (Agresso and Due North) will increase the overall visibility of spend and the profile of this spend can be matched to the contract register. The improved management information will be useful to target particular categories of expenditure and develop procurement strategies that will extract value for money. The use of market sounding, options appraisals and output based specifications will also contribute to improving budgetary controls and increasing the percentage of on contract spend. We will be using collaborative arrangements where these are beneficial to the council and selecting the appropriate frameworks will be carried out in conjunction with the operational experts. The use of standardised forms and procedures will also aid compliance.	A Category management and Procurement Gateway process has been introduced that sets out the 3 year plan linked to the MTFS for each category of spend and the steps required to successfully undertake a procurement process. The new Public Contracts Regulations require a revision of the 'Procurement Code' which is in progress to be completed by June 2015. We are working with Wolverhampton University to develop a standard set of procurement documents that can be used by both organisations. **Carried forward to 2014/15**

Health and Social Care Reforms	The Better Care Fund Section 75 and Governance arrangements were approved by Cabinet in February 2015. The Director of Finance and Director of People sign off of the final Section 75 took place on 30 March 2015 and the pooled budget commenced on 1 April 2015.
Over the next few years adult social care is required to take a lead role in implementing a service delivery transformation to effectively respond to a number of challenges and opportunities which arise due to significant budget reductions and changes to local and national policy. To be delivered successfully, the service transformation involves putting agreed strategies and plans in place. One of the strategies to be implemented is the Better Care Fund which is an integrated pooled budget to support health and social care to work together in local areas. To achieve the outcomes of the fund will require strong partnership working. Significant planning and investment of resources will also be required to set up primary care, prevention and community services in order to achieve the fund outcomes.	**Carried forward to 2014/15**
Another strategy the council will be required to implement will be the Care and Support Bill in April 2015. Mapping, analysis and assessment of the detailed requirements of the Bill to identify the resources required to implement the changes, needs to be undertaken to fully assess the impact of the Bill on the council. 'The Health and Wellbeing Board will be accountable for the authorisation and delivery of the fund. The Terms of Reference and governance of the Health and Wellbeing Board are being reviewed to take account of these new responsibilities '	
Future Works	The Agresso functionality has continued to be developed and rolled out during 2014/15 including:
The FutureWorks Programme delivered the new Agresso IT system on 1 April in line with the contractual timescales. This new system and processes are being used across the council and its partner organisations of Wolverhampton Homes and the West Midlands Pension Fund. This successful delivery has enabled the council to start delivering the agreed year one savings.	- Booking of annual leave via self-service was launched in September 2014 and has been rolled out by personal leave dates. - Expenses claims via self-service from August 2014. - Managers HR self-service for vacancy management, inductions, probabtion, company assets, position register from December 2014. - Online payslips available from October onwards. - P60's available on line for the first time for employees accessing
The council is now embarking on delivering phase 2 of the programme in rolling our self-service functionality which will maximise the return on investment as council services are transformed. The council will continue to manage the risks around the general	

governance and structure of this programme and through the general programme controls it will bring.	their payslip online. • Additional academy payrolls delivered. • Planning and closure of accounts for end of year. • Budget manager forecasting rolled out across the organisation from August 2014. Although the Agresso element of the Future Works Programme was formally closed in December 2014, the system and associated procedures and processes will continue to be developed and streamlined on an ongoing basis in order to maximise the benefits from the investment. It should also be noted that the council's external auditors (PwC) will be undertaking further assurance work when auditing the 2014/15 accounts during summer 2015, the outcome of this will be reflected in their audit opinion of those accounts. **Carried forward to 2014/15**
Partnership Governance While work has begun on a number of the council's key partnerships, a systematic approach to identifying all of the significant partnerships and in determining the level of review of the governance arrangements alongside the 'health' of each partnership, is still being rolled out and will be quite a sizeable task.	The City Board, Growth Board and Inclusion Board, are now fully operating. An evaluation of the first year of operation is planned for Spring 2015. The Black Country Local Steering Group for European Structural and Investment Funds 2014-2020 is now operational and the Committee is chaired by the Leader. The council's Managing Director is leading on work to establish the Combined Authority. **Carried forward to 2014/15**
Information Governance The council is building on the robust framework and effective working practices it has put in place since consensual audits from the Information Commissioner's Office in 2012 and an enforcement notice in 2014, including: • Supporting the Information Governance Board through the development of an operational group to drive progress • Mapped out a centralised work programme and resources including a new structure • Review of all Information Governance policies	Over the past two years the Information Governance Framework has evolved from a simple framework covering data protection and freedom of information to a wider structure covering all six areas of information governance, including information/cyber security, information sharing, records management and data quality. Our current suite of information governance policies and procedures consists of the following: • Quick Guide to Information Governance Policies • Data Protection Policy • Information Security Policy • Data Quality Policy • Transparency Policy

• Roll out of a suite of training programmes, including ensuring there is 100% compliance with the mandatory 'Protecting Information' training to all employees	• Confidentiality Audit Procedure • Information Governance Policy • Freedom of Information Policy • Records Management Policy • Information Protective Marking and Handling Policy • Information Risk Policy • Confidential Information Disposal Policy We have also established an Information Governance management structure, having in place key roles such as a Senior Information Risk Owner (SIRO), two Caldicott Guardians, the IG Board and a centralised IG Team, and as such covers the management of information governance at corporate, managerial and operational levels across the council. Performance in responding to Freedom of Information requests has also greatly improved during this period. In 2012/13 performance in responding to FOI requests was 56% and in 2014/15 it was 95%. In terms of external compliance and accreditation the council has also achieved level two of the Information Governance toolkit which allows us to engage an 'N3' secure connection to share data with health services.
Strategic Asset Management The Corporate Landlord model has now been formally adopted by the council. The implementation of the model and developing a clear understanding of the accountability for activities and financial management will continue. As part of the Corporate Landlord approach Strategic and Operational Land and Property management is now covered by two governance Boards. The Strategic Land and Property Board is chaired by the Strategic Director Education and Enterprise, and attended by the Corporate Landlord (Strategic Director Delivery). The Operational Land and Property Board is chaired by the Strategic Director Delivery. The Strategic Land and Property Board meets monthly and the Operational Land and Property Board meet fortnightly. Both Boards consider land and property matters and consult Members through the	As described in the update on Corporate Landlord, following the transfer of the service in January 2015 the opportunity is being taken to further evaluate many of the management, operational and governance arrangements put in place when the Corporate Landlord model was first established. This process is intended to further embed the Strategic Asset Management function and will ultimately establish a Strategic Asset Management Plan. **Carried forward to 2014/15** (as part of the Corporate Landlord programme)

existing processes of Cabinet Member Briefing; Property Advisory Group and Executive Team prior to decisions being formally made in line with the council's Constitution.

The Strategic Asset Review has now concluded with the agreed categorisation of assets, and clear accountability established for assets including those considered to be of strategic importance (for Economic Growth and Regeneration including Housing).

Strategic Asset Management will in the future be supported by the Corporate Landlord's Asset Management team acting as a single source of information and knowledge for the council's assets making sure that the respective governance boards are provided with accurate and relevant information enabling informed decision making and direction.

Schools Improvement

The council's vision is to create an education system in Wolverhampton that promotes higher standards for all children and young people and closes the attainment gap. This is a system where the council celebrates school autonomy and supports school leaders and teachers in leading school improvement and having the highest expectations of every child and young person.

The council's strategic approach to school improvement therefore is to support effective school to school collaboration, strong partnerships and to develop excellent practice in schools whilst demonstrating clear leadership and challenge in the delivery of the its duties in relation to school improvement. This leads to three clear and related targets:

- To ensure that every child in the city has an excellent education.
- To raise standards in schools and academies so that by September 2016 attainment and progress measures at all key stages match or exceed national averages.
- To improve the quality of provision in schools and academies so that by September 2016 all schools, settings and

The School Improvement and Governance Strategy received final Executive Team approval in December 2014 but has been operational since September 2014.

The strategy outlines the Local Authority's approach to challenging schools and holding school leaders to account for improving standards in their schools. Based on the strategy the following actions have been taken:

- Every maintained school within the City has been placed within a LA category based on published criteria and has been informed of this by letter. These categories have been reviewed at the start of each term and any changes have been communicated to schools.
- All schools have received a differentiated level of challenge and intervention from the local Authority School Improvement Advisors dependent on their category.
- All maintained schools in LA Categories B2 and C have also been challenged and held to account through regular individual School Improvement Board meetings (36 schools in total).
- The Local Authority has also used its statutory powers of intervention to further challenge schools that are not improving at a rapid enough pace with one pre-warning notice, three warning

academies achieve an Ofsted inspection judgement of good or outstanding.	notices, three Interim Executive Board's (IEB) and the strengthening of three governing bodies with additional governors.

All Governing Bodies in maintained schools are currently in the process of being RAG rated. Once rated schools where the governing body has been rated as red or amber will be directed by the local authority to participate in a full review of governance by an independent National Leader of Governance or, where support fails to see quick results an IEB may be established.

The School Standards Service are currently in the process of recruiting to a number of new posts (within current budgetary constraints) to strengthen the capacity of the team to fully implement the School Improvement and Governance Strategy moving forward. The new posts include: an additional Primary School Improvement Advisor, an 11-19 School Improvement Advisor, a Special Educational Needs and Disability (SEND) School Improvement Advisor, an At-Risk School Improvement Advisor and a Schools' Safeguarding Officer. The School Standards Team have also been successful in a funding bid to the Local Education Partnership (Inspire) to support the implementation of a school leadership development programme (£300,000 in year 1 with the possibility of two further years funding). The programme has four strands to it:

- The development of a self-improving school to school support network supported by a multi-school teaching school alliance
- The development and training of effective Headteachers through a range bespoke training and mentoring packages that support them through every stage of their career.
- The development and training of effective middle leaders to ensure that the city has clear succession planning in place to recruit talented new Headteachers from in the future. This will include the training and mentoring of effective and appropriately skilled school governors at every stage of their work in schools.
- There is an experienced Training Programme Coordinator about to take up post who will be line managed by the Head of School

	Standards.
	The majority of the training programmes will begin in September 2015 and tenders are currently out for training providers to develop and deliver strands 2 and 3 of the programme. Strand 4 will be delivered through the School Standards Workforce Development Team.

Action Plan for the Significant Governance Issues identified during 2014/15 which will need addressing in 2015/16

Based on the council's established risk management approach, the following issues have been assessed as being "significant" for the purpose of the 2014/15 annual governance statement. Over the coming year appropriate actions to address these matters and further enhance governance arrangements will be taken.

2014/15 - Key areas and actions for implementation	Responsibility and expected implementation date
Future Space An updated business case for the works to the Civic Centre clarifying the scope and intention of the programme and the resources it wishes to deploy, will be prepared and submitted to Councillors in June 2015. Further work will be required to then develop the programme in line with the decision made by Councillors.	Strategic Director - Place June 2015
Corporate Landlord The Corporate Landlord model continues to be embedded within the council's policies. The proposed workplan to continue this is as below: • Stabilising the service following changes in leadership and transition to the Place Directorate • Address the financial challenge and seek performance improvements within the existing scope, resources and operating model • Review the operating model for 2016/17 onwards • Present to SEB for comment • Develop a proposal which will be consulted upon and progressed through the decision making process to agree and then implement • Implement the agreed operating model and organisational structures • New model in place	Service Director – City Assets January 2016
Savings Targets This continues to be a key area for the council to manage as it is faced with finding savings of £46 million over the next four years. As part of this process £20 million of additional savings is to be identified for 2016/17 and reported to Cabinet, in order to demonstrate that a balanced budget can be achieved in 2016/17.	Director of Finance June 2015

Also, the recommendations identified as on-going, made in the recent independent review of 'the process for the medium term financial strategy and budget report' will need to continue to be addressed.	
Procurement , Contract Management and Monitoring A revision of the 'Procurement Code' is in progress and will need completion in order to meet the requirements of the new Public Contracts Regulations and a standard approach to Contract Management will be implemented, with a programme of training developed to support a consistent approach to realising the benefits from contracts.	Head of Procurement December 2015
Better Care Fund There will be a range of on-going performance management/ governance / pooled budget financial management issues that will need close monitoring through the early stages of the Fund.	Service Director - Disability and Mental Health Service Director - Older People March 2016
Future Works Although the Agresso element of the Future Works Programme was formally closed in December 2014, the system and associated procedures and processes will continue to be developed and streamlined on an on-going basis in order to maximise the benefits from the investment. The next steps for Agresso future development is to implement an upgrade from Milestone 3 to Milestone 4 plus the added functionality of seven experience packs. This work is expected to be completed by December 2015 alongside the continual development and enhancement of reporting functionality. Following the formal closure the FutureWorks Programme was re-established in April 2015 as the governance board for the council's ICT programme of work. The programme will maintain an oversight of all the council's significant ICT initiatives including the development of the council's ICT and Digital Strategies in addition to the delivery of improved Business Intelligence capability, Master Data Management solutions and the continuing delivery of mobile and agile solutions such as Office 365 during 2015 /2016.	Head of ICT December 2015
Partnership Governance While the City Board, Growth Board and Inclusion Board, are now fully operating, a systematic approach to identifying all of the other significant partnerships and in determining the level of review of the governance arrangements alongside the 'health' of each partnership, is still being rolled out.	Director of Governance March 2016

Combined Authority The council is in the process of estabalishing a Combined Authority (CA) with partners in the West Midlands and potentially other local authorities that make up the three Local Enterprise Partnerships that cover the area. The council needs to ensure it plays a key part in the development of the CA, in order to ensure that the interests of, and the maximum benefit for the City of Wolverhampton, is achieved. At key points in the process of establishing the CA reports will be taken to either full Council or Cabinet as appropriate for approval.	Managing Director March 2016
Corporate Peer Challenge The council undertook a Corporate Peer Challenge in December 2014, and the final feedback provided to the council in March 2015. The focus of the peer review was strategic planning and there was both an internal focus around what organisation we want to be, and an external focus around what kind of role we want to have in the city. There was an acknowledgement of the enormous amount of change at rapid pace and that the organisation as a whole was supporting that journey. There was also recognition that there is an ambitious agenda to improve the city, and that stronger collective ownership on the savings challenges is required. It was also found that partnership working in Wolverhampton is a real strength to be built on. In 2015/16, we will continue to respond to the areas of feedback, including continuing to discuss our future role and purpose, review our governance structures and processes and continue to lead on the Combined Authority for the West Midlands region.	Managing Director March 2016

Future Assurance
A progress report on the implementation of the above actions from the key areas will be produced by Audit Services and reported to the Audit Committee during 2015/16.

Certification

To the best of our knowledge, the governance arrangements, as outlined above have been effectively operating during the year with the exception of those areas identified as requiring improvement. 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 during the review of effectiveness and will monitor their implementation and operation as part of our annual review.

Roger Lawrence, Leader of the Council

Date:

Keith Ireland, Managing Director

Date: