

## Annual Governance Statement (AGS) Action Plan 2022/23 – Final Progress Update

Key: Green – Completed (14)

Amber – in Progress (2)

Issue No.	Issue Identified	Source of Evidence	Summary of Action Proposed	Progress Update
1	Formal Performance Management Reviews (PMRs) reinstated	PMRs completed and PDPs developed for all staff	A review of the PMR process is currently being undertaken. It is anticipated that a new process for conducting reviews will be implemented during the year.	Completed.  A new Performance Development Review process was approved by Corporate Management Team on 6 <sup>th</sup> September 2022 and launched to Managers on 5 <sup>th</sup> October 2022.
2	External Audit recommend acute attention is given to the Medium Term Financial Plan to address the shortfall in funding identified in future years.	Issue highlighted in Council Tax Setting Report in March 2022  MTFP  Budget planning  Financial stability / sustainability	A programme of work has been established to look for savings in the short, medium and long term to address the financial risks facing the Council.	We have: <ul style="list-style-type: none"> <li>- held monthly meetings of the Members Reference Group to keep Members updated on progress.</li> <li>- developed a MTFP model and carried out initial Base Budget Review Meetings with Service Managers.</li> <li>- compiled a set of savings and growth pressures to allow us to prepare a budget for 2023/24.</li> </ul> <p>On 23<sup>rd</sup> February 2023 Council approved the Medium-Term Forecast and budget for 2023/24.</p>
3	The Council has had numerous finance staff changes through the various levels of the finance team over the last 18 months. The Council needs to ensure staff changes are minimised so	No material errors in the Financial Statements identified  Permanent staff members appointed into vacant roles	As a priority ensure all key positions within the Finance function are filled and work is undertaken to transfer knowledge and skills across all staff within the service.	Completed.  All staff remain in post and are learning their roles as work is carried out. New skills on Collection Fund, Statement of Accounts and Budget Monitoring are being transferred and embedded.

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	controls can operate as expected and required.			There have been no changes in the team in the last 12 months. The team continue to build knowledge and skills.
4	Lack of appropriate forms of consultation and engagement in place with the local community and stakeholders, such as residents, businesses and voluntary sector when reviewing and developing the Council's budget and spending.	Research and consultation findings / reports  Corporate Plan 2023-2027	The Council will put in place appropriate forms of consultation and engagement aligned to the development of the Corporate Plan 2023-2027. This will include elements of budget consultation with the local community and stakeholders.	Completed  The Council have developed and delivered a creative consultation and engagement plan to encourage participation from a wide range of stakeholders and the local community in a range of events that have taken place across the borough. The consultation process also included an online survey.  The feedback was collated and reviewed and used to develop the Corporate Plan 2023-2027, ensuring alignment with the MTFP. The Corporate Plan 2023/2027 and MTFP was considered at the Special Budget Council meeting 23 <sup>rd</sup> February 2023. The MTFP was approved and only minor changes required on the Corporate Plan.  Further work is now required on the Corporate Plan following the local elections in May 2023, which led to a change of administration, prior to adoption of the plan by Council.
5	There is currently no formalised savings plan in place at the Council although savings are identified these are removed from the budget.	Formal Savings Plan in place with regular reviews of progress made with it.	Savings will be identified by the Transformation programme and reported through that process but the key reports will be the Budget	The Council has carried out several service reviews and have allowed a number of potential savings to be brought forward.

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			Monitoring reports which will be reported through Policy & Resources Committee.	<p>This ties in with the Base Budget Review which has been used to develop the budget for 2023/24.</p> <p>Regular Budget Monitoring Reports are reported through Accounts &amp; Audit Committee and Policy &amp; Resources Committee throughout the year. This is linked with the Medium-Term Forecast (Issue No. 2).</p>
6	No sensitivity analysis or scenario planning is undertaken whilst updating the MTFP.	Better informed decisions taken.	The MTFP will be developed and will take account for sensitivity testing across variation factors such as pay inflation, general inflation, cost of borrowing, collection rates.	<p>Completed</p> <p>The LG Futures Model looks at the Resources available to the Authority over the MTFP and includes this sensitivity analysis.</p> <p>The Sensitivity Model has been developed and was included in the Council report for 23<sup>rd</sup> February.</p>
7	No distinction is made in the financial information reported to those charged with governance between statutory and discretionary spending.	If this approach is agreed, the different categories of spending will be clearer where it is possible to do so.	The Council will consider this approach; however, this is not always a clear cut issue as the point at which statutory functions start and discretionary begins is blurred. It does not always aid Officers and Members to look at spend in this way but this analysis is available.	The Council is looking for efficiencies on all services both Statutory and Discretionary.

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8	The Council's budget should align to wider service improvement priorities	<p>Poor performing areas will be developed so they can meet the required performance levels.</p> <p>Reports and Minutes from meetings.</p>	<p>Performance Reviews take place via Quarterly Performance Clinics to identify poor performance and allow specific targeting of resources where necessary.</p> <p>The budget setting process will be aligned with the development of the Corporate Plan 2023 – 2027.</p>	<p>Completed.</p> <p>The Council's Performance Management Framework continues to be reviewed and developed. A Corporate Programme Reset was completed during Quarter 3 to provide more targeted, intuitive reporting of the Council Priorities to senior management and Members. The Performance Clinics also continue to be adapted and includes a section on budgets within the discussions regarding service delivery.</p> <p>Please refer to Issue No. 4 for an update on the development of the Corporate Plan 2023-2027 and note that, again, this is linked to the Medium-Term Forecast (Issue No. 2).</p>
9	Lack of timely and sufficiently detailed budget monitoring information provided to Members in order to support them in their decision making.	<p>Regular reports and minutes.</p> <p>PMR records</p>	Revenue and Capital Budget Monitoring will be reinstated during 2022/23 and reported both to Officers and Members.	This has been addressed and regular reporting to Policy & Resources Committee has taken place throughout the year. Further work will be undertaken to further enhance the process going forward.
10	Refresh of the Council's Strategic Risk Register and Risk Training is overdue.	<p>New Strategic Risk Register developed.</p> <p>Regular and improved reports provided.</p> <p>Record of Risk Training completed.</p>	The Council will complete the review of the current risk register which has already commenced and is part of the service planning process for 2022/23, ensuring that the risks included and scores assigned are relevant and meaningful. This will be externally reviewed and incorporated in the planned	<p>Completed.</p> <p>A Risk Management Training / Workshop was delivered by Zurich on 6<sup>th</sup> September 2022.</p> <p>From the discussions held within the workshop, along with the outcomes from the service planning process, a new Strategic Risk Register is currently under development with support being provided by Zurich to ensure it is robust and dynamic. However, a</p>

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			<p>Risk Management Training (see below) to further refine the register.</p> <p>Risk Training is in the process of being developed and is scheduled for delivery the first week of September 2022.</p> <p>Improved reporting mechanisms will be developed to enable effective information sharing with Members thus enhancing the decision-making process.</p>	<p>change to the Risk Matrix Model has caused some delays in finalising the SRR as the scores are currently being reviewed again with managers.</p> <p>The Strategic Risk Register is being presented to Accounts &amp; Audit Committee, 25<sup>th</sup> July 2023, to seek endorsement to submit to the Executive for approval.</p> <p>Improved reporting mechanisms are also currently being tested via use of Pentana.</p>
11	Member and Officer training to be resumed and kept up to date.	Training records PMRs	Halted training programmes to be re-established.	<p>Completed</p> <p>Member Training has been re-instated, with training having been delivered 16<sup>th</sup> May – 15<sup>th</sup> September 2022, except for the training for the new Planning Committee. This was delivered on the 5<sup>th</sup> December 2022.</p> <p>A new Performance Development Review process was approved by Corporate Management Team on 6<sup>th</sup> September 2022 and launched to Managers on 5<sup>th</sup> October 2022.</p>
12	No evidence of review from either management or the monitoring officer of the Gifts and Hospitality Register	Evidence of regular review via reports to appropriate forums	The Council will ensure that the register of gifts and hospitality is regularly reviewed by the Monitoring	A formalised approach and process for this is being developed via the use of Jadu forms to create an electronic register and enable an efficient review process. This was launched

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			Officer and that this can be evidenced satisfactorily.	to staff via Message of the Day 20 <sup>th</sup> June 2023.
13	Lack of assurance over data quality of performance reporting information.	Data Quality Strategy regularly reviewed.  Internal Audit Review Reports	Internal Audit to incorporate reviews of performance information into their work plan to help provide assurances to Members of the quality of the data being used in their decision-making process, where identified as necessary.	Completed  Internal Audit (MIAA) have developed a simple high level risk register for High Risk recommendations that have not been implemented and this is being managed by both CGSG and A&A Committee.  Internal Audit to incorporate reviews of performance information into their work plan to help provide assurances to Members of the quality of the data being used in their decision-making process, where identified as necessary.
14	Although recommendations are made on audit reports, progress is not reported on until the next review. Internal Audit progress reports include a summary of recommendations; however, this can be enhanced so Members are able to monitor how progress is being made in the meantime.	Improved reporting to Members	The Internal Audit Plan for 2022/23 has already been agreed but this will be fed into discussions for future Internal Audit reviews.	Completed  See comment to Issue No. 13 above.
15	The Council has the highest level of borrowing amongst the Lancashire districts and does	Financial statements	A review of the capital programme for 2022/23 and beyond will be carried out to ensure that the level of	Completed  Reviews of the capital programme have been done for Quarters 1, 2 and 3 and the

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	not tie in with the Council's Capital Programme.		borrowing is set at an appropriate level and in line with the capital financing requirement.	<p>programme has been re-profiled to push future spend into the correct year.</p> <p>The 2023/24 – 2025/26 Capital Programme will look to address the over borrowing position more directly.</p> <p>Council approved a reduced Capital Programme at its meeting on 23<sup>rd</sup> February 2023. This reduces the need to borrow by £2m.</p> <p>The Treasury Management Strategy sets out the Council's borrowing position over the next 3 years.</p>
16	The Council has recently completed a Corporate Peer Challenge (CPC) and the findings of the review need to be addressed in a timely manner and progress reported to Members.	<p>Peer review findings and recommendations</p> <p>Action Plan developed</p> <p>Progress reports to Members</p>	An action plan is currently in development. The Council will ensure the peer review findings are actioned on a timely basis, with progress reviewed on by Management Team and Members.	<p>Completed.</p> <p>An action plan has been developed and approved by Policy &amp; Resources Committee (30<sup>th</sup> June 2022), with satisfactory progress having been made in the delivery of this.</p> <p>The final update of the progress towards delivering the action plan was reported to the Executive in June 2023.</p>