

# Annual Governance Statement

# Leicester City Council Annual Governance Statement 2018-19

## 1. Introduction

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

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

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

## 2. The Arrangements

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

### We have the following codes and rules:

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

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

- Connecting Leicester
- Quality public transport
- Transforming the Waterside
- Increasing school places
- Attracting investment, jobs and skills

### The key pledges are supported by the following key plans:

- Economic Action Plan
- Local Transport Plan
- Health and Wellbeing Strategy
- Sustainability Action Plan
- Children’s Improvement Plan
- Heritage Action Plan
- Homelessness Strategy
- Air Quality Action Plan
- Flood Risk Management Strategy
- Departmental performance targets
- Budget Strategy
- Corporate Risk Management Strategy

### We monitor:

- Delivery of the key plans and strategies
- Performance indicators, particularly in relation to children’s and adults’ social care
- Delivery of the Budget

## Leicester City Council Annual Governance Statement 2018-19 (continued)

### 2. The Arrangements (continued)

#### We are transparent in our decision making through:

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

#### We are supported by:

- Democratic Services including Member and Civic Support Services, who also support member development
- An Organisational Development Team, who ensure effective development of employees
- A Communications function which includes PR, Media and Digital Media Teams

- A staff intranet and established internal communication channels, which provide guidance to staff
- Partnership working on key priorities
- An Information Assurance Team to support our data policies

#### We review processes and delivery throughout the year supported by:

- Internal Audit
- External Audit
- Information Governance
- Audit and Risk Committee
- Annual review of the Local Code of Corporate Governance
- Annual review of the Assurance Framework

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

[www.leicester.gov.uk](http://www.leicester.gov.uk)

### 3. Review of Effectiveness

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

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

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

## Leicester City Council Annual Governance Statement 2018-19 (continued)

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

### Issues Identified in 2017/18

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

Issue Identified	Action taken to Date
<p><b>Medium Term Financial Strategy</b> – Like all local authorities, the Council's financial viability is a key concern at a time of deep funding cuts.</p>	<p>A balanced budget has been agreed for 2019/20 and a further round of savings is planned through the spending review programme. Budget performance is closely monitored.</p>
<p><b>2015 OFSTED Inspection</b> - an inspection of Services for Children in Need of Help and Protection, Children Looked After, and Care Leavers graded Leicester's children's services as inadequate. A follow up inspection took place in 2017 which rated the authority as requiring improvement.</p>	<p>Since the last full inspection in 2017, we have: (i) developed an improvement plan, (now implemented) that addresses the 11 recommendations of that inspection outcome and; (ii) had a short Focused Visit this January which showed a positive step forward in our improvement journey. We have also established a new Improvement Board (IB) to support us until the next full inspection (anticipated around April/July 2020). The Board has an independent chair (ex DCS) and supported by an independent consultant offers focused audits and reviews as directed by the Board.</p>

## Leicester City Council Annual Governance Statement 2018-19 (continued)

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

### Issues Identified in 2018/19

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

Issue Identified	Planned Action:
<p><b>Medium Term Financial Strategy</b> - Like all local authorities, the Council's financial viability is a key concern at a time of deep funding cuts and growth in the costs of Adult and Children Social Care. The future funding for the Council beyond 2019/20 is still uncertain. Further to this the Government is yet set out a plan to manage the pressures within Children's and Adult Social Care going forward.</p>	<p>A balanced budget has been agreed for 2019/20 and a further round of savings are planned for 2020/21 through the spending review programme. Budget performance is closely monitored.</p>
<p><b>2015 OFSTED Inspection</b> – An inspection of Services for Children in Need of Help and Protection, Children Looked After, and Care Leavers graded Leicester's children's services as inadequate. A follow up inspection took place in 2017 which rated the authority as requiring improvement.</p>	<p>The action being taken to date as described above will continue during 2019/20</p>

## Leicester City Council Annual Governance Statement 2018-19 (continued)

### Issues Identified in 2018/19 (continued)

Issue Identified	Planned Action:
<p><b>EU exit particularly in the event of no-deal being reached.</b></p>	<p>An impact assessment has been undertaken to identify possible risks and impacts of a no-deal EU exit and this will continue to be reviewed and updated and mitigating actions taken forward as appropriate. The Council is linked into a wider network of East Midlands authorities via a Chief Executives group which is identifying and sharing emerging issues and reporting these up to MHCLG on a weekly basis, and anything arising from this as appropriate will feed into the Council's impact assessment and actions. The Executive along with the Audit and Risk Committee will be updated as appropriate on the Council's assessment and actions.</p> <p>The Local Resilience Forum (LRF) of which the Council is a key member, is planning for risks which may require a multi-agency response. The Council will continue to work with the LRF to ensure there are robust arrangements in place and that we are prepared to respond as necessary with the appropriate resources. This includes joint working in relation to communications and community engagement as appropriate.</p>

## Leicester City Council Annual Governance Statement 2018-19 (continued)

### Issues Identified in 2018/19 (continued)

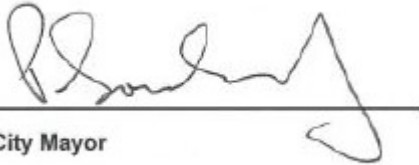
Issue Identified	Planned Action:
<p><b>Cybersecurity</b> – the potential for loss or compromise of IT systems and/or associated data through cyber security attacks.</p>	<p>The Council will continue to ensure close monitoring of existing perimeter and internal security protection.</p> <p>We have further implemented measures to raise staff awareness and training via an internal IT Security Team.</p> <p>The Council has also implemented a number of improved security toolsets including a Security and Incident Event Management System.</p>
<p><b>SEND</b></p>	<p>A Joint Area Review (Care Quality Commission and Ofsted) was undertaken in May 2018 of Leicester’s partnership and working arrangements across Special Educational Needs (SEND) provisions. The outcome was that there were areas of weakness (including strategic oversight; quality of Education, Health and Care Plans / EHCPs) but areas of good practice identified. As a result of the Area Review the Council and its partners (health) were required to submit a Written Statement of Action (WSOA) which was signed off by Ofsted/ CQC in September 2018. The new SEND Improvement Board has oversight of the WSOA and has standing representation from statutory partners, education community and parent/carer representation. At the time of the Area Review there were no plans for those areas required to submit a WSOA (some 44% of areas reviewed) to be re-reviewed. However DfE changed this and now those areas with a WSOA are to be re-reviewed, usually with about one year to 18 months post the original Area Review.</p>

## Leicester City Council Annual Governance Statement 2018-19 (continued)

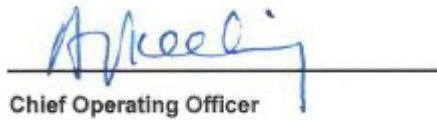
### 4. Conclusion

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

Signed:



City Mayor



Chief Operating Officer



Director of Finance



The Council had the following governance arrangements in place during 2018/19.

## SUMMARY OF THE COUNCIL'S GOVERNANCE ARRANGEMENTS

### Mayor, Executive and Council

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

### Decision making

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

### Risk management

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

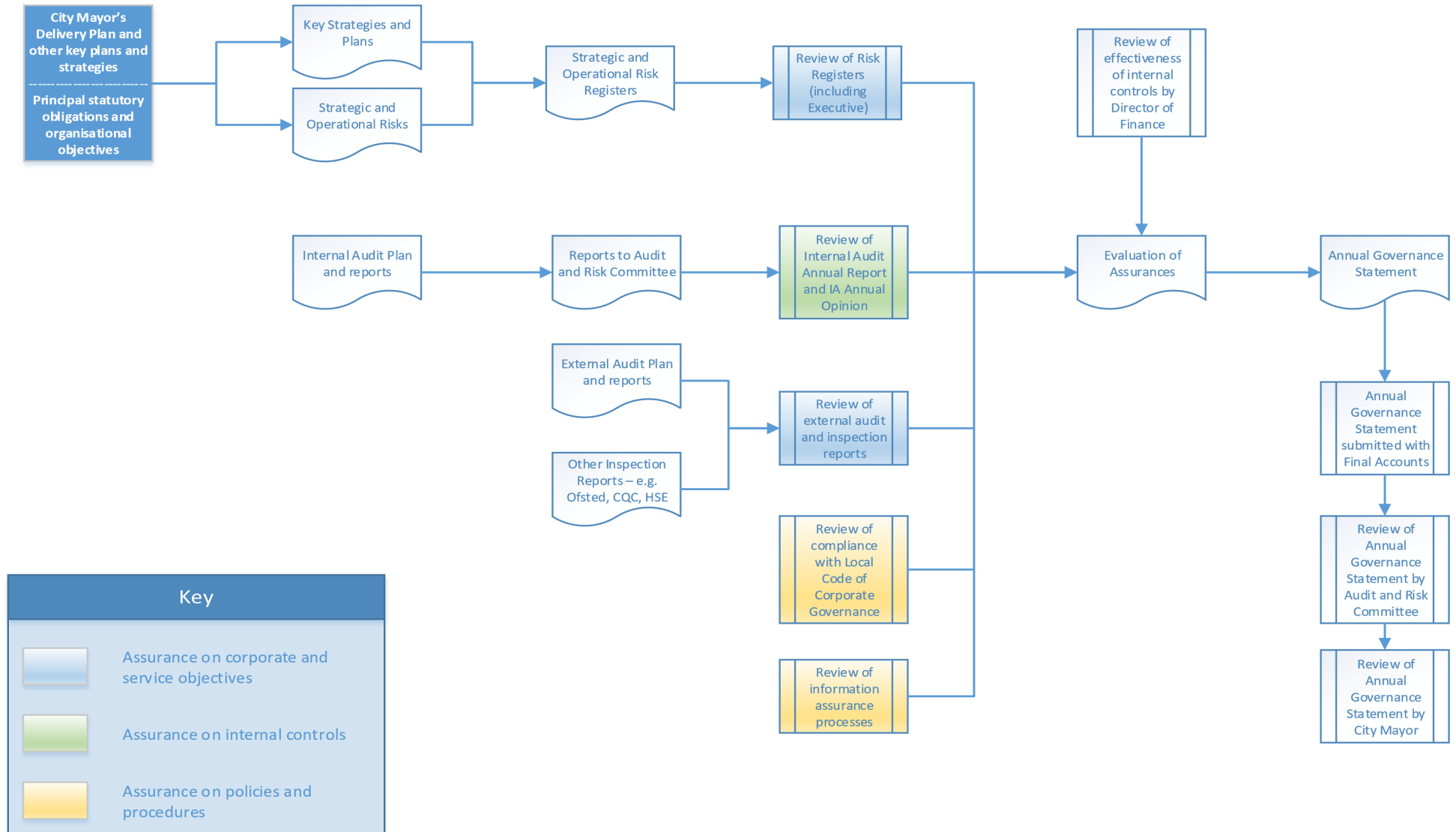
### Scrutiny and review

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

### Corporate Management Team (CMT)

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

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



Key	
	Assurance on corporate and service objectives
	Assurance on internal controls
	Assurance on policies and procedures