

## Appendix 2. SIGNIFICANT GOVERNANCE ISSUES 2016/17

Issue in 16/17	Commentary & Mitigating actions for 17/18
<p><b><u>Financial Challenge</u></b></p> <p>As detailed last year the significant issue identified around the financial challenge continues to be ever more severe, with public sector austerity likely to last up to 2025.</p> <p>The Council has responded positively with over £42M of savings already delivered, however at least £30M of additional savings still need to be identified over the remaining period. Therefore the Council has been actively planning to meet this challenge with new savings initiatives already being worked on for future years.</p> <p>Despite this the Council's financial sustainability is being challenged and its outturn position for 2016/17 resulted in a £2.2M overspend with again the major challenges and spend pressures being in the sectors of Adult Social Care and Children's Services.</p> <p>Whilst again no significant governance failures have occurred, the Council acknowledge that the level of grant reductions from central government are a significant issue and represent the most significant set of challenges it has faced in being able to continue to deliver excellent services to the whole community at all times.</p> <p>Nationally the pressures in Social Care have started to be recognised and some temporary funding has been provided for future years. However this does not close the gap and increased health and social care integration and service transformation continues to be necessary.</p> <p>This puts additional strain on being able to meet the challenge and entails making difficult choices. We therefore need robust governance and sensible plans to enable services to deliver against all of these challenges.</p>	<p>As with last year the Council has already set out many of its plans to deliver services into the future against the backdrop of these significant financial reductions. Robust governance and sound risk management will continue to be required to ensure that all aspects of delivery are supported and scrutinised to enable the challenge to be met. Actions will again include –</p> <ul style="list-style-type: none"> <li>- Using the Corporate Plan to help focus services on doing the right things for the Bath &amp; North East Somerset Community;</li> <li>- Using the Medium Term Financial Plan to enable sensible prioritisation of resources in the right areas and transparency on savings to be achieved;</li> <li>- More regular monitoring of delivery against the annual revenue budget, alongside sensible utilisation and management of its reserves;</li> <li>- Working effectively with Key Partners, especially those in the West of England and in Health to support the most vulnerable in the community;</li> <li>- Adopting a range of innovative tools such as the use of council owned companies, more commercialisation, increases in digital provision, asset rationalisation, shared and devolved services and invest to save initiatives;</li> <li>- Reviewing the Capital Programme to reduce risk and improve management capacity and a number of specific actions in relation to Adult Care to re-assess demand management and contract management;</li> <li>- Instituting a range of new stringent cost control mechanisms on staff costs, goods, works and services;</li> </ul> <p>Overseeing delivery against this agenda is a key role for the Cabinet and Senior Management and they will continue to be pro-active in working to ensure that significant risks to the organisation are appropriately mitigated and controlled to ensure that the Council is able to meet these future challenges</p>