

# ANNUAL GOVERNANCE STATEMENT

2020-2021

CUMBRIA COUNTY COUNCIL

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# **1. THE COUNCIL'S RESPONSIBILITIES**

Cumbria County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is properly accounted for, and is used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and the effective exercise of its functions, including arrangements for the management of risk and for dealing with issues which arise.

The Council is required to review its corporate governance arrangements annually against its Local Code of Corporate Governance. This Code, approved in 2018, aligns with the principles of the CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework 2016'. The Code is due to be reviewed in 2022.

The Council's Local Code of Governance 2018-22 can be found at:

<http://www.cumbria.gov.uk/eLibrary/Content/Internet/543/854/43292153218.pdf>

The Annual Governance Statement provides assurance on the effectiveness of the Council's governance arrangements up to the date of approval of the Council's Annual Report and Statement of Accounts.

In 2020/21 the UK has been significantly impacted by the coronavirus pandemic and this has impacted on the governance of all organisations, including the Council. In line with guidance issued by CIPFA in February 2021 "Application of the Good Governance Framework 2020/21" this statement includes specific commentary around the impacts of the coronavirus pandemic on the Council's governance including details of any significant changes which have been made to the governance arrangements, whether the arrangements remain fit for purpose and any new challenges or actions needed to restore governance arrangements that might have lapsed during the year.

2020/21 is a "shadow" year for the implementation of the CIPFA Financial Management Code 2019 ("FM"). In line with CIPFA guidance the statement also includes the conclusion of an initial assessment of the organisation's compliance with the FM Code and details of the steps the Council is taking to ensure compliance.

# **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The Council's governance framework comprises all the systems, processes, values, and culture by which the Council directs and controls its activities, and through which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic objectives, manage risk and address issues that have a significant impact on the Council's finances, the achievement of its objectives or its reputation. Full details of those arrangements can be found in the Local Code of Corporate Governance (see link above).

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. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework, described in Section 3 below, has been in place at Cumbria County Council for the year ended 31 March 2021 and up to the date of approval of the Council's Annual Report and Statement of Accounts.

### **3.THE GOVERNANCE FRAMEWORK**

The Council's Local Code of Corporate Governance sets out its framework for corporate governance.

The principles which underpin the Local Code of Governance are summarised below, along with a description of the types of arrangements which the Council has put in place to secure robust corporate governance. Full details of these arrangements can be found in the Code.

CIPFA recognise that the impact of the pandemic means that there might be more changes than usual to the governance arrangements of the Council and that some updates to the Code may be needed as a result of the annual review. The impacts of the pandemic on the governance arrangements as set out in the Code and any updates required as a result of these are discussed below.

#### **PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The Chief Legal Officer acts as the Council's Monitoring Officer and is responsible for ensuring the lawfulness of decision making. The responsibilities of this post are codified within the Constitution. The Monitoring Officer ensures that the Council acts within legal and statutory requirements. This is achieved through the provision of frontline legal advice to Council services on a daily basis, the active participation of the Monitoring Officer within the Corporate Management Team (CMT) and the active participation of Legal Services in the preparation and consideration of legal implications arising from reports for decision including officer decision records.

Legal Services has been heavily involved in supporting other Directorates during the pandemic both providing advice on existing legislation and business as usual activities and on the emergency regulation and guidance and new activities undertaken by the Council. It has also provided significant support to the Council on ensuring the maintenance of good governance during the pandemic. The Chief Legal Officer re-issued guidance on decision making in civil emergencies to officers in April 2020 and issued further guidance in June 2020 to strengthen assurance on officer decision making.

The Chief Executive is the Council's Head of Paid Service.

The Director of Finance is the appointed Chief Financial Officer (Section 151 Officer) with responsibility for the proper administration of the Council's finances. Financial governance is underpinned by the Council's Financial Standing Orders in the Constitution. Each year, the Director of Finance carries out a review of financial arrangements against the CIPFA Statement on the Role of the Chief Financial Officer to confirm that the Council's arrangements comply with the requirements.

The Chief Executive, Chief Legal Officer and Director of Finance meet regularly as the Council's Corporate Governance Group, which following review in 2019 comprises its 3 statutory officers: the Head of Paid Service (Chief Executive), Monitoring Officer (Chief Legal Officer) and Section 151 Officer (Director of Finance) to oversee the effectiveness of governance arrangements and deliver improvements. At the initial stages of the pandemic this group met on a weekly basis to monitor the effectiveness of governance arrangements and emergency decision making at the early stages of the pandemic.

All reports to members, and significant decisions made by officers, are subject to review by the Council's Legal Services, Finance and Corporate Health and Safety teams to ensure that decisions are taken within the law and that expenditure is lawful and adheres to the commitments outlined in the Annual Health, Safety and Wellbeing Policy agreed by Cabinet. The review of logs of all significant decisions made by officers is a standing item on the agenda for the Corporate Governance Group.

The Constitution sets out the responsibilities of staff and elected members by defining decision-making powers, providing clear terms of reference for committees, and specifying the delegated power of officers. Further guidance is provided through the intranet and targeted training.

Standards of behaviour and a commitment to ethical standards are set out within the Constitution in the following Codes and Procedures:

- Members' Code of Conduct and Guidance
- Officers' Code of Conduct
- Member / Officer Protocol
- Code of Good Practice for Members and Officers involved in the Planning process
- Whistleblowing Policy and Speak Up document.
- Anti-Fraud, Bribery and Corruption Policy

These Codes are subject to regular periodic review through the work programme of the Corporate Governance Group and Constitution Review Group. Training on ethical policies is included in the new induction training programme which has been launched in April 2021 for all new employees.

## **PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement**

All Council business is conducted in public unless legislation deems it appropriate for it to be considered in private. All meetings of the Council (including the annual meeting) and its committees were postponed from 16 March 2020 until 22 May 2020. From 22 May 2020 until 6 May 2021 meetings have been held virtually in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. Meetings have been held by way of video conferences which can be viewed by members of the public through the Council's website. Members of the public who wish to ask questions or make submissions in line with the public participation scheme have been able to address the meeting by telephone.

The first virtual meeting was the meeting of the Scrutiny Management Board on 22 May 2020. From 22 May 2020 until 31 August 2020 a reduced schedule of meetings was held including meetings of the Development Control and Regulation Committee, Cabinet, Pensions Committee, Health and Wellbeing Board, Audit and Assurance Committee and local Committees. Existing provisions in the Constitution which provide for the Chief Executive to take urgent decisions in emergencies and for the Leader of the Council to take decisions that would otherwise have been taken by Cabinet or local committees were used in this period to ensure urgent decisions could be taken. Where meetings were cancelled, alternative methods were used to keep members informed.

From 1 September all meetings were re-established as virtual meetings with the exception of the Pension Forum due to take place in October 2020. In light of the volume and range of members of the Forum it was concluded that it would not be practicable to run this meeting online. It was replaced by two recorded sessions which were made available online to all members of the Forum who were encouraged to raise queries or comment.

From 7 May 2021 meetings will be held in person and will be open to the public. Due to the difficulties of hosting meetings in line with Government guidance on social distancing and other measures which are required to be put in place a reduced schedule of meetings will be held until these restrictions are lifted. Significant work has been carried out to ensure that all meetings where critical decisions are required to be made can be held and are open to the public.

All key decisions of officers are published on the Council's website.

The Council's Constitution sets out how it engages with stakeholders and partners including local NHS bodies, certain charities, third sector organisations, national parks and other local authority bodies through a combination of joint working arrangements, partnership boards and annual appointments to external organisations. This engagement has been increased significantly during the course of the pandemic and the Council has worked closely with other agencies and authorities to ensure the increased demand and complexity of service users needs can continue to be met. New joint working arrangements have been developed to respond to the crisis and

ensure that the needs of service users continue to be met. These developments will continue to strengthen joint working arrangements after the pandemic.

The Council carries out a wide range of public consultation, for example consultations on its Highways service and particularly customer experience in reporting and receiving feedback in relation to problems on the Highway and the processes for raising enquiries and accessing information in relation to Highway matters; on the proposals for the new campus for the University of Cumbria as part of the Citadels project: on the experiences and views of the existing drug and alcohol treatment and recovery service to help share the service in the future: and the Council's Budget proposals. Engagement with the public has continued during the pandemic but has predominately been virtual. The Council has also introduced new ways of engaging with the public including live Question and Answer sessions run by the Director of Public Health.

The Council has well established Employee Engagement Framework which aims to ensure an engaged workforce, working collaboratively with recognised trade unions who can support the delivery of the priorities of the Council Plan and deliver the best services possible to the people of Cumbria, within the available resources. Senior managers are additionally engaged through regular meetings of the Extended Leadership Team and management development conferences. These meetings have continued during the pandemic with the Extended Leadership Team meetings and management development conferences being held virtually. New forms of engagement to ensure the workforce remains connected during the pandemic have been put in place such as weekly informal drop in conversations for managers across the Council.

### **PRINCIPLE C: Defining outcomes in terms of sustainable, economic, social and environmental benefits**

The Council's vision is set out in its Council Plan (2018-2022) adopted by full Council in February 2018. This plan was in place during 2020/2021 and sets out objectives focused on outcomes for citizens and communities. The Council Plan specifically has as one of its outcomes working with partner organisations and communities to achieve shared aspirations. The Council Plan is published on the Council's website and is available to all.

The Council has in place arrangements through the Council Plan Delivery Plan to ensure delivery of its aims and objectives, and that services are delivered economically, efficiently and effectively. The Plan is reviewed annually by Cabinet and implemented through Service Plans. There was an additional focus in this year's plan on activities that would support the county's recovery in light of the pandemic. The Council has established effective arrangements to manage performance and the corporate risks facing the Council, which are overseen by the Audit and Assurance Committee.

The Council's decision-making process takes account of the economic, social and, where relevant, environmental impacts of policies and plans. Reports to decision makers require a consideration of these factors along with risk, health and safety, strategic planning, equalities and financial implications.

## **PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

The Council has a clear statement of aims articulated in its Council Plan and uses this as a basis for service planning. The Medium-Term Financial Plan is fully integrated with the Council Plan and sets the framework for how the Council intends to use its available financial resources to fund the activity to deliver the outcomes of its plans.

There are a number of organisational strategies and plans which support the delivery of the Council's objectives, such as the ICT Plan, Workforce Plan and the Customer Strategy.

The Council works with private, public and third sector organisations (charities, social enterprises and voluntary bodies) to deliver its objectives for Cumbria. Closer collaboration and partnership are a continued focus as a way to meet the challenges facing public bodies, in particular with NHS partners to align and integrate services, to ensure residents receive the best possible services within available resources. The pandemic has accelerated and enhanced the move towards closer collaboration and partnership with other bodies particularly NHS partners to enable an effective response to the pandemic including the new Transfer of Care Hub and the Hospital Flow Discharge to Assess Lead in the North of the County.

The Council has continued to explore different models for transformation of its service delivery, while maintaining existing arrangements such as Cumbria County Holdings Limited. The governance arrangements in relation to Cumbria County Holdings Limited have been reviewed and strengthened this year.

The Constitution sets out the key requirements when the Council is considering entering into partnerships including the use of the Partnership Toolkit. In addition, the Local Code of Corporate Governance 2018-2022 sets out principles and expectations relevant to the Council's work with others.

## **PRINCIPLE E: Developing the entity's capacity including the capacity of its leadership and the individuals within it**

The Council has in place arrangements to provide assurance about the capability and capacity of its officers, including appropriate management arrangements, induction and appraisal processes. The induction and appraisal process has continued through the pandemic with induction and appraisals being held virtually where possible.

Training of the workforce has continued throughout the pandemic with a refocus on providing training through e-learning and other forms of virtual learning. There has been some impact on the provision of training and support to apprentices as a result of the move to remote working and virtual learning. Although this has not resulted in significant reduction the number of apprenticeships it has resulted in some cases in the length of the apprenticeship being extended.

The Council maintains a Workforce Plan which sets out its commitment to engage, empower, support and develop the workforce now and in the future. The plan is focused on three main themes: improving employee engagement, building on skills



and behaviours and promoting employee wellbeing. The challenges of the pandemic have impacted on the delivery of some aspects of the Workforce Plan.

In December 2020 a temporary assistant director for Workforce and Organisational Development was appointed to provide additional senior capacity and resilience across the services of People Management, Occupational Health, Organisational Development and Workforce Training and Apprenticeships.

The Council provides a comprehensive induction programme for elected members and works with them through the Members Development Group to identify training and support needs, which are met in a variety of ways. During the pandemic training for members has focused on ensuring Members are equipped for virtual meetings and the new ways of working.

## **PRINCIPLE F. Managing risks and performance through robust internal control and strong public financial management**

A performance and risk management framework is in place to ensure that the Council continuously monitors the delivery of its services and manages its risks effectively. The arrangements include reports to CMT and Cabinet, monthly performance reporting and meetings, programme board reports and meetings, reports to service and directorate management team meetings and scrutiny reports and meetings.

The Council maintains a Constitution that sets out detailed financial and other procedure rules which must be followed when conducting Council business.

The Council maintains a Corporate Risk Register, which is reviewed regularly by CMT and has quarterly oversight from the Audit and Assurance Committee. Subject to some delay at the beginning of the pandemic when meetings were cancelled this review has continued throughout the pandemic.

The pandemic significantly impacted the refreshed 2020/21 risk register, with most risks being directly or indirectly linked to the impact of COVID-19 on Council Services. By the end of Quarter 2, 2020/21, three Corporate Risks had increased in score to reflect the escalating impact of COVID-19 and the fact that the County was entering the winter period with its additional pressures that would impact Council Health & Care Services in particular and have a wider impact across Cumbria in general. Deep dive reviews of the critical risks relating to COVID-19 were presented to the September 2020, and January 2021 meetings of the Audit and Assurance Committee.

The Council Plan Delivery Plan is reviewed by Cabinet annually and kept under review during the year, incorporating changes as required. A Corporate Performance Management Report providing an update on progress is provided to Cabinet on a quarterly basis.

The Council has developed a Business Assurance Framework that provides strategic assurance that the Council is effectively managing its business and that good governance is in operation. The Framework pulls together existing information and intelligence from across a range of business activities including internal audit, performance, risk and key policies to provide a business overview of the organisation.

The Corporate Governance Group receives and reviews the Framework on a regular basis.

There is an approved Anti-Fraud, Bribery and Corruption Policy in place within the Constitution. Where allegations have been received, these have been investigated under the Policy. The Council's arrangements for reporting suspected wrong-doing ('whistleblowing') are kept under review by the Corporate Governance Group.

The Council has a Group Audit Manager who is the Head of Internal Audit. The Council reviews its Internal Audit arrangements against the CIPFA Statement annually to ensure continued compliance with the requirements.

The annual report and opinion of the Head of Internal Audit (Group Audit Manager) is a key contributor to the Annual Governance Statement. The Head of Internal Audit's annual opinion to be published with the Council's accounts has been considered when preparing the Annual Governance Statement

The Public Service Pensions Act 2013 introduced the requirement to have a Local Pension Board to assist in the governance of the Local Government Pension Scheme (LGPS). In response to this the Cumbria Local Pension Board (the Board) was established in 2015. The Board comprises three scheme member representatives and three scheme employer representatives. The Board has no remit as a decision-making body, it assists the Council as the Administering Authority to fulfil its functions which cover all aspects of governance and administration of the Cumbria LGPS. In recognition of the important role of the Board in supporting the Council in its role of administering the Cumbria LGPS, meetings are scheduled on a quarterly basis and the Board formally reports to the Cumbria Pensions Committee on a quarterly basis. The Terms of Reference of the Board are set out in section 2P of Cumbria County Council's Constitution.

Financial sustainability has been an increasing area of focus across the Council with a Financial Challenge Group being established at the start of 2020/21. This group is co-chaired by the Deputy Chief Executive and the Director of Finance (s151 Officer) with a focus on the financial sustainability of the Council including the delivery of MTFP savings and the identification of mitigating savings to offset budgetary pressures. The Financial Challenge Group replaced the Financial Sustainability Board which had been established by CMT in February 2020, to provide more targeted intervention and support in the light of the impact of COVID- upon delivery of some MTFP savings plans, new expenditures and loss of income.

The Council has adopted the Information Commissioner Officers Assurance Framework to provide assurance in relation to its compliance with data protection legislation.

## **PRINCIPLE G: implementing good practices in transparency, reporting and audit, to deliver effective accountability**

The Council complies with the Local Government Transparency Code and publishes all required information in a timely fashion. The Council publishes a Forward Plan giving notice of all upcoming Key Decisions and notice is given five clear days in

advance of any formal meeting. Decisions are published alongside supporting information setting out the background and options considered.

These arrangements have been maintained throughout 2020/2021, with provisions in the Constitution for urgent decisions applied where necessary during the emerging coronavirus pandemic. All key decisions of Executive Directors and decisions taken by the Leader of the Council are published on the Council's website.

The Council reports the achievement of performance and financial targets on a regular basis to senior officers, and to members in meetings that are open to the public.

The Council maintains an effective Internal Audit Service which complies with the Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit 2019.

The Council publishes an annual Statement of Accounts and responds appropriately to any recommendations from the External Auditor arising from the annual audit of the Accounts. Progress on the implementation of actions arising from the external audit is reported to the Audit and Assurance Committee.

The Council uses external reports and/or inspections to inform and improve practice. The Council develops action plans where necessary, to respond to recommendations and these are monitored in a variety of ways, including reports to committees such as Audit and Assurance Committee. CMT maintains oversight of progress. This has continued through the pandemic.

## **4. THE ANNUAL REVIEW OF EFFECTIVENESS**

The Council has a duty to conduct, at least annually, a review of the effectiveness of its governance framework including its system of internal control. The review of effectiveness is informed by the work of the Corporate Governance Group, the Group Audit Manager's (Head of Internal Audit) report and by comments made by the External Auditors and other review agencies and inspectorates.

The review of governance for 2020/21 has been risk-based and targeted in line with CIPFA guidance.

The effectiveness of the governance framework has been evaluated as follows:

- A review of internal control comprising an assessment by each Assistant Director of their service areas against the required standards, carried out in March 2021. Evidence was gathered using a modified template sent to each Assistant Director. Some evidence was gathered directly from corporate information. The key focus looked at the impact of the pandemic and where arrangements had changed as a result of the pandemic.
- A review of minutes of Audit and Assurance Committee, Cabinet and Council to ensure that periodic monitoring and reviews are being reported appropriately and governance issues are addressed. Arrangements for decision making have been reviewed.

- A review of the overall opinion of the Group Audit Manager (Head of Internal Audit) is set out in the annual internal audit report. Based on the work undertaken by internal audit in 2020/2021, the Group Audit Manager is able to provide reasonable assurance over the effectiveness of the Council's arrangements for governance, risk management and internal control.
- An assessment of the Audit and Assurance Committee arrangements against the core functions of Audit Committees set out within the 2018 CIPFA Guidance for Audit Committees in Local Authorities and the Police. The review confirms that the Committee fulfils the core purpose of an audit committee as set out in the Guidance.
- A review of the Council's arrangements against the CIPFA Statements on the Role of the Chief Financial Officer and the Role of the Head of Internal Audit. The review confirms that the Council's arrangements conform to the CIPFA Statements on the Role of the Chief Financial Officer and Head of Audit.
- Review by the Pensions Committee of the Cumbria Local Government Pension Scheme (LGPS) Fund Policy documents, which are kept under review and updated when required throughout the year (for example following changes in regulations) and reviewed annually. In addition, the effectiveness of the Cumbria arrangements is reported in the Cumbria LGPS Annual Report to provide assurance to members when approving the Accounts.
- A review of the 2019/2020 Statement of Assurance in respect of Cumbria Fire and Rescue Service, which is the latest Statement, approved in November 2020. No significant governance issues were identified, and the Statement concluded that the Fire and Rescue Services have Business Continuity Plans, arrangements and governance that are comprehensive, robust and tested to ensure they are current and fit for purpose.
- HMICFRS assessment of Cumbria Fire and Rescue Services response to the pandemic which was issued on 22 January 2021 and which found the service had pandemic flu and business continuity plans in place in line with good governance and adapted and responded to the pandemic effectively.
- The Council's arrangements with its controlled company, Cumbria County Holdings Limited, and its subsidiaries, which are kept under review by the Section 151 Officer.

In comparison to previous years there have been limited external reviews this year as both CQC and OFSTED stopped inspections in response to the pandemic. CQC has restarted inspections with a focus on infection prevention measures.

### **Assessment of Compliance with the FM Code**

With local authorities across the UK facing the challenges of reduced funding and increased demand for services, the need for robust financial management has never been more important. CIPFA has developed the Financial Management Code (FM Code), which sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should seek to achieve. It is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out.

2021/22 will be the first full compliance year for the FM Code. An internal review of the Councils performance against the FM Code is underway. This review considers how the Councils existing processes meet the new FM code standards during 2020/21 (which CIPFA has identified as being a 'shadow year' for authorities to work towards full implementation). This review will be concluded as part of the 2020/21 year-end and external audit processes. Initial work already undertaken indicates that the Council does demonstrate substantial compliance with the 17 FM code standards. Any actions that are agreed as part of finalising this work will ensure the Council maintains its strong financial management arrangements moving forward.

Additional assurance will be provided by Internal Audit, who are scheduled to carry out a review to assess progress and review evidence that the Council has demonstrated compliance with the FM Code as part of its audit plan for 2021/22.

## **5. IMPACTS OF THE CORONAVIRUS PANDEMIC ON GOVERNANCE**

The coronavirus pandemic has had, and will continue to have for some time, a significant impact on the operations of the Council. Over the period of review this has involved changes to business-as-usual arrangements, the introduction of new activities and new ways of working. Over the longer term it will have an impact on changes to priorities, programmes, strategies and plans. The Council has also learnt from new ways of working introduced in response to the pandemic and the response to the pandemic has speeded up some areas of change.

### **Adaptions to reflect new ways of working and emergency arrangements**

The pandemic has had a significant impact on pre-coronavirus ways of working and service delivery.

Since the beginning of the pandemic all staff, where it was appropriate to do so, have worked from home and this has continued until the time of review. There has been a refocus upon wellbeing and resilience support for staff and a new temporary assistant director for Workforce and Organisational Development has been appointed to provide greater resilience. The Council is undertaking an extensive consultation exercise with staff on new ways of working which will help determine how staff will work in the future enabling the Council to learn from the experience of home working during the pandemic to help shape future ways of working.

Health and Safety requirements have been a key focus throughout the pandemic, and all directorates have undertaken risk assessments and have put additional measures and controls in place in line with national requirements and guidance. Assurance was provided to Corporate Management Team by all directorates of these arrangements and joint work in relation to Health and Safety with Trade Union colleagues has continued, in line with the council's health and safety policy and governance arrangements.

ICT security requirements have been strengthened to reflect the increased number of staff working at home and in response to increased Global ICT security threats.

Additional investment in the ICT technical infrastructure has been prioritised and promptly implemented to increase resilience and capacity within the ICT network. Policies and procedures have also been adapted to respond to changing needs.

Whilst there has been a need for prompt decision making throughout the pandemic existing governance structures supported this and governance remained strong and proportionate. Officer Decision Records are put in place for all key decisions and other significant decisions made by Officers and comprehensive decision logs are maintained by all directorates. These logs are reviewed on a regular basis by the Corporate Governance Group. Members have continued to meet virtually, and these meetings have been available to the public through the Council website. There was no impact on the Local Code of Governance or other governance arrangements.

The Council has worked closely with other agencies to ensure the increased demand and complexity of service users' needs can continue to be met throughout the pandemic and new partnership and joint working arrangements have been put in place across many sectors to respond to the demands of the pandemic.

Crisis care teams have been developed and new roles such as trusted assessors created which have become an integral part of the discharge teams and will remain in place following the pandemic. New protocols and MOUs are in place where required to ensure clarity of role, responsibilities and funding.

A major programme of joint working with Cumbria Schools has taken place working with school heads, trade unions, the director of public health and other areas of the Council to focus on areas such as PPE, Lateral Flow Testing, Health and Safety Risk Management and School Laptop Provision.

The legal and regulatory teams have worked closely with other authorities and the police through one of the Strategic Coordination Group's Sub-Groups to address compliance with the Covid regulations and enforcement issues.

The Council has received a number of different funding streams which have been made available to the Council and partners to support outbreak management and local test and trace arrangements. These include £1.7 million in respect of the Test and Trace Support Grant and £11.335 million in respect of the Contain Outbreak Management Fund. New governance structures have been put in place to manage these grants. Proposals in relation to the Test and Trace Support Grant were reported to Cabinet on 3 September 2020. Proposals in relation to the Contain Outbreak Management Fund are regularly reported to Cabinet. A strategic framework to support ongoing prioritisation of the identified funding to ensure priorities are aligned and visible in the wider context has been developed which was endorsed by Cabinet in February 2021. The framework identifies five priority areas: vaccinate; prevent; communicate; respond and treat. The Health Protection Board has agreed an indicative allocation of funding for 2021/22 based on this strategic framework which was reported to Cabinet in April 2021. Where grant money has been transferred to District Councils, agreements have been put in place to ensure the targeted use of the funds and continued monitoring.

## **Impact on 'business as usual' activities including cessation or reduced frequency or scale of activities**

There has been an impact on business-as-usual activities across the Council with some services being suspended for a temporary period and a re-focusing of resources on the response to the pandemic. However, in key areas the Council has continued with business as usual activities and has minimised the impact on the delivery of key services.

At the beginning of the pandemic some public buildings and facilities such as libraries and recycling centres were closed. Business as usual call centre arrangements were stepped back, and resources prioritised to core services and pandemic related services such as PPE helpline and track and trace.

There was a short suspension of highways maintenance and works under the capital programme (except those supporting the response to the pandemic). However, this was only a temporary measure and work has continued through the pandemic including the adoption of the Highway Asset Management Strategy, the completion of the Borderlands Inclusive Growth Deal and work on the Carlisle South Link Road.

The Council has not needed to implement the Care Act easements. Through re-deployment of some staff and new partnership working we have maintained provision of key social care services throughout the pandemic.

## **Longer term changes to priorities, programmes, strategies and plans as a result of the impact of the pandemic on the organisation and the local area**

Over the longer term there has been an impact on some areas of Council work, with planned work that has not progressed as was originally intended, including some internal restructures and planned audit work. In addition, there has been some impact on delivery in Service Plans especially in those areas most impacted by the pandemic although periodic reviews of Service Plans have continued in the usual way.

There is a recognition that there will be long term impacts as a result of the pandemic in many areas including provision of adult services as a result of changes in behaviour and demand as a result of the pandemic; public health; and education.

Some areas of work planned for 2020/21 have been scaled back or reprofiled to ensure core activities can continue and the Council can respond to the demands of the pandemic, but this has not impacted on governance arrangements. However, work has continued in key areas such as the Borderlands Inclusive Growth Deal and major infrastructure projects.

New ways of working have been adopted in response to the pandemic such as more home working for staff. The Council is ensuring that learning from these new ways of working are embedded in the organisation. The Scrutiny Management Board commissioned a task and finish group in November 2020 to focus on post-pandemic ways of working. This included consideration of the circumstances and scenarios in which remote meetings are beneficial and appropriate and where other channels are more beneficial or appropriate.

There have also been a number of areas where new or improved joint working and partnership arrangements with other bodies including other local authorities, national health service bodies and the police have been adopted during the pandemic in order to enhance service delivery and these benefits from joint working will remain in place.

### **Impact of pandemic on local code of governance**

There has been no significant impact on the governance arrangements as a result of the pandemic and the local code of governance is still an accurate reflection of how governance has operated in 2020/21. The local code of governance is due to be reviewed in 2022 and any lessons learned from the response to the pandemic will be incorporated in that review.

## **6. SIGNIFICANT GOVERNANCE ISSUES**

A governance issue arises when something has gone wrong which will affect the achievement of the Council's objectives. There is a need to respond and often recover from an issue and in financial terms, responding and recovering may add significant cost to the organisation or its processes. An issue may arise unexpectedly or may result from a poorly managed risk.

Whilst determining the significance of an issue will always contain an element of judgement, an issue is likely to be significant if one or more of the following criteria applies:

- It has significantly prejudiced or prevented achievement of a principal objective;
- It has resulted in the need to seek additional funding to allow it to be resolved;
- It has required a significant diversion of resources;
- It has had a material impact on the accounts;
- It has been identified by the Audit and Assurance Committee as significant;
- It has resulted in significant public interest or has seriously damaged reputation;
- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer;
- It has received significant adverse commentary in external or internal inspection reports that has not been able to be addressed in a timely manner.

The above definition and criteria were adopted by the Corporate Governance Group in March 2015. These criteria have been applied to help the Council assess its governance issues in 2020/21.

No significant governance issues have been identified.

The review has highlighted that the coronavirus pandemic has had a significant impact on the Council's day to day operations and ways of working and will continue to have an impact on long terms priorities, programmes, strategies and plans. However the governance arrangements that the Council had in place prior to the pandemic have provided a strong foundation for the governance of the Council's response to the



pandemic and there has been no significant impact on the Local Code of Governance or the governance arrangements within the Council. There was a focus on governance arrangements, including the provision of refreshers and reminders to key officers on processes for emergency decision making and the recording of officer decisions, to ensure governance arrangements were robust and transparent. This increased vigilance and monitoring has and will continue to ensure governance arrangements remain strong. The Council has adopted new ways of working and partnership arrangements in response to the pandemic which the Council will be able to learn from in the future and in some areas the pandemic has accelerated the rate of change. The Council will continue to review and learn from the experiences of the pandemic during 2021/2022.

## **7. CONCLUSION**

*We have been advised on the implications of the result of the review of the effectiveness of the Council's corporate governance by the Audit and Assurance Committee and are satisfied that the Council's corporate governance arrangements in place during 2020/21 were fit for purpose in accordance with the CIPFA/SOLACE Delivering Good Governance Framework 2016.*

We are committed as senior leaders to maintaining an effective governance framework for the Council and ensuring that it can meet the challenges of the future.

It is clear that the coronavirus pandemic has tested the Council's governance arrangements and we are pleased to note that the governance framework has provided a strong foundation from which to respond to the challenging circumstances that the Council and the county as a whole has faced during the pandemic and will continue to face.

While the review has identified no significant governance issues in 2020/2021, we recognise the importance of continuously improving our practice, including learning from how we respond to major incidents. We will use the knowledge gained from our experience of the coronavirus to ensure that the Council's governance arrangements continue to provide effective foundations for the Council to achieve its objectives.

Dated

Signed by the Leader of the Council and the Chief Executive