

# Annual Governance Statement

2020 - 2021



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## 1. Scope of Responsibility

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 arrangements for overseeing what we do (this is what we mean by governance). These arrangements are intended to make sure that we do the right things, in the right way, for the right people, in good time, and in a fair, open, honest, and accountable way. We have approved and introduced a Code of Corporate Governance. You can get a copy of the code from our website at [www.staffordshire.gov.uk](http://www.staffordshire.gov.uk).

This statement explains how we have followed the code and also meets the requirements of the Accounts and Audit Regulations 2015, Regulation 6(1) (a) and (b), which requires the Council to prepare and publish an Annual Governance Statement (AGS).

## 2. What is Governance

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest, and accountable manner. Good governance leads to effective:

- Leadership and management
- Performance and risk management
- Stewardship of public money; and

- Public engagement and outcomes for our citizens and service users.

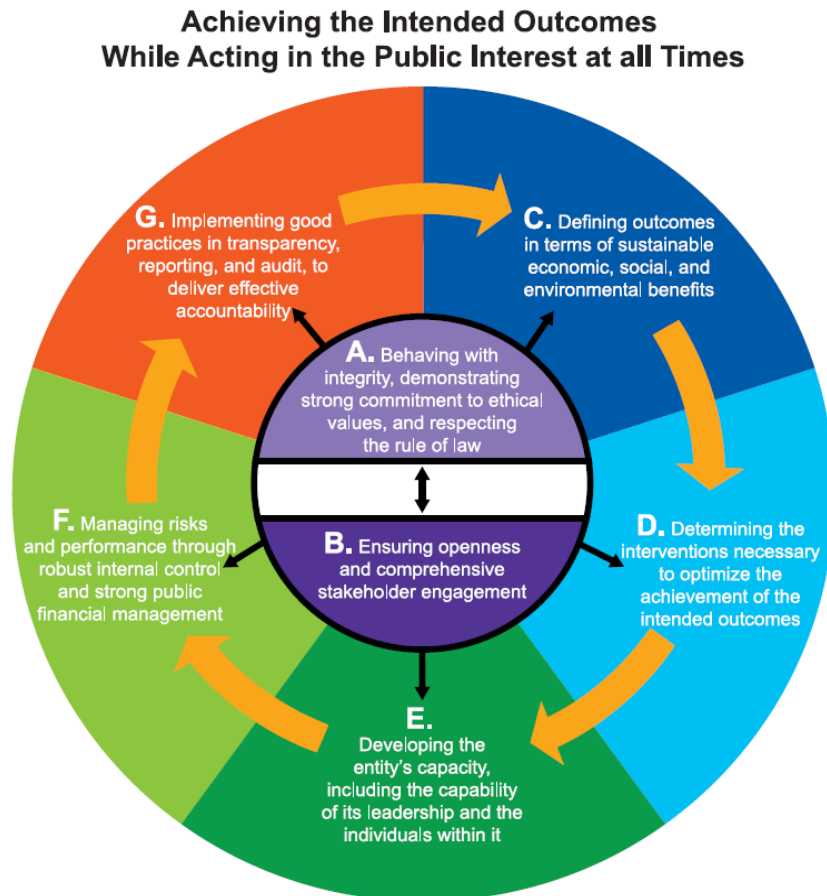
## 3. What is the purpose of a Governance Framework?

The governance framework comprises the culture, values, systems, and processes by which an organisation is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, the Council:

- Operates in a lawful, open, inclusive, and honest manner
- Makes sure that public money and assets are safeguarded from inappropriate use, or from loss and fraud, properly accounted for and used economically, efficiently, and effectively
- Has effective arrangements for the management of risk
- Secures continuous improvement in the way that it operates
- Enables human, financial, environmental, and other resources to be managed efficiently and effectively
- Properly maintains records and information
- Ensures its values and ethical standards are met.

#### 4. What are the key elements of SCC's Governance Framework?

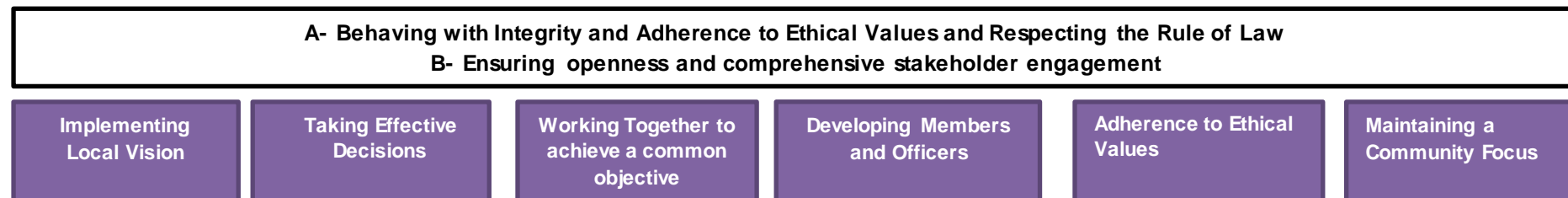
The Council aims to achieve good standards by adhering to the seven code principles below, which form the basis of the Council's Code of Corporate Governance which can be reviewed at [StaffordshireCountyCouncil@gov.uk](mailto:StaffordshireCountyCouncil@gov.uk)



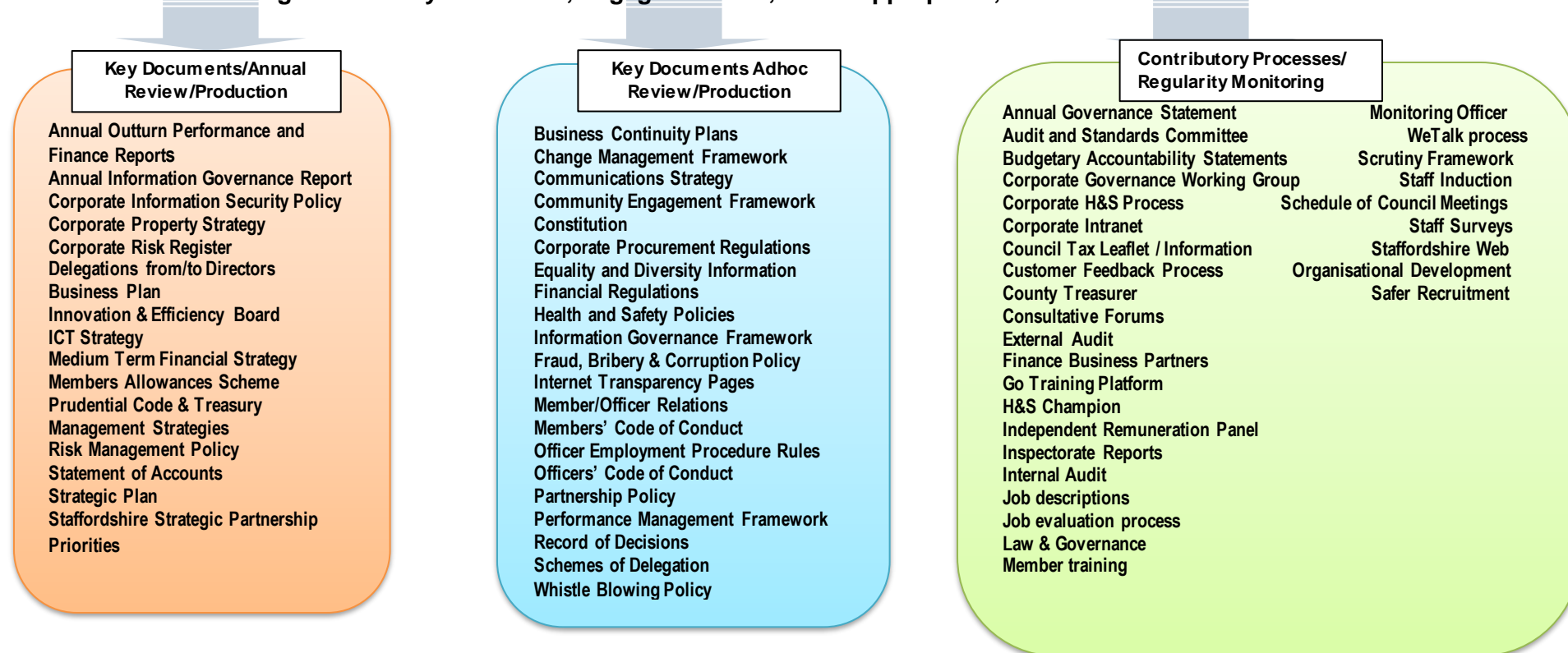
The following page provides a summary of actions and behaviours undertaken by the Council in relation to each of the seven core principles and associated sub principles.

## 5. Single Sheet Framework

### Governance Framework - Principles, Statutory Obligations and Organisational Objectives



Corporate Governance comprises the systems and processes, cultures, and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities



**6. What are the key roles of those responsible for developing and maintaining the Governance Framework?**

<p><b>The Council</b></p>	<ul style="list-style-type: none"> <li>• Approves the Strategic Plan</li> <li>• Approves the Constitution (including Procurement Regulations and Financial Regulations).</li> <li>• Approves key policies and budgetary framework</li> </ul>
<p><b>Cabinet</b></p>	<ul style="list-style-type: none"> <li>• The main decision-making body of the Council</li> <li>• Comprises nine Cabinet Members (including the Leader and Deputy Leader) and two Support Members who have responsibility for particular portfolios</li> </ul>
<p><b>Audit &amp; Standards Committee</b></p>	<ul style="list-style-type: none"> <li>• Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control</li> <li>• Promotes high standards of member conduct</li> <li>• Approves the Annual Statement of Accounts and Annual Governance Statement</li> </ul>
<p><b>Overview &amp; Scrutiny Committees</b></p>	<ul style="list-style-type: none"> <li>• There are four Overview &amp; Scrutiny Committees aligned to the Council's corporate priorities</li> <li>• They hold Cabinet and Officers to account and scrutinise performance</li> </ul>
<p><b>Chief Executive &amp; Senior Leadership Team</b></p>	<ul style="list-style-type: none"> <li>• Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council in the development of future policy and budgetary issues</li> <li>• Oversees the implementation of council policy</li> </ul>
<p><b>Chief Financial Officer (Section 151)</b></p>	<ul style="list-style-type: none"> <li>• Accountability for developing and maintaining the Council's governance, risk and control framework</li> <li>• Contribute to the effective corporate management and governance of the Council</li> </ul>
<p><b>Monitoring Officer</b></p>	<ul style="list-style-type: none"> <li>• To report on contraventions or likely contraventions of any enhancement or rule of law. To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. To establish and maintain registers of member interests and gifts and hospitality. To advise Members on the interpretation of the Code of Conduct for Members and Co-opted Members</li> <li>• Overall responsibility for the maintenance and operation of the confidential reporting procedure for employees (whistleblowing) and contributes to the effective corporate management and governance of the Council</li> </ul>
<p><b>Internal Audit</b></p>	<ul style="list-style-type: none"> <li>• Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework</li> <li>• Delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity</li> <li>• Makes recommendations for improvements in the management in risk</li> </ul>
<p><b>External Audit</b></p>	<ul style="list-style-type: none"> <li>• Audit/review and report on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and concluding in the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion)</li> </ul>
<p><b>Managers Employees</b></p>	<ul style="list-style-type: none"> <li>• Responsible for developing, maintaining and implementing the Council's governance, risk and control framework</li> <li>• Contribute to the effective corporate management and governance of the Council</li> <li>• Personal Responsibility for their own actions and to ensure compliance with policies and procedures of the Council.</li> </ul>

## 7. What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

In this document the Council:

- Acknowledges its responsibility for ensuring that there is a sound system of governance
- Summarizes the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment.
- Describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period
- Provides details of how the Council has responded to any issue(s) identified in last year's governance statement
- Reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Staffordshire County Council for the year ended 31<sup>st</sup> March 2021 and up to the date of approval of the Statement of Accounts. It should be noted however that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. We have had the governance framework in place from 1 April 2020, and up to the date that we approved the Statement of Accounts.

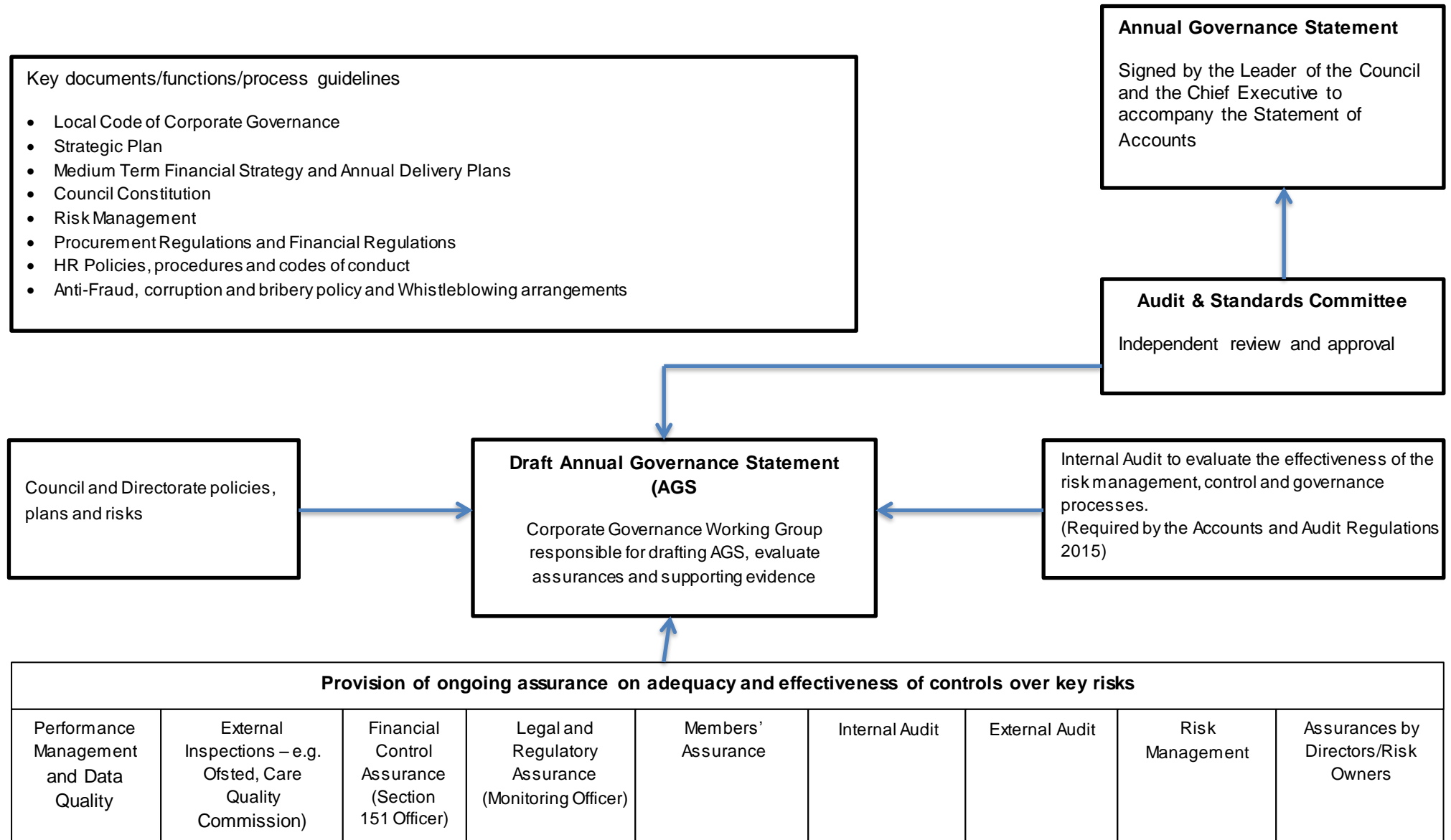
## 8. What is a Governance Assurance Framework?

Assurance provides confidence, based on sufficient evidence, that internal controls are in place and are operating effectively and that objectives are being achieved. An assurance framework is the structure within which Members and Senior Management identify the principal risks to the Council meeting its key objectives and through which they map out both the key controls to manage them and how they have gained sufficient assurance about the effectiveness of those controls. The assurance framework underpins the statements made within the Annual Governance Statement.

A governance assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes Member overview and oversight and robust challenge by the Council's Statutory Officers i.e. the Chief Executive, Monitoring Officer and Chief Financial Officer.



## 9. What is the Council's Governance Assurance Framework?





## 10. How has the Annual Governance Statement been prepared?

In preparing the Annual Governance Statement the Council has:

- Reviewed the Council's existing governance arrangements against the CIPFA/SOLACE 'Delivering Good Governance in Local Government framework – 2016 Edition good practice guidance'
- Assessed the Council's Local Code of Corporate Governance to reflect this guidance which includes the seven principles of good governance and associated required actions and behaviours taken by the Council that demonstrate robust governance arrangements are in place
- Evaluated the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.
- Considered the guidance produced by CIPFA with regard to the production of the 2020/21 Annual Governance Statement namely:
  - CIPFA Bulletin 06 – Application of the Good Governance Framework 2020/21
  - CIPFA Better Governance Forum Briefing – Meeting the Principles of Good Governance, The Impact of the COVID 19 Pandemic.

Consideration of what constitutes a significant governance issue for consideration of inclusion within the statement. Although the CIPFA/SOLACE framework does not prescribe set criteria, best practice in this area has been published. Following approval by the Corporate Governance Working Group the following has been agreed as a guide to inform the completion of the 2020/21 statement:

- Does it undermine/threaten the achievement of organisational objectives?
- Is it a significant failure to meet the principles (and sub principles) of good governance?
- Is it an area of significant concern to an inspector, external audit, or regulator?
- Has the Monitoring Officer, Section 151 Officer, Head of Internal Audit, or the Audit Committee recommended that it be included?
- Is it an issue of public or stakeholder concern?
- Is it an issue that cuts across the organisation and requires cooperation to address it?

## 11. How does the Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance arrangements including our system of internal control. Our review of how effective our systems and procedures are is supported by the work of the Corporate Governance Working Group and the Chief Internal Auditor's annual report. The review also includes comments made by the External Auditor's and other review agencies and inspectors.

This review found that we had all the necessary parts of the framework in place. The particular areas that have led to this conclusion are described in more detail below

- The annual review of the code of corporate governance has been carried out in line with the requirements of the CIPFA / SOLACE document entitled "Delivering Good Governance in Local Government: Framework 2016", the Corporate Governance Working Group are confident that current documents and processes represent an effective governance framework.

- The review of actions aimed at improving our arrangements for corporate governance has confirmed that we have made good progress in addressing the key issues raised in the 2019/20 Annual Governance Statement. Where appropriate these have been carried forward into the 2020/21 statement.
- The Chief Internal Auditor's annual report 2020/21 which provides the independent assurance that key risks (financial and non-financial) are being adequately controlled and provides an opinion on the effectiveness of these arrangements. Internal Audit gave an adequate assurance opinion on the overall adequacy and effectiveness of the organisation's governance, risk, and control framework, i.e the control environment in 2020/21.
- A number of limited assurance reports were issued during 2020/21 specifically ( SEND transformation – Governance & Decision-Making Groups, Partnerships – Governance and Management, Strategic Property Asset Management and Governance, Governance & Culture of Cyber Security, Information Management, General Debts, Infrastructure + Contract Quality Systems Special Guardianship Payments, Third Party Access Arrangements, Purchase Card controls and grant allocations. Three maintained schools ( 1 High & 2 Primary) received a limited assurance opinion.) An ongoing investigation into the misuse of the cash withdrawal facility on purchase cards isolated to one particular service area is being conducted. This relates to non-adherence to specific controls rather than a generic system weakness.
- It was reported to the Audit and Standards Committee as part of the 2020/21 Annual Outturn report that there is an effective system of internal audit in place, as measured against set conditions, which include:
  - How well the new Public Sector Internal Audit Standards together with the Local Government Application Note are complied with.
  - Results of the latest available External Quality Assessment performed by a representative of CIPFA has concluded Full Compliance with the Standards.
  - The main key performance results (i.e % completion of the audit plan and the results of the client satisfaction questionnaire).
  - Feedback from the Chief Finance Officer (County Treasurer).
- An unqualified opinion from the External Auditor was issued on the financial statements for 2019/20. In respect of the 2019/20 opinion over the Council's arrangements for securing economy, efficiency, and effectiveness it was concluded that a 'qualified except for' conclusion be awarded specifically in relation to the SEND written statement of actions.
- During 2020/21 the Monitoring Officer and the Chief Finance Officer did not have to use their official powers.
- We have effective scrutiny processes in place through the Overview & Scrutiny Committee arrangements, the responsibilities of which are focused on the key priorities contained in the Strategic Plan.
- Arrangements to strengthen the arrangements for the production and updating of the Corporate Risk Register.
- The recommendations made within internal audit reports are implemented as agreed in order to strengthen the control environment. The process is overseen and monitored by the Audit & Standards Committee for high level recommendations.
- Our Children's Services maintained their 'Good' rating from Ofsted at the February 2019 inspection. No Further inspections have taken place
- A detailed joint action plan was prepared in order to address the significant areas of weakness identified as part of the joint Ofsted and CQC inspection of the SEND service. Consequently, as part of the final accounts process the External Auditor issued a qualified (except for) value for money conclusion for 2018/19 & 2019/20. During 2020/21 a number of reports from Internal Audit

(both 19/20 & 20/21 audits) have reviewed by the Audit & Standards Committee. In order to obtain assurance that the recommendations have been fully implemented Members have received regular updates regarding the progress of the implementation from the Assistant Director for Education Strategy and Improvement. There remains, several actions outstanding in respect of these matters which will be reported to the Audit & Standards Committee in due course. This has been raised as a significant governance matter in the action plan.

- No governance related matters have been identified from work undertaken, in respect of the operation of the LEP. In November 2019 the Annual Performance Review meeting was undertaken by officials in the Cities and Local Growth Unit to evaluate the performance of each LEP across the three themes: governance, delivery, and strategic impact. The outcome for each theme was: governance: - good, delivery: - good and strategic impact – requirements met.
- The Audit and Standards Committee received the Annual Report on the management of elected member related complaints in October 2020, no major issues were identified.
- The LGSCO Annual Review Letter for 2020/21 was received in July 21 and was considered by SLT and Cabinet together with the Audit & Standards Committee. The main actions highted related to taking steps to improve response times to implement recommendations and agreed actions.
- The 2020/21 Annual Complaints report has been produced and considered by the Audit & Standards Committee.
- The 2019/20 Information Governance Annual Report provided assurance regarding compliance with the Data protection Act 2018 and GDPR Freedom of Information Act 2000, Environmental Information Regulations 2004, and the Local Government Transparency Code 2014. This report was presented to the Audit & Standards Committee in October 2020. A further report covering the October 20 – March 2021 was also

reported to the July 21 meeting and no major issues were identified.

- Two whistleblowing matters have been considered by the Monitoring Officer in 2020/21 and nothing has been received subsequent to the production of the AGS). One related to the governance arrangements surrounding school taxi contracts and a further case that was not upheld regarding social services employment arrangements regarding allied mental health practioners. Where appropriate they are reported to the Corporate Governance Working Group for consideration.

## 12. Impact of COVID 19 on Governance Arrangements in place

In March 2020 the Country experienced a worldwide pandemic from the Coronavirus which created significant challenges for the County Council. A number of changes were made to the governance arrangements supporting the decision-making process as per the following legislation

- The Accounts and Audit (Coronavirus)(Amendment) Regulations 2020
- The Local Authorities & Police and Crime Panels (Coronavirus) Flexibility of Local Authority & Police and Crime Panel Meetings (England & Wales) Regulations 2020.
- Additional guidance provided on running Council meetings was produced by Lawyers in Local Government & Association of Democratic Service Officers.

Additional Governance changes have occurred in response to the challenges as per the following minute extracts which have been approved by relevant Cabinet meetings:

- **Cabinet Meeting - 15 April 2020**

The County Council's Response to COVID-19

Decision – (a) That the progress made to date in responding to the current Coronavirus pandemic be noted.

(b) That the additional government funding of £22.296m be allocated to the 2020/21 revenue budget with authority given to individual members of the Senior Leadership Team (in consultation with the Leader and Deputy Leader where practicable) to incur expenditure (up to a maximum of £2m per item of expenditure) against this budget where it is considered necessary by the Council's Incident Management Team or the Senior Leadership Team (sitting as Gold Command) to address the implications arising from the Covid-19 emergency. Any items of expenditure in excess of £2m will continue to require authorisation by Cabinet in the usual way.

- **Cabinet Meeting - 20 May 2020**

Staffordshire County Council's Response to Coronavirus COVID-19 Decision – (a) That the progress of Staffordshire County Council's response to coronavirus COVID-19 be noted.

(b) That the Council's Thanks be formally extended to its staff, care workers and volunteers for their efforts to support the response.

(c) That it be agreed that the additional government grant of £15.4m be allocated to the 2020/21 revenue budget.

(d) That further extra funding of £4.3m from the additional grant to support care providers, as set out in Table 1 to the report, be approved.

(e) That authority be given to individual members of the Senior Leadership Team (in consultation with the Leader and Deputy Leader where practicable) to incur further expenditure from the £15.4m budget up to a maximum of £2m per item of expenditure where it is considered necessary by the Council's Incident

Management Team or the Senior Leadership Team to address the implications arising from the COVID-19 emergency. Any items of expenditure in excess of £2m will continue to require authorisation by Cabinet in the usual way.

- **Cabinet meeting -19 August 2020:**

5. Delegation of authority to issue Directions under the Health Protection (Coronavirus, Restrictions) (England) (No. 3) Regulations 2020

Decision – (a) That the process for the issuing of direction notices under the Health Protection (Coronavirus, Restrictions) (England) (No.3) Regulations 2020 by Staffordshire Council be approved.

(b) That authority to issue direction notices, restricted to direction notices that do not constitute key decisions, as well as the review of those direction notices, be delegated to the Chief Executive, in consultation with the Director for Health and Care in his capacity as director of Public Health.

(c) That in the event of the Chief Executive not being available for any reason, authority to issue and review direction notices, may be exercised by the Deputy Chief Executive and Director for Children's Services or the Director for Environment, Infrastructure and Skills, in consultation with the Director for Health and Care in his capacity as director of Public Health.

(d) That in the event of the Director of Public Health not being available, for any reason, the consultation for the issue of the direction shall be deputised to a Consultant in Public Health in accordance with his sub scheme of delegation.

(e) That before issuing notices in accordance with (b) above, the Chief Executive will inform the Leader, Deputy Leader, Cabinet

Member for Health, Care and Wellbeing and the Local Member of the intention to issue such notices.

The emergency Regulations 2020 for virtual meetings ceased after 7 May 2021. Since then, Committee meetings with voting members of the Council have reverted to taking place in a “physical” format.

As part of the response phase to the Pandemic an action plan has been produced in-conjunction with the Civil Contingency Unit and has captured the initial key learning points arising from the responses phase of the COVID 19 pandemic. These will be considered in the coming years and will help to shape the future direction of the Authority and provides an opportunity to reflect on organisational priorities. This report was considered by Cabinet and also the Audit & Standards Committee at its meeting in December 2020.

It is pleasing to note that there were no noteworthy delays to the production of the Head of Audit Opinion because of the disruption caused by COVID 19. The Outturn report was produced and presented to the Audit & Standards Committee on 13 July 2021. The key performance indicators for the internal audit service were also met in 20/21. The Head of Audit Opinion was shaped in line with the ‘CIPFA guidance to Internal Auditors, Leadership Teams and Audit Committees for Local Government Bodies which addressed the risk of a limitation of scope arising from COVID 19 disruptions.

In terms of the overall financial position the County Treasurer states:

‘In 2020/2021, the global coronavirus pandemic dominated all our lives, including the services provided by the County Council.

Although we have incurred millions of pounds of additional expenditure, lost income from fees and charges and suffered delays to our planned cost reduction programme, we have also received a large amount of additional grants which have funded it. For our normal, daily activities we have managed to achieve a small underspend, as a result of services living within their means, which is hugely important to the financial sustainability of this council. This approach of sound financial management will continue to be necessary as the council faces an uncertain future. This has increased our general balances and earmarked reserves which we will need to be available for future investment requirements.’

‘Looking ahead, the process of refreshing the MTFS for 2022/2023 is already beginning but again, uncertainty is dominating. Originally, the government had planned a Spending Review in 2020 but this was postponed and another one-year only settlement was announced in December 2020. It is anticipated that the Spending Review will take place in 2021 and that there will be a multi-year settlement announced in December’.

### 13.How has the Council addressed the governance improvement actions from 2019/20?

The Annual Governance Statement 2019/20 contained the following key actions. Details of the issue and how it has been addressed are provided below:

Review Reference	Governance Issue	Target Date	Progress as at July 2021
Annual Governance Statement 1	To continue to address the key concerns raised through the CQC/Ofsted report to ensure that the governance elements within the SEND arrangements have been addressed fully in a timely manner.	Helen Riley – Director for Families & Communities  March 2021	Work in this area continues although there are a number of issues that will be resolved following the completion of the Children’s Transformation Project. Oversight on progress will be undertaken by the Senior Leadership Team.  <b>(carried forward as AGS 1)</b>
Annual Governance Statement 2	To ensure that a robust strategy and action plan to address Climate Change within the County including how we will provide place-based leadership in order to reduce our carbon footprint	Daryl Evers – Director for Economy, Infrastructure & Skills  March 2021	A detailed climate change strategic development framework has been produced outlining SCC commitment to making Staffordshire Sustainable and to achieve net zero carbon emissions by 2050. The framework includes an overview of how it will be achieved internally and also externally working with partners and the wider community. In line with the framework document, the first annual report detailing the Council’s progress on reducing carbon emissions was presented to Corporate Overview and Scrutiny Committee on the 7 September 2021. The Committee also received the draft Climate Change Action Plan 2 for comment prior to formal sign off by Cabinet in October 2021  <b>(carried forward as AGS 2)</b>
Annual Governance Statement 3	To ensure the delivery of a balanced MTFs set against the financial challenges emerging from the COVID 19 crisis.	Rob Salmon – County Treasurer	The Council spent £1.924 million less than the budget for our day to day activities, this is 0.4% less than the revised budget of £542.4 million. This demonstrates excellent financial

		Ongoing	<p>management and good budgetary controls which have allowed spending to be so close to budget in 2020/2021, a feature of a well-run council.</p> <p>Challenges remain in the medium term and these will continue to be monitored and where relevant appropriate action will be taken. Adherence to the CIPFA Financial Management Code will continue to be monitored to enable full compliance by 2021/22. (namely; review of the documentation used to conduct option appraisals, review of the timetable for the approval of the statement of accounts to formally include SLT/Cabinet as well as the Audit &amp; Standards Committee and to retain all documentation to support the financial resilience assessment undertaken during the annual MTFs refresh exercise.)</p> <p><b>(carried forward as AGS 3)</b></p>
Annual Governance Statement 4	To deliver the aspiration to create a single approach to ensure that the Childrens operating system transforms safely and the restorative practice model is implemented.	Helen Riley – Director for Families & Communities  March 2021	<p>The Children’s Transformation Project continues, the recruitment phase is anticipated to be concluded shortly. Further work will progress over the transformation of the pathways and processes operating within the project in order to implement the flexible and restorative practice model whilst developing services locally in conjunction with Partners.</p> <p><b>(carried forward as AGS 4)</b></p>
Annual Governance Statement 5	To review the arrangements surrounding the operation of the STP to ensure that we are working as efficiently as possible. This will be covered as part of the work of the Health Scrutiny Committee on urgent care.	Richard Harling – Director for Health & Care	<p>The Health and Care Bill 2021 will create Integrated Care Systems from 01 April 2022. These will comprise:</p>



		Ongoing	<p>a) An NHS Integrated Care Board, which will be responsible for securing NHS services for the population, accountable to NHS England. The Staffordshire and Stoke on Trent NHS Integrated Care Board will replace the current Clinical Commissioning Groups.</p> <p>b) An Integrated Care Partnership with core membership drawn from the local authorities and NHS Integrated Care Board. The Staffordshire and Stoke on Trent Integrated Care Partnership will include Staffordshire County Council, Stoke-on-Trent City Council and the Staffordshire and Stoke on Trent NHS Integrated Care Board, with other members to be determined. The Integrated Care Partnership will produce an Integrated Care Strategy to which the County Council, City Council and NHS Integrated Care Board will have to give 'due regard' but which is not legally binding.</p> <p>c) Local authorities will remain autonomous organisations, accountable to their population and not to NHS England.</p> <p>The Council will want to ensure that the Staffordshire and Stoke on Trent Integrated Care Partnership facilitates relationships and generates new ideas to improve health and care outcomes and services, that it respects our autonomy, and that it does not create additional bureaucracy that might compromise the pace of improvements. This will be kept under review during 2021/22 by the Health and Well-Being Board</p> <p><b>(carried forward as AGS 5)</b></p>
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Annual Governance Statement 6	To be vigilant against the potential failure of key providers/suppliers and to ensure that suitable business continuity arrangements are in place to deal with an event, should it occur	John Tradewell – Director for Corporate Services  Ongoing	<p>Throughout the COVID 19 pandemic the Council has put in place a series of measures to support the resilience of the care market within Staffordshire. This has included the provision of direct financial support (both locally allocated and the distribution of national COVID 19 grants) and well as an enhanced provider support and advisory services delivered through the Provider Incident Management Cell of the Council's COVID response. The support provided has included</p> <ul style="list-style-type: none"> <li>• Financial sustainability allocations of funding to support the sector to meet additional costs in particular in the first phase of the pandemic.</li> <li>• Administration of the governments Infection Control Fund Grants, Rapid Testing Fund Grants and Workforce Capacity Fund through 2020/21.</li> <li>• Enhanced provider support through PIMs including weekly calls to care homes, targeted support from quality and nursing staff to support homes which were facing unprecedented challenges, providing additional specialist support to care homes with staffing or regulatory challenges.</li> <li>• Developing a daily market overview tool which established the level of risk in each home and allowed for targeted support and interventions to be deployed.</li> </ul> <p>Work will continue to ensure that any potential problems regarding the viability of key suppliers are promptly identified and appropriate action taken.</p> <p><b>(carried forward as AGS 6)</b></p>
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Annual Governance Statement 7	To continually review the cyber security risks and threats to the Councils ICT network to ensure they are sufficiently protected and secured	John Tradewell – Director for Corporate Services  Ongoing	Cyber security risks and threats to the Councils network are continually reviewed to ensure that they remain as sufficiently protected and secure as possible. During 20/21 a cyber security specialist was recruited to help strengthen arrangements to secure the Councils networks from potential attacks. Regular reports were received by the Audit & Standards Committee regarding the Councils arrangements to mitigate the risks present in this area.  <b>(carried forward as AGS 7)</b>
Annual Governance Statement 8	To respond to the findings of the lessons learnt exercise for the COVID 19 response phase jointly conducted with the Civil Contingencies Unit.	John Henderson – Chief Executive and John Tradewell – Director for Corporate Services  September 2020	Work on this area continues in light of the challenges ahead in response to the COVID 19 pandemic. A further review is planned for 2021/22.  <b>(carried forward as AGS 8)</b>
Annual Governance Statement 9	To continue to be alert to the possibility of unforeseen contraventions of governance arrangements and situations where weaknesses in governance arrangements are exposed by isolated events. In particular to the governance weaknesses identified within the Internal Audit Outturn regarding maintained schools	Chief Executive and Senior Leadership Team  Ongoing	Work continues to maintain the focus on the possibilities of unforeseen governance contraventions. The work of Internal Audit together with the extension of the continuous controls monitoring activity will help to reduce opportunities for this to occur moving forward. The recommendation tracking software will help to ensure that where areas of non-compliance are identified by Internal Audit that the necessary corrective action is taken. This

			<p>includes the ongoing work undertaken in relation to SEND during 2021/22.</p> <p>In respect of improving the governance arrangements within maintained schools, a detailed guidance publication was produced by Internal Audit and issued in October/November 2020. Governance is a key feature of the internal audit programme and a full complement of audits was undertaken throughout the year despite the COVID 19 restrictions.</p> <p><b>(carried forward as AGS 9)</b></p>
Annual Governance 10	To fully implement the outstanding audit recommendations relating to the property governance follow up report thereby strengthening the control environment in this area	<p>John Tradewell – Director for Corporate Services</p> <p>December 2020</p>	<p>A follow up audit was undertaken in 2020/21. Two audit recommendations remain outstanding regarding the production of a property management strategy and Key performance indicators. Work is progressing on both, albeit slightly delayed as a result of the local elections. Progress on this area was reported to the Audit &amp; Standards Committee during 2020. Outstanding actions will be reported on in December 21 Internal Audit Progress Report.</p> <p><b>(carried forward a AGS 11)</b></p>

#### 14. What are the Key Governance Matters for 2020/21?

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2021/22. Those action points in italics are new for 2020/21.

<b>Review Reference</b>	<b>Governance Matters identified and action to be taken</b>	<b>Target Date</b>	<b>Lead Officer</b>
AGS 1	To continue to address the key concerns raised through the CQC/Ofsted report to ensure that the remaining governance elements within the SEND arrangements have been addressed as soon as possible.	March 2022	Helen Riley – Director for Families & Communities
AGS 2	Use the climate change strategic development framework in-conjunction with Partners in order to deliver on the commitments to make Staffordshire County Council sustainable and achieve net zero carbon emissions by 2050. The framework and action plans will continue to be reviewed over this period.	Ongoing	Darryl Evers – Director for Economy, Infrastructure & Skills
AGS 3	To ensure the continued delivery of a balanced MTFs set against the financial challenges emerging from the COVID 19 crisis. Adherence to the CIPFA Financial Management Code will continue to be evaluated to ensure full compliance by the required 21/22 deadline. Matters highlighted in the action plan from the self-assessment to be implemented,	Ongoing	Rob Salmon – County Treasurer
AGS 4	To conclude the Children's operating system transformation project to fully implement the flexible and restorative practice model whilst developing services locally in-conjunction with partners.	March 2022	Helen Riley – Director for Families & Communities
AGS 5	To monitor the arrangements surrounding the operation of the Staffordshire and Stoke on Trent Integrated Care Partnership to ensure that it facilitates relationships and generates new ideas to improve health and care outcomes and services. This will be covered as part of the work of the Health and Well-Being Board	Ongoing	Richard Harling – Director for Health & Care
AGS 6	To remain vigilant against the potential failure of key providers/suppliers and to ensure that suitable business continuity arrangements are in place to deal with an event, should it occur. Attention will continue to be given to Social Care providers.	Ongoing	John Tradewell – Director for Corporate Services & Richard Harling – Director for Health & Care
AGS 7	To continue to monitor the cyber security risks and threats to the Councils ICT network to ensure they are sufficiently protected and secured. To undertake	Ongoing	John Tradewell – Director for Corporate Services

	the work that is programmed to enhance cyber governance arrangements currently in place.		
AGS 8	To undertake a further debrief review on the additional phases of the Council's COVID 19 response in particular regarding the assumption made regarding community resilience; jointly conducted with the Civil Contingencies Unit.	March 2022	John Henderson – Chief Executive and John Tradewell – Director for Corporate Services
AGS 9	To continue to be alert to the possibility of unforeseen contraventions of governance arrangements and situations where weaknesses in governance arrangements are exposed by isolated events. In particular to the governance weaknesses identified within the Internal Audit Outturn regarding SEND, maintained schools and the completion of internal control checks consistently.	Ongoing	Chief Executive and Senior Leadership Team
AGS 10	To consider the Governance Risk and Resilience toolkit produced by the Centre for Governance and Scrutiny as to how it may assist the Council in its quest to ensure that it has early sight of the identification of risks around governance and a clear focus on the cultural aspects of good governance.	March 2022	John Tradewell – Director for Corporate Services
AGS 11	To complete the update and review of the arrangements for the production and review of the Risk Management Policy and Corporate Risk Register.	December 2021	Rob Salmon – County Treasurer.
AGS 12	To ensure that the recommendations contained in the Limited Assurance & special investigation internal audit reports raised in the HOIA opinion are fully implemented. This will be overseen by the Audit & Standards Committee through their recommendation tracking review	Ongoing	Rob Salmon – County Treasurer.

## 15.Certification

To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas outlined at paragraph 14. Over the next year we will be taking steps to tackle the issues listed above, so we can further improve our governance arrangements. We are satisfied that these steps will bring about the improvements that we identified in our review of effectiveness, and we will monitor these improvements as part of our next annual review.

Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

Alan White  
Leader of Staffordshire County Council

John Henderson  
Chief Executive of Staffordshire County Council

Date: \_\_\_\_\_

Date: \_\_\_\_\_