

SUBJECT:	ANNUAL GOVERNANCE STATEMENT 2020/21
DIRECTORATE:	CHIEF EXECUTIVES
REPORT AUTHOR:	PAT JUKES, BUSINESS MANAGER, CORPORATE POLICY

1. Purpose of Report

- 1.1 To inform Executive that the Annual Governance Statement (AGS) has been completed and signed off by Leadership (**APPENDIX A**).

2 Executive summary

Senior officers have undertaken a thorough investigation of how the council is applying its Code of Corporate Governance to its activities, including necessary staff and service changes resulting from the pandemic.

Following this investigation officers have concluded that two of the three significant governance issues from 2019/20 need to remain in the 2020/21 AGS; although both had made significant progress during 2020, they will now need a revised focus as a direct result of the impacts of the Covid-19 pandemic:

1. The Disaster Recovery plan in place for IT arrangements
2. Vision 2025 needs to be re-profiled and communicated to a wider audience in the light of COVID-19 effects

One of the 2019/20 significant issues is now deemed as mitigated to the extent that it is now no longer a significant issue :

- Review of impact of Coronavirus on the council's service delivery and embedding new ways of working for staff

There were no further significant issues identified

3. Process of identifying significant governance issues

- 3.1 The AGS is completed annually, with a retrospective look back at how we complied to our own Code of Corporate Governance in the previous year, in this case 2020/21, and whether any significant governance issues were identified as a result of the review.

The AGS was initially due for completion in May, but as an extension has been granted to the Statement of Accounts, the timescale is now end of June 2021.

3.2 Senior officers consisting of CFO, CS , Audit Manager and Business Manager, Corporate Policy reviewed the levels of governance assurance provided for services and projects, looking at a range of considerations.

3.3 **PROCESS**

The review was conducted in four stages:

1. Audit and Policy gathered documented information from across the council, from a mix of audits, assurances, key summaries, performance results and risk registers.
2. Corporate Policy Unit then undertook individual interviews with all CMT members, the CFO and the CS to gain their input
3. A group of senior officers then reviewed a summary of these findings and discussed each in detail, producing initial draft recommendations to be reviewed at CMT.
4. CX and the Leader signed the AGS as accurate, for inclusion in the annual Statement of Accounts at the end of June

3.4 The AGS goes through each of the core principles for good governance, setting out a range of things that the council has completed /achieved in 2019/20 as well as some key activities that it intends to pursue during 2020/21.

However, this year, because of the significant impact of Covid-19 on the council there is a separate initial section, set out in the same way, entitled 'Impact of COVID-19 and maintaining good governance'. These sections have been completed with the assistance of Directors as well as input from other officers.

3.5 **SIGNIFICANT ISSUES**

For 2020/21, two of the previous year's three significant governance issues have been identified as needing to remain on the AGS significant issues list, although there will be changes to the overall aims and action plans of each to reflect the changing external environment. Significant progress had been made on each of these during 2020, however, the impact of Covid-19 has meant that whilst we need to retain these, it will be with a revised focus to meet the new challenges.

There were no new issues to be added to these two.

The significant governance issues proposed for 2020/21 are:

1. The Disaster Recovery plan in place for IT arrangements

It is agreed that on the initial issue of aligning the IT DR arrangements with Business Continuity (BC) plans and developing a separate site with facilities to use as a recovery data centre at least for a temporary period, there has been significant progress. The HH site is now functioning with only minimal extra changes needed and a review of BC plans raised a number of issues most of which have been addressed.

However, the changes in the external environment caused by the COVID-19 pandemic are so substantial that there is a strong need to review the IT Disaster Recovery Plan and then align this with the revised Business Continuity plans –

which will be reviewed during the year in the light of changes in processes and ways of working.

2. Vision 2025 needs to be re-profiled and communicated to a wider audience in the light of COVID-19 effects

Plans for the roll out of the Vision 2025 and its Year 1 action plan (for 2020/21) were deferred due to the pandemic onset. Vision 2025 is published on the web, but there has been no formal launch, media communications or agreement to the draft Year 2 Annual Delivery Plan.

In addition, as a consequence of the pandemic, CMT has requested a reflection of where and how Vision 2025 offers support in the areas relating to 'Health' to the people of Lincoln, and how is it contributing to the recovery of the city. This may lead to a further review of the Vision or to an addendum before bringing the Vision forward. This will need to be completed before any external communication can be commenced.

For the reasons outlined above it is felt that both of these areas should remain on the significant issues list until enough mitigating steps have been taken to reduce their risk. A new monitoring report will be drawn up with the relevant owners to bring to Audit Committee, for monitoring on a quarterly basis.

3.6 The following documents are attached as appendices with this report:

1. Appendix A - The Draft AGS itself, signed by the CX and the Leader
2. Appendix B – Glossary of terms used in the AGS

4. Strategic Priorities

This report supports the effective running and governance relating to ALL strategic priorities as it ensures our business will be conducted in accordance with the law and proper standards, in an open, honest and accountable manner.

5. Organisational Impacts

5.1 Finance (including whole life costs where applicable) – n/a

5.2 Legal Implications including Procurement Rules – The report is aimed at ensuring our business will be conducted in accordance with the law and proper standards, in an open, honest and accountable manner.

5.3 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required) There are no additional implications on E&D or Human Rights from this report.

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

6. Risk Implications

6.1 (i) Options Explored – n/a

6.2 (ii) Key risks associated with the preferred approach n/a

7. Recommendation

7.1 Executive is asked to review and note the contents of the Final Annual Governance Statement for 2020/21.

Monitoring progress on the significant issues identified over the coming year will be completed by Audit Committee, with issues reported by exception to Executive.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? Two (A, B)

List of Background Papers: None

Lead Officer: Pat Jukes, Business Manager, Corporate Policy Unit
Pat.jukes@lincoln.gov.uk