



Report for:
ACTION
Item 12

Contains Confidential or Exempt Information	NO
Title	Draft Annual Governance Statement 2012/13
Responsible Officer	Nigel Watson, Assistant Director of Corporate Finance & Audit
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Portfolio	Finance & Performance, Cllr Yvonne Johnson
For Consideration By	Audit Committee
Date to be Considered	27 June 2013
Implementation Date if Not Called In	
Affected Wards	None
Area Committees	N/A
Keywords/Index	Audit Committee, Annual Governance Statement, AGS, 2012/13

Purpose of Report:
 This report sets out the methodology for producing the Annual Governance Statement (AGS) for 2012/13 and highlights governance issues.

1. Recommendation

It is recommended that Audit Committee:

- Review the attached Methodology;
- Note the update on the status of the 12/13 significant issues; and
- Review the draft AGS.

2. Reason for Decision and Options Considered

Regulation 4 of the Accounts and Audit Regulations (2011) required audited bodies to conduct a review at least once a year of the effectiveness of its system of internal control and publish a statement on internal control (SIC) each year with the authority’s financial statements. CIPFA confirmed that proper practice status was assigned to the AGS from 1 April 2007. This means that the AGS formally replaced the SIC from the 2007/08 reporting year.

3. Key Implications

Members should note that the Chief Executive and Leader must sign the full 2012/13 AGS document, which will be published with the Statement of Accounts.

A key role of the Committee is to oversee the Authority's control environment and its associated system of internal controls and assurance processes. The Committee must satisfy itself that the Authority's assurance statements, in particular the Annual Governance Statement, properly reflect the risk environment and any actions needed to improve it.

4. Financial

The Annual Governance Statement will form part of the published Statement of Accounts for 2012/13.

5. Legal

The Accounts and Audit Regulations 2011 refer to CIPFA guidance in relation to the "proper practice" of internal audit. CIPFA guidance is therefore utilised in guiding the compilation of the AGS. CIPFA's original proper practice required the most senior officer (Chief Executive or equivalent) and the most senior member (Leader or equivalent) to sign the statement. This is also required by the CIPFA/SOLACE framework for the AGS.

6. Value For Money

Compliance with best practice guidance ensures that the requirements of the Accounts and Audit Regulations 2011 will be met.

7. Sustainability Impact Appraisal

Not applicable.

8. Risk Management

The preparation of the AGS has been explicitly linked to the risk management framework within the authority. One of the key principles of good governance is "taking informed, transparent decisions and managing risk".

Strong governance should minimise officer distraction from key corporate objectives as a result of governance failure(s).

9. Community Safety

None.

10. Links to Strategic Objectives

A strong governance framework is a key element in achieving the strategic priorities of the Council.

11. Equalities and Community Cohesion

No Equality Impact Assessment has been undertaken, as the report does not affect the general duties of the Equality Act 2010.

12. Staffing/Workforce and Accommodation implications:

None.

13. Property and Assets

None.

14. Any other implications:

None.

15. Consultation

The preparation of the AGS is an important task and as such preparation and challenge has been provided through a multi-disciplinary team. The AGS Working Group is chaired by the Director of Corporate Finance and Audit and attended by the Director of Legal and Democratic Services, Assistant Director of Core HR & OD, Director of Policy and Performance, Director of Business Services Group and the Head of Audit & Investigation.

The AGS was prepared in draft using a variety of sources and discussed and challenged by the AGSWG between December 2012 and June 2013 along with supporting documentation. Feedback obtained at the meeting was used to revise the Statement.

16. Timetable for Implementation

The final AGS will accompany the financial statements for approval by Council.

17. Appendices

Appendix 1: Methodology for preparation of the AGS

Appendix 2: Draft Annual Governance Statement 2012/13.

18. Background Information

Accounts and Audit (Amendment) (England) Regulations 2011.

Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (2012 Edition).

Consultation

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Helen Harris	Director of Legal & Democratic Services	02/05/13	09/05/13	
Nigel Watson	Assistant Director of Corporate Finance & Audit	02/05/13	09/05/13	
David Veale	Assistant Director HR & OD	02/05/13	09/05/13	
Mark Newton	Director Business Services Group	02/05/13	09/05/13	
Mathew Booth	Director Policy & Performance	02/05/13	09/05/13	

Report History

Decision type:	Urgency item?
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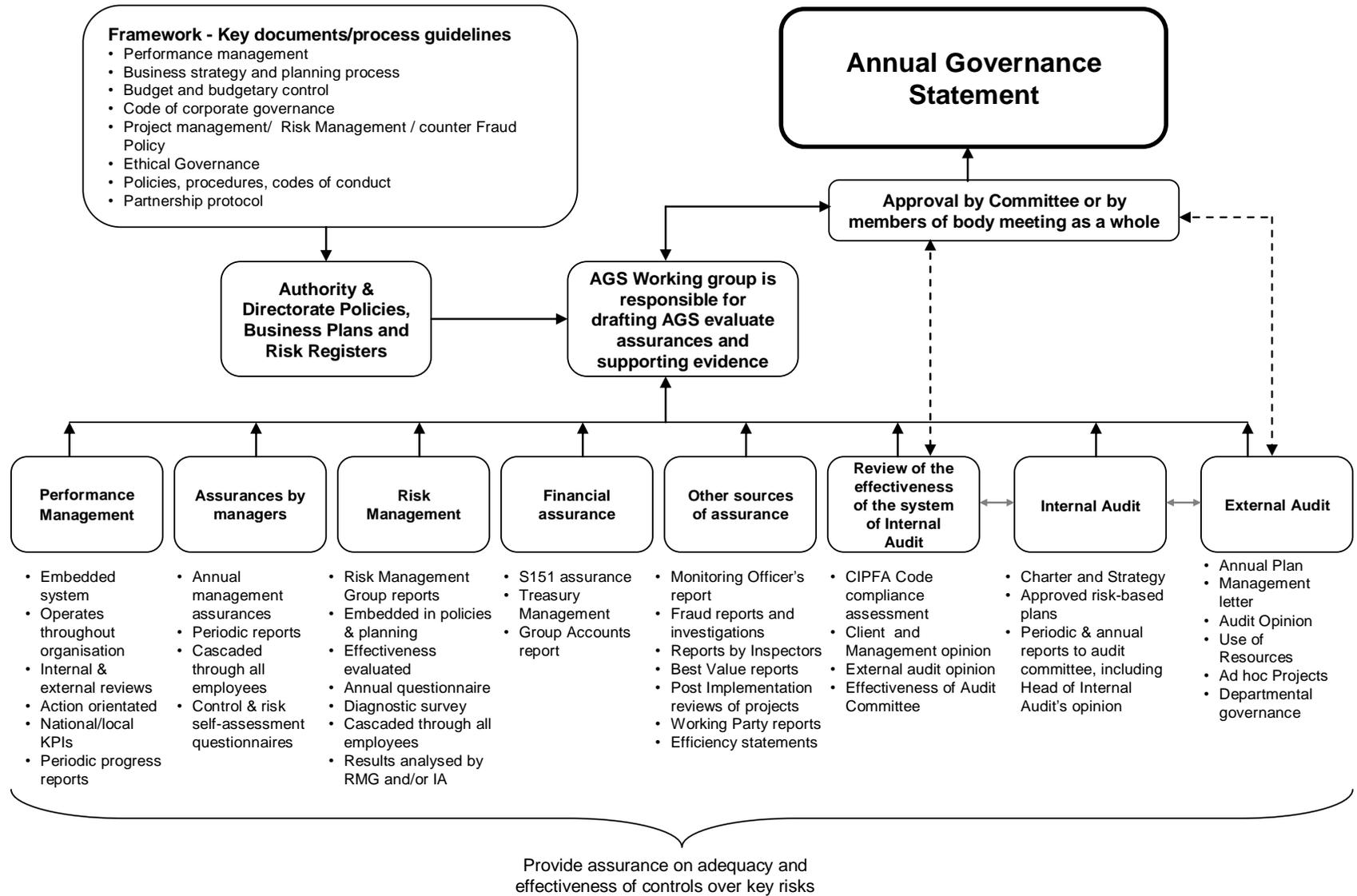
For information	No
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Authorised by Cabinet member:	Date report drafted:	Report deadline:	Date report sent:

Report no.:	Report author and contact for queries:
	Sudhi Pathak, Head of Audit & Investigation

**THE ANNUAL GOVERNANCE STATEMENT
OVERVIEW & METHODOLOGY**

1. The Annual Governance Statement (AGS) is a key corporate document. It states whether the Governance arrangements in the organisation are effective and that any of areas of concern have been identified.
2. As a corporate document the AGS should be owned by all senior officers and members of the authority and an action plan put in place to address the areas of concern identified.
3. The most senior officer and the most senior member have joint responsibility for the accuracy and completeness of the AGS.
4. The AGS should be approved at a meeting of the authority or delegated committee.
5. Risk management should feature strongly in the AGS process. It should support the co-ordinating role of the corporate group by advising on risks to achieving corporate objectives and statutory requirements, which are set out in corporate, directorate and departmental risk registers, and how they are managed.
6. The Head of Internal Audit should provide a written annual report to those charged with governance timed to support the AGS.
7. A diagrammatical representation of the sources of assurance and the methodology in place to formulate the AGS is attached.
8. Significant issues for 2012/13 are circulated to the Annual Governance Statement working group for discussion. These issues are identified from
 - Press releases
 - Senior officer concerns
 - Internal audit reports
 - Reports from external agencies
 - Risk Registers
 - Letters of Representation



Annual Governance Statement 2012/2013

1. Scope of Responsibility

Ealing 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.

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.

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 can be obtained from the Council's Monitoring Officer.

This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(3) of the Accounts and Audit Regulations 2011 in relation to the approval of the Annual Governance Statement.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values for the direction and control of the authority and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of not fully achieving policies, aims and objectives and therefore provides a reasonable rather than 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 Ealing Council for the year ended 31 March 2013 and up to the date of approval of the statement of accounts.

3. The Governance Framework - Identifying and communicating the Councils vision and intended outcomes for citizens

3.1 Ealing Council has put in place arrangements regarding the key systems and processes that comprise its governance framework. The administration's five priorities form the basis of the Corporate Plan and Business Plans and provide focus for improvement:

- making the borough safer
- improving public services
- securing jobs and homes
- making the borough cleaner
- delivering value for money

All committee and cabinet reports are required to be referenced to one or more of these five priorities. The Corporate Plan and any amendments or updates to it are considered and approved by full council.

Measuring service quality and ensuring best use of resources

3.2 The Policy and Performance Directorate drives delivery of the Corporate Plan, working closely with Directorates to spread best practice, track and strengthen performance. The Directorate also ensures that performance statements and other published information are accurate and reliable.

3.3 There is a respected active scrutiny function managed by the Overview and Scrutiny Committee (OSC).

3.4 The Policy Team and Improvement and Efficiency Service work with all directorates and other specialist areas such as Legal, Strategic Procurement and Finance to ensure the economical, effective and efficient use of resources. The teams play a key role in supporting delivery of projects and initiatives within the Council's Value for Money programme. They also help drive continuous improvement in the way in which functions are exercised, by having regard to a combination of economy, efficiency, and effectiveness. In addition to managing delivery of the Value for Money programme (reported to VFM Board and Corporate Board), the teams also deliver targeted service improvement support.

3.5 Council projects are run in line with a project control framework that defines the mandated control processes needed. Within this framework, individual departments develop their own detailed processes that reflect their different needs, risk profile and working practices. The key governance control is that each project in the Council reports into an appropriate project board or managerial group. Large projects usually have their own project board, but most large initiatives usually report to departmental level boards at Executive Director level. Smaller projects, report to Project Boards chaired in line with delegated authority levels.

3.6 The Council continues to implement an extensive efficiency/value for money programme to improve services and identify significant on-going savings in

both the current and future years. This is achieved through financial management and budget proposal scrutiny, including on-going line-by-line analysis of individual budgets.

- 3.7 The Performance Monitor reviewed monthly at Corporate Board sets out analysis of performance against key targets and Corporate Plan commitments. A copy is also distributed to Cabinet Members. Directorate, Divisional and Service unit business plans contain a variety of performance indicators and targets. A regular review is also done to ensure that systems, processes and controls are in place to ensure the efficient and effective delivery of high-quality services and to ensure that performance information is accurate and reliable.
- 3.8 Members play a regular role in performance management, providing challenge to officers. Cabinet receives a report on Performance each quarter. Portfolio holders have weekly meetings with Executive Directors and review finance and performance indicators each month..

Defining Roles and Responsibilities

- 3.9 The Constitution sets out how the Council operates, how decisions are made and the policies which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose. The Constitution comprises eight parts which set out the basic rules governing the Council's business, as well as detailed procedures and codes of practice.
- 3.10 The Council's Constitution is regularly reviewed by the Monitoring Officer and any change proposals are considered by the Constitutional Review Group (an informal group of senior councillors) and advertised on the web prior to adoption by full council on the basis of a full report. The Constitution sets out the responsibilities of both members and officers. In particular the Council has identified the following six statutory posts:
- Head of Paid Service - Chief Executive
 - Chief Financial (Section 151) Officer – Executive Director, Corporate Resources
 - Monitoring Officer – Director of Legal and Democratic Services
 - Director of Children's Services – Executive Director, Children and Adults
 - Director of Adult Social Services – Executive Director, Children and Adults
 - Statutory Scrutiny Officer - Head of Scrutiny and Committees
- 3.11 The Council operates a Leader and Cabinet model of Local Government. Twenty three ward forums operate, to maximise opportunities for local engagement and participation. These forums have informal governance arrangements designed to achieve maximum flexibility and engagement. Under the ward forum arrangements, elected members lead 23 ward forums across the borough – each supported by an annual budget for local improvements. Each ward forum makes recommendations to Cabinet on how their "budget" should be spent. The final decision on spending choices is made by Cabinet.

Standards of behaviour and decision making

- 3.12 A Scheme of Delegation sets out the powers delegated to officers, at part 8 of the constitution. The Financial Regulations and the Budget and Policy Framework Rules are also part of the Constitution, together with the Code of Corporate Governance. The Contract Procedure Rules also form part of the Constitution.
- 3.13 The Code of Conduct for Councillors is contained within the Constitution. This was revised to take account of the requirements of the Localism Act 2011. All councillors, save for one, receive training on the implications of the Code of Conduct and related issues. The Council also has a Planning Code of Conduct and a Licensing Code of Conduct for members. Both of these codes were revised during 2012. Again, training is provided (and compulsory) for all members working in these areas.
- 3.14 The Employees Code of Conduct is also contained within the Constitution and a copy of this is provided to all new employees when they start work for the council.
- 3.15 The statutory Forward Plan is published monthly on the internet, and details all key decisions proposed to be made by the council during the relevant period. Any key decision which is not on the Forward Plan may not be taken within that period, unless the report author is able to demonstrate to the Monitoring Officer and relevant members that urgency procedure requirements are met. Any urgent decisions taken are monitored by the Monitoring Officer and regular reports taken to full council. All Cabinet and Committee reports which have significant financial or legal implications must be “signed off” by a finance and a legal services officer, as well as by the responsible service director, before they are accepted onto a meeting agenda. Where draft reports fail to address key requirements they are either amended or rejected and removed from the agenda as part of the approval process. Both reports and minutes of all decisions taken are published on the internet, including the reason for the decision. Procedures were also amended during 2012 to take account of new statutory requirements.
- 3.16 The Council has a Regulatory Committee that oversees the regulatory functions of the Council such as those concerning elections and planning. In some cases, like planning and licensing, specific committees have been appointed to consider these matters in more detail.

Whistleblowing and Complaints

- 3.17 The Standards Committee has six members, including an independent (non voting) chair. In line with regulatory requirements, the Committee is supported by two independent people. The Committee reviews and oversees member development and the Council’s Whistle Blowing Policy. The Committee also deals with matters of member conduct, including complaints. The committee submits an annual report on its work to full Council. The Council’s standards arrangements were revised in 2012 to take account of changes to be introduced as a result of the Localism Act 2011.

Training and Development

- 3.18 A full Member training and development programme is in place and there is a comprehensive induction programme for all councillors within the first few weeks of their election to office. Training on the Council's Code of Conduct for Councillors is compulsory and all Councillors, bar one, have now completed the training. The Council has adopted specific Codes of Conduct for councillors involved in planning or licensing decision-making and these councillors receive additional training in these areas as a precondition of their participation.

Communication and Consultation

- 3.19 Regular consultation is also undertaken with residents to ensure that the authority makes decisions based on resident requirements and feedback regarding general provision and quality of service. A residents' survey is currently undertaken biannually. The last survey was undertaken in September 2012.
- 3.20 There is a corporate induction programme most of which is e-learning based place for staff and one for new managers, supplemented by various internal training courses, a meeting with the Chief Executive and borough coach tour. Key information and policies are highlighted to new staff and managers and held on the intranet.

Partnerships

- 3.21 The Council contributes to the delivery of the Local Strategic Partnership's Community Strategy that sets out a vision for the borough of Ealing over the next 10 years. The Council's strategic planning priorities are directly aligned with those of the Local Strategic Partnership's (LSP) Community Strategy. The Council is therefore better able to relate its own performance to the outcomes it seeks for the borough. This also facilitates greater alignment of priorities between the Council and other key partners and service delivery agencies, such as NHS Ealing and the Police.
- 3.22 The Council includes a definition of a partnership within its Constitution to ensure alignment to the Audit Commission's definition and to recognise operational realities. Work has been undertaken to identify and assess key partners and ensure that robust protocols are in place for partnership working. In conjunction with performance, legal and procurement a list of significant partners has been agreed. This list was reviewed and agreed by the Audit Commission. Evidence has been gathered to support good governance arrangements for these significant contractors. Assurance is gained through the Contracts Review Board and internal audit reviews.

Ensuring compliance with established policies, procedures, laws and regulations.

- 3.23 Commitments to deliver against our responsibilities in relation to equality and diversity feature strongly in the Council's Corporate Plan and LSP's Community Strategy. Regard to equality, diversity and human rights duties are embedded in the budget setting and business planning process, and

templates for each require that officers and Members take into consideration in an appropriate manner the equality, diversity and human rights impacts of proposed decisions. The Council's approach is to embed equality and diversity within all of its work so that equality considerations are part of day-to-day management. The Corporate Board take regular updates on progress and developments in relation to implementation of the Equality Act, and the Cabinet report process and proforma have been amended to ensure that Service Directors sign off on service-related Equality Assessments before Cabinet pre-agenda, and that salient points from Equality Assessments carried out on Cabinet reports are included in the body of the Cabinet reports. Proposals that impact on staffing/workforce are signed off by HR Business Partners before submission to cabinet or action.

- 3.24 Compliance with the CRC Energy Efficiency (CRC) is a legal requirement for organisations with over 6000MWh of half hourly metered energy supply to its buildings. The CRC compels organisations' to reduce their carbon footprint and help meet UK targets of reducing greenhouse gas emissions by 2050 by at least 80% compared to the 1990 baseline. Each scheme participant must purchase allowances for the energy consumption costing £12 per tonne of CO₂; simply put the fewer tonnes of CO₂ the Council produces (indirectly through purchasing energy) the fewer allowances the Council must purchase. The Council must purchase allowances for all electricity supplies and also all gas supplies over 73,200KWh, including schools and excluding housing, during the 2012/13 compliance year. In 2011/12 the Council's liability was £276,000; the 2012/13 liability is estimated to be greater, accounting for the colder winter and therefore increased heating requirement. The cost of allowances is set remain static for 2013/2014, rising to £16 per tonne of CO₂ in 2014/15 and from 2015/16 it will rise in line with RPI.
- 3.25 Phase 2 of CRC will begin in the 2014/15 compliance year, there will be a number of changes including excluding schools from the scheme and the inclusion of both passive and dynamic unmetered supplies. This means the inclusion of street lighting for the Council. There will also be an additional uplift of 10% applied to passive unmetered supplies. This cost combined with the increasing cost of energy illuminates the urgency for the Council to reduce its energy consumption. To help mitigate against the risk of rising energy associated costs an Energy Manager has been employed. His scope of work is to manage, coordinate and advise the Council and all its departments on energy efficiency and energy procurement and ultimately reduce the Council's energy consumption and therefore its CRC liability.
- 3.26 All critical services have business continuity plans; all non-critical services have been reviewed. A Business Recovery Team exercise will be undertaken in April 2013 to test the Corporate Business Continuity plan and our response to an internal disruption and all critical services will be given an exercise template following this to practice their resilience arrangements at service level. A pan London emergency exercise will be undertaken in May 2013 with the aim to test the integration of Command, Control and Coordination across London. A multi – agency recovery exercise is being developed in line with the Ealing Resilience Forum business plan. Alongside this training and exercising

continues throughout for all emergency and business continuity council responders.

- 3.27 The Minimum Standards for London Tranche 1 and 2 have been adopted as the guide to measure emergency planning and business continuity arrangements. These arrangements have been implemented and have been assessed via a peer review. A borough wide risk assessment has been undertaken and used to produce a Community Risk Register that identifies the key risks for the borough. This is used to prioritise the work of the Ealing Resilience Forum.
- 3.28 The Council has a three year Medium Term Financial Strategy, which is reviewed and updated annually as part of the budget setting process to support the achievement of the Council's corporate priorities. The budget and policy framework outlines the process and timetable to be followed each year when setting the Council's budget. The financial management framework includes regular budget monitoring reports to Financial Strategy Group, Departmental Management Teams, Corporate Board and Cabinet.
- 3.29 The budgeting process requires departments to submit budget proposals that are aligned to the Council's objectives, and which are based on a required savings target. Through the year Cabinet Members receive a monthly Finance Monitor; this shows the financial position for each department and what is being done to address potential overspends as well as a Savings Tracker that monitors the delivery of agreed savings. In addition a quarterly finance and budget update report is produced for Cabinet.

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.
- 4.2 The Council's review of the effectiveness of its system of internal control is informed by:
- The review of Internal Audit by External Audit on the extent to which they place reliance on key financial systems work done by Internal Audit;
 - A review of the effectiveness of its system of internal audit;
 - Performance against targets;
 - Letters of representation;
 - Customer quality assurance questionnaires; and
 - A review of the previous year's AGS.
- 4.3 The review of the effectiveness of the Council's governance framework is informed by the work of the Executive Directors who have responsibility for the development and maintenance of the governance framework, the Head of Audit and Investigation's annual report, comments made by the external auditors and other review agencies and inspectorates. The Annual Governance Working Group (AGSWG) considers these sources of information and formulate the Annual Governance Statement.

- 4.4 The AGSWG consists of senior officers from multi-disciplines with responsibility for the preparation of the Annual Governance Statement and relevant supporting evidence. The AGSWG meets on a regular basis during the year to ensure compliance with the corporate timetable. The draft Annual Governance Statement is reviewed by the AGSWG to ensure early robust challenge. The AGSWG also undertook a review of the 2011/12 AGS, in particular the disposition of the significant governance issues identified.
- 4.5 The remit of the Audit Committee is to:
- provide independent assurance of the adequacy of the risk management framework and the associated control environment;
 - provide independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment; and
 - oversee the financial reporting process.
- 4.6 The Audit Committee also reviews Internal Audit performance against targets and quality assurance results. Since its inauguration, the Committee has worked in tandem with the Ealing Council Audit Board ("the Audit Board"). The results are reported formally to the Committee's meeting and to Council. The Committee has also recruited an independent member in line with best practice.
- 4.7 The Audit Board was established in 2005 and comprises of senior officers. The Audit Board meets quarterly and seeks to strengthen the assurance framework of the Council. Internal Audit and Investigation provides progress reports on internal control and counter fraud to the Audit Board. Officers are also held to account by the Audit Board through the use of challenge sessions to focus on any areas of weakness or non-compliance. Audit Board also reviews the effectiveness of the risk management framework and the profile of the Council's strategic risks.
- 4.8 All staff, in particular managers, are responsible for ensuring that laws and regulations are complied with and that the authority's policies are implemented in practice. The Monitoring Officer and the Legal Services Team monitor compliance with, and awareness of, key laws and regulations. Executive Directors, Directors and Service Heads are responsible for monitoring implementation of the Council's policies.
- 4.9 One of the key elements in obtaining the required internal controls assurance for the Annual Governance Statement is the completion of annual letters of representation by senior officers. The LoR were sent to 21 senior officers.
- Executive Directors were asked to compile their letter after reviewing the letters of representation from their directors.
 - Directors were asked to compile their letter after taking assurance from their direct reports.

- 4.10 All officers (100%) submitted their letter and out of the dataset of 30 questions, there were no questions which received a negative response rate of greater than 10%.
- 4.11 Letters of Representation from Executive Directors and Directors, including the Monitoring Officer for the year ended 31 March 2013 stated that they are aware of their responsibilities and had complied with the Council's policies and procedures. In particular they stated that the internal controls for the area under their responsibility were sufficient to provide reasonable assurance of effective financial and operational control. They also stated that their review of the operation of the system of internal control confirmed that it had been working effectively and had been complied with in all material respects. The letter of representation process in no way absolved officers of their responsibility to continue addressing issues noted.

5. Significant Governance Issues 2012/13

Table 1 2012-13 Governance Issues			
Issue	Actions	Officer Responsible	Timescale
<p>1. Enterprise Contract</p> <p>Service deterioration through the new Enterprise contract resulting in a negative impact on Council finances and reputation.</p>	<p>The initial roll out of the grounds maintenance element of the contract progressed to programme. There were however, some initial settling in problems during the three month commissioning period, following which the contract has generally been delivered to programme. The street services element of the contract experienced problems with waste and recycling collections and street cleansing during the relevant three month commissioning period and for a number of months following. However, positive actions by both officers and Enterprise stabilised the initial waste and recycling collection problems and the required service improvements continue.</p>	<p>Director of Environment and Leisure</p>	<p>Ongoing throughout 2013/14</p>
<p>2. Welfare Benefit Changes</p> <p>Implementation of the Welfare Reform Act 2012 results in a negative impact on Council services, finances and reputation.</p>	<p>A cross Council Working Group is in place and a project risk register has been developed which documents the key risks to the Council and the mitigating actions in place/proposed across Directorates to address the risks.</p>	<p>Executive Director of Environment & Customer Services</p>	<p>Ongoing to 2017</p>

Table 1 2012-13 Governance Issues			
Issue	Actions	Officer Responsible	Timescale
<p>3. Pupil Places</p> <p>The Council has a statutory duty to secure sufficient school places. Current projections for pupil places indicate that Ealing is facing a shortfall of between 40 and 50 forms of entry (FE) for primary pupil places by 2015. The existing expansion programme will provide 24 additional FE. A further 8 FE were agreed in the budget for 2012-13 and beyond.</p> <p>At secondary schools it is projected that by September 2019, there will be a need for between 12 and 25 additional FE (this takes into account the establishment of the new high school in Greenford and expansions at two secondary schools).</p> <p>It is anticipated that around 300 additional specialist provision places will be required by 2024/25 at primary and secondary school age groups. In the shorter term (by 2015) expansions of primary aged provision are required</p> <p>This issue is also highlighted on the Councils Strategic Risk Register</p>	<p>Regular ongoing monitoring and reporting is being undertaken by members, senior manager and directors on a fortnightly and monthly basis.</p> <p>The Council is investing substantially in developing new primary school places to provide an additional 32FE. Major uncertainties relate to the impact of benefit changes and the recession on demand for places. Demand are being monitored and we are seeking to work with West London Alliance Councils to review projections.</p> <p>Officers are reviewing options for delivering expansion of secondary school places, looking at the most cost effective ways in which additional places may be provided (further to the cancellation of the Building Schools for the Future programme).</p> <p>A consultation on SEN expansion has taken place and plans are being progressed to expand Castlebar, Mandeville and Springhallow schools.</p>	<p>Assistant Director: Schools Planning & RD</p>	<p>Ongoing to 2020</p>

Table 1 2012-13 Governance Issues			
Issue	Actions	Officer Responsible	Timescale
<p>4. Budget Savings</p> <p>As part of the budget process leading up to Council tax setting in February 2012 savings of £85m over four years (2011/12 – 2014/15) were identified. These savings will be monitored closely over the next three years to ensure delivery by the service departments.</p>	<p>Savings tracker monitored monthly at FSG.</p> <p>Quarterly budget monitoring reports for Cabinet. Review annually at the Star Chamber.</p> <p>Detailed implications of all savings proposals are investigated and considered at an early stage in the decision making process.</p>	<p>All EDG for Service delivery</p> <p>Monitoring reports and process DCF&A</p>	<p>Throughout next 3 years</p>
<p>5. Data Protection Breach</p> <p>Serious breaches of the Data Protection Act result in fines and penalties being imposed by the Information Commissioner's Office.</p>	<p>The Information Commissioner's Office audited Ealing Council on 13, 14, 15 May. This was a consensual audit as a direct result of a significant incident in February 2012.</p> <p>Data Protection team have engaged with identified key work-streams across the Council working on a risk based approach launched in January 2013.</p>	<p>Director of Business Services Group</p>	<p>In place</p>

Table 1 2012-13 Governance Issues			
Issue	Actions	Officer Responsible	Timescale
<p>6. Facilities Management</p> <p>Transition from an external supplier to an in house provision results in possible disputes and litigation.</p>	<p>Following the termination of the contract with Interserve FM for sustained poor performance the services and staff have been brought in house whilst longer term options are considered. Ealing has detailed a substantial claim against Interserve for a number of specific failures and breaches and whilst we still intend to try and reach a settlement with Interserve, if that is not possible then Ealing would have to pursue the claim through legal action with the associated costs and risks. As a result of the council terminating the contract there is a risk of a counter claim from Interserve against the council.</p>	<p>Director of Business Services Group</p>	<p>Ongoing to 2014</p>
<p>7. Responsive Repairs Contracts</p> <p>A compressed tender timescale results in a negative impact on service provision.</p>	<p>Kier & Morrison have given notice to withdraw from the current responsive repairs contracts.</p> <ul style="list-style-type: none"> • Kiers to end August 2013 • Morrison to end February 2014 <p>Cabinet authority was given in March 2013 to re-procure the responsive repairs contract. The procurement process has commenced. An update report is to be submitted to Cabinet in June 2013.</p>	<p>Assistant Director of Landlord Services</p>	<p>End of August 2013 and End of February 2014.</p>

Table 1 2012-13 Governance Issues			
Issue	Actions	Officer Responsible	Timescale
<p>8. West London Waste Authority</p> <p>Concerns regarding the financial management of the WLWA resulting in an increase in the amount of the Council's Levy and 'Pay as you Throw' charges. The financial risk is in the region of £200k-£500k.</p>	<p>The roles of Treasure and Technical Advisor to WLWA have both been recently filled by LBE officers. An action plan is in place to improve financial management and an audit committee has been established.</p>	<p>Executive Director of Corporate Resources</p>	<p>In Place</p>

Signed

Chief Executive – Ealing Council
 Martin Smith
 xx July 2013

Signed

Leader of the Council
 Julian Bell
 xx July 2013