

Annual Governance Statement

Leicester City Council Annual Governance Statement 2020-21

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.

Key plans were changed during the year as the focus moved to managing the COVID-19 pandemic in the City and the recovery. Although the pandemic has presented a significant challenge, the Council continued to work within its governance framework even under pandemic conditions.

We have the following codes and rules:

- Constitution
- Financial 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 containing a number of key pledges which relate to:

- A Fair City
- Homes for All
- Connecting Leicester
- Sustainable Leicester
- Health & Care

- Lifelong Learning
- A City to Enjoy
- A Safe and Inclusive Leicester

The key pledges are supported by the following key plans:

- Economic Recovery
- Budget Strategy
- COVID-19 Reopening Plan for the City
- COVID-19 Transport Recovery Plan
- Leicester Street Design Guide
- Joint Health & Wellbeing Strategy
- Local Transport Plan
- Tourism Action Plan
- Economic Action Plan
- St George’s Cultural Quarter Action Plan

We demonstrate good practice and ensure accountability through:

- External Audit
- Annual Financial Statements
- Annual Governance Statement
- Open Council & committee meetings with published minutes
- Compliance with CIPFA codes of Practices (including the new Financial Management Code)
- Scrutiny Committees

Leicester City Council Annual Governance Statement 2020-21 (continued)

2. The Arrangements (continued)

We show openness and engagement through the following:

- 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
- 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 facilitate 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
- Specialist teams offering professional advice, for example Legal, Procurement, IT and Finance

We review processes and delivery throughout the year supported by:

- Internal Audit
- External Audit
- Information Governance
- Audit and Risk Committee
- Regular reporting of capital and revenue spending during a year
- Annual review of the Local Code of Corporate Governance
- Annual review of the Assurance Framework
- By reviewing lessons learnt by other organisations

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

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."

*Head of Internal Audit Services

Risk management and internal control are a 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 but not absolute assurance of effectiveness.

Leicester City Council Annual Governance Statement 2020-21 (continued)

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

Issues Identified in 2019/20

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>Medium Term Financial Strategy – Like all local authorities, the Council’s financial viability is a key concern. In addition to growing social care pressures and the absence of Government spending plans beyond 20/21, we will also need to plan for permanent changes in the way we provide services as a consequence of the COVID-19 pandemic.</p>	<p>The Covid-19 pandemic has challenged the underlying assumptions on which the 2020/21 budget was based. However, the Council has shown during 2020/21 to be financially resilient and has set a balanced budget for 2021/22.</p>
<p>Covid-19 Pandemic – like all local authorities, the Council has been affected by the pandemic in various ways, including:</p> <ul style="list-style-type: none"> • Providing additional services to support the city during the pandemic. • Assessing the long-term impact of the pandemic on the local economy. • In year and future financial impacts. <p>Maintaining good governance and effective scrutiny nonetheless remains essential.</p>	<p>The Council has been involved in providing an extensive response to Covid-19. Many aspects of which have received national recognition and been rolled out as models of good practice. This has included for example, an extensive programme of local testing and contact tracing.</p> <p>A significant and ongoing programme of support has been provided to vulnerable residents along with the administration of a significant number of grant schemes to support businesses across the city. There has been continued robust oversight of this with weekly reporting to the City Mayor and Executive, regular briefings for all elected members and progress updates to each meeting of the Overview Select Committee and to individual scrutiny commissions.</p> <p>The Council has also continued to engage in the Local Resilience Forum wider governance of the response.</p>

Leicester City Council Annual Governance Statement 2020-21 (continued)

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Issues Identified in 2020/21

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

Issue Identified	Planned Action:
<p>Medium Term Financial Strategy - Like all local authorities, the Council's financial viability is a key concern. We do not have any Government spending plans beyond 2021/22, do not fully understand the legacy of the pandemic, and there is no national solution yet to the social care funding crisis.</p> <p>We have identified potential ongoing pressures on the Council's finances and included this as part of the budget for 2021/22.</p>	<p>The Council will continue to monitor its finances closely during 2021/22 including the short & long term impacts of COVID-19. A major exercise will take place to review the budget for 2022/23.</p>
<p>Covid-19 Pandemic – like all local authorities, the Council has been affected by the pandemic in various ways, including:</p> <ul style="list-style-type: none"> • Providing additional services to support the city during the pandemic. • In year and future financial impacts. <p>Maintaining good governance and effective scrutiny nonetheless remains essential.</p>	<p>The Council will continue to deliver the ongoing response including testing and contact tracing as well as ongoing work with health in relation to supporting the Covid-19 vaccination programme. In addition, support for residents and businesses will continue as appropriate.</p> <p>This work will continue to be overseen by the political leadership including reporting to scrutiny committees and the Council will continue to play an active role in the Local Resilience Forum response and recovery structures for Covid-19.</p>

Leicester City Council Annual Governance Statement 2020-21 (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

The Council had the following governance arrangements in place during 2020/21.

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. It also approves 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 for leading an effective CMT
- Chief Operating Officer 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 divisional directors

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

