
ANNUAL GOVERNANCE STATEMENT – ADDITION

Purpose of the Report

1. To consider an addition to the Annual Governance Statement (AGS).

Summary

2. The AGS for this year should reflect the governance framework that has been in place at the Council for the year ended 31 March 2013 and up to the date of approval of the Statement of Accounts i.e. 26 September 2013.
3. The June 2013 Audit Committee approved the AGS for the year (Minute No. A11/June/13) but since then the Council has received the final report from the Corporate Peer Challenge that was carried out in early June and an addition to the AGS is proposed to include reference to the outcome from this review.

Recommendation

4. It is recommended that the addition to the AGS at **Appendix 1** be approved.

Reasons

5. The recommendation is supported to ensure that the AGS reflects relevant information.

**Paul Wildsmith
Director of Resources**

Background Papers

Corporate Peer Challenge Report

Brian James: Extension 2140

S17 Crime and Disorder	There are no specific issues which relate to crime and disorder.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements and achievements.
Efficiency	There is no specific efficiency impact.

Addition to the Annual Governance Statement

Corporate Peer Challenge

1. Corporate Peer Challenge delivered by the Local Government Association (LGA) is part of the new approach to sector led improvement whereby the knowledge and experience of local government sector colleagues is used to give 'critical friend' challenge to the issues local authorities are dealing with.
2. This Council requested a Peer Challenge that was undertaken in early June 2013 by a Team comprising the Chief Executive of Salford City Council, the Leader of Plymouth City Council, the Chairman of the LGA, a Director from Gateshead Council, the Deputy Chief Executive from Suffolk County Council and a Programme Manager from the LGA.
3. The Challenge process took the form of scoping meetings and conversations, a document and data review prior to the Team being on-site, and then an on-site timetable of interviews, focus groups and conversations.
4. The Team deliberated on the five standard key questions in the process relating to clarity of priorities; financial planning; the effectiveness of political and managerial leadership; the effectiveness of governance and decision-making arrangements; and the focusing of organisational capacity and resources to deliver agreed priorities. In addition, the Team were asked to look at three specific areas to add value to the Council's own improvement process namely the actions already taken to deliver change and drive down costs; test and constructively challenge current plans and proposals; identify any other measures to manage down demand, reduce or deliver services in more cost-effective ways.
5. In their report following the review the Team catalogued numerous successful activities carried out by the Council and commented that it had a reputation as well run; was well placed with a strong local identity well expressed; its success was based on careful, thoughtful development; it punched above its weight; its approach has been successful being pragmatic seeking to exploit opportunities as they arise; and it saw things through to a successful conclusion.
6. The Review Team recognised the level of financial difficulty facing the Council but were clear that this should not fetter its ambition. The issues identified were that the Council needs to consider what it and local public services will look like in Darlington in five or more years and should meet the different challenge by changing its 'well managed, well run Council' approach, move away from pragmatism and opportunism, grasp the leadership opportunity and focus on action.

7. Proposed actions included concluding mature conversations with partners to work out what the Council will look like in five years, developing a community budgeting approach with public sector partners, creating a space for joint visioning and priority setting for senior members and officers, and injecting pace and accountability into delivery.
8. Other suggested specific actions included to set ambitious targets to reduce demand in Social Care, build on the Xentrall shared service partnership arrangement, exploit the desire from the voluntary and community sector to work with the Council, and encourage staff to visit other authorities to look and learn so they can use their creativity to bring solutions to the problems they are facing back in Darlington.
9. The Review Team stated that they believed there was genuine ability within the Council to succeed. A hook line to take the Council forward was 'stop trying to survive and decide to thrive'. This approach would take into account the position of the Council and the challenge it faces but seeks to solve this through innovation and the taking of reasonable risks with all partners and stakeholders in Darlington for the benefit of all.
10. The Council has already begun to reflect on the learning from the report and process and following the public budget challenge sessions is developing its approach to the challenges ahead. This is to be the subject of a further report to Cabinet in the Autumn.
11. This exercise has had huge value for the Council. Preparation for the visit enabled us to stock-take what we have achieved and where our strengths and weaknesses lie. The visit and subsequent feedback offered affirmation of the progress being made, as well as constructive challenge on where we need to improve.