Annual Governance Statement

Year ended 31 March 2020

Warwickshire County Council

Working for Warwickshire

Annual Governance Statement 2019/20

Contents

1.   What are we responsible for?

We are responsible for carrying out our business in line with the law and proper accounting standards, and for using public money economically, efficiently and effectively, and accounting for it properly. 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 and an efficient and effective service.

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.

We have approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016)*. Further information is on our website:
http://www.warwickshire.gov.uk/corporategovernance

This statement explains how the Council has complied with its Code of Corporate Governance and also meets the requirements of the Accounts and Audit Regulations 2015. It also covers the governance control and risk management arrangements of the Warwickshire Local Government Pension Scheme and Firefighters' Pension Scheme.

Figure 1 CIPFA's Principles of Good Governance
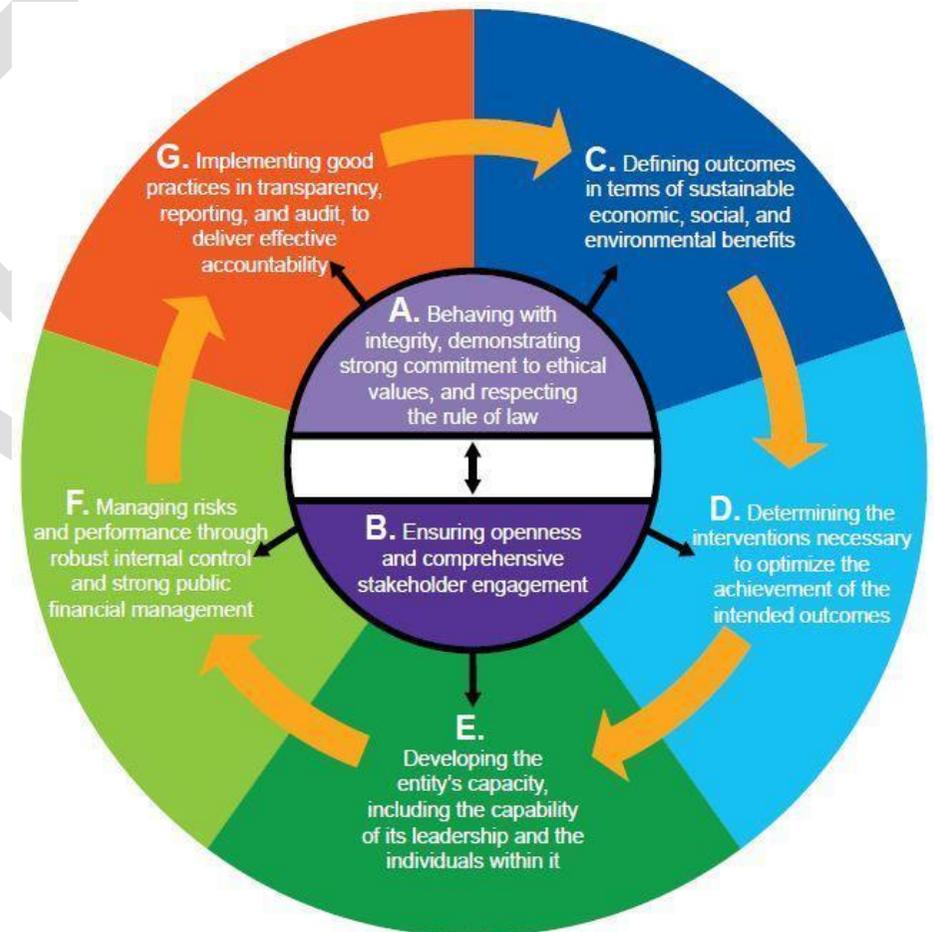
2.   The aim of the governance framework

The framework allows us to monitor how we are achieving our strategic aims and ambitions, and to consider whether they have helped us deliver appropriate services that demonstrate value for money.

The system of internal control is an important part of the framework and is designed to minimise risk to a tolerable level. It cannot eliminate all risk of failing to achieve our policies, aims and objectives. The system of internal control is based on continuing processes designed to:

● identify and prioritise the risks that could either prevent us from achieving our priority outcomes or missing opportunities to improve outcomes;
● assess how likely it is that the identified risks will happen, and what will be the result if they did; and
● manage the risks efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2020 and up to the date of approval of the Annual Governance Statement and Statement of Accounts.

Since March 2020, the COVID-19 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 by applying the principles of the Governance Framework. 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. There will be a full review of lessons learned from the response phase, to inform future governance and emergency responses.

3   The Governance framework

Our code is aligned to the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016).   A description of the arrangements which we have put in place to secure robust corporate governance are summarised below. The full detail of these arrangements can be found in the Code of Corporate Governance.
http://www.warwickshire.gov.uk/corporategovernance
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Core Principle A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

As part of our governance framework we apply six key behaviours (see Figure 2) which provide a clear framework on the behaviours we are demonstrating on a day to day basis to support the cultural change and transformation of the organisation. The behaviours are supported by the following values; high performing, collaborative, customer focused, accountable and trustworthy. The behaviours and values are integral to 1:1s and appraisal conversations as well as key to the way we recruit and develop our colleagues.

We have arrangements in place to provide assurance that our behaviours are being upheld and that members and officers demonstrate high standards of conduct. These include:

● codes of conduct for officers and members (including gifts and hospitality, registering interests, anti-fraud and whistleblowing); and
● inclusion of ethical values in policies and procedures for all areas including procurement and partnership working.
http://www.warwickshire.gov.uk/conduct

Our Behaviours

We will...

So that...

This means I...

do what we say.

we fulfill our commitments and deliver on our priorities.

- am clear about what I need to do.
- act upon decisions made.
- provide clear information so that everyone knows what to expect.
- set realistic deadlines and achieve my outcomes.

help people and communities to find their own solutions.

people and communities feel confident and empowered to do things for themselves.

- listen and understand my customer's needs.
- act with integrity.
- manage risks appropriately.
- support my customers by giving them clear and accurate information.

move with purpose and energy.

we develop new ways of working that are better, quicker and cheaper.

- adapt quickly and positively to new demands.
- act promptly and deliver on time.
- empower colleagues to make decisions.

build strong working relationships.

people and communities are at the heart of our service delivery.

- build and sustain new and exisiting working arrangements.
- have regular conversations and trust colleagues.
- provide constructive feedback, challenge and offer ideas.
- work collaboratively to make best use of resources and avoid duplication.

focus on Solutions.

we achieve positive outcomes for our customers.

- develop solutions not problems.
- anticipate challenges and suggest solutions.
- take ownership and responsibility for my work.
- support others to make improvements.

be the best we can be.

we have a skilled and motivated workforce to shape and deliver our services.

- act as a role model for colleagues, customers and partners.
- take steps to look after my health and wellbeing.
- listen, reflect and act on feedback.
- take responsibility for my own development
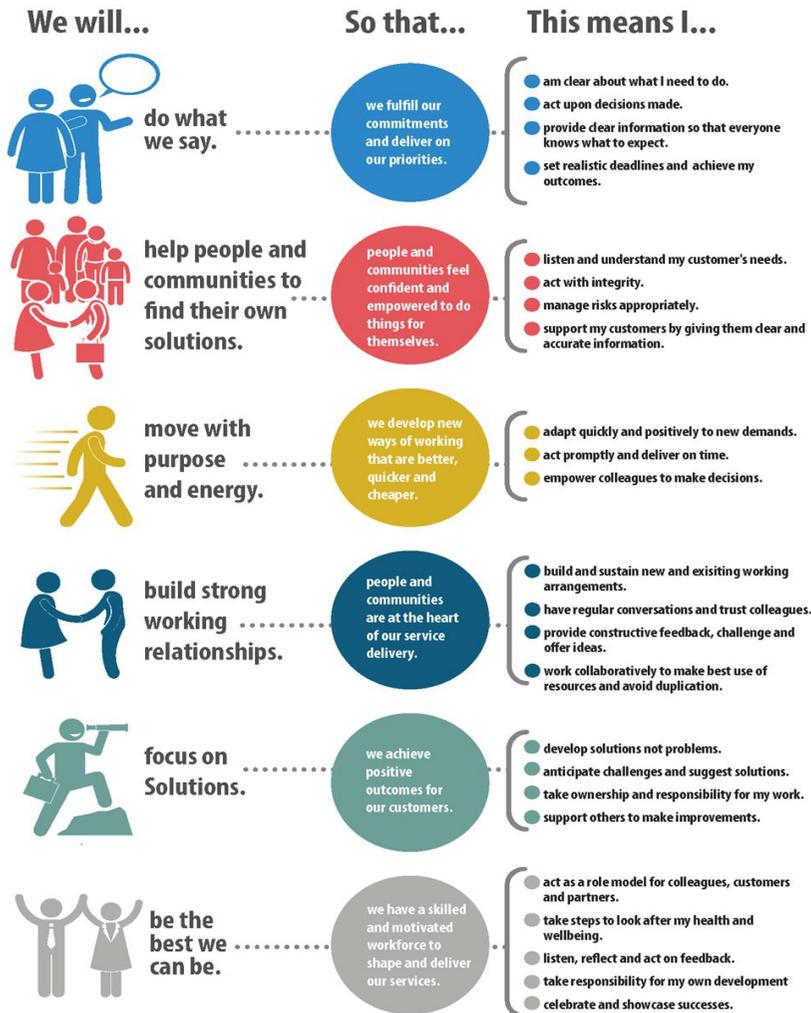- celebrate and showcase successes.

Figure 2 Warwickshire's Six Key Behaviours

Complaints and compliments help us improve the services we provide to all customers. We have an updated Complaints Policy and a corporate complaints and feedback procedure to ensure that all complaints are investigated properly and are responded to as quickly as possible. http://www.warwickshire.gov.uk/complaints

We appreciate the diversity of our customers, workforce and the wider Warwickshire community and are committed to Equality and Diversity. This is integral to everything we do including policy development, service delivery and partnership working to ensure we meet the Public Sector Duty as set out in the Equality Act 2010 and that we do not unlawfully discriminate with services we deliver or commission http://www.warwickshire.gov.uk/equality

Our Constitution sets out the framework to ensure that all officers, key post holders and Members are able to fulfil their responsibilities in accordance with legislative requirements so that we are efficient, transparent, accountable to our citizens and compliant with the law.

Roles and responsibilities for individual Members, the Council, Cabinet and senior officers, along with the delegation of statutory powers and executive functions, and protocols on member / officer relations are documented. To ensure continuity of core Council services and statutory duties in our response to the COVID-19 pandemic, we have been able to adopt decision making mechanisms which have complied with the Constitution and the legal framework. http://www.warwickshire.gov.uk/constitution

We have consistent governance arrangements for our two wholly owned trading companies; Warwickshire Legal Services Trading Ltd and Educaterers Ltd:

- the shareholder agreement governs our relationship with each company and sets out which decisions require shareholder approval;

- Annual General Meetings are held to ensure the Council is fully informed of the company's performance; and
- Directors of each company have received "conflict of interest" awareness training and we actively monitor the risk of potential conflicts.

Also, in the case of Educaterers, the larger of the two companies, a shareholder representative attends company board meetings. The allows the Council, as a shareholder, to keep updated on company matters.

Core Principle B. Ensuring openness and comprehensive stakeholder engagement

We have a Consultation and Engagement Framework in place, owned by a lead officer, which provides staff with up to date guidance and tools for planning and conducting consultation activities.

As part of our approach to consultation the Ask Warwickshire website is a portal for consultation exercises taking place within Warwickshire. We use a variety of methods to undertake consultation. www.warwickshire.gov.uk/ask

We carried out extensive consultation on strategic objective proposals for the 2020-25 Council Plan, including a dedicated consultation web page, a multi media engagement questionnaire and 9 county wide roadshows which reached a large and diverse audience .

Our response to the COVID-19 pandemic has seen our engagement with communities, employees, schools, partners and other stakeholders delivered and managed daily, through our external website home page and links to a dedicated suite of web pages and linked resources offering support and guidance. We have also extended our community engagement through a range of social media channels such as Twitter, Facebook, Snapchat and Instagram to achieve the maximum reach from our messaging during this critical time.

We value the contribution from our employees and have an Employee Engagement Strategy in place which sets out how we ensure employees have a voice, managers and leaders are focusing, coaching and developing their people and there is clear communication about where our authority is going. This is supported by regular staff surveys and pulse surveys which measure employee engagement and our direction of travel against a number of staff related measures. To support the unique challenges arising from COVID-19, we put in place staff check-in surveys to understand the impact of remote working and the pandemic on their well-being, as well as adoption of new technologies and ways of working. https://www.warwickshire.gov.uk/employeeengagement

We actively contribute to and collaborate with partners to promote good governance and achieve the delivery of outcomes through increased joint working and economies of scale. We are members of a number of sub-regional partnerships and groups which have member and / or officer representation. Each partnership has its own governance arrangements in place. http://www.warwickshire.gov.uk/partnerships

We are registered as a data controller under the Data Protection Act as we collect and process personal information and we have a named Data Protection officer. We have General Data Protection Regulation (GDPR) compliant procedures that explain how we use and share information and arrangements for members of the public to access information. We have also adopted the model publication scheme produced by the Information Commissioner's Office (ICO), in accordance with the Freedom of Information Act 2000. https://www.warwickshire.gov.uk/Publications-scheme-and-transparency

The Warwickshire Pension Fund engages with its employers and members through the Local Pension Board which has representatives from employers and members, and through direct communications for example directly sharing new policies such as the Funding Strategy Statement for comment. https://warwickshireintranet.moderngov.co.uk/mgCommitteeDetails

Core Principle C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

2019-20 is the final year of the Council's One Organisational Plan (OOP 2020) and 3 year Medium Term Financial Strategy (MTFS). It set out our vision for Warwickshire and the journey the authority took to deliver this vision and outcomes over the life of the plan. Progress implementing the OOP 2020 has been reported to Cabinet and has been subject to annual review. https://www.warwickshire.gov.uk/OneOrganisationalPlan

Going forward, the new Council Plan has been developed with members and in consultation with our stakeholders and communities and defines priority outcomes and key strategic objectives. https://www.warwickshire.gov.uk/strategies

Figure 3: Warwickshire's Core Purpose and Priority Outcomes

Alongside the Council Plan, the Council has produced a rolling five-year Medium-Term Financial Strategy which is established on sound assumptions to deliver a sustainable balanced budget in the short and medium term. This will assist with forward planning and responding to variations in financial forecasts.

In 2019 the Council declared a climate emergency. Climate Change adaptation task and finish groups were set up; one group considered mitigation strategies and a second group addressed possible adaptations. A single set of recommended priority actions and options for investment, informed by UK Climate Change data, were approved by Cabinet. A climate impact assessment for Warwickshire is also being prepared.

The most significant impacts of the COVID-19 pandemic on the Council's core purpose and outcomes are being assessed and acted upon, initially, by developing a whole council phased recovery and reform plan. Warwickshire Councils have issued a joint statement of intent on recovery and the recovery planning process aligns to the approach being taken across Warwickshire and the West Midlands through the Local Resilience Forum arrangements.

Core Principle D. Determining the interventions necessary to optimise the achievement of the intended outcomes

2019-20

The One Organisational Plan (OOP) and the Council's MTFS were aligned to ensure a joined-up approach to delivering the OOP 2020 outcomes and agreed savings plans. Transformation Programme Boards were set up in 2018-19 and a Gateway Group, operating at strategic level, has also been meeting during 2019/20 to assess revenue project benefits and alignment with key outcomes. This provided the necessary framework to continue to deliver change and transformation and to ensure clear line of sight in the delivery of WCC's Core Purpose and Outcomes at strategic, directorate and service level.
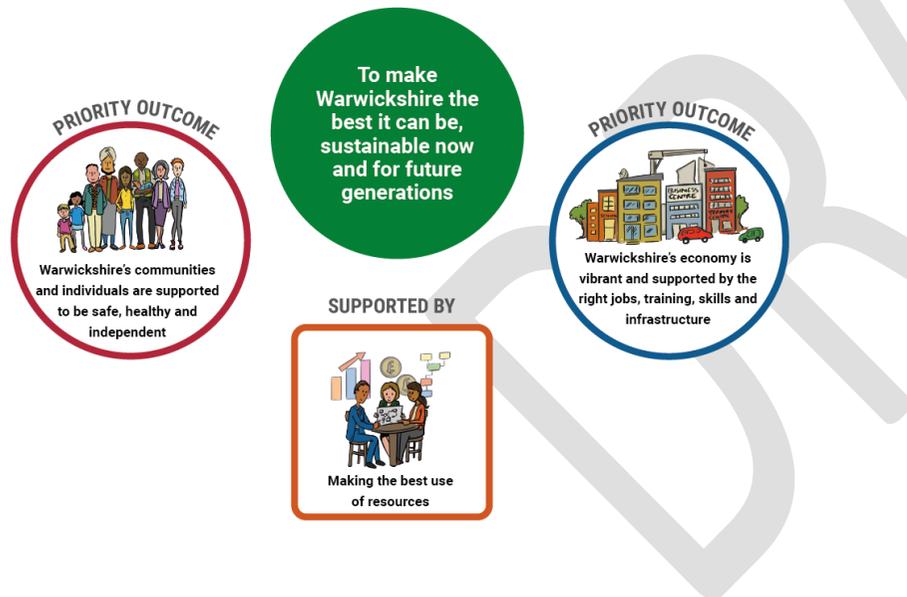
The creation of a dedicated Commissioning Support Unit is supporting the establishment of a one-organisation approach to the way outcomes are achieved. Bringing together functions around change management, business intelligence, contract management and quality assurance means that a robust, consistent methodology is applied to informing and prioritising commissioning activity. The unit also provides corporate assurances through ongoing monitoring of delivery against outcomes and prompting actions to stay on track.

2020 and Beyond
Our Commissioning Intentions Performance Framework, developed to support the delivery of the new Council Plan, includes the following mechanisms to assess progress and inform actions and interventions to achieve intended outcomes:

- progress against the Councils Key Business Measures (KBMs) to assess the delivery of outcomes for reporting to Overview & Scrutiny Committees and Cabinet on a quarterly basis. This information is also available electronically to members and officers via a series of Cabinet and OSC Dashboards using new business insight technology;
- a suite of reports and dashboards provides HR, finance and performance data to Strategic Directors, Assistant Directors and third tier managers for their areas of responsibility. This enables managers to interrogate information quickly and efficiently, making key business measures and supporting indicators easier to monitor;
- arrangements are in place to report critical management information on the key aspects of the delivery of the Council Plan, including finance, projects and performance to Corporate Board and on a quarterly basis to Cabinet and Overview & Scrutiny; and
- Each Directorate has arrangements in place for reporting performance to its Directorate Leadership Team and corporately as part of a Commissioning Intentions Performance.

The Commissioning Support Unit have the resources, tools and expertise to maintain these systems and processes and to support services to identify and monitor actions to stay on track and to escalate further where decisions are needed. All proposed and active projects are managed in the VERTO system, which includes change control and reporting functionality to reduce the risk of non-delivery of intended outcomes.

In March 2020, the Council paused, for a short period, corporate performance reporting and the planned change programme to redirect effort and resources to support the immediate emergency response to COVID-19. Specialist response cells have developed interventions to manage and mitigate the COVID-19 impact on the council's defined outcomes across all key services, including Adult Social Care, Children's Services, Education Services, highways and waste management. Outturn and performance reporting resumed in Q1 2020-21.

Core Principle E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

A People Strategy has been developed to ensure our workforce can deliver the organisation's new Operating Model and stays aligned with our vision and outcomes. Priority actions to underpin the Strategy have been agreed with action plans in place, focusing on delivery. There is ongoing engagement with staff in this area and direction and progress continues to be governed and monitored by the How We Work Board.

Our How We Work programme is designed to deliver the right technology and tools to work as efficiently and effectively as possible. Our investment in ways of working, remote working technology and infrastructure has greatly enhanced the ability of the organisation to respond effectively to an emergency event and has proven to be a robust part of our COVID-19 response.

Structurally, the move to distinguish between Strategic Commissioning and Delivery roles has helped to build increased strategic capacity

alongside functional operating models building capacity to deliver more effectively.

The refreshed approach to our Flexible Working arrangements as a whole Council offer from January 2020 set out principles for employees to work flexibly as efficiently and productively as possible, whilst maintaining a priority focus on service needs. These principles significantly supported the Council's ability to respond effectively and maintain service delivery during the initial response phase of COVID-19.

To enable our employees to be the best they can be we have a corporate process for annual appraisals and Personal Development Plans for Tier 4 officers and above supported by regular 1:1 conversations. This provides the necessary clarity of expectations and behaviour, direction, support and opportunities for growth and development and allows employees and managers to have constructive discussions on performance, progress against outcomes, wellbeing and development. Our corporate appraisal process is aligned to the Behaviours Framework and our recruitment process for tiers 1 – 4 applied a behavioural assessment process, which includes leadership capability and identifies personal development areas.

Our Senior Leadership Forum and planned events and workshops aim to share our strategic direction and Change plans more widely and build the skills and capabilities needed to successfully deliver those plans.

A member development programme is arranged each year to ensure core development needs of members, aligned to their respective roles, are met and to take account of new and emerging issues.

We have invested in the health & wellbeing of our employees with a Workplace Wellness Strategy, and supporting processes including those to manage sickness absence and return to work.

The health & wellbeing of our employees during the COVID-19 pandemic and lockdown period has been a top priority. We have focused on:

- maintaining wellbeing and HR policy information on the intranet home page with links to internal and external support networks, resources and check in surveys; and
- regular live communication to staff from Corporate Board.

Core Principle F. Managing risks and performance through robust internal control and strong public financial management

The One Organisational Plan and the new Council Plan are supported by the necessary performance and financial management framework to complete the delivery of transformation and realise the benefits of embedding and sustaining change.

The performance framework ensures that Members and Officers have a clear picture of how well the Organisation is progressing against the outcomes set out in the Plan as well as the key business outcomes that support and underpin it.

Strong financial management is assured by budget monitoring and variance reporting at service and corporate level, ensuring the Council is alert to emerging financial risks and can proactively manage those risks. These processes continued during the final year of OOP 2020. Internal audit provide advice to service areas and change projects to ensure the control environment remains strong.

The impact of COVID-19 on the Council's financial position is subject to continuous financial analysis and key indicators reported to Corporate Board alongside MHCLG COVID-19 financial impact returns.

Financial Regulations set out our financial management framework for ensuring we make the best use of the money we have available to spend. They outline the financial roles and responsibilities for staff and Members and provide a framework for financial decision-making. S48 Agreements with maintained schools ensure we obtain annual assurances from

schools about their financial management of delegated budgets. Where there are specific statutory powers and duties the Financial Regulations seek to ensure these are complied with, as well as reflecting best professional practice and decision-making.
https://www.warwickshire.gov.uk/standingorders

Our emergency response to COVID-19 included adapted physical asset and financial control measures with all audit trails assured. Our procurement function and processes ensured supplies of essential equipment and products were maintained and suppliers paid promptly and accurately.

Pension Fund investments are governed by the Pension Fund Investments Sub Committee which is advised by external financial advisers and supported by two independent financial advisers.
https://warwickshireintranet.moderngov.co.uk/mgCommitteeDetails.aspx?ID=168

Risk management is an integral part of good management and corporate governance and is therefore at the heart of what we do. It is essential to our ability to deliver public services and as a custodian of public funds. Our approach to managing risk is explained in the Risk Management Strategy. http://www.warwickshire.gov.uk/riskmanagementstrategy.

An external Health Check of the Council's risk management approach against a national good practice framework was completed in 2019. This resulted in an action plan to deliver improvements to our risk management approach and will inform an updated Risk Management Framework in 2020. This review will include setting a corporate risk appetite, standard corporate principles for the management of risk, and standard approaches to the management of risk in cross cutting functions including project management, procurement, and commercial activities.

We have adopted the CIPFA Code of Practice for Managing the Risk of fraud and corruption and this is reflected in our anti-fraud policy.
http://www.warwickshire.gov.uk/antifraud

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

We endeavour to always be open and transparent. We have a forward plan which provides information about all of the decisions that the Council has scheduled. Formal agendas, reports and minutes for all committee meetings are published on our website which ensures that people know what decisions the Council is planning to take, and the decisions taken.
http://www.warwickshire.gov.uk/democracy

Overview and Scrutiny Committees act as a critical friend and hold Cabinet to account for its decisions. The terms of reference for all O&S Committees are defined in the Constitution.
http://www.warwickshire.gov.uk/scrutiny

The Audit and Standards Committee has oversight of internal and external audit matters, the Council's arrangements for corporate governance and risk management and any other arrangements for the maintenance of probity.

Each year we publish information on our website outlining how we spend Council Tax income. http://www.warwickshire.gov.uk/counciltaxspending

Arrangements are in place to ensure that we fully comply with the requirements of the Public Sector Internal Audit Standards and CIPFA Statement on the Role of the Head of Internal Audit. The Internal Audit Manager is designated as the Head of Internal Audit and had regular formal meetings during the year with the Strategic Director for Resources, Assistant Director Finance and Assistant Director Governance and Policy. There is an Internal Audit Board which assists in facilitating the management and governance of the internal audit service. An External Quality Assessment of the Internal Audit service was completed in February 2018 resulting in positive feedback on the quality of internal audit provided to its clients. http://www.warwickshire.gov.uk/audit

During the early stages of the COVID-19 response the Council made greater use of Leader 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. By mid-May we had re-introduced formal member meetings carried out virtually using Microsoft Teams functionality.

4.   Review of effectiveness

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, the Head of Internal Audit's annual report, and also by comments made by external auditors and other review agencies and inspectorates.

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 their 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; and
- evaluated the assurances provided and identified gaps.

The evaluation panel also considered the strategic risk register updated and agreed with Corporate Board in January 2020. The impact of the COVID-19 pandemic on strategic risk has been reviewed to inform recovery planning and key governance improvement actions for 2020-21 **(Appendix A).**

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-19 impacts in the final weeks of the financial year. Consideration was also given to the results of reviews carried out by external 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 Interim Assistant Director Finance, Strategic Director for Resources (Section 151 Officer) and Director of Adults and Children's Services before being submitted to the Audit and Standards Committee for further scrutiny and reported to Cabinet and Council.

The Council's governance arrangements have been reviewed and improved throughout 2019/20 in a range of areas including:

- An approved Commercial Strategy with the Trading Board overseeing the delivery of the strategy;
- A refreshed Complaints Policy and new electronic complaints system;
- The Council's Integrated Capital Strategy has been reviewed by the Capital Working Group and updated in line with the CIPFA code;
- Development of internal officer level governance arrangements under the Making Better Use of Our Time project;
- The Gateway process is being extended to include Capital projects;
- The development of a new Treasury Management Strategy;
- A new Pension Fund website was launched in December 2019 improving transparency and access for employees;
- An independent review of pension fund administration governance was undertaken, reported to the Local Pension Board, and progress has been made on the resulting action plan;

- Pension Investment controls have been audited for the second year and improvements noted from 2018/19;
- Council meetings are web-streamed, improving transparency of decision making and public accessibility;
- Our new committee management system, Modern.Gov, has been implemented, strengthening consultation, review and sign off procedures as part of key decision making, at the same time as improving ownership and transparency in report writing;
- The Council's move to the Cloud-based Microsoft 365 environment has improved communication and data security and has also enhanced the ability to work remotely, securely and collaboratively;
- Staff were consulted on the new Employer Value Proposition and Flexible Working arrangements;
- Staff consultation on new directorate and service structures was transparent and consistently applied across directorates and service areas;
- A programme of leadership forums and executive coaching offered to support leadership development;
- Our new Customer Experience Strategy gives a corporate focus on delivering positive outcomes for customers;
- A prior year HMICFRS review of Warwickshire Fire & Rescue service was largely positive and action has been taken to respond to any areas identified as requiring improvement; and
- Our Council Plan engagement and consultation activity resulted in a significantly increased public response rate compared with previous years, including 1,112 returned questionnaires and 826 shorter questionnaires completed at roadshows.

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 as a result of COVID-19. 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 Investment, and Payroll. 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.

5.   Governance issues

We have not experienced any significant governance failures during the last year and our arrangements continue to be regarded as fit for purpose in accordance with the governance framework. However, the matters listed below have been identified as major challenges for the Authority. These governance challenges are reflected in the organisation's strategic risk register and have accompanying actions. The risk register highlights the actions taken and successes achieved in addressing the challenges of the past twelve months.

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. We are satisfied that the challenges identified here are addressed by the Council Plan, the Target Operating Model and the COVID-19 recovery plan process. The following paragraphs summarise the risks contained in the strategic risk register and in the context of good governance. **The 2020-21 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.

Government policies, new legislation, funding uncertainty and demographic pressures present challenges to sustainable service delivery.

The outlook for Local Government remains demanding with uncertainty about post Brexit and future government policy changes and the very likely high impact economic and financial consequences of the COVID-19

Pandemic. We will adopt a proactive approach to identifying the future direction of government policies which impact on local government and the implications for Warwickshire. Our new corporate policy function has the capability to support this work. We will also play an active role in regional and national groups, seeking to actively influence government policies and thinking around key issues, risks and future opportunities.

We are actively managing the impact that the Government's emergency COVID-19 response measures will have on the 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. Government proposals to remove the option for schools to write off Dedicated Schools Grant funds and the projected increase in demand for school places are included in financial scenario planning.

Council Plan and MTFS proposals to save £33m over 5 years to 2025, create financial pressures meaning that the organisation faces significant challenges to meet its aims and objectives. The saving and transformation plans that have already been delivered during the previous OOP 2020 period were challenging but realistic. The potentially significant impact on services that we provide to the public is being actively managed through the Change Programme workstreams coordinated by the Programme Management Office.

There is an overall risk to the delivery of savings plans in 2020/21 and possibly 2021/22, as a result of COVID-19 impacting practical progress on change during the first quarter of 2020/21. However, a Recovery Plan and approach is being developed to inform the refresh of the MTFS, redirect resources where required and reset our Change Programme.

Our pension fund value is in excess of £2bn and we work closely with our Investment Committees, pooling partners and advisers to ensure we maximise the value of our assets and maintain effective governance and reporting arrangements.

The major focus for us in the coming year is to:

● Reassess the overall 2020/21 budget position and implement a 2021/22 and rolling MTFS refresh informed by COVID-19 impact assessments, financial evaluation of COVID-19 response expenditure and recovery planning;
● Deliver a governance and constitutional review, including development of the Financial Framework to improve overall financial management;
● Complete implementation of Functional Operating Models across the organisation to deliver effective and sustainable services;
● Continue to monitor the implementation of in year savings and project plans and ensure that revenue and capital budgets are managed in a clear and prudent manner, with a focus on the quality of in-year forecasting to inform timely resource allocation decisions;
● Continue to work closely with Border to Coast Pension Partnership;
● Continue to explore and engage in the debate around the implication of national policy direction on local public service delivery and what it may mean for Warwickshire;
● Work with our key partners to engage proactively with the UK Government to manage any financial consequences of COVID-19 and our exit from the EU at the end of 2020; and
● Engage with options for conducting LGA led Peer Challenge activity in 2020.

Continuing pressure on Council-funded Social Care, Health and Special Educational Needs & Disability Services (SEND).

There continue to be longer term pressures that have a fundamental impact on the funding and provision of adults and children's social care, SEND and disability services in Warwickshire. Demographic pressures and increase in referral numbers, combined with the impact of the national living wage, means that demand and costs for providing care and support continue to rise. In addition, market pressures on providers increases the risk that they either leave the market or that services provided fail to meet minimum statutory requirements.

The COVID-19 public health emergency greatly increases the risk of gaps in the provision of care and critical support services. There could be council and provider staff shortages as a result of lockdown and social distancing measures. Equally demand surge pressures resulting from the reduction in treatment of non-critical health care by NHS providers, social care easements, suspended referrals, assessments and reviews.

We have already taken action to address pre COVID-19 pressures and increasing demand on adult social care services by utilising the 2% Adult Social Care Levy as part of our budget setting. We have also been allocated over £17 million extra government funding for adult social care over 3 years - £8.3m in 2017/18, £6.3m in 2018/19 and £3.1m in 2019/20.

During the next year we will continue to shape and commission our services and will have a focus on the following:

- Stronger integration with our health partners and strengthening the role of the Community and Voluntary sector. COVID-19 has provided some innovative and successful practice that could be developed further;
- Re-design of commissioning arrangements for working age adults;
- Re-design of the Market Shape functions and Market Position Statement;
- Progressing reablement and early intervention workstreams to address demand for social care services, overseen by an Early Intervention Board;
- Completing the transformation of the "customer journey" for children's and adult services with customers and carers at its heart; and
- Implementing, through an integrated SEND Change Programme, the Send & Inclusion Strategy, SEND improvement plan and DSG recovery Plan.

Safeguarding Children and Vulnerable Adults in our community - ability to take action to avoid abuse, injury or death.

There has been a reported rise in incidents of domestic violence during COVID-19 emergency measures. Unsighted vulnerable children and adults due to the closure of schools and impact of restrictions on support services heightens safeguarding risks. We mitigate this with our continued commitment to protect children and vulnerable adults from harm and constantly review the controls in place. These controls include effective escalation and critical incident reporting and continuing to conduct case file and supervision audits. The Warwickshire Safeguarding Adults & Children's Board has implemented a programme of regular multi-agency audits. The Board is already working to develop new arrangements to ensure greater alignment, integration and a whole family approach.

Responding to increasing levels of referrals, and the potential increase in demand as COVID-19 restrictions ease, requires careful judgements to be made both in terms of managing risk exposure and the associated increase in costs and substantial budget pressures in Children's Services. Refocusing resources on successful early intervention initiatives continues.

We received a Focused Visit by Ofsted in 2018 which was positive about our child protection and children in need work. A full Ofsted inspection commenced in March 2020 but was interrupted as a result of COVID19 and will be rescheduled to a future date, to be confirmed.

The Council is also focused on addressing high demand for children's services; following a strategic review, pathways around the Multi Agency Safeguarding Hub (MASH) and early help have been redesigned. We continue to improve our safeguarding arrangements with a focus on working more effectively with families in the community.

We also continue to quality assure commissioned services and ensure robust escalation and response plans are in place in the event of a market failure.

Ability to maintain the security of personal or protected data and protect our systems from disruption as result of cybercrime.

Information security is a key issue for all public sector organisations, in light of well publicised data losses and cyber security incidents affecting several public and private sector bodies. A robust process for investigating incidents is in place and we continue to protect our systems and data of our staff and customers. We ensure that data is stored securely, legally and in accordance with Council policy.

In 2019 we released new Information Compliance Training and require staff to undertake e-learning and formally accept their data protection responsibilities. This increases overall awareness, and signposts staff to our more detailed advice and guidance.   There is routine General Data Protection Regulation (GDPR) compliance reporting to Corporate Board. We have strengthened the role of our Technical Design Authority to approve products on the basis of privacy and security controls and have processes built into our business intelligence work using the "data protection by default and design" principle.

Along with all other organisations, we have seen an increase in the number of attacks on Warwickshire websites and systems arising from hacking, denial of service, ransomware and phishing. In response, we continue to review and develop our network and information security arrangements and invest in those resources, following an agreed ICT security roadmap. We are alert to the risks of cybercrime that may arise due to remote working during the COVID-19 pandemic lockdown and we continue to maintain prevention, control, testing and response regimes to mitigate this risk.

Ability to secure economic growth in Warwickshire.

The COVID-19 pandemic will inevitably lead to a significant drop in economic activity and create significant uncertainty around future growth. The Council has 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 our businesses to access the emergency response funds made available by central government.

A key theme of our COVID-19 Recovery and Reform planning, which will shape our refreshed change portfolio, is identified as "Place, Economy and Climate (including skills and education)". We are implementing and co-ordinating a regional, sub-regional and local approach to economic recovery, helping support our businesses to safely and effectively re-open following lockdown, and exploring how they can adapt to the "new normal".

To support the re-opening of our economy and businesses within our town centres, we are working to redesign and reallocate road space within our key towns to enable social distancing and improved throughput of pedestrians in a safe way that provides confidence to visitors to come to our town centres.

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. The leader of the Council is Chair of the WMCA Wellbeing Board.

The County Council agreed a new Economic Growth Strategy for the period 2020-2025, which sets out our vision and approach to supporting our businesses and the wider economy. While the key priorities remain valid, clearly as a result of COVID-19 it does necessitate a refocusing of key actions and initiatives.

Over the coming year, we will:

- Work with the CWLEP and WMCA to develop our economic recovery plans, and a longer-term approach to economic growth within the county;
- With our regional, sub regional and local partners and networks we will work to access future funding streams to support economic growth and the introduction of the proposed Shared Prosperity Fund to replace existing Growth Deal and European Funding streams;
- Continue to work with the Coventry & Warwickshire Growth Hub, Chamber of Commerce, Federation of Small Businesses and other key partners to support our small and medium sized businesses (SMEs) to survive, grow and prosper;
- 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, to both support economic recovery and to help deliver the key priorities set out in our Council Plan;
- Develop a pipeline of transport infrastructure projects with associated funding strategies; and
- Coordinate the Council's contingency planning for EU Exit and the management of risks including workforce, data handling and supply chain impacts, with lead officers identified from each Directorate.

Ability to keep our communities safe from harm.

There are many challenges nationally and locally for the extensive services we provide that keep our communities safe, in normal times and in times of emergency.

This includes the Fire and Rescue Service, Public Health, Trading Standards, Council owned highways maintenance, flood risk management, corporate arrangements for business continuity and our role in the Local Resilience Forum. We recognise that we need to become increasingly flexible if we are to meet our current and emerging challenges.

As a specific response to COVID-19, working with district and borough councils and the voluntary sector we established 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

As an employer, we have applied Public Health England and government guidelines, requiring our staff to work at home wherever possible and ensuring adequate supplies of PPE for the continued safe delivery of frontline council services.

We have also introduced regular meetings with Warwickshire Police executive team to engage and inform decision making at a strategic level.

During the course of the next year we will have a focus on the following areas:

- Our ongoing public health role to deliver, in partnership with Central Government, Clinical Commissioning Groups and Public Health England, Test and Trace, infection control and Local Outbreak Management plans will continue to be prioritised;
- Prioritising and safely reinstating our critical services that keep our communities, including the most vulnerable people, safe from harm;
- Develop a new WFRS Integrated Risk Management Plan to ensure our fire and rescue service has sufficient resources in the right locations to effectively manage the changing risk profile within the county;
- Continue to review and test all our business continuity and emergency plans and learn from our ongoing response to the COVID-19 pandemic;

- Engage with partners through the Warwickshire and West Midlands Local Resilience Fora, Safer Warwickshire Partnership, collaborating with Category 1 and 2 Responders on county wide emergency response and contingency planning;
- Develop an evidence based Asset Management regime for the efficient and effective maintenance of the Highway Network, targeting the most critical areas of the Network and aligned with the annual review of the Council's Capital Programme; and
- Continue to direct Trading Standards resources to support a Rapid Response Unit, targeting criminal and other high-risk activity in the community.

Successfully delivering a refreshed Council Change Portfolio to drive recovery.

Successfully delivering the Council's change portfolio, and sustaining change, is critical to the Council's longer-term strategy, achieving Council Plan outcomes, strategic objectives and maintaining our financial resilience.

Our Commissioning Support Unit drives the development and delivery of the Change Portfolio, through the Portfolio Management Office and change and programme management specialists. Our Change Management Framework means all major change and capital investment projects going forward are given early consideration by a Gateway process before further development and any recommendations to Corporate Board. A programme governance framework is in place with programme groups and accountabilities to cover all change activity.

Progress is reported to Cabinet in quarterly monitoring reports. All Key Business Measures were updated in October 2019 as part of establishing the Commissioning Intentions Performance Framework. Corporate Board will maintain monthly control, oversight and assurances of the Change

Portfolio and agree prioritisation of projects and how they align to the Council Plan and COVID-19 recovery planning.

COVID-19 response and recovery activity is accelerating the pace of change and is directly influencing our Change Portfolio. Service Impact Assessments have been completed by all service areas to inform recovery planning and manage associated risks in a co-ordinated and coherent way across the Council, including application of the positive changes that emerged from the response phase.

As a result, the change management process going forward is focused on four themes to drive recovery, linked to regional and sub regional recovery activity:
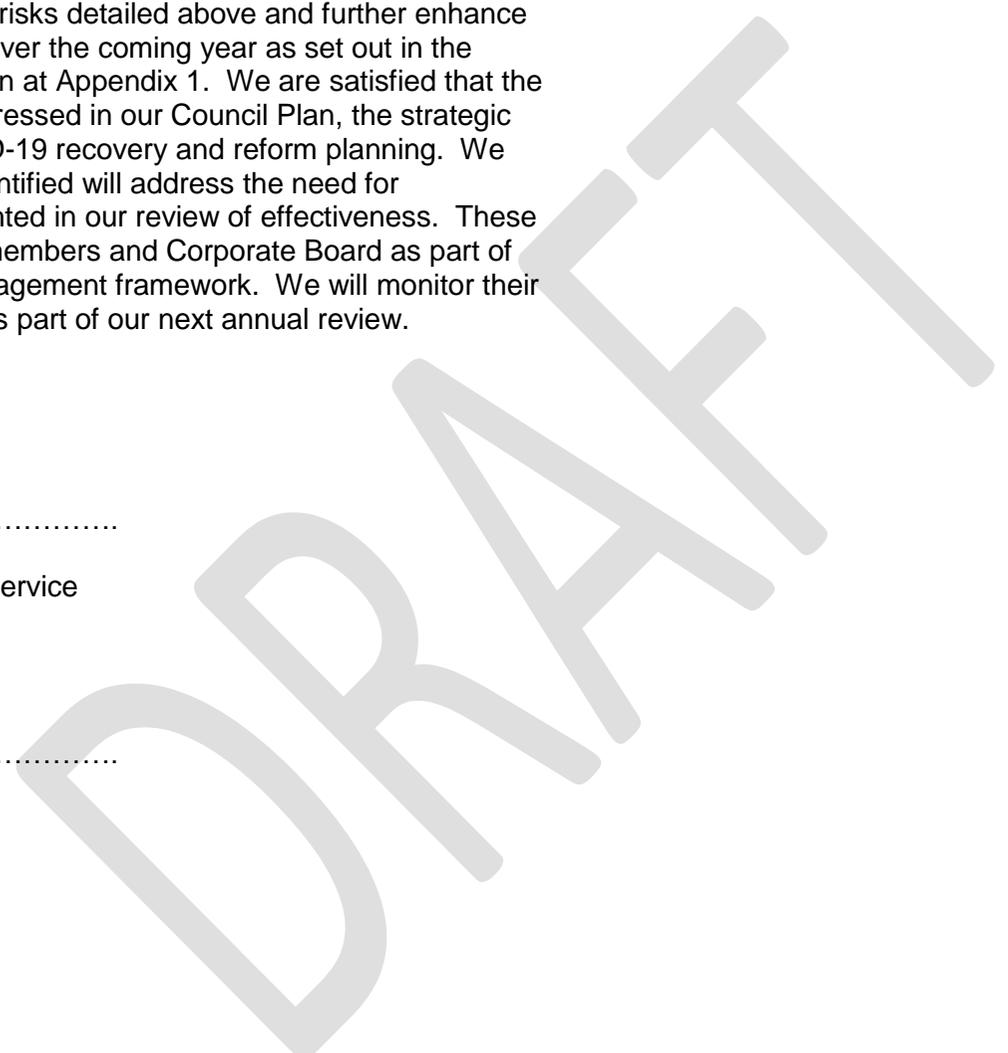
- Place, Economy and Climate (including skills and education);
- Community;
- Health, Wellbeing and Social Care; and
- Organisation (including the reinstatement of services).

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 2020-21 Governance Action Plan at Appendix 1. We are satisfied that the risks we have identified are addressed in our Council Plan, the strategic risk register and ongoing COVID-19 recovery and reform planning. 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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Monica Fogarty
Chief Executive/ Head of Paid Service

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Councillor Izzi Seccombe OBE
Leader of the Council

Governance Action Plan 2020-21: Actions informed by Effectiveness Review and COVID-19 Learning Points			
Governance Element/ Principle	**Governance Improvement Actions**	**Action Owner (Leadership Team)**	**Target Date**
The Council's Corporate Governance Framework (All Principles)	Our Local Code of Corporate Governance was last updated and approved in 2016. Our transformation journey, including organisational restructure and new ways of working, requires the governance code to be reviewed and revised to be fit for future purpose. Learning points from our COVID-19 response actions and recovery planning will also inform updates to the code.	Assistant Director Governance & Policy	December 2020
Constitution and Financial Regulations (Principle A)	Complete the review of the Council's Constitution and Financial Regulations informed by recovery and reform planning improvement areas for decision making and governance,	Assistant Director Governance & Policy/ Assistant Director Finance	April 2021
System of Internal Control: Risk Management Framework (Principle F, Managing risks and performance).	A proposed Risk Management Framework project includes workstreams to revise the Council's approach to: • strategic risk management; • service risk management; • integration of risk management with performance management strategic and business planning and core business processes; • to support innovation, change and maximising positive outcomes by moving from being risk averse to being more risk aware.	Assistant Director Finance	December 2020
Corporate Assurance Framework (To inform Effectiveness of Governance reviews - All Principles)	To implement a Three Line of Defence model 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.	Assistant Director Finance	March 2021
Service Re-instatement Plans (Principle D, interventions to optimise the achievement of intended outcomes)	Reinstatement Planning for all Council services are prioritised and risk-based and will focus on the following areas: • Keeping people safe; • Managing risk successfully; • Supporting staff with new ways of working; and • Ensuring learning points are identified and followed up.	AD Enabling	September 2020

Governance Action Plan 2020-21: Actions informed by Effectiveness Review and COVID-19 Learning Points			
Governance Element/ Principle	**Governance Improvement Actions**	**Action Owner (Leadership Team)**	**Target Date**
Strategic and Financial Planning – COVID-19 Recovery (Principle C, Defining outcomes, Principle E Developing Capacity and Capability)	Update of strategic planning tools to reflect COVID-19 recovery: • Review and refresh the Council Plan informed by COVID-19 recovery and reform planning, for presentation to Council for approval in February 2021. • MTFS refresh for 2021/22 budget to accommodate revised income and expenditure forecasts. • Integrate Strategic Policies and Priority Outcomes • Review and update Our People Strategy Delivery Plan	SD Resources	February 2021