

Annual Governance Statement

Leicester City Council Annual Governance Statement 2019-20

1. Introduction

The Council is committed to good corporate governance and complies with the CIPFA/ SOLACE “Delivering Good Governance Framework” (2016). The Framework requires local authorities to be responsible for ensuring that:

- their business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people

This statement is produced in fulfilment of the requirements under the Accounts and Audit Regulations, 2015, to prepare an annual governance statement.

2. The Arrangements

The Council works within the governance arrangements summarised in Appendix 1, and has an approved Local Code of Corporate Governance. The following describes how the Council meets the requirements of good governance through the core principles, systems, policies and procedures it has in place. Appendix 2 demonstrates how this has been assessed to inform the Annual Governance Statement.

We have the following codes and rules:

- Constitution
- Financial Procedure Rules
- Code of Conduct for Members
- Code of Conduct for Employees
- Anti-fraud, Bribery and Corruption Policy
- Whistleblowing Policy
- Information Governance & Risk Policy

The City Mayor has set out a strategic vision containing a number of key pledges which relate to:

- A Fair City
- Homes for All
- Connecting Leicester
- Sustainable Leicester
- Health & Care
- Lifelong Learning
- A City to Enjoy
- A Safe and Inclusive Leicester

The key pledges are supported by the following key plans:

- Economic Action Plan
- Local Transport Plan (and sub plans)
- Joint Health & Wellbeing Plan
- Tourism Action Plan
- St George’s Cultural Quarter Action Plan
- Sustainability Action Plan
- Children’s Improvement Plan
- Heritage Action Plan
- Homelessness Strategy
- Air Quality Action Plan
- Flood Risk Management Strategy
- Departmental performance targets
- Budget Strategy
- Corporate Risk Management Strategy
- Local Plan
- Biodiversity Action Plan

We demonstrate good practice and ensure accountability through:

- External Audit
- Annual Financial Statements
- Annual Governance Statement
- Open Council & committee meetings with published minutes
- Compliance with CIPFA codes of Practices
- Scrutiny Committees

Leicester City Council Annual Governance Statement 2019-20 (continued)

2. The Arrangements (continued)

We show openness and engagement through the following:

- Open Council & committee meetings with published minutes
- Published Executive decisions
- Scrutiny of Executive projects through committees
- Call in periods for Executive decisions
- Public engagement through consultation, representations and petitions
- Use of social media and engagement with the press and media
- Publication of Freedom of Information Act responses and transparency data

We are supported by:

- Democratic Services including Member and Civic Support Services, who also support member development
- An Organisational Development Team, who facilitate effective development of employees
- A Communications function which includes PR, Media and Digital Media Teams
- A staff intranet and established internal communication channels, which provide

guidance to staff

- Partnership working on key priorities
- An Information Assurance Team to support our data policies
- Specialist teams offering professional advice, for example Legal, Procurement, IT and Finance

We review processes and delivery throughout the year supported by:

- Internal Audit
- External Audit
- Information Governance
- Audit and Risk Committee
- Regular reporting of capital and revenue spending during a year
- Annual review of the Local Code of Corporate Governance
- Annual review of the Assurance Framework

Additional information on many of the areas detailed above can be found on the Council's website;

www.leicester.gov.uk

3. Review of Effectiveness

The Council's review of processes enables the identification of any areas of the Council's activities where there are significant weaknesses in financial controls, governance arrangements or the management of risk. Overall, from this year's work, it can be concluded that controls are operationally sound and that the Council's financial management arrangements conform to the governance requirements of the CIPFA 'Statement on the Role of the Chief Financial Officer in Local Government'. This has been supported by the internal audit opinion which stated:

"The HoIAS will conclude Leicester City Council's control environment (its framework of governance, risk management and control) is overall adequate and effective."

Risk management and internal control are a significant part of the governance framework and are designed to manage risk to a reasonable level. We cannot eliminate all risk of failure to achieve policies, aims and objectives however the above controls provide reasonable but not absolute assurance of effectiveness.

Leicester City Council Annual Governance Statement 2019-20 (continued)

Areas of significant risk or priorities for action have been identified and are detailed in the tables, together with an update of the issues identified last year.

Issues Identified in 2018/19

The areas of significant risk or priorities for action that have been identified are listed in the table:

Issue Identified	Action taken to Date
<p>Medium Term Financial Strategy – Like all local authorities, the Council's financial viability is a key concern at a time of deep funding cuts and growth in the costs of providing social care. The future funding for the Council beyond 2019/20 is still uncertain. Further to this the Government is yet to set out a plan to manage the pressures within Children's and Adult Social Care.</p>	<p>A balanced budget has been agreed for 2020/21. However, the Covid-19 pandemic has challenged a number of underlying assumptions on which it is based. The impacts of Covid-19 are being closely monitored and the Council believes it has sufficient financial resilience to enable it to live within its resources</p>
<p>2015 OFSTED Inspection - an inspection of Services for Children in Need of Help and Protection, Children Looked After, and Care Leavers graded Leicester's children's services as inadequate. A follow up inspection took place in 2017 which rated the authority as requiring improvement.</p>	<p>Following the last judgement inspection in 2017 we have in place:</p> <ol style="list-style-type: none"> 1. An independently chaired Improvement Board supported by an independent consultant who offers focused audits and reviews as directed by the Board. 2. An Improvement Plan, that addresses the 11 recommendations of that inspection <p>We had a Focused Visit in January 2019 which showed positive steps forward in our improvement journey.</p> <p>Two subsequent Annual conversations have taken place with Ofsted where continued improvement has been noted.</p> <p>We had expected a local authority children's services (ILACS) judgement Inspection this Autumn, however we expect that due to COVID-19 this is now likely to take place 2021</p>

Leicester City Council Annual Governance Statement 2019-20 (continued)

Areas of significant risk or priorities for action have been identified and are detailed in the tables, together with an update of the issues identified last year.

Issues Identified in 2018/19 Continued

The areas of significant risk or priorities for action that have been identified are listed in the table:

Issue Identified	Action taken to Date
EU exit particularly in the event of no-deal being reached.	The UK has exited the EU, but the Council continues to monitor the possible impact of subsequent negotiations.
Cybersecurity – the potential for loss or compromise of IT systems and/or associated data through cyber security attacks.	<p>The Council will continue to ensure close monitoring of existing perimeter and internal security protection.</p> <p>However, during the year there has been a further implementations of audit recommendations reducing the level of risk.</p>
SEND	<p>A Joint Area Review (Care Quality Commission and Ofsted) was undertaken in May 2018 of Leicester's partnership and working arrangements across Special Educational Needs (SEND) provisions. The outcome was that there were areas of weakness (including strategic oversight; quality of Education, Health and Care Plans / EHCPs) but areas of good practice identified. As a result of the Area Review the Council and its partners (health) were required to submit a Written Statement of Action (WSOA) which was signed off by Ofsted/CQC in September 2018. The new SEND Improvement Board has oversight of the WSOA and has standing representation from statutory partners, education community and parent/ carer representation.</p> <p>The WSOA has continued to be delivered with oversight from the SEND Improvement Board. We were anticipating a revisit from Ofsted in April 2020 but this has been delayed because of COVID 19. It is likely to now take place in the Autumn of 2020.</p>

Leicester City Council Annual Governance Statement 2019-20 (continued)

Areas of significant risk or priorities for action have been identified and are detailed in the tables, along with an update of the issues identified last year.

Issues Identified in 2019/20

The areas of significant risk or priorities for action that have been identified are listed in the table:

Issue Identified	Planned Action:
<p>Medium Term Financial Strategy - Like all local authorities, the Council's financial viability is a key concern. In addition to growing social care pressures and the absence of Government spending plans beyond 20/21, we will also need to plan for permanent changes in the way we provide services as a consequence of the Covid pandemic</p>	<p>The Council is monitoring the impact of Covid-19 closely and will review its approach to future budgets.</p>
<p>Covid-19 Pandemic – like all local authorities, the Council has been affected by the pandemic in various ways, including:</p> <ul style="list-style-type: none"> • Providing additional services to support the city during the pandemic. • Assessing the long-term impact of the pandemic on the local economy. • In year and future financial impacts. <p>Maintaining good governance and effective scrutiny nonetheless remains essential.</p>	<p>The Council has and will:</p> <ul style="list-style-type: none"> • work with local communities to ensure the services being delivered support the most vulnerable in our community. • assist local business to get support, including grant schemes managed by the Council. • ensure that flexible working remains subject to proper financial controls and good governance. <p>This work will continue to be reported to scrutiny committees.</p>

Leicester City Council Annual Governance Statement 2019-20 (continued)

4. Conclusion

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

The Council had the following governance arrangements in place during 2019/20.

SUMMARY OF THE COUNCIL'S GOVERNANCE ARRANGEMENTS

Mayor, Executive and Council

- Provide leadership, develop and set policy
- Key risks are considered by the Executive quarterly

Decision making

- Decisions are recorded on the Council's website
- There is a period of grace in which decisions are open to review

Risk management

- Risk registers identify both operational and strategic risks
- Key risks are considered by Corporate Management Team quarterly

Scrutiny and review

- Scrutiny committees review Council policy and can challenge decisions
- Audit and Risk Committee approves the annual accounts and reviews policies & procedures that ensure good governance of the Council. It also approves the Internal Audit Annual Report and opinion

Corporate Management Team (CMT)

- Provides service level management and interface with the political leadership
- Head of Paid Service is the Chief Operating Officer, who is responsible for all Council staff and for leading an effective CMT
- Director of Finance is the s.151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money
- Monitoring Officer is the City Barrister & Head of Standards who is responsible for ensuring legality and promoting high standards of public conduct
- CMT includes all strategic and divisional directors

Leicester City Council Annual Governance Statement 2019-20 (continued)

Appendix 2

The following diagram, shows how the Council has assessed its governance arrangements to inform the Annual Governance Statement

