

# Annual Governance Statement

Year ended 31 March 2021



*Working for  
Warwickshire*

# Annual Governance Statement 2020/21

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## 1. What are we responsible for?

We are responsible for delivering public services for the benefit of the people of Warwickshire, operating in line with the law and proper accounting standards, and for using public money economically, efficiently and effectively. We also have a duty under the Local Government Act 1999 to continually review and improve the way we work, while at the same time offering value for money services.

To meet our responsibility, we have put in place proper governance arrangements for overseeing what we do. These arrangements are intended to make sure that we do the right things, in the right way, for the right people, in a timely, open and accountable manner. These arrangements consist of all the systems, processes, culture and values which direct and control the way in which we work and through which we account to, engage with and lead our communities.

## 2. The Governance Framework

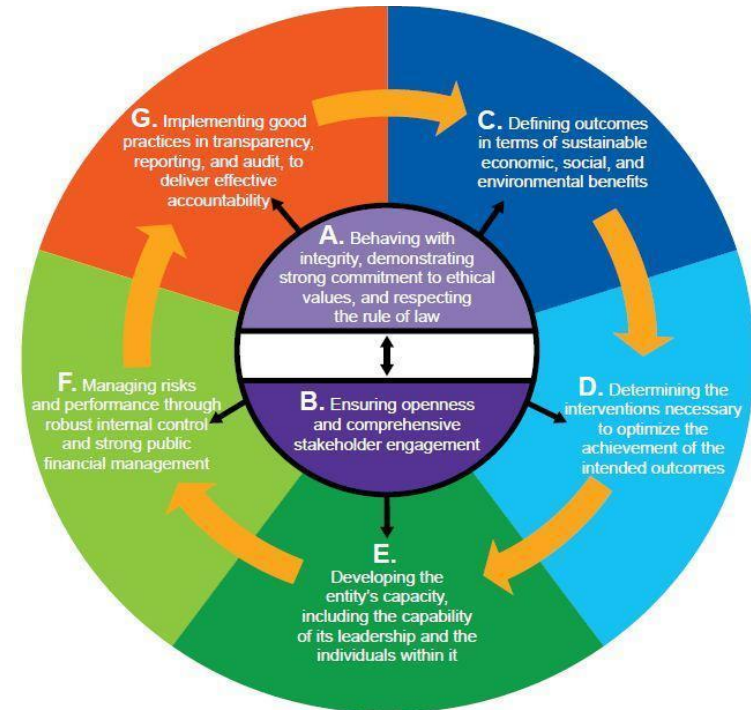
We have approved and adopted a **Code of Corporate Governance**, which sets out the principles of the *CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016)*

The Council's Code of Corporate Governance has recently been updated to present how our governance arrangements support each core governance principle and reflect organisational structures and processes. The full details of our current code and how we meet the seven Principles of good governance can be found on our website here:

<http://www.warwickshire.gov.uk/corporategovernance>

The Code will be reviewed at least every 4 years, and more frequently if needed. Consequently, governance arrangements in the Code are not repeated in the AGS, which will focus on compliance, effectiveness and improvements to the Framework.

Figure 1: CIPFA's Principles of Good Governance



Since March 2020, the COVID pandemic and the unprecedented public health and economic impacts have required a significant on-going managed emergency response. The Council has had to vary a range of working practices, service responses and business-as-usual governance mechanisms at pace.

Due process has been followed and the principles of the Governance Framework have been applied. Specific governance actions in response to the pandemic are captured in Section 3, as actions against the relevant governance principles and in Section 5, as governance challenges.

## The aim of the governance framework

Our framework allows us to direct resources in accordance with our priorities, monitor how we are achieving our strategic aims and ambitions, and to consider whether they have helped us deliver appropriate services. The Framework also aims to assure we deliver value for money, by applying governance processes aligned to:

- Principle C: defining outcomes that have impact;
- Principle D: optimising achievement of outcomes that are effective;
- Principle E: strong financial management that delivers economic and efficient solutions.

Figure 2: The Council's Core Purpose and Priority Outcomes



The Annual Governance Statement provides assurances that these processes are working in practice and provide services in line with our priorities by delivering on our supporting priority of Making the Best Use of Resources.

## Financial Management Code of Practice

Our Code of Corporate Governance will be enhanced by adopting CIPFA's Financial Management Code of Practice in 2021-22.

In preparation for adopting the CIPFA Financial Management Code of Practice, we conducted a self-assessment of our financial management arrangements and practice against each of the seven standards in the Code of Practice. This concluded that our current working practice and noted planned improvements will meet the expectations of the Code of Practice against each of the standards:

- Responsibilities of the Chief Finance Officer and Leadership Team;
- Governance and Financial Management Style;
- Long to Medium Term Financial Management;
- The Annual Budget;
- Stakeholder Engagement and Business Plans;
- Monitoring Financial Performance; and
- External Financial Reporting

We are alert to ensuring our governance arrangements support the Council as a whole and individual services to deliver value for money across all our activity and at all levels of accountability, and we continue to seek to adapt and improve our governance arrangements in that regard.

### 3. Review of compliance with the Local Code of Corporate Governance and the impact of COVID

Our recent review and update of the Local Code of Corporate Governance <http://www.warwickshire.gov.uk/corporategovernance> has confirmed that arrangements under each of seven governance principles continue to be applied. The COVID pandemic has made 2020-21 a year of significant change and the Council has, wherever required, adapted existing governance arrangements as part of our response to the pandemic and plans for recovery. We have set out below, for each governance principle, our self-assessment of compliance in the year and highlighted where COVID has impacted governance arrangements and has been an opportunity to enhance and seek to sustain the benefits of these changes.

**Table1: Summary of Compliance and COVID impact against the Local Code of Corporate Governance**

<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	
Compliance Overview	The key policies, procedures and practices set out in the Local Code of Corporate Governance remained in place and were applied throughout the year. Our six key behaviours and supporting values which underpin our governance arrangements are at the heart of all we do and continued to be central to how we appraise our performance.
	We have continued to meet the Public Sector Duty, as set out in the Equality Act 2010 and do not consider that we have unlawfully discriminated the provisions of services whether delivered by us or commissioned externally.
COVID impact and response	Council, Cabinet and Committee face to face meetings, including those relating to the Warwickshire Pension Fund were unable to be held in March and April 2020. Meetings resumed online in May and were compliant with access to information and public access requirements. Key decisions to be made by Cabinet from April were rescheduled without any further delay or deferment of Council business, with some decisions taken by the Leader/ Portfolio Holders as necessary. Formal Council meetings were held virtually from May 2020 until end April 2021. Plans for re-instating face to face council meetings from May 2021, are in place. A Member induction programme is also in place.
	We applied, wherever required, our statutory powers and our scheme of delegation to ensure continuity of core Council services and to deliver the emergency response and outbreak management activity at pace, in line with COVID related funding conditions and regulations. All such decisions and actual expenditure are recorded and evidenced.
	As an employer, we applied Public Health England and government guidelines in respect of COVID secure working, and required our staff to work at home wherever possible during periods of national lockdown. We undertook risk assessments for those staff whose role prevented them from working from home and ensured adequate supplies of PPE were available for the continued safe delivery of frontline council services. Reinstatement Toolkits were in place to ensure a safe- working arrangements at all locations during the pandemic. Throughout the period, we made available to staff support and wellbeing resources and the offer of reimbursement for equipment which enabled them to work safely from home.

	We are alert to changing risks to information security, including cybercrime, that may arise due to remote working and we continued to maintain prevention, control, testing and response regimes to mitigate this risk.
	The constitutional role and regulatory duties of the Director of Public Health, including applying the latest PHE guidance, government regulations and devolved responsibilities were supported by specialist legal advice.
	We prepared for and delivered, with our district and borough council partners, Covid secure elections on 6 May 2021.

## Principle B: Ensuring openness and comprehensive stakeholder engagement

Compliance Overview	The key policies, procedures and practices set out in the Local Code of Corporate Governance remained in place and were applied throughout the year.
COVID impact and response	<p>We expanded our contribution to and collaboration with partner organisations to deliver a joined-up response to COVID through increased joint working in a wide variety of settings, notable examples are:</p> <ul style="list-style-type: none"> <li>• Developing and delivering coordinated policy and support for vulnerable citizens and those shielding, including leadership and operation of a county-wide network distributing 10,800 food and household essential parcels to clinically extremely vulnerable people, and maintaining a seven day Covid hotline throughout the year;</li> <li>• Establishing place-based Incident Management Teams to prioritise local responses between partners; CSW (Coventry, Solihull and Warwickshire) and West Midlands Local Resilience Fora, Safer Warwickshire Partnership and collaborating with Category 1 and 2 Responders on county wide emergency response, contingency planning and public information <a href="#">staysafe</a>. ;</li> <li>• Our strategic and tactical cells continued to meet at least weekly throughout the year with attendance from key partners including the Police, Health Service and Warwick University;</li> <li>• Throughout the year we convened a Service Resilience and Recovery Forum, involving district and borough council chief officers and Warwickshire Police; there were also regular COVID briefings of Warwickshire MPs, council leaders and the Police and Crime Commissioner;</li> <li>• We ran school leader meetings, webinars and online platforms for sharing advice, learning and tools to assist teachers, parents and students;</li> <li>• Our Mortuary Services Working Group and Bereavement Group held regular meetings (weekly at one stage) with Funeral Directors, the Coroner, the Fire and Rescue Service, Public Health and Registration Services to ensure bereaved families were treated with respect and dignity;</li> <li>• A CSW led review of economic resilience and capacity.</li> </ul>

Our public engagement has been delivered and managed daily, through our external website home page and links to a dedicated suite of COVID information, advice and support pages <http://wawickshire.gov.uk/coronavirus>, which received 438,000 hits through the year. We maintained multi-platform links to the latest sources of national and local information, advice and contact points for the local communities, those who were shielding or vulnerable and their carers, schools, providers, businesses and volunteer groups. We also extended our community engagement through a range of social media channels, using #bestwarwickshire tag on Twitter, Facebook, Snapchat and Instagram for specific public health messaging and campaigns and extending our reach during this critical time. We issued a special edition of our brochure “Warwickshire Together” delivered to all our households signposting all key sources of help and advice to stay well, safe and connected with key services.

As a specific response to COVID, working at pace with district and borough councils and the voluntary and community sector, we led and co-ordinated the establishment of a network of Community Shielding Hubs to maintain food supplies and medicines, communication channels and information to support the most vulnerable members of the community. A central, seven-day telephone line provided advice and support to those extremely clinically vulnerable citizens who were shielding, and other vulnerable residents and over 105,000 contacts made with vulnerable people.

To support local business, we also published weekly “Warwickshire Economics” bulletins updating and signposting the latest financial and practical support for businesses. We ran Town Centre webinars to identify action needed to support local business and to support the re-opening of public spaces. This included redesign and reallocation of road space to enable social distancing and improve throughput of pedestrians in a safe way that provided confidence to visitors to come to our town centres.

We made proactive and extensive use of our Employee Engagement Strategy to stay connected with our staff and to support them through considerable enforced changes to ways of working and the challenges they faced at work and at home. On average, over 40% of staff participated in five short ‘Check-in’ surveys focused on health and well being as well as broader performance themes. Results for key indicators of well-being were analysed, followed up by Corporate Board in 2 action plans and shared with all staff via broadcasts and dedicated areas of the intranet with links to results dashboards. <https://www.warwickshire.gov.uk/employeeengagement>

Corporate Board and Strategic Director live stream broadcasts, at least fortnightly, were available to all staff (live or recorded) throughout the year greatly supporting staff engagement for both remote and community/site-based staff. Sessions included Q&A and supported staff with clear health & well-being messages, maintained connections within the organisation and aided understanding of decisions and key messages in a fast moving environment. 89% of staff agreed that internal communications kept them informed of what the Council is doing (Check in 5).



Pension Fund stakeholder engagement was delivered remotely, including a remote Annual General Meeting and employer engagement day. The Fund's policy and strategy documents remained publicly available at <https://www.warwickshirepensionfund.org.uk/home/investments/1>

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

Compliance Overview	At the start of the year, prior to the pandemic, we had a clear set of priority outcomes in the Council Plan, <a href="https://www.warwickshire.gov.uk/strategies">https://www.warwickshire.gov.uk/strategies</a> . The Medium Term Financial Strategy (MTFS) supports the delivery of the Council Plan and is based on clear assumptions; resources align to priorities and ensure a balanced budget to sustain services and the longer term financial health of the Council. The MTFS process, which includes scenario planning, assists with forward planning and responding to variations in financial forecasts and changes to assumptions.
COVID impact and response	In June 2020, we published a joint position statement with Warwickshire Council's on COVID recovery on our website <a href="#">news pages</a> , setting out focus areas for joint working.
	Our <a href="#">COVID Recovery Plan</a> was approved by Cabinet in September 2020, to provide leadership on recovery from the pandemic and address challenges, uncertainty and new opportunities. We carried out strategic and service impact assessments and financial reviews to support a series of theme based cross party member working groups in May. In June, reports were also prepared for each Overview and Scrutiny Committee on service focused response to the pandemic and next steps. The Recovery Plan is underpinned by recovery principles that ensure the plan remains dynamic and flexible enough to respond to changes in need.
	With our agreed Recovery Plan in place, our Change Portfolio was reviewed, and programmes and projects reprioritised against our four themes to drive recovery, linked to regional and sub regional recovery activity: <ul style="list-style-type: none"> <li>• Place, Economy and Climate (including skills and education);</li> <li>• Community;</li> <li>• Health, Wellbeing and Social Care; and</li> <li>• Organisation (including the reinstatement of services).</li> </ul>
	Warwickshire's Health & Well Being board conducted a COVID-19 Health Impact Assessment to best understand priorities and key drivers our for future strategies. The Director of Public Health produced her annual report which was themed around the impact of COVID on health inequalities in Warwickshire. This was presented to Council in March 2021.



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

Compliance Overview	The key arrangements for managing performance and delivery, to inform interventions, continued to operate throughout the year.
COVID impact and response	<p>We acted quickly to generate Business Intelligence data dashboards, to support daily response actions and decision making throughout the pandemic, supplementing national PHE and health data.</p> <p>Through our use of data, service impact assessments, CSW Resilience led action plans and risk assessments we identified cost, demand and business continuity pressures on Adult Social Care and Children &amp; Families services. This informed decisions to direct COVID specific funds, where appropriate, to:</p> <ul style="list-style-type: none"> <li>• Supplement the frontline workforce in Social Care, Children &amp; Families;</li> <li>• Adapt working practices and service locations to be COVID secure;</li> <li>• Cover the increased costs of residential and other commissioned care; and</li> <li>• Respond to the emerging Mental Health crisis.</li> </ul> <p>We maintained support for our school communities with direct interventions that supported remote learning during lockdown periods and on-site learning for key workers and vulnerable children, including school meals, transport and IT facilities.</p> <p>Progress against the COVID-19 Recovery Plan was reported to Cabinet in January 2021 and progress will continue to be reported in 2021/22, until recovery priorities and measures of success are integrated with future updates to the Council Plan. Reporting progress in January, at the time of the third national lockdown, meant there was a further reprioritisation of corporate activity, and realignment of resources to respond to changing circumstances and shifting recovery priorities.</p> <p>We conducted a mid-year stocktake of all our active and planned project activity and reviewed the impact of reprioritisation on current year budget forecast and the Medium Term Financial Strategy.</p> <p>Although we continued to collect Key Business Measure (KBM) data for our Commissioning Intentions Performance Framework throughout the year, our reprioritisation of non-essential activity meant Q1 and Q3 Council Plan progress reports to Cabinet were not produced. However, KBM data was available to access and interrogate through our PowerBI (Business Intelligence) suite of dashboards, available online to officers and members.</p>

<b>Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b>	
Compliance Overview	The key arrangements for building our capacity and capability continued to operate throughout the year. The process for annual appraisals was temporarily paused early in the pandemic and was reinstated when national restrictions were relaxed. Leadership forums, including Senior Leadership Forum were maintained and enhanced with strategy & commissioning network meetings.
COVID impact and response	In the earlier stages of the pandemic, we established a staff redeployment panel to manage voluntary applications from staff and redirect resources from non-essential activity to critical services and areas of greatest need, in accordance with our emergency action plans and business continuity plans. Staff involved in redeployment have fed-back that they felt valued, empowered to make best use of their existing skills and gained new skills and insights.
	<p>The health &amp; wellbeing of our employees during the COVID pandemic and lockdown period has been a top priority, and as well as ensuring we engage with staff as stakeholders, we have focused on building a resilient and high performing workforce:</p> <ul style="list-style-type: none"> <li>• maintaining wellbeing and HR policy information on dedicated staff intranet sites (Keeping You Well and Working, Working4Warwickshire) with links to active internal and external support networks, resources and staff well-being check in surveys; and actions arising from those surveys; and</li> <li>• regular live broadcast to staff from Corporate Board and Strategic Directors, to communicate key well- being messages, updates and Q&amp;A.</li> </ul> <p>“Check in 5” survey results (March 2021) provided assurance that 82% of respondents were feeling ok or better and 86% felt “employee well-being is promoted at work”. We have also seen our sickness absence rate decline significantly through the year from 10.27 days per Full Time Equivalent to 7.45 days.</p>
	The delivery of Functional Operating Models (service reviews and structural reorganisations on a service by service basis) that support our Target Operating Model, was paused, but has now recommenced and is back on track.
	The Council’s move to the Cloud-based Microsoft 365 environment has secured communication and data security and has also enhanced our ability to work remotely and collaboratively. Our How We Work programme, designed to invest in and deliver the right technology and tools to work as efficiently and effectively as possible, has also supported staff with bite - size MS training sessions that could be accessed at any time.

## Principle F: Managing risks and performance through robust internal control and strong public financial management

Compliance Overview	<p>The regulations, policies and governance arrangements set out in the Code of Corporate Governance have been fully applied throughout the year for the Council and for Warwickshire Pension Fund.</p>
	<p>We adopted a new <a href="#">Strategic Risk Management Framework</a> in April 2021 and continue to apply the CIPFA Code of Practice for Managing the Risk of fraud and corruption and this is reflected in our anti-fraud policy. <a href="http://www.warwickshire.gov.uk/antifraud">http://www.warwickshire.gov.uk/antifraud</a></p>
COVID impact and response	<p>The impact of COVID on the Council's financial position was subject to continuous financial analysis and key indicators reported to Corporate Board alongside financial impact returns to central government. Quarterly budget monitoring reports provided a COVID/ Non-COVID forecast split as well as commentary on the position of the Capital Programme and any delays in delivery. Monthly budget monitoring reports were also provided to Corporate Board and broken down for Directorate Leadership Teams.</p>
	<p>The Pension Fund set up a dedicated COVID Risk register and associated action plan to ensure impacts were identified and managed. Administration functionality was maintained, and although investment volatility was very significant it was within the range of the scenarios modelled in the previous triennial valuation and the Fund was not required to make any investment decisions under distress.</p>
	<p>COVID related expenditure was coordinated and governed centrally in accordance with delegated authorities. All specific grant funds and allocations were accounted for and controlled in compliance with the terms of the conditions of the grant and our financial rules and policies. The COVID Winter Grant Scheme funds allocated to the Council were subject to internal audit checks. Decisions to allocate multiple COVID funding streams and redirect resources to stand up or sustain critical services included funds allocated to:</p> <ul style="list-style-type: none"> <li>• Standing up community-based shielding hubs with appropriate controls over procurement, stock control and distribution;</li> <li>• Apply the hospital discharge grant;</li> <li>• Procure PPE for frontline services, providers and carers;</li> <li>• Carry out community testing &amp; contact tracing (including being a pilot authority) and local outbreak management;</li> <li>• Deliver infection control in residential care settings; and</li> <li>• Sustain public facing communication and customer services.</li> </ul>

Where our emergency response involved the rapid turnaround of procurement and distribution of goods and services, we applied our Financial Rules and sought additional advice on appropriate controls from internal audit, to ensure that supplies of essential equipment and products were maintained, and suppliers paid promptly and accurately.

**Core Principle G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Compliance Overview	<p>We endeavour always to be open and transparent. The regulations, policies and governance arrangements set out in the Code of Corporate Governance have been applied throughout the year for the Council and for the Warwickshire Pension Fund and can be accessed here: <a href="http://www.warwickshire.gov.uk/democracy">http://www.warwickshire.gov.uk/democracy</a> and <a href="https://www.warwickshirepensionfund.org.uk">https://www.warwickshirepensionfund.org.uk</a></p> <p>Each year we publish information on our website outlining how we spend Council Tax income. <a href="http://www.warwickshire.gov.uk/counciltaxspending">http://www.warwickshire.gov.uk/counciltaxspending</a></p>
COVID impact and response	<p>During the early stages of the COVID response the Council made greater use of Leader (and where appropriate Portfolio Holder) decision making as set out in the Constitution. Arrangements were put in place to allow prior sharing of reports with Group Leaders for any representations to be taken into account and reports and minutes were published and made available to the public in the usual way.</p> <p>All COVID related expenditure and foregone income decisions were agreed collectively at Corporate Board, or by the Leader of the Council/ relevant Portfolio Holder, in accordance with our scheme of delegation and those decisions were recorded.</p> <p>Although there were changes to regulated inspection schedules during the year, we were able to take assurances from, and act quickly on, feedback received from:</p> <ul style="list-style-type: none"> <li>• Ofsted’s Inspection of Local Authority Children &amp; Families Service, which was started but not completed in March 2020 identified areas for improvement which are addressed by actions in the Practice Improvement Plan; and</li> <li>• Her Majesty’s Inspectorate of Constabularies and Fire &amp; Rescue Services (HMICFRS) inspection of Warwickshire Fire &amp; Rescue Service’s (WFRS) response to COVID reported that the inspectors were impressed with how we maintained statutory functions whilst increasing the support for the most vulnerable in the community, with “on call staff working beyond their normal operational commitments” <a href="#">WFRS Covid-19 inspection</a>.</li> </ul>

	<p>In the absence of Care Quality Commission and other regulatory inspections during the year, our Commissioning Support Unit have made sure that we maintained our existing Quality Assurance systems for providers delivering Adult Social Care and Children's commissioned services.</p>
	<p>Although delivery of the 2020-21 Internal Audit plan was initially paused, due to reprioritisation of service based and audit resources, audit assurance work caught up in the final quarter of the year to complete sufficient audits to provide an annual audit opinion for the year.</p>

#### 4. Review of effectiveness and improvements to governance arrangements

We have responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment and by the Head of Internal Audit's annual report

The review of effectiveness was co-ordinated by an evaluation panel consisting of representatives from each Directorate, Internal Audit and chaired by the Strategy & Commissioning Manager (Treasury, Pensions, Audit, Insurance and Risk). In carrying out its review, the evaluation panel:

- considered the approach of the Authority to establishing its principal statutory obligations and organisational objectives;
- considered the approach of the Authority to identifying principal risks to the achievement of those obligations and objectives;
- identified the key control frameworks that the Authority has in place to manage its principal risks;
- obtained assurance from managers on the operation of key control frameworks and on the results of relevant external or internal inspection;
- reviewed progress against the 2020-21 Governance Action Plan (Appendix 1) and;
- evaluated the assurances provided and identified gaps.

The evaluation panel also considered the strategic risks updated and agreed with Corporate Board in February 2021. The impact of COVID on strategic risk has been reviewed to inform recovery planning.

In addition, Assistant Directors have confirmed that they have complied with the risk management framework throughout the year and have

provided assurances at year end, including additional assurances about COVID impacts.

Consideration was also given to the results of reviews carried out by external regulators and agencies during the year including the external audit of the accounts. The work of the evaluation panel was scrutinised by the Assistant Director Governance and Policy (Monitoring Officer), the Assistant Director Finance (Deputy Section 151 Officer), Strategic Director for Resources (Section 151 Officer) and Director of Adults and Children's Services before being submitted to the Audit and Standards Committee in June 2021 for further scrutiny.

The results of Internal Audit work were reported to the Audit and Standards Committee throughout the year with the exception of the March 2020 meeting which was cancelled. The individual reviews feed into the overall Internal Audit Annual Report. The Committee has also considered in greater detail areas where limited assurance opinions have been provided including; Pensions Administration, and Strategic Property. This report concludes that the Authority's control environment provides moderate assurance that the significant risks facing the Authority are addressed. The internal audit findings, including those with a limited assurance opinion, were duly considered in the preparation of this statement.

**The 2021-22 Governance Action Plan (Appendix 1)** presents, on an exception basis, additional actions that are already planned or being considered to inform future Council planning and strengthen governance.

The process of review has also captured governance improvements in Table 2, that we have made during the year. These improvements may not be a direct result of our response to COVID but may, in some case, have been influenced by successful outcomes and lessons learned.

**Table2: Summary of improvements to governance arrangements in 2020-21**

Activities and Assurances	Governance Principle (s)
<b>Led by the Resources Directorate, including cross cutting actions</b>	
An independent review of scrutiny arrangements was undertaken, with conclusions and recommendations reported to three of four Overview and Scrutiny Committees in February and March 2021, the remaining committee is due to consider recommendations and they will go forward to Cabinet and Council, for action in 2021-22 following the elections.	Transparency and effective accountability
LEXCEL accreditation of Legal Services provided ongoing assurance about the standards of legal services provided to internal and external clients.	
As part of developing our new Strategic Risk Management Framework, for implementation in 2021, we have articulated strategic risk appetite levels and updated our approach to strategic risk assessment to provide senior leaders and members with more insight on how successfully risk and opportunity is being managed.	Risk and Performance
<p>Change portfolio governance arrangements were structured for all our programmes, revenue projects, and any initiatives contributing to recovery deliverables as follows:</p> <ul style="list-style-type: none"> <li>• Change Management Delivery Groups, for five defined programme areas, set priorities for programmes and assure delivery of projects and programmes to agreed time, cost, quality, benefits and risk;</li> <li>• The Change Portfolio Board acts as the Sponsorship Board across all programmes;</li> <li>• Gateway Group continued to meet to assess project proposals and business cases to ensure benefits align with our priority outcomes; and</li> <li>• Implementing a new Programme Management Office structure to support project delivery and quality assure project proposals, live projects and change control processes, that was subject to internal audit review and achieved a substantial assurance opinion</li> </ul>	Determining interventions
A dedicated Corporate Policy and Commissioning team to support Leadership Team and Members with strategy development, foresight and futures work, fortnightly policy scans and developing an Integrated Planning Framework across finance, performance, risk and compliance.	Defining outcomes
Deep dive financial reviews of IT, property management and Special Educational Needs and Disability services to inform zero based budget setting in those areas.	Strong public financial management



Activities and Assurances	Governance Principle (s)
<p>Pension Fund Administration compliance and efficiency improvements have been achieved through implementation of the I-Connect system which is close to completion. This is expected to result in improved data quality and a reduced number of pension regulation breaches.</p>	<p>Transparency and effective accountability</p>
<p>Cabinet approved the constitutional, governance and accountability arrangements for Warwickshire Property and Development Group to manage Council owned risks and to assure the delivery of the required social, economic and financial benefits in the approved Business Plan. In doing so we carried out extensive due diligence on the proposed arrangements, and applied learning from other similar council led commercial and joint venture initiatives.</p>	<p>Strong public financial management / internal control</p>
<p>The Finance Training Board designed a new “Finance Training for Managers” course to cover commercial and project finance skills and are actively encouraging finance staff to submit applications for professional and technical qualifications.</p>	<p>Strong public financial management/ Building capacity and capability</p>
<p>Our Payroll Service successfully resolved system and control weaknesses identified by prior year audit reviews which had resulted in low assurance levels, receiving a higher Substantial Assurance opinion in March 2021.</p>	<p>Strong public financial management/ Robust internal control</p>
<p>Through Our People Strategy 2020-25 we aim to build a sustainable and resilient workforce; agile working principles have been agreed and flexible working contracts were formally adopted for new starters and have been offered to all staff.</p>	<p>Ethical Values/ building capacity and capability</p>
<p>A dedicated Equality Diversity and Inclusion team facilitates change activity within the How We Work programme to deliver our Equality, Diversity and Inclusion vision. We support a cross council Equality, Diversity and Inclusion Group and run training workshops open to all staff. We use our internal communications to promote equality awareness campaigns and support staff networks such as the Staff Carers’ Network.</p>	<p>Ethical Values/ building capacity and capability</p>
<p>A Bullying and Harassment Policy and Procedure was approved and launched and new guidance on delivering a neurodiversity inclusive workplace was issued.</p>	<p>Ethical Values/ building capacity and capability</p>
<p>Our strong focus on staff wellbeing, before and during the pandemic, includes new initiatives to support staff through difficult times, such as Listening Mates, and for staff to have their say on our priorities and preferred ways of working. “Check in 4” results provided assurance that 86% of staff agreed that Employee Well Being is promoted at work, compared with 72% in 2019.</p>	<p>Building capacity and capability/ Engagement</p>

Activities and Assurances	Governance Principle (s)
<b>Led by the Communities Directorate – service specific</b>	
WFRS Integrated Risk Management Plan was approved at Council in March 2021 following consultation, including a public survey, to ensure our fire and rescue service has resources in the right locations to effectively manage the changing risk profile within the County.	Managing risk and performance
In 2020, we established a cross council Trade and EU Matters Group, chaired by the Strategic Director for Communities, to review and report to Council on transition and post transition risks. The Group is responsible for scanning new legislation and coordinating the response, including supply chain reviews, arising from the UK's exit from the European Union.	Managing risk and performance
The Council Plan 2020-25 includes our commitment to mitigate negative effects on climate change, aligned to our Change Portfolio and with oversight from the Climate Change Delivery Group.	Defining Outcomes
The adoption of the Warwickshire Minerals Plan following consultation and independent examination, sets out the preferred strategy, sites and policies for guiding mineral development for the next 15 years in support of sustainable development.	Defining outcomes
<b>Led by the People Directorate – service specific</b>	
Our new Health & Well Being Strategy 2021-26, produced in collaboration with Health and Well Being Board partners was agreed in March 2021, with three initial priorities: <ul style="list-style-type: none"> <li>• children and young people have the best start in life;</li> <li>• improving mental health &amp; well-being; and</li> <li>• reducing inequality in health outcomes</li> </ul>	Defining outcomes
The development and implementation of Warwickshire's Care Home Resilience Plan supported by our Learning and Development offer to the health and care market. We are also conducting further work with Warwick University on public health in care settings.	Managing risk and performance

Activities and Assurances	Governance Principle (s)
We are extending social care and community-based market management initiatives by inviting community-based groups to tender formally for services via the CSW Joint E-Tender platform.	Robust internal control

## 5. Governance issues and challenges

We have not experienced any significant governance failures during the last year and our arrangements remain fit for purpose in accordance with the governance framework.

A primary purpose of the governance framework is to manage strategic risks proactively and to ensure that risks that can't be tolerated are appropriately mitigated.

The areas of challenge listed below have been identified as major challenges for the Council (strategic risks assessed as having the highest risk scores). We are satisfied that the challenges identified here are addressed by the Council Plan/Covid-19 Recovery Plan and supporting strategies, with key mitigation strategies signposted below.

### **Risk of post pandemic widening of social, health and economic inequalities and inability to catch up, resulting in worsening outcomes for our communities.**

One of the principles underpinning our [COVID Recovery Plan](#) is to tackle inequalities, to help our most vulnerable and disadvantaged citizens and communities overcome the negative impacts of the pandemic. Recovery priority four aims to: "harness the power of our communities to tackle inequality and social exclusions".

We are building on our response to the pandemic, with further targeted action to:

- promote and broaden the Local Welfare Scheme, which received nearly 22,000 calls in the last year; and
- establish a Warwickshire Food Forum to tackle food poverty, following the issues of over 55,000 winter food and fuel vouchers.

We also allocated £1.6m of COVID grants and investment funds to the specific initiatives in 2020-21 to:

- manage the impact of Covid-19 on BAME Communities;
- improve mental health and well being; and
- tackling inequalities through Children & Families services

Our Health & Well Being Strategy 2021-26 and The Director of Public Health's Annual Report 2020-21 directly addresses health inequalities and the "double impact of harm" for Black, Asian and Minority Ethnic communities and the most vulnerable individuals facing multiple deprivation and inequalities in health.

Many of our services have been in the frontline of the COVID response and continue to support ongoing community resilience, often in the face of increasing demand for Council services and pressure on points of contact. To sustain critical services, we will continue to review and test all our business continuity and emergency plans and learn from our ongoing response to the pandemic.

### **Risk of Education and skills gap widening and inability to catch up, resulting in worsening outcomes for students, particularly for disadvantaged students.**

Our [COVID Recovery Plan](#), priority three, sets out how we will help our children and young people catch up on their education. These focused initiatives also support our [Warwickshire Early Help Strategy \(2018-23\)](#) and our current [Education Strategy](#), which includes our approach to Closing the Gap. Going forward, we will make best use of Government catch up funding and supporting our schools by:

- Targeted roll out of IT resources and training to enable children and young people to make best use of digital learning resources;

- Programme of out of school and enrichment activities to support learning and catch up;
- Delivering our Child Friendly Warwickshire programme;
- Delivering our Early Years Programme; and
- Delivering our SEND and Inclusion Strategy and integrated delivery.

**Risk of a deep and prolonged downturn in the economy, impacting on business sustainability, reduced employment levels and household income.**

The COVID pandemic inevitably led to a significant drop in economic activity compared with the previous year, and there continues to be significant uncertainty around patterns of future growth. We worked closely with district and borough councils, Chamber of Commerce, Federation of Small Businesses (FSB) and Local Enterprise Partnership to co-ordinate our approach and support and sustain our businesses to access the emergency response funds made available by central government.

A key theme of our COVID Recovery is “Place, Economy and Climate (including skills and education)”, with three recovery priorities dedicated to:

- Support business and grow the economy;
- Stimulate job creation and skills; and
- Invest in regeneration and a sustainable future.

We have allocated £5 million of loan and grant funding for small businesses through both government funded schemes and instigation of new or extended Warwickshire County Council programmes of financial and broader packages of support for businesses which so far include:

- Adapt and Diversify Covid-19 Recovery and Investment Grants;

- Survive, Sustain and Grow to support small businesses in retail, tourism and leisure; and
- Retail and Hospitality Recovery and Investment Grants.

The new Warwickshire Recovery and Investment Fund (WRIF) is being created to stimulate the county’s economy, create jobs, support local businesses and bring investment into the county, with plans to invest £140m over 5 years. <https://www.warwickshire.gov.uk/information-coronavirus/coronavirus-wcc-economic-recovery-programmes/1>

The Council has approved the creation of the Warwickshire Property Development Group which intends to generate significant economic activity within the county over the medium term.

At a regional level the Council is a non-constituent member of the West Midlands Combined Authority (WMCA), with its objectives to create jobs, enhance skills, develop prosperity and drive economic growth. We continue to actively engage with WMCA with regards to transport, planning, housing and economic development. We will:

- Continue to work with our partners to develop the Skills for Employment programme to improve the employability skills and attributes of young people;
- Enhance our approach to place-shaping and infrastructure investment, taking advantage of government funding opportunities to both support economic recovery and to help deliver the key Council Plan priorities;
- Develop and deliver a pipeline of transport infrastructure projects with associated funding strategies;
- Continue to work with partners on the development of HS2 and maximising the economic benefits and managing the impacts on our communities; and
- Proactive management of any risks arising from EU Exit including workforce, data handling and supply chain impacts.

**Risk of continued uncertainty about external factors such as longer-term Government policies and economic outlook, impacting on longer-term planning and our ability to sustain key services.**

The outlook for Local Government remains challenging and with uncertainty about future policy changes given the economic and financial consequences of the pandemic, and only short-term clarity about future funding levels for local authorities absent a multi-year settlement through the Comprehensive Spending Review. Most fundamentally, demand for services is high and increasing and can be expected to increase further as a consequence of the Pandemic.

We are actively managing the impact on future levels of business rate income, tax base and cashflow management. We also await the outcome of the Treasury's Fair Funding and Comprehensive Spending Review.

We are adopting a future focused and strategic approach to identifying priorities for local government and the implications for Warwickshire. In the short term this includes:

- Implementing the COVID-19 Recovery Plan
- Facilitating strategic conversations with members, senior leaders and staff; and
- Establishing an approach to Residents' Panel to inform our priorities going forward, supplementing existing community engagement platforms and data gathering.

The potentially significant impact of uncertainty and change is actively managed through the Change Programme workstreams.

Over the coming year we will:

- Continue to monitor the implementation of in year savings, delivery plans and possible inflationary impacts to ensure that revenue and capital budgets are managed effectively, with a particular focus on improving the quality of in-year forecasting to inform timely resource allocation decisions;
- Apply our Commercial Strategy and Treasury Management and Investment Strategy to manage commercial and investment risks;
- Participate in conversations about devolution and future challenges and opportunities facing local authorities through national professional bodies and council networks; and
- Consider options for conducting Local Government Association led Peer Challenge activity in 2021 to provide assurance our strategic planning approach matches the challenges we face.

**Risk of continuing pressure on Special Educational Needs & Disability (SEND) provision**

One of our most significant operational and financial challenges is responding to longer term pressures that have a fundamental impact on the funding and provision of SEND in Warwickshire. Demographic and societal pressures and the upward trend in assessments requested is driving the increasing and urgent demand for special needs provision, both in mainstream and specialist settings.

We will continue to implement our SEND and Inclusion Strategy priorities and outcomes, through investment in a multi project and integrated SEND Change Programme, supported by the council's Programme Management Office, with oversight of programme performance by the Change Portfolio Board.

An Ofsted and CQC inspection of local area SEND services took place in July 2021 and reported, in September, on the strengths and areas of development to improve the effectiveness of the local area. We are taking action to respond to specific concerns that were raised and already have the following key actions in our Service Plan for 2021-22:

- A review of mainstream school top-up funding for Education Health Care Plans (EHCP);
- A new quality assurance framework for EHCPs; and
- The opening of a new special school, The Warwickshire Academy, offering specialist provision, with up to 80 places for students with Social, Emotional and Mental Health (SEMH) and Autism Spectrum Disorder (ASD) support needs.



## 6. Certification

We will continue to manage the risks detailed above and further enhance our governance arrangements over the coming year as set out in the 2021-22 Governance Action Plan at Appendix 1. We are satisfied that the risks we have identified are addressed in our Council Plan, COVID-19 Recovery Plan and key strategies. We are satisfied that the actions identified will address the need for improvements that were highlighted in our review of effectiveness. These are monitored and reported to members and Corporate Board as part of the corporate performance management framework. We will monitor their implementation and operation as part of our next annual review.

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Councillor Izzi Seccombe OBE  
Leader of the Council

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Monica Fogarty  
Chief Executive/Head of Paid Service

## Appendix 1 – Rolling Governance Action Plan

Governance Improvement Actions for 2020-21	Actions Completed	This year we are:
To update our <b>Local Code of Corporate Governance</b> to reflect organisational restructure and new ways of working with learning points from our COVID-19 response actions and recovery planning also informed updates to the code.	An updated Local Code of Corporate Governance was endorsed by the Audit & Standards Committee and Cabinet, with full Council approval to follow in 2021.	Updating Do the Right Thing intranet guidance and develop modular training to support the new Code.
Complete the <b>review of the Council’s Constitution and Financial Regulations</b> .	The Member Code of Conduct was reviewed against the latest LGA model. Financial Regulations and Contract Standing Orders are being updated for approval by Council.	Updating the scheme of delegation.
To update our <b>Risk Management Framework</b>	A new Strategic Risk Management Framework was approved by Cabinet in April 2021 and Strategic Risk Appetite levels and statements agreed.	Rolling out the new risk management approach according to milestones in the Integrated Planning programme.
To implement a <b>Three Line of Defence model</b> as part of a council wide assurance framework to manage risks and deliver ongoing internal control assurances to Corporate Board and members throughout the year.	Three lines of assurance model has informed Functional Operating Models, Change Programme governance and is adopted as the governance model for Strategic Risk Management.	Assurance mapping systems of internal control, as part of Internal Audit planning.
<b>Reinstatement Planning</b> for all Council services are prioritised and risk-based, focusing on: <ul style="list-style-type: none"> <li>• Keeping people safe;</li> <li>• Managing risk successfully;</li> <li>• Supporting staff with new ways of working; and</li> <li>• Ensuring learning points are identified and followed up.</li> </ul>	We adopted a precautionary approach, informed by legislation and progress of the pandemic. Site risk assessments and business need informed our Reinstatement Plans.	Continuing to consult with all staff to inform next steps, aligned to our How We Work programme.

<p>Update of <b>strategic planning tools</b> to reflect COVID recovery:</p> <ul style="list-style-type: none"> <li>• Review and refresh the Council Plan informed by COVID recovery planning,</li> <li>• MTFS refresh for 2021/22 budget to accommodate revised income and expenditure forecasts.</li> <li>• Integrate Strategic Policies and Priority Outcomes</li> <li>• Review and update Our People Strategy Delivery Plan</li> </ul>	<p>The Council Plan 2025 and Medium Term Financial Strategy were updated and approved by Council in February 2021, incorporating Recovery Plan objectives.</p> <p>Our People Strategy Delivery Plan 2021-22 is approved and overseen by the How We Work Delivery Group.</p>	<p>Using our Integrated Planning programme to drive updates to the 2022/23 Council Plan.</p>
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Governance Improvement Actions 2021-22	Action Owner	By when?
<p><b>How we govern our partnership arrangements:</b> We will review and refresh our partnership governance arrangements, which were last updated in 2014. We will seek a risk based and proportionate approach to managing our partnerships.</p>	Assistant Director Governance and Policy	March 2022
<p><b>How we manage our capital programme activity</b> We will complete an end to end process review of our approach to capital project management with the aim of reducing the likelihood of significant budget overspends and impactful delays.</p>	Assistant Director Finance	December 2021
<p><b>How we manage our third party suppliers and contracts</b> We will take forward actions identified from a review of Supplier Management by PwC. This includes establishing a Contract Management and Procurement Delivery Group, implementing a new Contract Management System and setting up cross directorate boards to oversee supplier relationships that hold the greatest risk (i.e. those where a supplier failure would risk delivery at a Council wide level).</p>	Assistant Director Commissioning Support Unit	March 2022