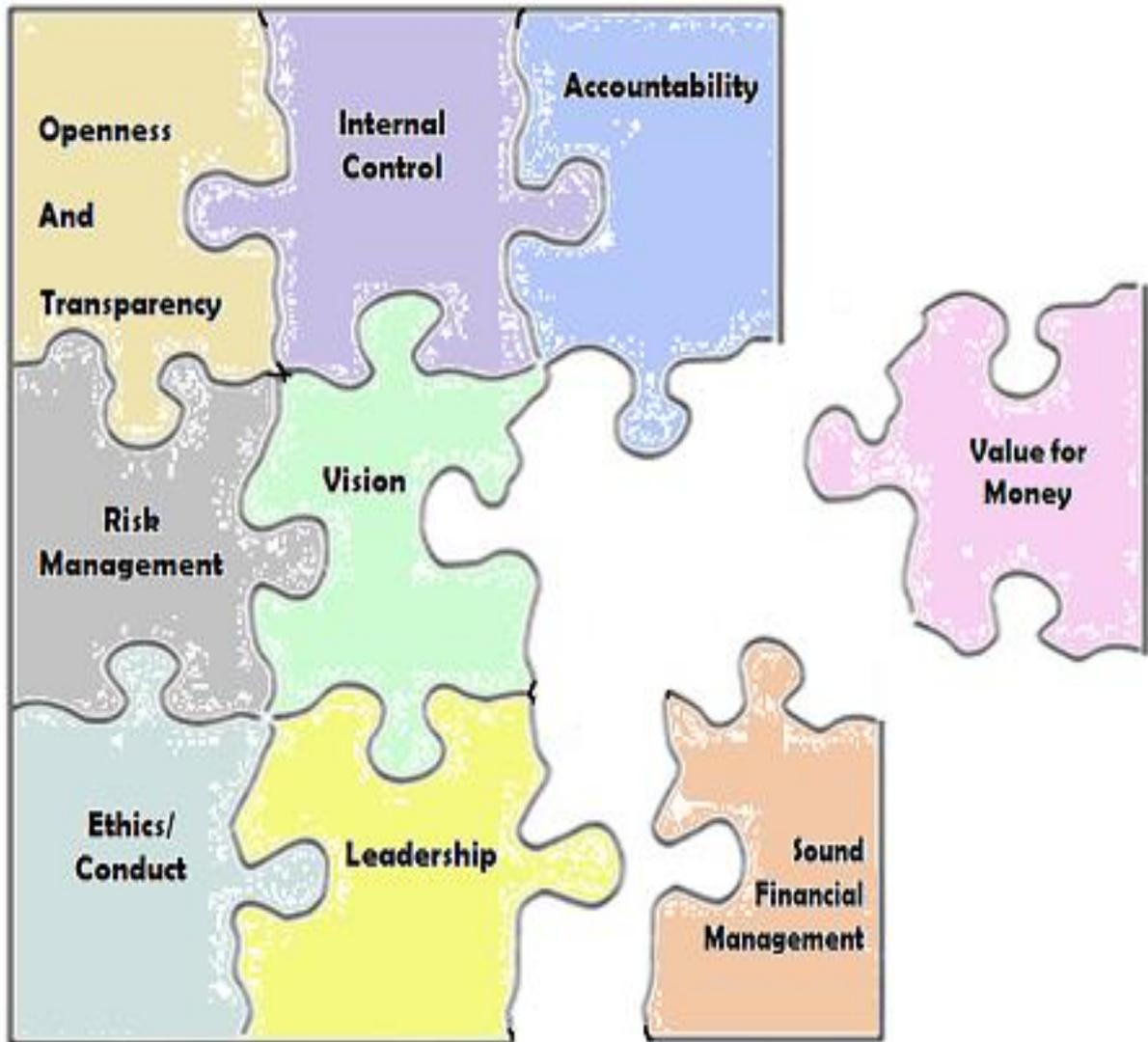




ANNUAL GOVERNANCE STATEMENT

2015-16



1 Scope of Responsibility

- 1.1 Bristol City Council (the Council) has a duty under the Local Government Act 2000 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. Additionally, the Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.
- 1.2 In discharging these overall responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, including arrangements for risk management and internal control systems.
- 1.3 The purpose of the Annual Governance Statement (AGS) is to explain how the Council has endeavoured to deliver good governance through the arrangement in place during the period covered, and how the Council has reviewed the effectiveness of these arrangements. It also meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015, which require the Council to publish an AGS in accordance with proper practice in relation to internal control. The AGS covers financial year 2015/16 and the subsequent period, up to the sign off of the 2015/16 financial statements. Appendix A to the AGS sets out an action plan for further enhancements to the governance arrangements.
- 1.4 The AGS should be read in conjunction with the Council's Code of Corporate Governance ([the Code](#)), which was approved and adopted by the Council in January 2009 and is revised and approved annually by the Audit Committee.
- 1.5 The Code provides in depth details of the framework the Council has in place to meet the six core principles of effective governance, as prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society Of Local Authority Chief Executives (SOLACE) guidance 'Delivering Good Governance in Local Government'. A copy of the Code is available via the above link or on the Council's website.

2 The Council's Governance Framework

- 2.1 The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled, and by which it accounts to, engages with and leads the community. It includes arrangements to monitor the achievement of the Council's strategic objectives/Mayor's Priorities and to consider whether this has 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 failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

- 2.3 The system of internal control encompasses the policies, processes, tasks, behaviours and other aspects of the authority that, taken together facilitate its effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Council's aims and objectives.

3 The Constitution

- 3.1 The Council has a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable. Some of these processes are required by law, while others have been decided by the Council/Mayor. The Constitution is available to the public on the Council's website.
- 3.2 The Constitution is amended annually to address changes in legislation and requirements since the last review and to clarify the roles and responsibilities of the full Council, the elected Mayor, his chosen Cabinet and Council staff. It provides information on how Council decisions are made and by whom.

4 Strategic and Decision Making Governance

- 4.1 The following details, the strategic and decision making governance arrangements in place within the Council, many of which are specifically required by the Constitution.
- 4.2 The Council approved the 2015/16 Budget and the 2015/16 to 2017/18 Medium Term Financial Strategy in February 2015, as the three year financial framework set around the achievement of the Mayor's Vision for the City of Bristol, whilst at the same time ensuring the Council's resilience from the impact of the required spending cuts.
- 4.3 A further budget consultation took place in the six weeks from 23 November 2015 to consider any changes to the 2016/17 proposed budget; the third and final year of the three year budget framework. The Council approved the 2016/17 budget in February 2016. Indicative funding and spending plans for the period to 2019/20 were also considered. Since February 2016 there have been further budget pressures requiring significant work to identify £29m savings for 2016/17. A further projected £60m budget gap between April 2017 and March 2020 has been identified; created by a mixture of government funding reductions and increasing demands for services. (See *item 1 in Appendix A.*)
- 4.4 In 2015/16 the Mayor's Vision/aims for the City of Bristol remained as follows:
- Healthy and Caring Bristol
 - Keeping Bristol Working & Learning
 - Keeping Bristol Moving
 - Empowered City
 - Building Successful Places
 - Global Green Capital
 - Vibrant Bristol
 - Active Citizens
- 4.5 Achievement of the Mayor's Vision was monitored through a series of performance

indicators, mapped to each of the eight themes and reported quarterly to senior management and periodically to members through the Scrutiny committees.

- 4.6 The Council elections have seen a change in Mayor and in administration. The Mayor is formalising his own Mayoral objectives for 2016/20 which will be reflected in a new Corporate Plan. The Mayor has formed a cross-sector working group to assess the immediate and medium term economic and social impact of the referendum result on Bristol and prepared a co-ordinated city response. (See *item 10 in Appendix A.*)
- 4.7 The Cabinet (or Executive) is made up of the Mayor and Executive Members, known as Assistant Mayors. The makeup of the Cabinet is decided by the Mayor. The Mayor's policy has been to invite councillors from across parties who are represented on the Council into his Cabinet. The 2015/16 Cabinet had three Assistant Mayors, a Deputy Mayor and the Mayor. The 2016/17 Cabinet comprises eight Assistant Mayors, a Deputy Mayor and the Mayor.
- 4.8 In 2015/16 the Mayor took all key decisions in consultation with Cabinet on the basis of reports from officers and/or where appropriate in consultation with one of the Council's strategic Boards; namely the Bristol Property Board, the Health & Wellbeing Board or Learning City Partnership. The new Mayor is reviewing the Council's decision making processes. The Mayor's Forward Plan of key decisions to be taken over the next four months is published on the Council's website.
- 4.9 Cabinet meetings where key decisions are made by the Mayor are open to the public and available via web cast through the Council's website. All reports are considered for legal, financial, ecology, equality and risk issues before submission to Members.
- 4.10 The Council appoints a number of committees to discharge the Council's regulatory and scrutiny responsibilities. All committees have clear terms of reference and work programmes which set out their roles and responsibilities. These committees include:
- Overview and Scrutiny Management Board, together with four Scrutiny Commissions, each of which oversee the four directorates within the Council;
 - Audit Committee, to advise on the effectiveness of governance, management and internal control arrangements;
 - Regulatory Committees such as:
 - Planning
 - Public Safety & Protection
 - Public Rights of Way and Greens;
 - Statutory Committees – Licensing;
 - Other Committees such as:
 - Human Resources
 - Police & Crime Panel
 - Selection Committee

- Appeals Committee
- Neighbourhood Partnerships
- West of England Joint Boards.

- 4.11 There is a Strategic Leadership Team (SLT) made up of the City Director and Strategic Directors that meets each week to discuss matters which are of strategic and operational importance to the Council. Interim appointments to the City Director and Director of Business Change posts were made in July 2016 following the departure of those in post in 2015/16. SLT is supported by an Extended Leadership Team which includes Service Directors. A number of senior posts are vacant and filled by interim appointments. *(See item 4 in Appendix A.)*
- 4.12 An Executive Board consisting of SLT, the Mayor and Cabinet Members meets regularly to discuss strategic issues, performance reports and matters arising, thereby ensuring good communication and cohesive vision.
- 4.13 A comprehensive decision pathway is in place within the Council in order to enhance transparent and efficient decision making throughout the Council's operations.
- 4.14 In 2015/16 the Council entered into discussions with three neighbouring councils and the West of England Local Enterprise Partnership (LEP) to reach agreement seeking to devolve significant powers, funding and responsibilities to the region. In June 2016 the Council, along with Bath & North East Somerset and South Gloucestershire Councils, voted to move forward with the devolution deal for the West of England. This would see the creation of a West of England Mayoral Combined Authority to manage the new funding and powers being handed down from Government. It would be chaired by a publicly-elected West of England Mayor, working alongside the Leaders and Mayor of the three councils. *(See item 7 in Appendix A.)*
- 4.15 The deal would represent a major change, bringing decisions on transport, investment, funding, skills training, business support, housing and strategic planning to the West of England and away from central government. There are significant implications for the Council's governance framework. *(See item 7 in Appendix A.)*
- 4.16 The Council delivered the four year cycle of elections for Mayor, all Councillors and the Police and Crime Commissioner which fell due in May 2016. The Council also administered the EU referendum in June 2016. No further Council elections are due until 2020; although an election for a West of England Mayor will be held in May 2017 if the devolution deal is delivered. The size and role of the electoral team going forward is under review. *(See item 6 in Appendix A.)*

5. Operational Governance

- 5.1 The following details the operational governance arrangements in place within the Council, some of which are specifically required by the Constitution.
- 5.2 The Council has a Mayor's scheme of delegation in place within the Constitution which is available on the Council's web site. The Constitution is updated to reflect any revised governance arrangements.

- 5.3 To support the achievement of the Mayor's Vision and aims for Bristol, the Council engages with the local community through 14 neighbourhood partnerships which provide an opportunity for local communities to have a greater say in the way services and local issues are managed by the Council and its partner agencies.
- 5.4 The Council is also involved in a number of other partnerships many of which are strategic partnerships which are governed by its Constitution, however for partnerships which are not strategic there remains a need for governance and control in order to ensure the Council is achieving synergy between its partners in fulfilling the Mayor's vision for Bristol. Work on mapping and reviewing these partnerships to ensure resources are properly focussed and appropriate governance arrangements are in place continued in 2015/16 and is still ongoing. (See *item 2 in Appendix A.*) The Council has worked closely with two neighbouring Councils to deliver the MetroBus project; a new express bus service for the West of England region. (See *item 8 in Appendix A.*)
- 5.5 The Council has diversified into wholly owned trading companies in Energy and Waste. The aim of these companies is to provide cost effective and efficient services to the citizens of Bristol, whilst at the same time making good use of the opportunities available to enterprises of this kind to further benefit the City of Bristol and its inhabitants.
- 5.6 The governance arrangements within these companies and with regard to their relationship to the Council have been carefully considered. A holding company has been established to oversee the operation of the trading companies and a code of practice is in place to formalise the governance framework within which the companies will operate. (See *item 5 in Appendix A.*)
- 5.7 The Council's Change Programme, which was instigated to ensure the resilience of Council services whilst absorbing the impact of the imposed austerity measures, continued throughout 2015/16. An internal audit review of the governance framework within financial realisation and benefit programme found acceptable levels of control. However, the application of the governance framework was not robust and as such the full projected savings were not achieved. As a consequence an independent review has been commissioned to establish why the savings were not realised. Additionally, revised arrangements are being put in place for 2016/17 to address the identified £29m gap in the 2016/17 budget. (See *item 4 and 11 in Appendix A.*)
- 5.8 The implementation of a new finance system in 2014/15 had a positive impact on the resolution of many of the issues which were identified previously with regard to financial governance and control. However, there was slippage in 2015/16 in implementing further improvements to the control environment, such as the introduction of a Human Resources/Payroll module to the system. (See *item 1 in Appendix A.*)
- 5.9 Policies and procedures are in place to ensure that expenditure is incurred lawfully and that best value is obtained. Pay and non-pay panels are in place to monitor that expenditure incurred by the Council is necessary and provides value for money. A new e-tendering system was introduced in 2015/16 to further develop supplier relationships. The Council's Procurement and Commissioning Service is being restructured and a model for strategic relationship contract management developed.

Policies, strategies and procedures were aligned to the Mayoral Vision in 2015/16, and where appropriate to specific directorates where they have responsibility for those documents. Financial Regulations for the Council's maintained schools have been updated; however the update of Financial Regulations for the Council remains in progress. (See *items 1 & 3 in Appendix A.*) There have been some public concerns over the control and treatment of Council assets. (See *item 9 in Appendix A.*)

- 5.10 The Council has processes and policies in place to ensure that all information collected, processed and used by the Council is held safely and securely. The Information Security Policy will be reviewed later in 2016 to include the HMG Cloud Security Principles. Breaches in information security are monitored by the dedicated Senior Information Risk Owner (SIRO) who reports quarterly to SLT. The Council has been subject to significant and sustained 'phishing' attacks but has responded robustly.
- 5.11 Members' and officers' behaviour is governed by Codes of Conduct which include the requirement for a Declaration of Interest to be completed by all Members annually, by all new staff, senior staff, those working in sensitive areas and biennially by other staff. Induction processes for new members in 2016/17 have emphasised the importance of these arrangements.
- 5.12 The Council aspires to a free and open culture and is committed to high standards of honesty. The Council will not tolerate any form of malpractice and recognises that employees have an important part to play in reporting any concerns. The Council has a Whistleblowing Policy which encourages and enables employees to raise concerns internally within the Council, rather than overlooking the problem or raising the concern outside.
- 5.13 The Council adopts a zero tolerance approach to fraud and corruption within its services. The following policies and procedures are in place to ensure all appropriate measures are taken to prevent, detect and investigate suspected fraud/irregularities.
- Anti-Fraud, Corruption and Bribery Strategy/Policy (updated in 2015/16);
 - Whistle Blowing policy;
 - Anti-Money Laundering policy;
 - Gifts and Hospitality policy and register;
 - Pecuniary Interest policy and register;
 - Code of Conduct for Members and Employees including ethical behaviour;
 - Information Security policy.
- 5.14 Additionally, the Council has a dedicated Corporate Investigations Team within its internal audit function. Having implemented all of the above the Council is satisfied that it has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

- 5.15 The Council implemented a redesigned online Performance Management and Development Scheme in 2015/16 which manages performance and development needs for each member of staff. The new process ensures that individual performance measures and targets are clearly aligned to roles and the Council's priorities. (See item 4 in Appendix A.)
- 5.16 The Council recognises the value of well trained and competent people in effective service delivery, and as such aims to ensure that Members and staff within the Council have the skills, knowledge and capacity they need to discharge their duties and responsibilities. All new Council Members were provided with a comprehensive Member Induction programme on taking up their council responsibilities in 2016.
- 5.17 The Monitoring Officer has responsibility for maintaining the Constitution, ensuring lawfulness and fairness of decision making, providing legal advice and conducting investigations. The Monitoring Officer leads the legal department who ensure legal compliance by the Council in its activities; any concerns are raised with senior management for resolution. The Monitoring Officer was an acting-up appointment during 2015/16 and remains so.
- 5.18 In compliance with the 'Delivering Good Governance in Local Government: Framework', the Council's financial management arrangements generally conform with the requirements of the CIPFA 'Statement of the Role of the Chief Financial Officer and Head of Internal Audit in Local Government' (2010). More detailed compliance information is provided below:
- The Service Director: Finance and the Head of Legal Services although not members of SLT have an open invitation to attend when necessary and receive all papers. Both have a direct reporting line to the City Director in relation to governance issues. Both also attend Cabinet briefings;
 - The Council's six statutory officers meet regularly to discuss matters arising that are relevant to their statutory role. Meeting attendees are:
 - Head of Paid Service
 - S151 Officer
 - Monitoring Officer
 - Director of Public Health
 - Director of Children's and Adult Services
 - Statutory Scrutiny Officer
 - The Senior Information Risk Owner (SIRO);
 - The Service Director: Finance is the Council's Chief Financial Officer and s151 Officer. The s151 Officer was an interim appointment in January 2016; the previous post-holder having left in December 2015. A further interim appointment was made in July 2016. All incumbents have been professionally qualified accountants. Although the Service Director: Finance is not a Strategic Director the post-holder is the Council's financial lead and as such is fully involved in all material business decisions and planning processes, and contributes to all key decision reports to SLT and Cabinet. (See item 1 in Appendix A.);
 - The Chief Internal Auditors (job share) are senior managers within the

Council with regular engagement with the Audit Committee. They have an operational reporting line to the Service Director: Finance and a functional reporting line to the Audit Committee. They are also able to report to SLT, the City Director, and the Mayor and to other Directors as required. The Chief Internal Auditor has a regular slot at the Statutory Officer meetings to raise and discuss matters of control, risk and governance as appropriate;

- The Chief Internal Auditors are both qualified accountants with considerable local authority internal audit experience and they provide an Internal Audit Service which is professional, proficient and adequately resourced (as concluded by the Audit Committee in their Annual Report for 2015/16). The service capacity and resources are continually under review to ensure that they are fit for purpose.

6. Assurance Mechanisms

- 6.1 The following assurance mechanisms are built into the governance framework to ensure that the framework is operating as required.
- 6.2 The decision-making process is perused by a scrutiny function which holds the Mayor to account and undertakes some pre-decision and policy development work. The Overview and Scrutiny Management Board oversees an annual work programme for four Scrutiny Commissions which mirror the Council's four business directorates. The Business Change Scrutiny Commission is responsible for maintaining an overview of service and financial performance, efficiency and effectiveness.
- 6.3 The Council has an Audit Committee comprising elected and independent Members that reports directly to full Council in line with best practice. The Audit Committee meets throughout the year to provide independent assurance to the Council in relation to the effectiveness of the risk management framework, the internal control environment, and any issues relating to the conduct of Members. The Committee met seven times in 2015/16, receiving regular reports on risk management, treasury management, internal control and governance matters.
- 6.4 The Council has a complaints procedure and where appropriate obtains feedback from service users to ensure an acceptable quality of service is provided. A new online customer relation system was launched in 2015/16. Although the number of complaints received has increased there has been a significant improvement in the time taken to respond.
- 6.5 SLT is responsible for considering overall financial and performance management and receives comprehensive reports on a quarterly basis. They are also responsible for initiating corrective action in relation to risk and internal control issues.
- 6.6 The Corporate Risk Register (CRR) has been reviewed over the past year by SLT and ELT in order to ensure it is focussed on the highest risks to the Council upon which it can have a positive impact. Additionally, a watching brief is maintained on other high risk areas which cannot be fully mitigated by the Council alone.

Directorate risk registers have been in place and operated utilising the same approach. The risk management policy was reviewed and updated in 2015/16 and further developments are planned in 2016/17. The CRR will continue to be reviewed by the Audit Committee on a six monthly basis, with the directorate risk registers to be considered/challenged quarterly by the appropriate Scrutiny Committee and annually by the Audit Committee.

- 6.7 An Internal Audit Service is in place which provides an independent and objective assurance service to senior management, the Council as a whole and specifically the Audit Committee. They complete a programme of reviews throughout the year to provide an opinion on the internal control, risk management and governance arrangements. In respect of 2015/16, the Chief Internal Auditors provided 'reasonable assurance that the overall adequacy and effectiveness of internal control, risk and governance framework during the period 1st April 2015 to 31st March 2016 was acceptable with an overall amber level of risk to the Council'.
- 6.8 In addition, the Internal Audit Service undertakes fraud/irregularity investigation and proactive fraud detection work, which includes reviewing the control environment in areas where fraud or irregularity has occurred. Significant weaknesses in the control environment identified by Internal Audit are reported to senior management, the appropriate Cabinet Member and the Audit Committee.
- 6.9 An External Audit function is in place which reports to senior management and the Audit Committee regarding Value for Money, governance issues and the final accounts including the Annual Audit Letter. A new external auditor, BDO LLP, was appointed for 2015/16.

7 Review of Effectiveness

- 7.1 The Council annually reviews the effectiveness of its governance framework, as detailed in ([the Code](#)) including the system of internal control. The review of effectiveness is informed by managers within the Council, who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors and by comments made by the external auditors and other inspection agencies.
- 7.2 In addition to the in-year assurance mechanisms detailed above, the following year-end reviews of the governance arrangements and the control environment were undertaken:
- Assurance was obtained from discussion with senior officers who had responsibility for the control framework in place during the year. Any areas where control weaknesses had resulted in significant issues arising for the Directorate are reflected in this Statement and Appendix A, together with their comments. The final Statement itself was considered by SLT on 6th September 2016 and the Audit Committee on 23rd September 2016 and is supported by them as an accurate reflection of the governance arrangements in place for the year;
 - Obtaining assurances from senior and statutory officers, including the S151 Officer and Monitoring Officer, that internal control and corporate governance

Each issue has been RAG rated both from an inherent risk and a residual risk prospective; CRR is the cross reference to the Corporate Risk Register, the key to the rating is as follows:

Red - Significant issue immediate action required to resolve
Amber - Remedial action has progressed well, but has not yet fully resolved the issue or the impact/benefits of actions have not yet been fully realised.
Green - Issue resolved, no longer considered a significant governance item
Key: Risk is increased Risk remains the same Risk is decreased

Item No	Governance issue, Responsible Officer (RO) and Status	Issues in 2015/16 and carried forward	Actions for 2016/17	Target Dates	Responsible Officer
1	Financial Governance: RO: Interim Service Director: Finance (s151 Officer)/Interim Strategic Director: Business Change				
(CRR 6)	The Council employs a Service Director: Finance to serve as s151 Officer, lead on financial planning and oversee delivery of a balanced budget. The finance team supports the s151 officer. The number of interim managers in finance and turnover in s151 officers has been an issue for the Council for several years.	An Interim Service Director: Finance/s151 Officer and interim finance team have been in place since January 2016 to strengthen the finance service team. A Finance Service Improvement/Project Plan has been put in place to ensure the work of the finance team is focussed and directed. Progress against this plan is monitored by Finance Management Team (FMT) and reported to Audit Committee. The Council faces a significant budget reduction in 2016/17 and the results of the mayoral elections means that new corporate plans and budgets need to be in place to deliver the Mayor's Vision.	A further interim s151 appointment was made in July 2016. The Finance restructure needs to be completed to fill all interim posts.	30 September 2016	Interim Service Director: Finance/Interim Strategic Director: Business Change
	Current Rag Rating: Red		The Mid Term Financial Strategy 2017/18-2019/20 to be fully updated to take account of latest Spending Reviews and revised Mayoral Vision, including identification of a revised baseline and future years detailed saving plans.	Ongoing to 28 February 2017	Interim Service Director: Finance/Interim Strategic Director: Business Change
	Previous Rag Rating: Amber		Implement upgrade of main financial system to incorporate HR and Payroll functions.	30 September 2016	Interim Service Director: Finance/ Service Director: HR
	Direction of Travel: Issue increasing in severity due to ongoing reliance on interim staff, issues relating to HR-Payroll implementation, and issues arising with balancing the 2016/17 budget; £29m to find.		Complete review of Council's financial regulations and issue.	31 October 2016	Interim Service Director: Finance
			Complete implementation of Finance Improvement Programme/Project.	30 September 2016	Interim Service Director: Finance
2	Partnership Governance: RO: Service Director: Policy, Strategy and Communications				
(CRR 3)	The Council operates in formal and informal partnership with many organisations to both plan and deliver services. Governance outside of strategic partnerships may not be robust which may result in the Council not achieving maximum benefits through partnership working.	The Council has mapped the partnerships it is currently involved with and developed an effective accountability framework for wider partnership working to clarify what each partner is expected to contribute and what the desired outcomes are. The Council is looking to extend its partnership working in 2016/17 as a means of developing alternative forms of delivery and developing community resilience. A Social Value Policy and Partnership Toolkit has been developed with close involvement of voluntary and business sector representatives. This is available online and now being implemented. A multi-sector advisory group is helping to monitor progress.	The mapping provides the opportunity to review the Council's membership of all partnerships; to ensure that resources are focused effectively and that there is a decision making route into the City Partnerships. This approach will also need to be extended to Joint Ventures. This work is complete and resources are being realigned as part of a wider restructuring.	30 September 2016	Service Director: Policy, Strategy and Communications
	Current Rag Rating: Amber		The Social Value Policy and Partnership Toolkit is now being implemented. A new and broader multi-sector advisory group has been established to inform and help monitor implementation. Work to identify measures that capture both financial and social value is underway and continuing making use of the Wellworth Tool.	30 September 2016	Service Director: Strategic Commissioning/ Service Manager: Strategic Planning and Development
	Previous Rag Rating: Amber		A process for staff to follow before the Council can be committed to a new partnership is being drawn up. Proposal are in hand to use Nimbus and Alfresco to enable and a timeframe for action to be established.	31 August 2016	Service Director: Policy, Strategy and Communications
	Direction of Travel: Neutral - while work in this areas has continued, there remains a body of work to ensure the revised approach to partnerships is embedded and lessons are learned from recent matters arising.		Lessons to be learned from recent matters arising, to set up robust partnership arrangement going forward.	Ongoing	Service Director: Policy, Strategy and Communications
3	Commercial Contract Management : RO: Service Director: Commissioning				
(CRR 8)	The Council commissions a large number of commercial contracts for goods and services. Inconsistent contract commissioning, management and monitoring mean that the Council has failed to achieve value for money and is unlikely to achieve it going forward.	There has been ongoing concern over inconsistency and a failure to use central services and processes to strengthen control. A review has been undertaken to draw on performance data/reports generated by the operational contract management teams to identify best practice, lessons learned and key risks and develop strategic supplier relationship with BCC key/high risk suppliers. A new tendering system has been put in place to enable consistent and diligent commissioning and monitoring of contracts. The Service Manager: Procurement post has been filled intermittently on an interim basis and this has hampered further development. Budgetary constraints in 2016/17 make it imperative that the Council obtains value for money from its commercial contracts.	A restructure of the Council's Procurement and Commissioning Service is currently underway, this need to be expediently completed along with recruitment to currently vacant posts or posts currently filled on an interim basis.	TBC	Service Director: Strategic Commissioning/ Procurement & Commercial Relations Manager.
	Current Rag Rating: Amber		Complete development of a model for strategic relationship contract management.	TBC	Service Director: Strategic Commissioning
	Previous Rag Rating: Amber		Instigate robust council-wide contract monitoring governance and guidelines, in order to ensure that value for money is achieved and poor contract arrangements are quickly identified and stopped before too much funding is expended.	TBC	Service Director: Strategic Commissioning
	Direction of Travel: Neutral. Not much improvement in this area at this time, however work is ongoing to ensure the service is more robust going forward.				
4	Organisational Knowledge/Capacity RO: Service Director: HR				
(CRR 2)	Due to last restructuring and reductions in workforce there has been a loss of experience, skills and resource which may have a significant impact on the governance framework.	The Council has implemented an 'Applied Programme', supported by other Council wide work to address the impact of restructuring and ensure that the workforce has the right skills for the future. However a number of interims remain in senior management positions across the Council and further restructuring will occur in 2016/17. A 'People Panel' has operated to ensure the organisation structure remains affordable and that cost is only added back where service demand requires it. A new Workforce Planning approach enabled the analysis of the impact on recruitment and retention of the upturn in the local economy at the same time as further austerity measures were implemented. This informed a review of pay, reward and benefits particularly for senior 'hard-to-fill' roles which was reflected in the 2016/17 Pay Policy. The redesigned individual performance management framework was also implemented.	Vacancies remain in both senior and statutory officer posts, which are still being filled by interim appointments. Interim appointments to the City Director and Director of Business Change posts were made in July 2016, following the departure of those in post in 2015/16. The 2016/17 restructure needs to be completed and interim posts filled.	30 September 2016	SLT/ Service Director: HR
		While much work has been undertaken in this area, there remain vacancies in both senior and statutory officer posts many of which are filled by interim appointments; this can lead to uncertainty and continually changing priorities within the services affected.	Complete roll out of 'Applied Programme'.	Ongoing	SLT/ Service Director: HR
	Current Rag Rating: Amber		People Panel to continue to operate but also targeted action at 'hard to fill' posts.	Ongoing	SLT/ Service Director: HR
	Previous Rag Rating: Amber		Implement 2016/17 Pay Policy with emphasis on recruiting to 'hard to fill' roles, including statutory officers and undertake review of Bristol Grades.	Ongoing	SLT/ Service Director: HR
	Direction of Travel: Neutral.		Impact of the 2016/17 employee reductions as a result of the current VS process needs to be monitored in order to ensure it does not diminish the control and governance framework.	Ongoing	SLT

Item No	Governance issue, Responsible Officer (RO) and Status	Issues in 2015/16 and carried forward	Actions for 2016/17	Target Dates	Responsible Officer
5	Traded Companies: RO: Strategic Director: People/ Strategic Director: Place				
(CCR11)	The Council has diversified into wholly owned trading companies in Energy and Waste. The aim of these companies is to provide cost effective and efficient services whilst at the same time making good use of the opportunities available to enterprises of this kind. There are potential conflicts of interest and an impact on the existing governance framework from delivering services in this way.	Bristol Waste and Bristol Energy companies are established as wholly owned delivery arm companies with Bristol Holding Ltd established as a holding company with Waste and Energy within it. A Code of Practice sets out governance arrangements for their operation and for the establishment of future companies. The Energy and Waste companies each have supporting business cases and business plans in place. A client function and a shareholder function have been established to exercise oversight. Audit arrangements and performance reporting arrangements are still being finalised.	Shareholder group to be reformed following Council elections and independent members to be appointed at AGM.	Complete	Service Director: Strategic Commissioning/ Service Director: HR
	Current Rag Rating: Amber		Commence further action required to recruit permanently to key roles including the MD of the Holding Company.	31 September 2016	MD of Holding Company/Service Director Strategic Commissioning
	Previous Rag Rating: Amber		Holding company audit and risk committee and external and internal audit arrangements to be confirmed together with relationship with Council audit committee.	Ongoing to 31 March 2017	MD of Holding Company/Service Director Strategic Commissioning
	Direction of Travel: Neutral. Key assurance arrangements remain outstanding. 		Reporting template to be finalised and implemented with reports to be made to SLT monthly, Shareholder Group quarterly and quarterly to Council audit committee	31 August 2016 and ongoing	MD of Holding Company/Service Director Strategic Commissioning
6	Delivering Democracy: RO: City Director				
(CRR10)	The four year cycle of elections for Mayor, all Councillors and Police and Crime Commissioner was completed May 2016. EU referendum held June 2016 and outcome has led to further electoral uncertainty. An election for a regional Mayor will be held in May 2017 if the Devolution deal is delivered. If the Council fails to deliver the efficient administration of elections and the change in administration then its reputation will be significantly impacted.	The City Council elections and the EU referendum were delivered; however the outcome from the Referendum has resulted in uncertainty over future electoral activity. The pressure on the electoral team has been monitored during this period of intense activity and where necessary action taken.	The pressure on the electoral team is to continue to be monitored and action taken where necessary during the period of most intense activity.	Complete	Service Director: Legal and Democratic Services
	Current Rag Rating: Green		The size and role of the electoral team going forward needs to be agreed and a budget for 2016/17 to be confirmed.	Complete	Service Director: Legal and Democratic Services/ Service Director: Finance
	Previous Rag Rating: Amber		An independent review of the election process is due to commence.	31-Dec-16	Service Director: Legal
	Direction of Travel: Decreasing. Four year cycle of Council elections complete. 				
7	Devolution: RO: Interim Strategic Director: Business Change				
(CRR9)	There is a major opportunity to work with neighbouring councils and the West of England Local Enterprise Partnership (LEP) to devolve significant powers, funding and responsibilities to the region. The move would represent a major change, bringing decisions on transport, investment, funding, skills training, business support, housing and strategic planning to the West of England and away from central government. An overarching combined authority would be created chaired by a directly elected Mayor with control of a single investment fund. Determining and implementing these changes will potentially have a significant impact on the Council's Governance Framework.	The Council has reached agreement with three neighbouring councils and the LEP seeking to devolve significant powers, funding and responsibilities to the region. This agreement will go to all four councils and the LEP in June 2016 for consideration, who will then make a decision on how to proceed.	Proposals drafted and presented to four councils and LEP board in June 2016. Three of the four councils have voted in favour of the Deal and the regional mayor. An implementation plan is being developed for agreement with the three Councils' chief executives. The plan will run until the establishment of the combined authority in April 2017 and beyond. A dedicated team is in place to deliver the plan.	Ongoing	Interim Strategic Director: Business Change/Service Director: Policy, Strategy and Communications
	Current Rag Rating: Amber		Effective governance arrangements are in place to monitor progress. The three Councils' chief executives act as the Programme Board, meeting fortnightly.	Ongoing	Interim Strategic Director: Business Change/Service Director: Policy, Strategy and Communications
	Previous Rag Rating: Not applicable as new risk		Active stakeholder management is continuing at local and national level; the stakeholder management strategy is being refreshed.	Ongoing	Interim Strategic Director: Business Change/Service Director: Policy, Strategy and Communications
	Direction of Travel: Not applicable as new risk		Discussions are underway regarding the role of local authority scrutiny in oversight of the project.	Ongoing	Interim Strategic Director: Business Change/Service Director: Policy, Strategy and Communications
			A governance structure for a combined authority will be created later in 2016. Powers from Government will be devolved to a West of England Regional Mayor, who would be elected in May 2017. The Councils will need to determine what, if any, powers they would devolve to the combined authority. The impact on the governance framework within Bristol is being monitored going forward.	31 May 2017	Interim Strategic Director: Business Change/Service Director: Policy, Strategy and Communications
8	MetroBus: RO: Strategic Director: Place				
(CCR4)	MetroBus is a joint project between the Council, North Somerset Council and South Gloucestershire Council to put in place a high capacity, rapid public transport across urban areas. It requires significant development of the road infrastructure and is very high profile. As a joint project across three Councils, different governance arrangements are in place. Delays to delivery, increases in cost and disruption to the transport network cause significant reputational damage and a potential risk to future working with other local authorities.	At its April 2016 meeting the Audit Committee expressed concern over MetroBus governance following comments received from citizens and press coverage.	A report on MetroBus governance will be presented to the Audit Committee in November 2016.	31 October 2016	Strategic Director: Place
	Current Rag Rating: Amber				
	Previous Rag Rating: Not applicable as new risk				
	Direction of Travel: Not applicable as new risk				
9	Control of Council Assets - RO: Strategic Director - Place				
(CRR2)	Public concerns have been raised with regards to the control and treatment of Council Assets; in particular, the governance surrounding asset disposal.	Internal Audit review undertaken into the application of good governance in a recent asset disposal; only partial assurance was given.	Internal Audit to work with senior management to resolve the situation and ensure implementation of a robust governance framework	30 September 2016	Service Director: Property/Chief Internal Auditor
	Current Rag Rating: Amber		Further Internal Audit Reviews to be completed with regard to asset management.	31 March 2017	Service Director: Property/Chief Internal Auditor
	Previous Rag Rating: Not applicable as new risk				
	Direction of Travel: Not applicable as new risk				
10	Future Planning - RO: Interim Strategic Director for Business Change				
	Strategic plans need to be revised to meet the Mayor's vision while also reflecting the need to implement budget reductions. There is added uncertainty from the outcome of the EU referendum. Consistent planning processes need to be rolled out across the council.	Planning process, strategic plan and revised budgets are under development simultaneously.	Mayoral objectives for 2016/20 to be reflected in a new Corporate Plan and revised budgets. Corporate planning is currently in progress.	31 October 2016	Interim Strategic Director: Business Change/Service Director: Policy, Strategy and Communications/Interim Service Director: Finance
	Current Rag Rating: Amber		Cross-sector working group to assess the immediate and medium term economic and social impact of the referendum result on Bristol and prepare a co-ordinated city response.	Ongoing	Strategic Director: Place

Item No	Governance issue, Responsible Officer (RO) and Status	Issues in 2015/16 and carried forward	Actions for 2016/17	Target Dates	Responsible Officer
	Previous Rag Rating: Not applicable as new risk			31-Dec-16	Interim Strategic Director: Business Change/Service Director: Policy, Strategy and Communications/Interim Service Director: Finance
	Direction of Travel: Not applicable as new risk				
11	Change Programme - RO: Strategic Leadership Team (SLT)				
	The Change Programme has been unable to deliver its projected savings and as such governance weaknesses are therefore apparent. Current Rag Rating: Red		An independent review has been commissioned to establish why the savings were not realised.	31st December 2016	SLT
	Previous Rag Rating: Not applicable as new risk				
	Direction of Travel: Not applicable as new risk				