

Draft Annual Governance Statement 2020/21

Executive Summary

The Leader of the Council (County Councillor Geoff Driver CBE) and the Chief Executive and Director of Resources (Angie Ridgwell) both recognise the importance of having good management, effective processes, and other appropriate controls in place to run the county council in delivering services to the communities of Lancashire.

Each year the council is required to produce an Annual Governance Statement which describes how the corporate governance arrangements have been working across the group. To help do this, both the council's Corporate Management Team and the Audit, Risk & Governance Committee undertake a review of the council's governance framework and the development of the Annual Governance Statement.

This year, the Covid-19 crisis continued to bring unprecedented challenges for local government and the county council has sought to minimise disruption to the services we deliver. We have shown that the county council can thrive in the most challenging of circumstances. We have seen a combination of a flexible, dynamic, committed workforce and implementation of new ways of working that will reshape the council going forward. We also put in place a robust set of emergency governance measures to monitor and respond to the pandemic.

Therefore, it is essential that the Annual Governance Statement reflects the impact of the Covid-19 pandemic on governance and we will include a second conclusion on the adequacy of governance arrangements during this period. Once the crisis is over, we will conduct a review of the lessons to be learned from our response. As such, this will be one of the organisation's significant governance issues for 2021/22.

The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance relating to Local Government Pension Service Fund Accounts 2020/21 states that in England, where the pension fund accounts form part of the administering authority's statement of accounts then the Annual Governance Statement should also cover the pension fund. Therefore, this year the Pension Fund Governance Statement will be included rather than published as a separate document.

On the 26 April 2021 the Audit, Risk and Governance Committee considered the content of the proposed Annual Governance Statement to ensure that it properly reflects how the council is run. The final statement is signed by the Leader of the Council and the Chief Executive and Director of Resources.

Governance Issues

Overall, it can be confirmed that the council has the appropriate systems and processes in place to ensure good governance is maintained. Whilst these work well, our review has identified the following issues which are currently underway but not yet completed:

Key Delivery/Improvement Area	Lead Officer	To be delivered by
Reshaping the Council: Our Improvement Journey	Chief Executive & Director of Resources supported by the Director of Organisational Development & Change	March 2022
Financial Sustainability	Director of Finance	Ongoing
Family Safeguarding	Executive Director of Education & Children's Services	March 2022
Response to Special Educational Needs & Disability (SEND) Inspection	Executive Director of Education & Children's Services	March 2022
Integration & Innovation	Executive Director of Adult Services & Health & Wellbeing	March 2022
Provision of ICT	Director of Strategy & Performance	March 2022
Covid – 19 Moving Towards Recovery	Chief Executive & Director of Resources supported the Corporate management Team	March 2023

Progress made against the issues identified in last year's Annual Governance Statement is reported in this year's statement.

We propose over the coming year to address the matters identified, and will monitor implementation and operation as part of the performance management role of the Corporate Management Team and the Cabinet. The Audit, Risk and Governance Committee will also help us with independent assurance during the year.

----- County Councillor Geoff Driver CBE
 Leader of the Council
 ----- Angie Ridgwell
 Chief Executive and Director of
 Resources

Signed on behalf of Lancashire County Council

Introduction

Local authorities are required by statute to review their governance arrangements at least once a year. Preparation and publication of an Annual Governance Statement in accordance with the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives (CIPFA/Solace) "*Delivering Good Governance in Local Government Framework*" (2016) (the Framework) helps fulfil this requirement. 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; and
- Resources are used economically, efficiently, and effectively to achieve agreed priorities which benefit local people.

The Framework also expects that local authorities will put in place proper arrangements for the governance of their affairs which facilitate the effective exercise of functions and ensure that the responsibilities set out above are being met.

As mentioned in the executive summary, coronavirus will have impacted on governance since March 2020 and authorities also need to ensure that the Annual Governance Statement is current at the time of its publication, so it is essential therefore that the Annual Governance Statement reflects the impact of the Covid-19 pandemic on governance.

What is Corporate Governance?

Corporate governance is about the systems, processes, and values by which councils operate and by which they engage with, and are held accountable to, their communities and stakeholders.

The council has adopted a Code of Corporate Governance which follows the CIPFA/Solace guidance "*Delivering Good Governance in Local Government*" (2016) which defines the seven core principles that should underpin the governance framework of a local authority:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- Ensuring openness and comprehensive stakeholder engagement;
- Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the council's capacity, including the capability of its leadership and the individuals within it;
- Managing risks and performance through robust internal control and strong public financial management; and
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Key Elements of the County Council's Governance Framework

Key elements of Lancashire County Council's governance framework are set out below:

Leader, Cabinet & Council	Decision Making	Risk & Performance Management
<ul style="list-style-type: none"> • The Leader provides leadership • Cabinet develops and sets policy • Full Council agrees the annual budget, sets Council Tax and the policy framework including the Corporate Strategy (the cornerstone of our policy framework) 	<ul style="list-style-type: none"> • Meetings are currently virtual (because of Covid-19 rules) and are webcast • Decisions are recorded on the council's website • Scheme of delegation 	<ul style="list-style-type: none"> • Risk registers identify both operational and strategic risks • Key risks are considered by the Corporate Management Team, Cabinet Committee for Performance Improvement (CCPI) and Audit, Risk and Governance Committee • Processes are in place for managing and reporting performance to the Corporate Management Team and members (CCPI) • Directors' complete assurance statements
Council's Leadership Team	Scrutiny & review	External & Internal Audit and review
<ul style="list-style-type: none"> • Head of Paid Service is the Chief Executive who is responsible for all council staff and leading Corporate Management Team • Chief Executive is the council's Section 151 Officer and is responsible for ensuring the proper administration of the council's financial affairs • The Monitoring Officer is the Council's Director of Corporate Services who is responsible for ensuring legality and promoting high standards of public conduct 	<ul style="list-style-type: none"> • Scrutiny Committees review council policy, decisions, and budget proposals • Work to deliver local public sector accountability 	<ul style="list-style-type: none"> • External audit provides an opinion on the council's annual statement of accounts and whether the council has secured economy, efficiency, and effectiveness in the use of its resources • Internal Audit provides regular assurance on the governance, risk management and internal control framework • External inspections provide an accountability mechanism • Peer challenge/reviews highlight good practice and areas for improvement

How do we comply with the CIPFA/Solace Framework?

The council has approved and adopted:

- A Local Code of Corporate Governance;
- The requirements of the CIPFA/Solace "*Delivering Good Governance in Local Government*" Framework 2016; and
- A number of specific strategies and processes for strengthening corporate governance.

An updated Local Code of Corporate Governance can be found on our website. This shows how the county council has complied with the seven principles set out in the CIPFA/Solace Framework. The Code is reviewed annually, and the outcome reported to Audit, Risk and Governance Committee and presented to Full Council for approval. It sets out the requirements underpinning these principles and how the council ensures that it meets them, along with the evidence base used to assess their effectiveness. This year it has been updated to include the governance arrangements that have been put in place to manage the impact of Covid-19.

Managing Risk and Performance

Performance management is a key component of the council's approach to achieving its outcomes. Part of this process involves identifying and, where appropriate, mitigating risks, ensuring that performance and risk management processes are in place throughout the organisation with effective processes to ensure sound financial management. Managing risks is the responsibility of services. All service risks are scored on the same basis and the greatest risks are elevated onto the Corporate Risk Register.

Before Covid-19, service risk and opportunity registers were updated regularly, and the Corporate Risk and Opportunity register was reported to the Corporate Management Team, Cabinet Committee for Performance Improvement (CCPI) and Audit, Risk & Governance Committee on a quarterly basis. As a result of Covid-19, reporting was suspended, and service level situation reports were introduced and continue to be in place. These reports are presented on a weekly basis to the Corporate Emergency Response Team and issues are escalated to the Corporate Management Team and the Local Resilience Forum (LRF).

Equality Impact Assessments are used throughout the organisation to assess the impact of service proposals and to inform decision making.

The budget setting process is well established, and services prioritise budgets and spending to achieve intended outcomes. In recent years, the budget setting process has inevitably focused on achieving savings whilst still focusing on the priorities of the political administration.

The medium-term financial strategy is updated and reported to Cabinet together with relevant resource forecasts and takes full account of the changing regulatory, environmental, demographic, and economic factors that impact on the financial environment in which the county council operates. The quarterly report to the Cabinet, 'Money Matters', includes in-year revenue and capital

expenditure monitoring information along with updates on the multi-year capital programme. The final outturn position will be reported to Cabinet.

During the year, the Cabinet Committee for Performance Improvement (CCPI) received high-level metrics relating to the corporate strategy together with more detailed, service specific performance metrics which enabled members to monitor ongoing service delivery and performance. The reports highlight good performance and areas for improvement (further reports setting out improvement action plans are presented when necessary). A detailed forward plan for the annual reports was developed with the Leader of the Council, as Chair of the Cabinet Committee on Performance Improvement.

A Performance Board that is chaired by the Director of Strategy and Performance met during the year. The Board receives a suite of performance dashboards, which draw attention to concerns with performance, describe recovery plans, and escalate issues for discussion and action to the Corporate Management Team. Any concerns with the quality of the data are highlighted immediately and the recovery plan will focus on improving the data quality. Once there is confidence in the data, performance concerns are the focus of discussion. This approach requires a deeper understanding of data presented and is driving up the quality of data and reporting across the council.

Managing our Resources (Value for Money)

The council's external auditors, in their assessment of 2019/20, gave an unqualified opinion on the Group's financial statements on 25 January 2021 and were satisfied that the council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

The auditors commented that the council's financial position remains challenging and a continued reliance on reserves would be unsustainable, however, it is important that the momentum for change established over the last few years is maintained and financial control remains robust.

Therefore, throughout 2020/21 projections were reported to both the Corporate Management Teams and Cabinet in the 'Money Matters' report which forms a regular review point for assessing the effectiveness of financial plans. The budget strategy involved a combination of budget savings with the use of reserves and capital receipts to ensure funding requirements were met. However, the plans for future years will need to be reviewed in light of any central government funding proposals for local government.

The council ensures that it provides timely support, information, and responses to its external auditors – properly considering audit findings and assumptions around what may happen in the future particularly relating to those elements that cannot be directed by the Council.

Financial Sustainability

Financial sustainability remains a risk facing the county council given the absence of a long-term financial settlement, the ongoing financial impact of Covid-19 and various funding changes likely to come into effect from 2022/23, including the outcome of the fair funding review. However, good

progress has been made in recent years in addressing the existing financial shortfall primarily as the result of the identification and delivery of a significant savings programme.

The 2021/22 revenue budget was approved at Full Council in February 2021 with a small contribution of £3.860m required from the transitional reserve. The structural funding gap is forecast to be £50.048m by 2023/24, although this is based on assumptions being made on future funding levels in the absence of a long-term financial settlement from the Government. Uncommitted reserves are sufficient to support the gap through to 2023/24 and beyond with a forecast level of £67.325m at 31 March 2024, allowing time for a planned and structured approach to how the funding gap is addressed.

The impact of Covid-19 on the council's financial resources is set out in the specific section on Covid-19.

The council regularly updates its medium-term financial strategy. The forecast for future years takes into account anticipated cost pressures (both inflationary and demand led), planned savings and expected resource levels. The forecast is necessarily underpinned by a range of estimates and recommendations through the Corporate Management Team, Cabinet and the Audit, Risk and Governance Committee.

The financial management arrangements of the council conform to the governance requirements of the Chartered Institute of Public Finance and Accountancy Statement on the *Role of the Chief Finance Officer in Local Government*.

Financial Management Code

The Chartered Institute of Public Finance and Accountancy Financial Management Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The code sets out six principles underpinned by a series of financial management standards identifying the professional standards to be met if a local authority is to meet the minimal expectations of financial management that are acceptable to meet the fiduciary duties to taxpayers, customers, and lenders.

Despite the Covid-19 pandemic, the council has been able to undertake medium-term financial planning which has driven the annual budget-setting and monitoring process. Through the Budget Scrutiny Committee, and the Audit, Risk and Governance Committee sources of assurance are recognised as an effective tool in delivering and demonstrating good financial management. The positive financial performance of the council during the year has once again evidenced that the long-term sustainability of local services is at the heart of the council's strategy supported by the prudent use of public resources.

Public Bond Issue

The county council has been considering long term loan financing through accessing the capital markets and using alternative sources of funding to the Public Works Loan Board (PWLB) for many years. Some of the perceived obstacles that have prevented us from pursuing these options in the past have been addressed and it was considered that the pursuit would now enable the council to obtain financing at reduced costs. Cabinet agreed to its first Bond Issue in February 2020 (£350m) and

to a further Issue in May 2020 (£250m). As a consequence, we managed to borrow at a lower cost than from the PWLB.

How do we know our governance arrangements are working?

There are a number of ways we do this:

The Role of Management

The Corporate Management Team oversee the review of the council's governance arrangements. Following this review, they can confirm that appropriate internal controls for which they have responsibility are in place, in particular their scrutiny of regular budget and performance reports including performance against savings targets within the Medium-Term Financial Strategy.

Directors have the day to day responsibility for managing and controlling services – they are accountable for their successful delivery. They set the culture, develop and implement policies, procedures, processes, and controls. Directors have completed an 'assurance statement' for 2020/21 that reports on service compliance and they produced regular situation reports that set out appropriate mitigating actions for significant risks. Where the evidence needed to provide full assurance is not available, improvement plans are in place.

The Monitoring Officer regularly reviews the council's Constitution and ethical governance arrangements and there are regular briefings on key corporate governance issues to Directors and Heads of Service.

The Role of the Audit, Risk & Governance Committee

The council's Audit, Risk and Governance Committee plays a vital role in overseeing and promoting good governance, ensuring accountability and reviewing the way things are done.

The Committee provides an assurance role to the council by examining such areas as audit, risk management, internal control, counter fraud, treasury management, and financial accountability. The Committee exists to challenge the way things are done, making sure the right processes are in place. It works closely with both Internal Audit and senior management to continually improve the council's governance, risk, and control environment.

In addition to the standard items on the agenda, the committee considered reports on the following:

- Review of the Code of Conduct for members – a report which provided an overview of the best practice recommendations of the Committee for Standards in Public Life in relation to local government standards. The committee considered the best practice recommendations and proposed changes to full council for approval.
- Code of Conduct – Summary of Complaints. For this item the appointed 'Independent Persons' who advise the Conduct Committee, were invited to attend the meeting in January 2021.

In July 2020, the Chairman presented his third annual report. The report set out the work the committee had undertaken and provided a means by which it was able to review its own effectiveness.

The Role of the Head of Internal Audit

The Head of Internal Audit is required to provide an independent opinion on the council's governance, risk management and control frameworks and therefore the extent to which the council can rely on them. The Internal Audit Annual Report and opinion have been considered in the development of the Annual Governance Statement.

The Head of Internal Audit's overall opinion is that moderate assurance can be given over the adequacy of design and effectiveness in operation of the organisation's frameworks of governance, risk management and control for 2020/21. However, as set out in the Internal Audit Annual Report, the evidence base for this opinion is significantly different this year and very few normal audit assignments have been undertaken. Nonetheless it is clear that the organisation as a whole is well controlled and has responded well to the challenges posed to the communities of Lancashire by Covid-19.

External Assurances

The opinions and recommendations of the External Auditor and other inspection and review agencies and peer reviews offer us further assurance.

Information Governance

The council has a comprehensive Information Governance Framework in place, overseen by the Corporate Information Governance Group. The group meets quarterly and is attended by the Senior Information Risk Owner and Data Protection Officer. The annual review of policies took place in January 2021 and amendments were made following the end of the 'transitional period' and General Data Protection Regulation (GDPR) being mirrored in domestic legislation (UK GDPR). An interim 6-month grace period has been granted by the European Union (EU) Commission specifically for EU to UK data transfers (ending 30 June 2021) and a decision on UK adequacy is expected imminently.

The team established an Internal Resource Pool in March 2020 and managed up to 900 employees being made available and redeployed at some point during the public health crisis. Whilst services across the council have now resumed and employees have returned to their substantive posts, the Information Governance Manager and Senior Officers continue to support the Internal Resource Planning Group.

Council services currently being managed under the BTLs contract will return 'in house' in April 2021 and Information Governance/ICT policy and frameworks will be reviewed and updated to reflect these changes.

Local Government and Social Care Ombudsman

During 2020/21 Full Council did not receive any public reports from the Local Government and Social Care Ombudsman.

Lancashire County Developments Limited

Lancashire County Developments Limited is an owned subsidiary of the county council. As a material entity it forms part of the council's group accounts. The county council has the power to change

decision making rights, and to appoint and remove Directors of the company. Board Directors are County Councillors who regularly meet and receive financial and performance reports. In the 2020/21 financial year there have been no governance issues reported. The company is annually subject to a separate external audit to the county council.

Scrutiny Committees

Full Council ratified the Constitution at its Annual General Meeting in July 2020 and agreed to merge the Education and Children's Services Scrutiny Committees to a new Education and Children's Services Scrutiny Committee. This reduced duplication and combined the expertise on the committees. Although the number of committees was reduced, to ensure there was no reduction in scrutiny activity the new committee increased the frequency of its meetings.

The work of the four Scrutiny Committees is presented to Full Council on an on-going basis for comment and discussion.

There is also a cross party Budget Scrutiny Review Panel. The Panel:

- Provides further support to the overall budget monitoring process;
- Considers and formulates recommendations on Cabinet budget proposals; and
- Monitors progress of agreed budget savings.

The Review Panel in exercising this function contributes to a robust budget scrutiny process and supports effective monitoring of the county council's budget. The Review Panel's role is not to lead on the management of the budget or to set a budget, but to provide support as a 'critical friend'. The Review Panel reports to the Internal Scrutiny Committee.

The Statutory Scrutiny Officer and Monitoring Officer are undertaking a review of scrutiny activity with a view to future improvement and new scrutiny web page is live and will support officers across the council to better understand and engage with scrutiny activity.

Independent Remuneration Panel

Full Council in December 2020 agreed revised Terms of Reference for the Independent Remuneration Panel. It also re-appointed three current, experienced members for a further term of office. A fifth member of the Panel has since been appointed.

County Council Elections

Given the postponement of the elections last year there will be county, Police & Crime Commissioner and district elections (7 districts) taking place across Lancashire on the 6 May 2021. Some districts also have parish elections. Having combined elections is complex in itself but given the added dimension of the pandemic this has heightened the complexity and risk. As a result, the Returning Officer in conjunction with the Police Area Returning Officer have published detailed directions. Officers from all councils within Lancashire have met monthly to ensure a consistent and collaborative approach across the county. Officers have maintained regular dialogue with the Electoral Commission throughout the preparations and delivery of the polls and have worked with Lancashire Constabulary to maintain the integrity of the electoral process.

Officers and members have been briefed on pre-election rules on local authority publicity.

Local Government Reorganisation

At the June 2020 Full Council meeting, the principle of a Combined Authority and elected mayor was agreed to unlock the potential for a devolution deal and secure extra funding for the people of Lancashire. The Leader of the Council wrote to Government to ask them to consider new governance arrangements for Lancashire. These arrangements would see our current structure of a county council, 12 districts and two unitaries dissolved and replaced with three new unitary authorities which would cover the whole of the county and be responsible for delivering all of our services. The Government did not invite us to formally submit a proposal at this time.

However, in February 2021 the Government announced an eight-week consultation process for proposals for local government reform in Cumbria. There are four proposals under consideration. Discussions have been taking place in Lancashire about local government reform here because, as with Cumbria, there is a general support for change. Whilst any of the proposals would have implications for Lancashire if adopted, the "Bay Unitary proposal" would have the most direct impact as it would mean that responsibility for the services currently delivered in Lancaster City Council District by the county council would transfer to the new Bay council. If this proposal were to go ahead it would represent a major administrative change to how all of our services are delivered in that area. There was an Extraordinary Meeting of Full Council on 8 April 2021. Full Council agreed the principles of the response to the consultation set out in the report and authorised the Chief Executive, in consultation with the Leader of the Council, to finalise the response to the secretary of State.

EU Exit: Lancashire County Council preparedness

When the UK formally left the European Union (EU) on the 31 January 2020, it moved from being a member state to the transition period and little changed in practice. In January 2021, the UK moved from transition to a new relationship, and wide-ranging change will likely result, albeit not immediately. People, communities, businesses, organisations and our service areas will require time, clear communication, and support.

The council put in place an internal EU Exit Group, overseen by the Director of Corporate Services, to track key aspects of the UK's exit from the EU. Its role is focused on considering the implications for Lancashire and mitigating its impact.

Its areas of focus include Trade, State Aid, Workforce and EU Settled Status, including children looked after and care leavers of non-UK nationality, Border planning, Transfer of Powers/Regulatory change (GDPR, Employment Law, Procurement) and partnership working. The EU Exit Group continues to receive input from across council services and this enables a two-way communication flow and supports updates to the Department for Business, Energy and Industrial Strategy (BEIS), the Ministry of Housing, Communities and Local Government (MHCLG) or the North West regional CEO. It has provided timely reports on the level of the council's preparedness with assurance and recommendations to Cabinet and the Corporate Management Team. It currently provides monthly updates to Corporate Management Team.

The EU Exit Group will continue to review direct and indirect consequences on residents whilst monitoring cost drivers as markets/communities react to this change.

Looking Back on 2020/21

Several improvement actions were identified as part of the 2020/21 Annual Governance Statement. All of these have been the subject of reports to the Corporate Management Team, Cabinet and/or committees or Full Council. Set out below is an update in relation to each area:

Reshaping the Council

Our Improvement Journey

During 2020/21 we intended to progress Our Improvement Journey, but most of this work stopped when staff were redeployed into new roles to respond to the Covid-19 pandemic. Consequently, areas of focus included:

- Recover Well, Recover Better;
- Support our staff to work productively and maintain effectiveness;
- Prioritise improvement journey outcomes which will support response and recovery; and
- Deliver an effective rapid testing system within Lancashire.

We did manage to progress several initiatives such as the roll out of Microsoft 365. This will provide us with new tools and the technology to work flexibly. There is a significant review programme of Human Resources (HR) policies and procedures that will influence flexible working and support desired new ways of working. We have also put in place a leadership and management development offer to support this approach.

Financial Sustainability

The scale of savings agreed to be delivered over future financial years remains significant with £24.876m currently forecast to be delayed in 2020/21 as a result of refocussing officer priorities to the response to the current pandemic.

In addition, there are forecast savings of £24.241m to be delivered across 2021/22 and 2022/23. Should the Covid-19 emergency response continue for a protracted period it is likely that there will be further slippage. Any significant under-delivery or slippage to delivery timeframes will create an additional funding pressure and impact on the ongoing and longer-term financial health of the council if those costs are not mitigated by the Government providing additional funding in future years.

There are inherent risks in the delivery of any savings programme of this scale, particularly where they are directly linked to reducing the future demand for services. However, there is a strong track record of delivery of the vast majority of previous savings plans and there are comprehensive arrangements in place to track delivery of financial savings and take corrective actions where required.

Family Safeguarding – Children's Social Care

Family Safeguarding was evaluated by the Department of Education (DfE) to demonstrate excellent outcomes for families including fewer children coming into care and a reduction in attendances at A&E, and in call outs by the police. Lancashire undertook a bid process and were successful in securing £6.3 million pounds from the DfE to support the implementation of Family Safeguarding in Lancashire and this was matched by funding from the county council. A Lancashire Family Safeguarding

programme team was established and has ensured that the foundations for Family Safeguarding are in place and that we were able to go live on the 11 February 2021.

Family Safeguarding has been introduced as part of the transformation of children's services within Lancashire that has meant investing significantly in Early Help, developing teams around the school, and moving from a geographical management structure to a functional one. We are ensuring that children in care have secure and stable homes and that we invest in our ongoing support for Care Leavers.

There has been good progress in delivery against the priorities set out in our Getting to Good plan with a significant number of actions now closed. Child Protection Social Workers have been innovative in finding ways to facilitate contact between children and their families during the pandemic, enabling statutory duties to be carried out.

Special Educational Needs and Disability (SEND)

The Joint Area SEND revisit that took place in March 2020 found that partners in Lancashire had made sufficient progress in addressing 7 of the 12 significant weaknesses identified at the initial inspection in 2017 and therefore no longer require monitoring by the DfE and NHS England. The area however was found to have not made sufficient progress in addressing 5 significant weaknesses:

- Leaders had an inaccurate understanding of the local area;
- There were weak joint commissioning arrangements that were not well developed or evaluated;
- There was an absence of effective diagnostic pathways for autism spectrum disorders (ASD) across the local area and no diagnostic pathway in the north of the area;
- Transition arrangements in 0 to 25 healthcare services were poor; and
- The local offer was inaccessible, and the quality of information published was poor.

Accelerated Progress Plans are in place to secure further improvement in the 5 areas subject to ongoing monitoring from the DfE and NHS England. A subcommittee to the Health and Wellbeing Board has been established to scrutinise improvement against the 5 Accelerated Progress Plans. Checkpoint review meetings with the DfE and NHS England have been positive with no identified issues regarding progress to date.

The strong working relationships and ambitious vision for children and young people with SEND across Lancashire is transforming our collective offer to meet need more effectively and improve outcomes. The parents who have worked with us are positive about the difference that their contributions have made as equal partners in driving improvements.

Financial Leadership Challenges in Health and Social Care

Discussions through the Integrated Care System (ICS) are ongoing. In February 2021, the Government published a White Paper outlining how the NHS in England needs to change to enable health and care to work more closely together. Within the White Paper are several themes that are particularly relevant to the future working relationship between health and local government.

The White Paper does not address adult social care or public health reforms, with proposals on these areas expected later in the year.

Issues being considered within the Lancashire and South Cumbria ICS include:

- Planning and delivery of integrated services including Intermediate care, Children's and families, Population health (management), Mental Health, Learning Disabilities and Autism;
- Ways of working including the role of Health and Wellbeing Boards and potential for pooling of financial resources; and
- Involvement of elected members.

The North West regional NHS England and NHS Improvement (NHSEI) team is providing support for Integrated Care Partnership (ICP) development through project management resources and subject matter experts who are facilitating a number of workshops and small group session that will shape the content of the ICP development programme for 2021/22. In addition, the NHSEI team has made a connection to the Local Government Association (LGA), which can offer support to the Lancashire and South Cumbria ICS during the remainder of 2020/21 and into 2021/22. Proposals for next steps are expected to be considered by the ICS System Leadership in April 2021.

Managing Major Projects

Strong governance arrangements are in place through the Major Projects Steering Group and Project Board. Internal and external, legal and commercial advice and support is sought as required. We will look to access the Local Economic Growth & Recovery Fund and other funding opportunities to help the economic recovery agenda.

Future Provision of ICT Services

Work over 2020/21 has been focused on managing 10 major deliverables relating to the transition back from BTLS. This has included implementing a new management structure so that we are able to fully support the business from IT, payroll and recruitment perspectives. We conducted a smooth transition for inflight projects, and we are now able to provide commercially viable services to external third parties (schools, police, district councils). We have also been able to put plans in place to continue to improve the quality of the IT service and deliver committed cost savings and look at future potential cost savings across the business. We now understand the cost of providing IT support at a business level and fully understand the breakdown of the cost and value of their returned services. We have no licensing liabilities and no unresolved compliancy issues. As an organisation we can to procure new IT services for ourselves.

This has involved co-working with Lancashire Constabulary, West Lancashire Borough Council, schools, and others to be successful. The Chief Digital Officer together with the Director of Finance, Director of Strategy and Performance, and Head of Human Resources, has been guiding this contract to its conclusion in a safe managed way so that the services, staff, and customers are looked after and the opportunities that 'in house' services bring are realised to the maximum. A thorough approach to management of risks and issues has taken place over the last year and this will continue beyond the end of the contract.

Core Systems and Data

Oracle Fusion, Microsoft 365, BTLS – insource and Covid-19 have all put pressures on an already committed pipeline of business projects. Covid-19 particularly has challenged the service where responses have been required to support the emerging work of the organisation including supporting the council's statutory response, meeting new government requirements and the support of our

Lancashire young people. In the new financial year, a fresh look at the pipeline of work will produce a new Digital Delivery Plan for the council which will continue to accompany the Digital Strategy and include the new Digital Service's Continued Improvement Plan.

Governance Challenges for 2020/21 and Actions to be Taken

Reshaping the Council:

Our Improvement Journey

In 2019/20 we commenced on Our Improvement Journey with an aspiration to become a top performing council. This work stopped when staff were redeployed into new roles to respond to the Covid-19 pandemic. However, as we move out of crisis response to recovery, our focus will be on how we can develop Our Improvement Journey to help deliver our vision. We will initially focus on:

Our ways of working – we want to develop a future workplace model that optimises the performance of our people, places, processes and technology. We want to leverage the best of what is possible today and continuously improve and adapt in response to future challenges. To help us do this we will engage our staff to help shape emerging proposals and develop new approaches.

Improved Partnership working – responding to the pandemic has highlighted the importance of partnership working and is proof of what can be achieved if we work together. We want to use this as a platform to build better alliances with our partners to deliver improved outcomes for the people of Lancashire.

A New County Council – following the elections in May we will need to ensure our new county councillors have the support they need to fulfil their roles within both the county council and their communities.

Financial Sustainability

There is ongoing uncertainty in relation to future local government funding and the financial impact of the Covid-19 emergency has exacerbated the problem. This has been identified as one of the highest-level risks in the council's Risk and Opportunity Register and there are comprehensive arrangements in place to track delivery of financial savings and take corrective actions as required. However, whilst a multi-year spending review was expected from the Chancellor, a one-year spending review was implemented for 2021/22 to prioritise the response to Covid-19 and focus on supporting jobs. Therefore, the Medium-Term Financial Strategy contains a best estimate of our funding envelope over the coming years. Given the circumstances we also anticipate a delayed fair funding review and business rates system review. On current forecasts it will be necessary to identify additional savings to bring the council to a financially sustainable position. However, the current level of reserves will allow us to make those additional savings in a measured and structured way.

Family Safeguarding

We have begun to implement a more strengths-based practice model, including the development of the Lancashire Family Safeguarding approach and the remodelled Early Help offer. Therefore, our area of focus over the next twelve months will be to implement the Family Safeguarding model

alongside a remodel of Children's Social Care, embedding the revised approach to school improvement and implementing the re-modelled Early Help services. We will also ensure that the quality of practice continues to improve, eliminating inadequate practice and ensuring consistently good assessments and plans across county council early help services and children's social care.

Special Education Needs and Disability (SEND)

As mentioned above, in seven of the twelve areas of concern in respect of SEND, progress was judged to be sufficient and therefore no longer require monitoring by the DfE and NHS England.

During 2021/22 the following Accelerated Progress Plans are in place to secure further improvement in the 5 areas:

- Continuing to improve our understanding of the local area;
- Further developing and evaluating our commissioning arrangements;
- Improving the effectiveness of the new neuro-developmental pathway;
- Improving transition arrangements in 0 to 25 healthcare services; and
- Implementing the changes to the Local Offer.

The Key Performance Indicator's included in the plan will enable us to demonstrate the impact of our work as part of the ongoing transformation of services for SEND across the local area.

Integration & Innovation

Earlier this year, the Department of Health and Social Care published the legislative proposals for a Health and Care Bill. The proposals contained within the white paper '**Integration and Innovation: working together to improve health and social care for all**' sets out a range of reforms due to take effect from April 2022. These include:

- Making Integrated Care Systems (ICS) statutory bodies;
- Transferring the functions of Clinical Commissioning Groups to the ICS;
- Removing competition and changing procurement rules;
- Seeking to strengthen the voice/influence of local government;
- Introducing measures to enhance assurance of social care by the Care Quality Commission;
- Creating a standalone power for Better Care Fund;
- Encouraging joint appointments of executive directors to support integrated care and working; and
- Strengthening the role of Health and Wellbeing Boards.

As mentioned above, several themes are particularly relevant to the future working relationship between health and local government, and we will be looking to develop these through 2021/22.

The Government has also said that reforms to social care and public health will be dealt with later in 2021 outside the Health and Care Bill addressed in the white paper, with some minor exceptions. In readiness for this, the County Councils Network simultaneously launched 'The Future of Adult Social Care- Optimised Delivery'.

ICT Provision

The BTLS contract came to an end on the 31 March 2021. The contract is, however, much more than just ICT, and we will need to ensure that all the services that are currently delivered by BTLS are transferred back to the council in a seamless manner, mostly through the launch of the new Digital Service.

Covid 19 – Moving towards Recovery

The impact of the coronavirus pandemic has been felt by all organisations in the UK and the county council is no exception, being a significant employer, service provider and community leader in the county.

It is clear that this emergency is unlike any other we have ever faced, and as such the move towards recovery will be a different path to any we have seen before. Assessment of the longer-term disruption and consequences arising from the coronavirus pandemic are ongoing and we are beginning to understand the implications of coronavirus and how it will affect the day-to-day lives of our citizens. This will inform our planning during the recovery phase of the crisis. However, adapting our services will take time and we aim to have completed this review by 2023.

There have been devastating impacts on families across the county. From job loss to supply shortages. There has been an impact on emotional and mental health, and we have witnessed a rise in inequality and deprivation. We have a key role to play in the coming months as we will be at the heart of building a stronger, healthier and more prosperous Lancashire for our residents and businesses.

Monitoring Implementation

The key governance challenges facing the council in 2021/22 will be monitored by the Corporate Management Team and are identified risks in the Council's Corporate Risk and Opportunity Register. This document is the 'action plan' for each issue identified.

The governance arrangements relating to the Register involve its review by the Corporate Management Team which is then reported in turn to the Cabinet Committee on Performance Improvement and then the Audit, Risk and Governance Committee. The Register identifies risks, the current controls that apply and the mitigating actions to be taken, producing a "risk score" and a residual score after mitigating actions have been applied.

Conclusion

Overall, the county council has the appropriate systems and processes in place to ensure good governance is maintained. Whilst these work generally well, the council has identified a number of areas where further improvements can be made to strengthen its governance framework. The governance of the county council will continue to be monitored by the Audit, Risk & Governance Committee, Cabinet and the Corporate Management Team.

Responding to the Coronavirus Crisis

There has been a tremendous amount of work done by staff and with our partners to ensure that our emergency response has been effective. During this crisis we have had two goals:

- To protect the most vulnerable; and
- To make sure our most vital services continue to be delivered.

We have completely transformed the way in which we do business which is a testament to our preparedness to face emergencies. We could not have predicted the scale and scope of the challenges that this emergency has presented, but because we have exceptionally good business continuity plans, we have been able to rise to those challenges at speed. We recognised that partnership working is the key to an effective response and have been central to the ramping up of the Local Resilience Forum (LRF) to become the central hub for all activity. Our Chief Executive and Director of Resources is currently the chairperson of the Forum.

We aligned our response to the LRF structures to ensure clarity and continuity between our internal work and the wider partnership activity. This means that we have a clear understanding of our essential role and can move and adapt to changing circumstances. During the year we reviewed our structures and established a Covid-19 Corporate Recovery Group, a Corporate Safer Working Group, a Vaccination Sub-group and put in place an effective Outbreak Management process.

Impact on Business as Usual in the Delivery of Services

Our response to this emergency means we have been able to continue to deliver vital services to the people of Lancashire. That is not to say that it has all been plain sailing. The rapidly developing situation meant that we have had to make decisions that we have had to change, and have sometimes made mistakes, but these have all been quickly dealt with to ensure that we remain on course and we have managed to:

- Keep about 600 schools open throughout both lockdown periods to support the children of key workers and our most vulnerable families.
- There are more than 400 care homes and hundreds of domiciliary and other types of care providers across Lancashire and to ensure that they have the most up-to-date information we developed a new portal on our website where we have been posting all the latest advice. We also hosted fortnightly online care provider webinars that have been attended by hundreds of providers. We launched a campaign to recruit social care staff for Lancashire to meet the extra demand that the coronavirus crisis was creating.
- Support district councils in setting up their community hubs.
- Deliver School appeals over the summer months. Due to social distancing measures these will be heard remotely.
- Continue to register deaths and births.
- Move from being an organisation which is primarily location-based to one that is primarily remotely based.

During the first wave of the pandemic, many staff who were not in roles which are critical to the emergency response were temporarily shifted to new duties to support the response. As the crisis

progressed and the demands on our services and colleagues changed, we placed our resources where they had the most benefit. A new Internal Resource Pool was established. At its peak, the pool comprised over 1000 staff and the critical functions that received staff from the pool include:

- **Care Capacity Tracker** – to contact community and residential care providers regarding Covid-19. Their role is to make telephone calls to care providers in Lancashire daily to understand their current operating position, staffing and any issues related to the current Covid-19 situation. A small number of redeployed staff continue to work on the Tracker.
- **Provider Assistance** – a contacts list of 'go to people' quickly if a care home falls over and we need to keep them running.
- **Hospital Discharges** – in Care Navigation, staff needed to ring around care homes to identify places and so help with hospital discharges. This freed up beds for critical care patients.
- **Provider Queries** – Contract Management Responding to social care provider queries.
- **Infection Control Recording** – business support staff recorded details of infection notifications.
- **Infection Control Advice** – former nurses or social workers helping to provide infection prevention advice to care homes who are reporting outbreaks and concerns with Covid-19.
- **Provider Escalation Team** – a provider escalation team was set up that involves teleconferences for multi-disciplinary teams in relation to care homes. As the year progressed this team was renamed and repurposed to the Outbreak Management Team, to support the continued high level of outbreaks across care homes.
- **Vaccination** – we are working with the LRF to assist with the vaccination programme.
- **Public Health** – set up a pathway for staff and their families who display symptoms to access Covid-19 testing.
- **Excess Deaths** – the Coroners Covid-19 project involved taking calls from GPs regarding Covid-19. It was a service needed around the clock so people would be on call on an 8-hour shift system.
- **Registration Support** – a hub was created in Preston and business support staff worked to carry out the pre-registration 'screening' process for death registrations.
- **Personal Protective Equipment (PPE)** – there was a need for members of staff to help with a range of activities associated with PPE. These include operating the phone line, taking deliveries, updating stock records, packing PPE packages for internal services and non-council care providers. During the year, this resource was gradually stood down and staff returned to their business-as-usual roles as the supply routes for PPE became more stabilised.
- **Asset Management** – needed more resources on the Lancashire Volunteer Partnership to work on the helpdesk taking calls and signposting to the appropriate volunteer officer.
- **Waste Recycling Centers** – members of staff were needed to help direct traffic and engage with customer (at a safe distance) when the centres reopened.
- **Highways** – maintaining safety critical works.

Decision Making Arrangements

At the start of the pandemic all formal meetings of the council including Cabinet and committees were suspended whilst the relevant powers to hold remote meetings were granted by legislation, and the appropriate technology put in place. Only business critical decisions were taken, and these have been taken under the relevant urgency procedures. Initially, we deferred all decisions currently listed on the forward plans for Cabinet and committees. For regulatory-type processes and decisions, we considered the appropriate mechanisms with officers responsible to ensure we met our obligations.

To ensure that the council was able to make essential decisions quickly, the Leader agreed for officers to take all executive (i.e. Cabinet) decisions should the need arise. However, the intention remained that Cabinet decisions are made by elected representatives wherever possible in line with the urgent business procedures and as such this new delegation was for genuinely emergency situations. All decisions made by officers under this specific delegation have been properly recorded.

With the agreement of the Chairman, the Full Council Annual General Meeting (AGM) in May 2020 was cancelled. All appointments made at the AGM last year, including the Chairman of the council and committee appointments, continued until the meeting of Full Council on 16 July 2020.

We hosted our first virtual Cabinet meeting in May 2020 and Development Control Committee in June 2020 with all participants dialling in. We have continued to hold virtual meetings since. To facilitate this, we introduced a brand-new MS Teams product with associated training and support package for all county councillors. This was done within all governance and decision-making parameters.

Opposition groups have been regularly briefed by the Chief Executive and Director of Resources and Scrutiny committees have a future work programme in place. Bite sized briefing on all aspects of Covid-19 have been delivered for members.

Managing Risk

Our quarterly risk register was suspended and initially replaced by a twice weekly situation report that fed into both the Corporate Emergency Response Team (CERT) and the Corporate Management Team. The reports set out:

- Impacts on current service delivery;
- Mitigation actions to minimise impacts; and
- Resource issues.

The reports informed decision making in terms of resource allocation to help minimise the impact within Lancashire communities. The reports also set out actions taken to date and proposed actions. They also provided a forward view highlighting other issues. The reports were shared with multi-agency partners. The reports are now produced weekly. We have also carried out stress testing of our response and scenario planning, setting out how we would operate with reduced staffing levels of 20%, 40% and 50%. The situation reports have now been updated and aligned to our strategic and tactical objectives.

To provide flexibility to changing circumstances a number of our Human Resources policies and procedures have been either temporarily amended or suspended. We have maintained constructive dialogue with the Trades Unions throughout the crisis.

All staff working from home have completed a home working risk assessment to ensure they have the correct set-up to work safely at home.

Health and Wellbeing

Many staff are working so hard to look after others through this emergency, but it is also really important that they look after their own health and wellbeing. Keeping physically and mentally well is a challenge for us all. We have ensured that we have lots of useful information on the intranet about the help that we can offer, and guides to how people can help themselves. For colleagues not able to

access the intranet, this information is also available on the staff section of our website, which anyone can access. All of our wellbeing information is updated regularly.

New Areas of Activity as part of the National Response to Coronavirus and any Governance Issues Arising

Excess Deaths – Temporary body storage facility

Like many other places in the country, we must prepare for all contingencies as part of our response to the coronavirus pandemic. This meant we had to be prepared for the anticipated increase in deaths.

We originally built a temporary storage facility at BAE Systems' Site at Warton but this was decommissioned in September 2020. However, as we progressed through the pandemic it was predicted that there would be a further wave over the winter months. Mortuary occupancy is always significantly higher during these months in any event. This, together with the fact that our mortuary based at Blackburn Hospital is a designated Mass Fatalities mortuary for the North West, resulted in a formal request being made to the Cabinet Office for three temporary Titan Units in order to ensure that we could meet any capacity issues.

Cabinet Office agreed to this request and three Titan Units are now based at the Environmental Education Centre at Leyland. Although this site only provides 210 additional spaces as opposed to the original 800 spaces at BAE Systems, all the hospital mortuaries have also increased their storage capacity and to date we have never had more than 66.8% occupancy across all the mortuaries.

The LRF Death Management Group are currently reviewing the need to keep the Leyland site in standby mode and are also looking at the potential to use either this site or another identified site in the future should this be required again. All the protocols, plans and decisions taken in the setting up of this facility and the processes to support it will be kept so that they can be amended and used again.

Schools

The majority of schools have stayed open throughout the pandemic to accept our vulnerable children and those of key workers, with thousands of pupils attending each day. All schools have maintained close contact with all parents and pupils. We have been in daily contact with schools and have been supporting them with issues that have arisen, as well as sharing all the latest guidance.

More recently the focus was on supporting schools return on 8 March 2021 and establishing processes and protocols to ensure we tested secondary school pupils every 2-3 days and the potential transport issues linked to positive tests.

Throughout the pandemic there has been a focus on staff well-being and links to a range of resources have been available. Chrome books have been successfully distributed to disadvantaged children and for those families who chose to educate children at home we have performed the necessary safeguarding checks.

We have used additional government funding to support vulnerable children and young people in digital poverty with extra tutoring. Food vouchers have been provided and a lot of work to cover ages 2-4 years has been undertaken. In total over 1 million vouchers have been allocated and free school

meals have continued over the spring half term period and will also be provided over the Easter holidays.

Testing

Lateral flow testing (LFT) is progressing well with volumes increasing on a weekly basis. We now have up to four testing centres in each district. Priority at the moment is on local businesses and work locations where people are still having to go to a place of work during lockdown, and on providing locations in each district where workers can get a test if their place of work isn't providing them. We are recruiting additional testing teams and a roll out of home testing has commenced. This follows pilot testing with school pupils and their families will have an option to collect kits to carry out home testing.

Care Home Support Package

At the outset of the Covid-19 Pandemic in mid-March 2020, officers and members of the county council identified that support for the providers of adult social care services was a key priority in securing the best possible health and wellbeing outcomes for our most vulnerable residents. A social care cell was introduced as part of LRF which the Executive Director of Adult Services and Health and Wellbeing chairs, and we submitted a response to the Care Home support package that was developed in conjunction with the NHS.

Senior Officers in Adult Services immediately established a Human Aspects Cell (HAC) for Adults Services, which now meets weekly, and the Executive Director reports twice weekly into Corporate Management Team meetings and weekly into the Corporate Emergency Response Teams (CERT). This enabled close oversight on the support being given to the care sector and also to provide regular briefings to the county council's Cabinet and leader of the opposition group.

In addition, senior officers from Adult Services immediately established and have continued to maintain working groups and cells with key partners including health, district, and unitary councils, which continue to meet as frequently as required, to manage the hospital discharge process, provision of personal protective equipment for the sector, Infection Prevention Control, data collection, testing and tracing and workforce support.

Provider/Market Engagement

We recognised at the outset of the Covid-19 outbreak that effective engagement and communication with the care market in Lancashire was key to supporting them in their crucial role of securing the best health and wellbeing outcomes for our most vulnerable residents.

We immediately established a Provider Engagement Portal on the county council's website and set up weekly Zoom webinars which all Lancashire providers were invited to attend and where we provided up to date guidance and information. These webinars are now held fortnightly and on the alternate weeks we provide updates or facilitate discussions on topics such as care home visiting, day services, provider fees etc. Providers can submit questions which we answer live and via FAQs on the portal, which we update regularly. We regularly attract around 200 providers on the webinar.

We have received a considerable amount of positive feedback from our valued providers in Lancashire, and the questions and comments that we have received have ensured that, through

ongoing dialogue, we have provided the clarity or support required to maintain a strong and stable care market during the current crisis and for the future. For example, we have developed a Financial Assistance scheme to support the current and future financial viability of our care market. It sets out the pathway that providers can follow to secure a speedy response from us in relation to financial issues that they may be facing including accessing additional funding, for example in relation to additional staffing and personal protective equipment.

Data and Intelligence

The Business Intelligence Team established a Covid-19 Intelligence website on 'Lancashire Insight' to bring together publicly available information to support planning and decision making. In addition, the team supported the LRF by providing daily epidemiology reports. Reports on various aspects of the crisis response to Covid-19 (including death statistics, case-rates, test and trace, outbreaks, vaccination eligibility and uptake etc.) were provided to all boards, LRF Cells, and management meetings as needed, frequently on daily or bi-weekly basis. The team has produced communications for the general public and directors of public health pan Lancashire.

Several one-off research pieces have been produced including modelling, profiling and locating people at risk of social isolation or digital exclusion to support the work done by district councils and the community hubs. Economic modelling on the financial impact of lockdowns and Covid-19 more generally supported conversations with the government, and planning interventions. The team has worked closely with Lancaster University and supplied weekly data to facilitate analysis of the Covid-19 reproduction rates at lower level geographies. Analysis of domestic abuse supported community safety actions. Close working with the Integrated Care System (ICS) Data Hub has facilitated the flow of data into the system, and the use of its analytics across all districts and health services to enable planning and prioritisation of support to vulnerable people.

As the nominated 'Data Hub' by the Ministry of Housing, Communities and Local Government (MHCLG) for the support of clinically extremely vulnerable people, the team has worked closely with MHCLG and district councils to ensure the right information has been provided to the right people, enabling the provision of food delivery, care support and other services at the height of the first wave of the pandemic. More recently the team has been the designated contact for MHCLG's National Shielding Support System (NSSS); and has supplied daily information to districts to ensure continued support of vulnerable people during lockdowns.

The team has supported the county council's Human Aspects Cell, providing regular reports and working closely with adult social care colleagues, the team has provided investigative reporting support to Covid-19 related activity. Modelling care home capacity using data from the care capacity tracker and models provided by Imperial College, the team provided estimates of the potential impact of Covid-19 on provider capacity. The care capacity tracker and outbreak management system (complex cases) were both supported by the team developing dashboards and reports (and continually maintaining and further developing them to meet emerging needs throughout the various pandemic waves). Children's Services were supported by the development of a weekly demand dashboard, and a Multi-Agency Safeguarding Hub (MASH) dashboard enabling the effective planning of interventions and highlighting risks. The team also supplied regular reports to the Department for Education and Regional Intelligence Group. The Children and Young People's Justice Service (CYJS),

formerly the Youth Offending Team, were supplied with additional analysis to establish the impact of Covid-19. A number of one-off pieces of work supported the phased re-opening of library services and facilitated the development of Covid-secure home delivery services, as well as the further development of the eBook service.

The team also supported the wellbeing of Lancashire County Council staff during the pandemic, providing support for a wellbeing survey, reporting staff sickness, self-isolation and Covid related illness weekly (more frequently initially). Vaccine eligibility and uptake information has also been provided.

Infection Prevention and Control

Our Infection Prevention and Control team have played a key role in supporting providers to maintain safe and healthy care services for Lancashire residents. The team have published regular guidance and advice to all providers including guidance documents and video training for the correct use of personal protective equipment (PPE).

The team is now playing a key role in gathering daily information in relation to outbreaks in homes and supporting care providers in minimising and preventing the further spread of the disease. Their work supports the Care Homes Admissions Policy statement that is regularly updated and signed off by the LRF Social Care Cell.

The statement sets out how we will best maintain the status of 'cold' homes (i.e. those with no cases) and reduce the spread of the infection in 'hot' homes (those with cases). The policy is aimed at ensuring effective and safe hospital discharge and movement of residents between settings. It also incorporates the Adult Social Care Cell's position on the use of designated settings.

The county council has continued to secure sufficient quantities and quality of the full range of PPE which meets national guidance (as it changes). We have received positive feedback from providers as the availability of PPE has been paramount in their continued efforts to contain the virus. In the main providers now obtain the bulk of their PPE supplies via the government supply chains. The county council will continue to step in in emergency situations.

Testing in Adult Social Care

Regular testing in Adult Social Care was delayed nationally at the start of the pandemic. From August 2020, regular covid testing has been rolled out over a 6-month period for Adult Social Care, initially for Residential Care with arrangements for Homecare, Supported Living, and personal assistants following in subsequent months.

The testing regime has not been without its challenges with constant changes in national guidance, delays in receiving test results, test kits not being picked up amongst the main challenges. Throughout this we have done our best to support care providers with support from Contract Management, Infection Prevention Control, and Care Capacity Tracker calls. We have raised issues through the LRF Testing and Containment Cell to be taken up regionally and nationally.

In 2021 the Department for Health and Social Care introduced Enhanced Testing Regimes with additional LFT Testing twice a week. This was announced with additional funding for residential care, which was given to local authorities in February 2021 to be spent by the end of March 2021. The conditions and limited timescales have meant significant percentages of the care sector have not been able to meet the conditions set by the Department for Health and Social Care.

Rigorous testing has meant as the Pandemic has increased in communities this has been reflected in care homes with staff and residents testing positive meaning homes and care settings being in regular outbreak. The Adult Social Care Cell continues to update its position in relation to testing policies (for services users and staff), ensuring alignment with national policy (where appropriate), the latest Admissions Policy for care settings and the current visiting guidance for care settings.

Personal Protective Equipment (PPE) and Supply

The county council's procurement team were at the forefront of working alongside the LRF to secure sufficient quantities of compliant PPE to support both the county council's care service staff and the wider market. A PPE pathway was established early in the pandemic which encouraged care providers to secure their own PPE equipment via the national route, and to contact the county council if other routes had failed. This route for accessing PPE was relied upon heavily by a significant proportion of the wider care market.

The county council has continued to support the distribution of PPE to both internal services and the wider care sector throughout the pandemic from PPE received from central government, in addition to the council's own sourced stocks. To date over 24.5 million items of PPE have been issued by the county council, with 57% of the total items distributed to the wider market. The introduction of a national supply chain through the PPE Portal has seen a reduction in the PPE distributed to the wider market in more recent months, but we continue to be supplement provider PPE requirements, acting as an emergency supply and provide items to those sectors not provided for by the PPE Portal, for example personal assistants, domestic violence refuges, education and childcare services and unpaid carers.

Workforce Support

In April 2020, faced with the pandemic and its implications on frontline care staff we set up an internal staffing agency – Lancashire Temporary Staffing Agency (LTSA). This has successfully built capacity for care workers, easing the burden on care providers' management teams to ensure they can focus on increasingly demanding frontline activities.

We initially launched a local recruitment campaign through the LTSA to meet demand for residential care roles, as in Lancashire this area of care was the first to see the impact of the pandemic. This campaign received 1,454 expressions of interest, 738 of those received within the first two weeks. To date, the LTSA has 160 carers on their books, and is supporting 60 residential care homes for older people.

Built at speed, this campaign was launched with the help of corporate communications colleagues, and to support the LTSA, we deployed our own staff from services that had been stood down as a result of the pandemic. Initially, the LTSA involved care homes run by the county council to assist in the work-shadowing process for new recruits, and as the programme went from strength to strength, the LTSA gained the support of private care providers in this process too. Once candidates were trained and cleared, they would be put into the LTSA pool and deployed to care homes as needed. In practice, many candidates have remained working in homes where they underwent work-shadowing, but are sometimes deployed elsewhere following demand, whilst adhering to infection control requirements.

In terms of demand, we also created a care capacity tracker, in which a team of staff calls providers daily to assess capacity and then feed this through to the LTSA as an early alert to identify temporary

staff who can fill gaps in rotas. Following the success of this initial campaign, the LTSA has used the same model to recruit for community-based care roles, cleaners and caterers within care homes, drivers and passenger assistants, and staff for community testing sites – all of which can be found on our recruitment campaign website

As the first wave of the pandemic eased people returned to furloughed roles, university, and secured permanent roles. Therefore, the LTSA resource became depleted in certain areas of Lancashire. Subsequent campaigns have followed on the back of regional and national campaigns. We have also sought support from our adult social care teams for volunteers to be deployed if appropriate.

We have always recognised that maintaining the supply of a workforce for the care market in Lancashire was another key component to ensuring the stability of the market and saving lives. As further waves of the pandemic have arrived providers have been significantly challenged to maintain staffing levels and we have established internal teams to provide additional support to them and availability so far has managed to respond to provider pressure and failures.

We have supported some of these external initiatives with offers of financial assistance from a range of the Department for Health and Social Care's Covid-specific grants, targeted at the care sector across Lancashire. During the second wave of the pandemic, the number of care homes facing critical staff shortages increased at times and our staff worked tirelessly to support them via daily calls, liaising with independent staff agencies and bolstering homes with our own staff drawn from the initiatives described above.

Clinical Support

One of the pathways that we have established is in relation to nursing support and clinical and medical interventions that may be required in a care setting. We have worked with health colleagues to establish a pathway to access such support from any of the 5 Integrated Care Partnerships (ICPs) in Lancashire.

Safe Discharge from the NHS to Social Care Settings

Shortly after the start of the pandemic, a new National Hospital Discharge Operating Policy was introduced which placed a firm emphasis on people only remaining in hospital if they have a defined clinical need to do so. Everyone else not meeting the agreed 'criteria to reside' must be urgently discharged. Initially the discharge window was 2 - 4 hours and following the learning during the first 6 months this was revised to reflect some of the challenges in preparing people for and facilitating discharge. So, from the 1 September 2020 the desired discharge timescale was within the same day. The new policy sets out changes in roles and functions of various staff and organisations involved in the discharge process including hospitals, upper tier councils and social care providers. People are now no longer assessed whilst in hospital but are discharged onto 'discharge to assess/recover pathways' ranging from home with no support, right up to 24-hour care in a care home. The clear aim is to achieve 95% of people returning directly home and the policy is underpinned by a national Discharge Support Fund of £588m, which ends on the 31 March 2021.

The council, in partnership with the NHS locally, already had a range of intermediate care services in place. These include the 'Home First' service which provides immediate care support for people who need it in their own home for up to 5 days, enabling them to recover from their hospital stay before having a fuller assessment to determine the most appropriate onward service to meet their needs.

For many people the initial support is enough to help them recover to be able to manage independently again. Some people need short term support, for example from the Reablement Service, and a smaller number of people will need longer term homecare support.

In Lancashire and South Cumbria, whilst the implementation of the national Hospital Discharge Policy was undertaken across all the hospitals at significant pace to meet the requirements and ensure rapid discharges could take place, this resulted in a lack of consistent processes and agreements across the Integrated Care System (ICS). This is now being picked up through an ICS Hospital Discharge project which aims to bring a level of consistent practice across the ICS, underpinned by a Lancashire and South Cumbria standard operating procedure that aligns to the national policy. This work will ensure that there is a consistent process and service offer to all ICS residents, no matter which hospital the person is discharged from. The project is jointly led by the county council and the NHS on behalf of all ICS partners, and is supported by a Hospital Discharge Executive group with the executive leads from each Integrated Care Partnership (ICP), project officers from the Midland and Lancashire Commissioning Support Unit, an ICS operational group, plus ICP steering groups to ensure local implementation and delivery of the ICS operating process.

Some of the key achievements of the ICS project so far include:

- An agreed set of discharge principles that place the person at the centre of the process;
- The establishment of the ICS Executive group and the ICP steering groups to ensure consistent implementation;
- Bespoke Emergency Care Improvement Support Team (ECIST) and Local Government Association facilitated workshops for Therapy staff, Social Care staff and a data interpretation session;
- The development of Designated Settings for people who need 24/7 support, are Covid-19 positive and needing to leave hospital; and
- An agreed set of discharge pathway definitions that will bring consistency of discharge options and reporting across the ICS.

In responding to the new national policy, our Hospital Discharge teams moved quickly to base themselves into the community to be able to undertake the majority of assessments there rather than on hospital wards, after people have been discharged. Some assessments such as Mental Capacity Assessments, Best Interests Decisions and some safeguarding work still needs to be undertaken by social workers with people whilst they are in hospital, but in the main our hospital discharge staff now undertake assessments with people in their own home, at a rehabilitation unit or in a Care Quality Commission registered care home.

Initial challenges included undertaking many assessments with people remotely, with the aim of reducing transmission of the virus. Creative ways to conduct assessments have been used including the use of video calls. The role of care home providers has become even more critical in supporting people to be assessed and to participate in their assessment through digital technology.

An additional challenge was that during the first few months of the pandemic and due to the national need to free up hospital beds quickly, we saw more people being transferred into care homes. Work

has been underway across the second half of the year to assess all those people and understand their ongoing needs, and where their needs can be met at home this has been facilitated. At times, there have been significant challenges in finding care home placements for people who need them on discharge when there has been reduced care home capacity due to Covid-19 outbreaks or where people's needs have been very complex and more difficult to support.

The work through the pandemic, whilst it has been hugely challenging, has also enabled improved collaborative working with the NHS, and through having to find more creative ways to work closely together to best meet people's need when being discharged from hospital this has seen communication and relationships strengthened. Adult Social Care has also continued to develop and implement new ways of working, bringing together social care teams to further improve our response and meet the demands of 2-hour and same day discharges. During the pandemic we have rolled out our Intermediate Care Allocation Teams (ICAT) into Fylde and Wyre and West Lancashire so that we now have these in place across the county. The teams have made greater use of services such as reablement, Age UK 'Take Home and Settle' and crisis support, and have also forged closer relationships with district councils in supporting people who are homeless or have other housing needs and need to be discharged.

The hospital discharge work has remained high over the last 10 months, and the social care teams have worked hard with their NHS colleagues to increase the number of people able to return directly home through Home First. Overall, the teams have been involved with 10,364 discharges between 1 March 2020 and 11 February 2021. At the same time, we have seen discharge delays significantly reduce meaning that many more people have been able to be discharged as soon as possible after they no longer have a clinical need to stay there.

The national Adult Social Care Plan published in September 2020 set out the requirement for designated beds in care homes to enable the discharge from hospital of people who are Covid-19 positive and need a care home placement. Designated settings must meet a defined set of requirements including a separate unit, a separate set of staff, and enhanced infection control measures. People are discharged into a designated setting to complete the necessary 14-day isolation before returning to their existing care home or transferring to a discharge to assess care home bed. These interim beds help avoid the transmission of the virus in care homes following discharge from hospital.

In partnership with the NHS, the Care Quality Commission and care home providers we have opened 58 designated beds across Lancashire. Whilst the beds continue to be an important service to support hospital discharge of people who are Covid-19 positive, the use of the beds has remained steady but lower than anticipated.

Returning Professionals Coming to Work in Social Care

The county council is working with various professional bodies, including Social Work England and the Health and Care Professionals Council, to identify returning social work professionals who worked in the sector within the last few years. Despite issues with the quality of some of the information provided we are working with human resource professionals and looking at other options to get a clearer picture of how many social workers may potentially be recruited from this group.

Active Travel

As Lancashire's businesses prepare to reopen, work is taking place across the county to ensure this can happen as safely as possible. We have been working closely with our colleagues in the districts and business to help our residents take advantage of the easing of the lockdown, whilst still maintaining social distancing to prevent the spread of coronavirus.

One way we are doing this has been through the creation of pop-up cycle lanes to encourage people to walk and cycle for regular journeys. The lanes in Lancaster and Preston city centres are to make it easier for people to cycle in these busy areas, and avoid using public transport if they can, to help prevent the spread of coronavirus and of course, protect themselves.

By making it easier for people to walk and cycle more, it also has the added benefit of assisting our physical and mental health. We are also asking people to highlight public places where social distancing may currently be difficult and road space could temporarily be reallocated to give people more room.

Lancashire Outbreak Control Plan

In June 2020, Cabinet agreed to develop an Outbreak Control Plan. This work will be led by the Director of Public Health with NHS and district partners. The plan will address prevention, protection, and response. A Local Outbreak Engagement Board has also been established. Cabinet supported the proposal that the Health and Wellbeing Board be empowered to make the necessary arrangements.

Adult Social Care Vaccination

In December 2020, the Government launched an ambitious vaccination programme for all adults in the UK. The Joint Committee on Vaccination and Immunisation established 9 priority groups to be vaccinated first. The first 4 priority groups included all people aged over 80, all residents in care homes, care home staff and front-line health and social care workers.

Adult Social Care staff have been supporting the roll out of the vaccine, in particular the priority group 2 for health and social care staff. The DAS is responsible for identifying all eligible front-line staff, both Lancashire County Council employed staff and those employed by providers. Uptake has been good and from our data collection work we have identified those staff (internal and external) who have yet to take up the vaccine (for a range of reasons) and we are doing targeted work with ICS colleagues to support those staff to come forward.

The NHS have led on the overall vaccination programme and have visited all care homes and vaccinated the vast majority of care home residents and a high number of care home staff. Work is now ongoing to ensure uptake of the second jab for those people who now require it, and we are turning our attention to priority groups 5 and 6 which includes Clinically Vulnerable (staff and service users) and Carers. This will be an ongoing programme into 2021/22.

Engage and Enforce Action

We continue to work with the LRF Business Compliance Group to develop a consistent process to enforcement. All our current enforcement directions will be allowed to lapse as there is nothing

currently allowed to be open. These will be reviewed with any change in restrictions as lockdown eases.

Economic Support, Recovery and Growth

The pandemic has hit the Lancashire economy hard. To date there have been 18,834 redundancies and 82 liquidations. Added to this there have been 171200 employment furloughs and a 58% decrease in leisure and recreation activity. Therefore, in addition to direct interventions (e.g. to support workforce working with the Department for Work and Pensions) and business support (including sectoral issues and grants), a significant volume of activity is taking place to tackle specific hotspots (e.g. redundancies, business at risk) and economic impacts, engage government in active dialogue/response to highlight issues and secure potential further support, funding and investment.

We are delivering the £13m local recovery and growth programme aligned to Redefining Lancashire and the £1.75m development pipeline ongoing to maintain opportunities for economic growth. Lancashire has been allocated European Regional Development Funds to deliver small grants (between £1k and £5k) to small- and medium-sized enterprises (SMEs), to support their response to the economic impact of Covid-19. The funding is split between Visitor Economy and Wider Economy businesses. We are current on track to have paid out over £1m to over 350 businesses by the end of March 2021.

We are proactively responding to potential inward investment to assist Lancashire's economy and recovery, for example around clean energy. This involves supporting inward investment and business diversification and growth to help avoid long term economic scarring.

Significant volumes of work are being undertaken in relation to economic recovery including influencing and engaging government post Spending Review and ahead of the Budget and in preparation for significant funding and bidding work expected imminently to coincide with the Budget including the Levelling Up Fund and the UK Shared Prosperity Fund (to replace the former European programmes).

Community Safety and Domestic Abuse

Through the Community Safety Partnership, we are working closely with our partners in the police, Housing, health services and wider domestic abuse sector, to reassure people at risk and provide support and guidance.

Internal Vaccination Sub-Group

An Internal Vaccination Subgroup was established and maintained to coordinate the organisational preparedness for the national Covid-19 vaccination programme, as delivered in Lancashire. The structure and membership of the sub-group is flexible to meet the needs of the incident but the sub-group considers all Directorate areas across the council, linking into external partners as required, to ensure we support the delivery of the national vaccination programme into the council and also support the local delivery of the NHS vaccination programme in Lancashire.

We have 1157 volunteers in the vaccination programme through Lancashire Volunteer Partnership.

Corporate Safer Working group

As part of the council's operational response to the Covid-19 pandemic, a corporate safer working group has been established and has met on an ongoing, regular basis. The group is made up of senior officers and lead specialists. The purpose of the group has been to provide coordinated support and guidance for Lancashire County Council services as they continue to provide critical services and where they prepare to re-establish service delivery. The group:

- Provides guidance for the safe and effective use of our premises in the light of Covid-19 constraints and government guidance, including keeping fully up to date with and applying revised advice;
- Develops guidance for managers and premises managers about safe working requirements in a range of settings;
- Has developed a risk management framework in line with government guidance – this has included the approach to home working arrangements;
- Supports service and premises managers to identify mitigation measures in relation to key risks; and
- Prioritises service requests to recommence or increase service delivery.

The Safer Working Group reports to the Corporate Management Team, the Corporate Emergency Response Team, and the Planning for Recovery Group as appropriate. There is also a multi-disciplinary buildings sub-group which provides a practical response to the key theme of 'buildings' through consultancy support to operational services and management of the programme to re-establish premises-based service delivery.

The Funding and Logistical Consequences of Delivering the Local Government Response

There is ongoing uncertainty in relation to future local government funding and the financial impact of the Covid-19 emergency has exacerbated the problem. In response to the crisis, the Government has provided a number of streams of additional funding to local government to support the financial pressures that have been experienced, with circa £76m of un-ringfenced emergency response grants along with some other grants that have been very specific in their focus, a good example of which is the Adult Social Care Infection Control Fund from which we received £31m with a clear requirement that this was to be passed on quickly to support care homes and Care Quality Commission regulated community care providers in taking measures to reduce rates of transmission within and between care settings.

The main mechanism for assessing the financial pressures has been a monthly data collection exercise via the Ministry of Housing, Communities and Local Government (MHCLG) financial returns. The MHCLG returns collect data on the use of government support funding, key financial pressures (cost and income) and reserves. The purpose of this has been to enable the MHCLG to obtain a reliable estimate of the financial challenge caused by Covid-19 at a local level and has supported the incremental process of funding being provided across the year. The financial pressures have primarily related to additional unbudgeted expenditure (e.g. support to the Adult Social Care Market and purchase of personal protective equipment), delayed delivery of agreed savings due to the prioritisation of Covid-19 response activity and income pressures as a result of the disruption to a number of the authority's income generating activities as a result of the Government's response to the pandemic including the lockdown and tiering measures that were implemented.

Overall, we are forecasting to have received £153m of Covid-related funding during 2020/21 which is broadly sufficient to meet the in-year financial impact of Covid-19 but there is an expectation that the financial pressures from the pandemic will continue into the medium term. We received a one-year financial settlement for 2021/22 which included additional Covid-19 funding for quarter one 2021/22 and other funding flexibilities (Adult Social Care precept) being made available, and which enabled a revenue budget to be agreed for 2021/22 with only a small requirement for gap funding from reserves. Overall, we have a sufficient level of reserves to meet the funding gap forecast in our medium term financial strategy covering the period up to and including 2023/24.

Assessment of the Longer-Term Disruption and Consequences Arising from the Coronavirus Pandemic

It is clear that this emergency is unlike any other we have ever faced, and as such the move towards recovery will be a different path to any we have seen before. At the end of last summer, we began to plan for recovery only to be faced by a second wave and further lockdown. However, we now have the Government road map to recovery and as part of our preparations, the Corporate Management Teams is currently considering three key areas:

- What do we want to achieve and what will a full recovery look like? How can we balance the varying needs of our residents, businesses and communities to ensure we are supporting their financial, physical, and mental wellbeing?
- What are the positives we have gained in this emergency that we want to secure? We have made significant changes to how we go about our business, and there has been some excellent innovation and practice that we need to capture and build on as we move back to whatever normality will look like in the future.
- What are the triggers for transition and recovery? How will we identify when to move into different phases of this journey? What will different services need to look at to indicate a change is needed? What warning signs will we need to be aware of to ensure we remain on track?

We have a key role to play in the coming months as we move to recovery. We will be at the heart of building a stronger, healthier, and more prosperous Lancashire for our residents and businesses.

Senior officers are already working on the implications and logistics associated with moving from crisis to recovery within their respective service areas. We established a Covid-19 Corporate Recovery Group and a senior officer working group to examine all of the issues around safety in the workplace as we move towards opening our buildings and reopening our services. The group has produced guidance and risk assessments, in consultation with staff and trade unions, to ensure social distancing in the workplace and that we maintain a safe work environment. The group is looking at wider issues than just having workplaces reopened and is considering all aspects of safe working as we start to move towards the new normal. This includes support for routinely working remotely from home and other locations.

Conclusion

The current coronavirus pandemic has tested the council's governance arrangements and we are pleased to note that the governance framework has provided a strong foundation from which to respond to the challenging circumstances. We recognise the importance of continuously improving our practice, including learning from how we respond to major incidents. We will use this knowledge to ensure that the council's governance arrangements continue to provide effective foundations for the council to achieve its objectives.

Glossary

Audit, Risk and Governance Committee - The Committee provides independent oversight of the adequacy of the council's governance, risk management and internal control framework, and oversees the financial reporting process.

Better Care Fund - is a programme spanning both the NHS and local government which seeks to join-up health and care services, so that people can manage their own health and wellbeing and live independently in their communities for as long as possible.

Capital Programme - identifies agreed capital schemes, showing the total cost of schemes and the projected phasing of those schemes over current and future financial years.

Care Quality Commission – is the independent regulator of all health and social care services in England.

Constitution - sets out how the council operates, how decisions are made and the procedures which are followed to ensure that decision-making is efficient, transparent and accountable to local people.

Corporate Management Team (CMT) – is the strategic officer leadership body within the council that advise and support the elected members of the council and its key post holders and bodies, including the Cabinet and Overview and Scrutiny.

Corporate Risk Register – is a formal record of the major risks facing the county council and the mitigating actions to reduce the risk.

Directors' Assurance Statements - provide an assurance on the internal control framework operating within their service(s).

Equality Impact Assessment - is a process designed to ensure that a policy, project or scheme does not discriminate against any disadvantaged or vulnerable people.

External Audit - external auditors review financial statements to ensure they are a 'true and fair' account of past financial performance and current financial position.

General Data Protection Regulation (GDPR) – is a regulation in European Union (EU) law on data protection and privacy for all individuals within the European Union and the European Economic Area (EEA).

Integrated Care System – Lancashire and Cumbria Integrated Care System is a partnership which joins up health and social care services.

Intermediate Care – services provide support for a short time to help individuals recover and increase their independence.

Internal Audit - is an independent, objective assurance and consulting activity designed to add value and improve the county council's operations.

LRF (Local Resilience Forum) - are multi-agency partnerships made up of representatives from local public services, including the emergency services, local authorities, the NHS, the Environment Agency and others.

Medium Term Financial Strategy - is the council's key financial planning document. It aims to provide the council with an assurance that the council's spending plans are affordable over the medium term.

Monitoring Officer - has the specific duty to ensure that the council, its officers, and its Elected Councillors, maintain the highest standards of conduct in all they do.

Ofsted - is the Office for Standards in Education, Children's Services and Skills. They inspect services providing education and skills for learners of all ages.

Outbreak Control Plan – sets out how we will prevent and manage Covid-19 cases and outbreaks across the county.

Passport to Independence - its aim is to help people stay healthy and self-sufficient (independent) for longer.

Performance Management – is the activity and set of processes that aim to maintain and improve performance in line with an organisation's objectives.

Reserves – liquid assets order to meet expected future payments and/or emergency needs.

Risk Management - is an important part of both corporate governance and performance management. It allows the council to avoid problems and failures, rather than just reacting to them when they arise. It helps the council to identify where it needs to focus its efforts and resources, to exploit more opportunities and suffer fewer failures.

S151 Officer - an officer appointed under section 151 of the Local Government Act 1972 which requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its affairs.

Scheme of delegation - sets out how the Cabinet and Full Council have delegated their executive and non-executive powers.

Titan Units – a temporary body storage solution.