

# Draft Annual Governance Statement 2021/22

## Executive Summary

The Leader of the County Council (County Councillor Phillippa Williamson) 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 (AGS) which describes how the corporate governance arrangements have been working across the group. To help do this both the Council's Corporate Management Team (CMT) and the Audit, Risk & Governance Committee undertake a review of the Council's governance framework and the development of the AGS.

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 initially respond to the pandemic. However, as we have moved from response to recovery we have reverted to business-as-usual in most areas and our attention is turning to active surveillance and monitoring. We will maintain a state of readiness so that we can respond if we see any new variants emerging.

To ensure the AGS reflects the impact of the Covid-19 pandemic on governance, we have included a second conclusion on the adequacy of governance arrangements during this period.

On the 25 April 2022, the Audit, Risk and Governance Committee considered the content of the proposed 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 they 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
<b>Reshaping the Council: Our Improvement Journey</b>	Chief Executive & Director of Resources supported by the Director of Organisational Development & Change	March 2023
<b>Financial Sustainability</b>	Director of Finance	Ongoing
<b>Family Safeguarding</b>	Executive Director of Education & Children's Services	March 2023
<b>Integration &amp; Innovation – Health &amp; Social Care</b>	Executive Director of Adult Services & Health & Wellbeing	March 2023
<b>Provision of ICT</b>	Director of Strategy & Performance	March 2023
<b>Demand impact on Community &amp; Services</b>	Executive Director of Education & Children's Services Executive Director of Adult Services & Health & Wellbeing	March 2023
<b>CV-19 Impact on Services &amp; Communities</b>	Chief Executive & Director of Resources supported by the Corporate Management Team	March 2023

Progress made against the issues identified in last year's AGS 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 Phillippa Williamson

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

# 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 Framework 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 any further governance arrangements that have been put in place to manage the impact of Covid-19.

## Managing Risk & 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.

During the year, service risk & opportunity registers were reintroduced following their suspension and the introduction of service level situation reports as a response to Covid-19. The directorate level registers are updated regularly, and the Corporate Risk and Opportunity register was reported to Corporate Management Team (CMT), Cabinet Committee for Performance Improvement (CCPI) and Audit, Risk & Governance Committee.

The Audit, Risk & Governance Committee also monitor the effectiveness of risk management arrangements across the organisation. A review of this is undertaken annually by Internal Audit and reported to this committee. Internal Audit have recently completed a review of Risk Management and have provided **substantial assurance** that the council's corporate risk management framework is operating effectively.

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, 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 County Council, as Chair of the Cabinet Committee on Performance Improvement.

A Performance Board that is chaired by the Director of Strategy & Performance meets quarterly. 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 CMT. The board monitors against service level and corporate indicators and also co-ordinates the reporting of performance information to the cabinet Committee on Performance Improvement.

In their annual report 2021/22, the external auditors commented that reporting of performance information within the council is good and the LGA Peer Review stated that the Council has well established mechanisms for performance monitoring and can demonstrate a good understanding of service performance against similar councils elsewhere.

## Managing our resources (Value for Money)

The Council's external auditors, in their assessment of 2020/21, concluded that the authority had demonstrated a clear understanding of its role in securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

The auditors commented that despite uncertainty, and the challenges posed by covid-19 the Council had maintained a good financial position and that it placed the council in a strong financial position having planned its budgets for future years well in advance. The external auditors were satisfied that the council has appropriate arrangements in place to ensure it manages risks to its financial sustainability. Their work did not identify any significant weaknesses but identified a small number of improvement recommendations. These recommendations have been taken forward.

Throughout 2021/22 projections were reported to both the CMT and Cabinet in the 'Money Matters' report which forms a regular review point for assessing the effectiveness of financial plans. The current budget strategy remains to use budget savings with the use of reserves and capital receipts to ensure funding requirements are met. However, this will be impacted by our continued response to Covid-19 and the forecast will need to be kept under review considering any central government funding proposals for local government.

The external auditors also focussed on developing a detailed understanding of the governance arrangements in place at the authority and the changes instigated as a response to the pandemic. Their work on business as usual and adapted structures did not highlight any significant governance issues but identified a small number of improvement recommendations. These recommendations have been taken forward.

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 from central government, the ongoing financial impact of Covid-19 and the outcome of the fair funding review.

Whilst satisfactory progress has been made to date in addressing the forecast financial shortfall over the strategy period through a savings programme and the improved funding envelope for social care, further work is committed to ensure the council will achieve its medium-term financial plans.

During the second year of the pandemic, originally planned savings have further been delayed particularly around social care services. Timescales for some savings plans have been revisited and reprofiled to be delivered in 2022/23 and beyond. Due to significant amounts of National Government support during 2021/22, and mitigating savings delivered on a one-off basis, the forecast 2021/22 year-end position is positive, alongside a more favourable financial settlement for 2022/23 than had originally been anticipated which has resulted in an improved MTFS position over the next three years. However, there are inherent risks, the impact of latent demand for services due to the pandemic, inflationary pressures due to the changing economic environment and savings delivery which are largely linked to reducing the future demand for services. There has been a strong track record of delivery of previous savings plans, with some being overachieved and arrangements are in place to track delivery of financial savings and take corrective actions when required.

The value of the council's forecast uncommitted transitional reserve by the end of the financial year 2021/22, which is available to support the revenue budget, is sufficient to meet the forecast funding gap within the current MTFS covering the period 2022/23 to 2024/25.

Given the pressures arising from the ongoing pandemic, a formal service challenge process was not adopted in 2021/22 for delivery in 2022/23. Existing savings plans were reviewed and reprofiled where necessary and some service areas were able to identify additional income generation and efficiency plans which have been factored into the Medium-Term Financial Strategy (MTFS) and 2022/23 budget.

It should be noted that a further targeted service challenge review process will be undertaken as part of the 2023/24 budget process, as it is necessary that additional savings are identified to be delivered to ensure the council has a financially sustainable position going forward. Any utilisation of remaining reserves should support, wherever possible, activities which reduce ongoing revenue costs.

The Council regularly updates its medium-term financial strategy. The forecast for future years considers 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 considers 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 CIPFA Statement on the *Role of the Chief Finance Officer in Local Government*.

### **Financial Management Code**

The CIPFA 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 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.



# How do we know our governance arrangements are working?

There are several 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 2021/22 that reports on service compliance, and they produced regular directorate risk registers 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 and 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 asked the Political Governance Working Group to review the proposals and report back their recommendations.
- Code of Conduct – Summary of Complaints.
- Report on the Overpayment of Salaries – with a further report on this requested by the committee.
- Assurance over the Pension Fund.

In July 2021, the Chairman presented his 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**

For 2021/22 the Head of Internal Auditor provided moderate assurance overall regarding the adequacy of design and effectiveness in operation of the organisation's frameworks of governance, risk management and control.

In forming his opinion, he considered the work undertaken by the Internal Audit Service throughout the year as well as the work of external assurance providers and information available from less formal sources than planned audit engagements. Audit work covered the full range of the council's services. The Council is in a much stronger financial position than many Local Authorities, however, the financial projections show that it still faces financial challenges. The county council has adapted well to the changing risk environment and appears to be operating as would be expected.

## **External Assurances**

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

### *External Auditor's Annual Report of Lancashire County Council 2020/21*

The External Auditor's work did not identify any significant weaknesses in the county council's arrangements. Several good practice improvement recommendations were identified and have been responded to appropriately.

### *Special Educational Needs & Disability Partnership Implementation Plan*

The council received feedback from the DfE and NHSE on the SEND Progress Review that took place on 29 September 2021. Action had now been taken to address the outstanding five areas that were identified as requiring progress, and therefore Lancashire no longer required formal external monitoring and intervention.

### *LGA Peer Review*

A team of experienced senior council officers and members from across the country spent a week carrying out a peer review. They looked at how we go about our business and spoke to a range of our colleagues as well as people from key partnerships. Following the review, they published a report making several improvement suggestions. An action plan has been produced and actions to address the recommendations made by the report are being progressed. Areas of focus include enhanced partnership working, decision making, new ways of working and corporate transformation.

## **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. Services from Adult and Children's Social Care and Growth, Environment and Transport are now represented on the group. The annual review of policies took place in January 2022 and amendments were made to reflect our new ways of working and highlighting individual responsibility for keeping council information confidential and secure whilst working from home or agilely, and that any personal, confidential, or sensitive information must continue to be handled in accordance with IG Policies.

Services across the council have continued to be delivered during the public health crisis and whilst some resourcing issues have been experienced across the authority the council have been able to deliver all services during this period, and it has not been necessary to re-divert resources to critical areas or reinstate a Corporate Internal Resource Pool to meet demand.

Routine FOI reporting was resumed in November 2021, and these are shared with Heads of Service on a regular basis. Information Governance Quarterly performance statistics are provided to Business Intelligence and shared at Directorate Management Team and CMT.

### **Local Government & Social Care Ombudsman**

During 2021/22 Full Council did not receive any public reports from the Local Government & 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 2021/22 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**

The Council continues to operate with four scrutiny committees: Health, Education & Children's Services, Internal and External. These committees have developed and delivered workplans for the year and continue to meet regularly. There is regular attendance from Cabinet Members, Senior officers, and key partners, including NHS bodies, utility companies and government departments.

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
- 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 "Member Development Working Group" is another cross-party working group which reports into the Internal Committee, and is responsible for overseeing training, development, and support activities for councillors.

The Peer Review identified several areas for consideration in relation to scrutiny. An Internal Audit review of scrutiny administration was also undertaken and provided moderate assurance. The outcome of both the Peer Review and the Internal Audit review are being taken forward to consider improvements to the function.

### **Independent Remuneration Panel**

The Independent Remuneration Panel met shortly after the election and made several recommendations to enhance the accountability of Special Responsibility Allowance holders, which have been adopted, for example with Champions reporting annually to Full Council as well as Cabinet.

### **County Council Elections 2021**

Given the postponement of the elections in 2020 there were County, Police & Crime Commissioner, and district elections (7 districts) that took place across Lancashire on the 6 May 2021. Having combined elections is complex but given the added dimension of the pandemic this heightened the complexity and risk. As a result, the Returning Officer in conjunction with the Police Area Returning Officer published detailed directions and officers from all councils within Lancashire met monthly to ensure a consistent and collaborative approach across the county. Officers also maintained regular dialogue with the Electoral Commission throughout the preparations and delivery of the polls and worked with Lancashire Constabulary to maintain the integrity of the electoral process. No election petitions were submitted.

Officers and members were briefed on pre-election rules on local authority publicity. Following the election, a full induction programme for new members was delivered that included guidance and training on personal safety.

### **Our New Deal for a Greater Lancashire**

During 2021, Council leaders across Lancashire made a pledge to work together to deliver a bold vision for a County Deal to benefit the people of Lancashire. For months, all fifteen of the council leaders who make up Greater Lancashire worked in close collaboration to develop a set of ambitious and forward-thinking proposals.

In February 2022, a report about 'Our New Deal for a Greater Lancashire' completed its journey through all fifteen of Lancashire's councils. Leaders will now consider the implications of the government's levelling Up White Paper for our devolution ambitions before agreeing next steps.

### **EU Exit: Lancashire County Council preparedness**

When the UK formally left the 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 Europe. 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. It has provided timely reports on the level of the council's preparedness with assurance and recommendations to Cabinet and corporate management team. It currently provides 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. In 2022 our focus remains Children Looked After/Care Leavers with no immigration status and those with pre-settled status, subsidy control regime, regulatory change resulting the Freedoms Bill and levelling up.

# Strategic oversight of actions to address the Council's governance challenges in 2021/22

This section provides a concise high-level summary of strategic actions taken to address the Council's governance challenges for the 2021/22 financial year, and what arrangements are in place for oversight of delivery. These challenges were set out at the end of last year's AGS.

What action was to be addressed?	Governance actions taken
<p><b>Reshaping the County Council: Our Improvement Journey</b></p> <ul style="list-style-type: none"> <li>• Risk that the council will not be sufficiently radical or innovative to transform services at the required pace to achieve the scale of change needed over the next 12 months and beyond</li> <li>• Inability to secure sufficient resource (capacity) across the organisation to deliver on some areas of the Improvement Journey due to competing priorities and the need to prioritise capacity towards ongoing COVID-19 response and recovery.</li> <li>• Risk of not having a joined up, cohesive, corporate wide LCC change programme with CMT oversight and appropriately allocated resources.</li> <li>• Risk of multiple front doors with multiple gatekeepers to initiate change – Digital</li> </ul>	<p><b>Capacity</b></p> <ul style="list-style-type: none"> <li>• "Front Door to Change" designed and implemented to support prioritisation &amp; allocation of resource for change across organisation.</li> <li>• Core roles appointed to lead on the major elements (Staff Experience Lead, Customer Experience Lead, Analysis &amp; Design Lead &amp; PM Lead) who will drive and monitor progress against critical elements.</li> </ul> <p><b>Change Programme</b></p> <ul style="list-style-type: none"> <li>• Detailed Programme Management Office roadmaps developed with Adults, ECS and Public Health, and resourcing issues resolved.</li> <li>• Director of OD &amp; Change involvement in change programme.</li> </ul> <p><b>Our ways of working</b></p> <ul style="list-style-type: none"> <li>• Improvement Journey priorities aligned with corporate priorities, subject to regular review by Strategic Improvement Board <ul style="list-style-type: none"> <li>○ Staff Experience Board established, with plan in place for priority outcomes &amp; deliverables for the next 12 months</li> </ul> </li> <li>• Values &amp; Behaviours developed and disseminated</li> <li>• Customer Experience: <ul style="list-style-type: none"> <li>○ Customer Experience SRO appointed and funding in place to recruit customer experience lead</li> </ul> </li> <li>• Programme governance: <ul style="list-style-type: none"> <li>○ Head of Improvement appointed to drive Improvement Journey programme</li> </ul> </li> </ul>

<p>Services, Customer Access, operational services etc. This leads to:</p> <ul style="list-style-type: none"> <li>• A lack of strategic prioritisation, sequencing, and link to organisational objectives</li> <li>• Too many competing asks</li> <li>• Silo working approach</li> <li>• Inconsistent approach to prioritisation and delivery of change projects</li> </ul> <ul style="list-style-type: none"> <li>• Inability to deliver a balanced budget post 2023/24</li> </ul>	<ul style="list-style-type: none"> <li>○ Corporate Programme Office transferred to Director of OD &amp; Change to support alignment of capacity &amp; focus with agreed strategic &amp; Improvement Journey priorities</li> </ul> <ul style="list-style-type: none"> <li>• Data &amp; Insight: <ul style="list-style-type: none"> <li>○ Adoption of Power Business Intelligence and agreement that it will become our core business analytics tool</li> </ul> </li> <li>• Microsoft 365 landed – new tools and technology allowing flexible working</li> <li>• Significant programme of review of HR policy and procedures influencing flexible working and supporting desired new ways of working</li> <li>• Leadership and management development offer in place and evolving to meet needs of new ways of working</li> <li>• Recruitment of core team to develop &amp; monitor Improvement Journey programme</li> <li>• Development of framework to create "Front Door to Change" to agree priorities, allocate appropriate resources</li> <li>• The council has in place several work streams that support the corporate strategy and our ways of working e.g., digital connectivity: inequalities workshops etc</li> </ul> <p><b>Improved Partnership Working</b></p> <ul style="list-style-type: none"> <li>• Through the refreshed corporate strategy, we have set out the county council's vision and approach, but we will also acknowledge that we cannot achieve this on our own. We have adopted a flexible approach to partnerships that will allow us and the people and businesses of Lancashire to respond to the needs of the county, in a way that benefits everyone.</li> <li>• We are maintaining several the joint/strategic decision-making groups e.g., Adult Social care and Health Partnership (Formerly ASC cell), OOH cell to build on the collaborative ways of working</li> <li>• These joint boards have decision making ability and will feed into the new Strategic Commissioning Board</li> </ul> <p><b>A New County Council</b></p> <ul style="list-style-type: none"> <li>• All administrative procedures relating to county councillor appointments completed.</li> <li>• Induction programme completed</li> </ul>
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	<ul style="list-style-type: none"> <li>• All councillors supplied with appropriate IT/telephony equipment</li> <li>• Communications Strategy published</li> </ul> <p><b>Financial Sustainability</b></p> <ul style="list-style-type: none"> <li>• Updates provided to Cabinet through the Money Matters reports covering in-year financial position and medium-term financial strategy on a quarterly basis</li> <li>• Directorate Leadership Teams (DLT's) meet regularly and have a monthly focus on financial position and savings delivery chaired by the relevant Executive Director</li> <li>• Programme Office is supporting the overall programme of savings activity</li> <li>• Financial Benchmarking information (with other County Councils) produced and reviewed annually as a basis for identifying those service areas with most scope for further efficiencies</li> <li>• Continue to monitor the impacts of price changes via our regular monitoring activity updating our forecast outturn and the MTFS</li> <li>• Continue to work with staff to develop new options savings options and revisit options</li> <li>• Continue to seek out, learn from and adapt services to follow best practice</li> </ul>
<p><b>Family Safeguarding Model</b> The Hertfordshire Family safeguarding approach does not deliver the expected outcomes</p>	<ul style="list-style-type: none"> <li>• High level implementation plan developed and being implemented</li> <li>• Appointed to Head of Service lead and practice/systems roles</li> <li>• Family safeguarding Group provides oversight, reporting to Keeping Children Safe Board</li> <li>• Whole system transformation to implement a new operating model for family safeguarding and early help delivery within the council.</li> <li>• Worked with key partners to establish the Team around the School and Settings approach across Lancashire, dedicating discrete early help staffing resources to support schools to respond more effectively to the early help needs of their children's families identified within the universal setting.</li> <li>• Implemented the Pan Lancashire Working Well with Families approach within the Lancashire Front Door.</li> <li>• Developed an Extra Familial Harm Team to support and manage the risks related to vulnerable adolescents.</li> </ul>
<p><b>SEND Partnership Implementation Plan</b> Insufficient progress in delivering against the targeted action plan to address the five areas</p>	<ul style="list-style-type: none"> <li>• The council received feedback from the DfE and NHSE on the SEND Progress Review that took place on 29 September 2021. Action had now been taken to address the outstanding five areas</li> </ul>



<p>which continue to require improvement leading to ongoing intervention.</p>	<p>that were identified as requiring progress, and therefore Lancashire no longer required formal external monitoring and intervention.</p>
<p><b>Integration &amp; Innovation</b>  In 2021, the Department of Health and Social Care published the legislative proposals for a Health and Care Bill. The proposals contained within the white paper '<b>Integration and innovation: working together to improve health and social care for all</b>' sets out a range of reforms. These include:</p> <ul style="list-style-type: none"> <li>• Making Integrated Care Systems (ICS) statutory bodies</li> <li>• Transferring the functions of Clinical Commissioning Groups to the ICS</li> <li>• Removing competition and changing procurement rules</li> <li>• Seeking to strengthen the voice/influence of local government</li> <li>• Introducing measures to enhance assurance of social care by CQC</li> <li>• Creating a standalone power for Better Care Fund</li> <li>• Encouraging joint appointments of executive directors to support integrated care/working</li> <li>• Strengthening the role of Health and Wellbeing Boards</li> </ul> <p>As mentioned above, several themes are particularly relevant to the future working relationship between health and local government, and these have been developed through 21/22.</p>	<ul style="list-style-type: none"> <li>• We are maintaining several joint/strategic decision-making groups e.g., Adult Social Care &amp; Health Partnership, OOH cell, to build on the collaborative ways of working</li> <li>• Adult Social Care and Health Partnership Board has agreed a joint work programme and work is progressing</li> <li>• At a senior level, the County Council is involved in the ICP Development Advisory Group (Exec Director) and at the ICS Development Oversight Group (Chief Executive). This is pivotal to ensuing local government context and opportunity is understood and reflected in all plans and priorities</li> <li>• Regular Internal health integration meetings (cross directorate) chaired by the Chief Executive to ensure clear and consistent approach to all meetings with NHS</li> <li>• Briefings for county councillors involved in NHS meetings has been reinstated. Weekly meetings with lead cabinet members are taking place.</li> </ul>

<p><b>ICT Provision</b></p> <p><b>Oracle R12 to Fusion</b></p> <p>Oracle vR12 supports the heart of the council's people and financial resources. R12 is now end of life and is approaching the end of the final extended support period. LCC have embarked on a programme to replace R12 with Oracle Fusion and associated new processes for managing our money and our people information for 45,000 users.</p> <p>Failure to assign resources to the Oracle Fusion Programme will leave LCC without the ability to complete the project on time</p> <p><b>Data</b></p> <p>The organisation fails to use its data resource to good effect for the benefit of Lancashire residents</p> <p><b>Core Systems</b></p> <p>Lancashire has built up a 'technology debt' with regards to its major systems which help the organisation function in a modern, efficient, effective way</p>	<p><b>Oracle Fusion</b></p> <ul style="list-style-type: none"> <li>• Fusion Project Board established, SRO identified, programme under active management of the Chief Digital Officer.</li> <li>• Appointed Systems Integrator to deliver technical implementation</li> <li>• Appointed Change Partner and with them to adopt new processes for all Fusion capabilities</li> <li>• Appointed Data migration partner and secured LCC resource to ensure data is R12 is cleaned and migrated in a timely manner to Fusion</li> </ul> <p><b>Data</b></p> <ul style="list-style-type: none"> <li>• Management information is provided through appropriate Service Management Line of Business Systems. These systems are supported through best practice reporting and through the contribution of the Business Intelligence Team.</li> <li>• New head of data has been recruited and is in post. The post supports the needs of the organisations data requirements and to ensure they are designed and architected in optimal ways to support service delivery and customer experience.</li> <li>• Next phase of planned work is to develop DaaS (Data as a Service) for Business Intelligence and the creation of Data Catalogues alongside a Master Data Management System which provides a single view of multiple systems</li> </ul> <p><b>Core Systems</b></p> <ul style="list-style-type: none"> <li>• The appointment of the Chief Digital Officer, the insourcing of the IT function and the creation of a Head of Architecture are helping to support the development of improved ways of working. The Head of Architecture is responsible for having agreed roadmaps for maintained products either via a SaaS (Software as a Service) route or regular updates products to enable business department to have LOB systems that provide the support for their respective function. The top SaaS product is the migration to Oracle Fusion which is the subject of a separate risk. A Head of Digital Business Engagement post has also been filled to ensure that digital services understand and help to deliver service needs.</li> </ul>
<p><b>CV-19 Impact on Services &amp; Communities</b></p>	<ul style="list-style-type: none"> <li>• Corporate Emergency Response Team (CERT) continued to meet at least fortnightly and considered current situation reports</li> </ul>

<p>Inability to adequately respond to the demands placed on Services because of increasing demands, capacity issues, and reduced resilience of staff.</p> <p>Staff across all services have worked in crisis response mode from the outset of the pandemic. Alongside this business-as-usual work is being undertaken across many services.</p>	<ul style="list-style-type: none"> <li>• Contingency plans are available to be activated as needed which would primarily stand down business as usual/non-critical work and where possible, redeploy staff to support priority work areas</li> <li>• Ongoing situation monitored at leadership team meetings</li> <li>• Increase capacity through sourcing additional resource</li> <li>• Ensure all staff take their annual leave entitlements</li> <li>• Team managers keep the focus on staff wellbeing in 1:1s and team meetings</li> <li>• Mitigating actions for loss of staff encapsulated for each individual service within the business continuity arrangements found in the Service Resilience Plans (SRPs); this includes identification of critical posts/functions, alternative arrangements for critical posts/functions, critical function analysis, specific responses in relation to Pandemic flu</li> <li>• These arrangements need to be viewed in line with the Corporate Emergency Response Plan (CERP) which provides the incident management and wider support structures in place.</li> <li>• Continue to monitor capacity and demand levels</li> <li>• Chief Executive, Executive Directors, Directors, and Heads of Service to continue to share messages of thanks and appreciation</li> <li>• Raised issues at CERT if corporate guidance/action required</li> <li>• Consider the need to stand down business as usual to focus on the pandemic response or seek financial support to increase resources to maintain overall continuity of services</li> <li>• Covid- 19 incident management in place</li> <li>• Vaccination programme implemented</li> <li>• Local contact tracing implemented</li> <li>• Community Testing/workplace testing in place</li> <li>• Monthly staff webinars led by Directors to continue to share messages of thanks, appreciation and enable staff to showcase their best practice and fantastic response to the pandemic</li> <li>• Staffing issues and in particular staff welfare is a constant feature in leadership meetings</li> </ul>
<p><b>Demand Impact on Community &amp; Services</b> Demand for client-based services continues to increase resulting in increased budget pressures</p>	<p><b>Adult Social Care</b></p> <ul style="list-style-type: none"> <li>• Financial support package agreed by CMT for residential and day service providers</li> </ul>

and poor outcomes for those people in receipt of our services

- Residential and day service providers have been called every day to monitor their 'stability' on a range of issues and pathways in place to address e.g. workforce, financial issues, PPE etc
- Contracts team have dedicated resource to support providers on a day-to-day basis. Also have 'stand by' arrangements in place in case of provider failure
- LSCFT have put in place a team to support people while they await a mental health bed
- Commissioning team worked with Contracts team, NHS, and the care sector market to review the Market Position Statement - this will better inform the current state of the market and enable more confident joint planning for future need
- Adults' leadership team strong links with NWADASS and national work being done on wider market viability/reshaping
- Position closely monitored by Adult Social Care & Health Partnership Board in form of ongoing reporting and jointly agreed action plans
- Relationship with CQC maintained/safeguarding assessments being stepped back up (high risk safeguarding issues were monitored/actioned during Covid)
- Service users and their families are being offered support and alternatives being offered/developed including links to community-based support

#### **Children's Social Care**

- Clear governance and accountability arrangements in place via the Keeping Children Safe Board
- MASH / Demand Management group and Permanence and Children in Our Care group providing oversight of service improvements
- Family Safeguarding Board providing leadership and oversight of Family Safeguarding Programme
- Range of further activity to manage demand including Family Group Conferencing evaluation funded through a pan-Lancashire bid, VCFS led model of support pilot in Preston to be extended
- Where Our Children Live Strategy together with Sufficiency Strategy to ensure most effective use of provision and to help identify and address gaps in service
- Delivery of Early Help Strategy
- Delivery of Family Safeguarding

	<ul style="list-style-type: none"><li>• Evaluation of targeted interventions including Family Group Conferencing at pre proceedings, and VCFS model</li><li>• Where Our Children Live Strategy and Sufficiency Strategy agreed by Cabinet</li><li>• Review of Placement Costs</li><li>• Ongoing consideration of Covid impact</li><li>• Provide input into the developing NHS operational plan for CAMHS service developments and be sighted on / support ICS discussions on CAMHS related NHS investment proposals</li></ul> <p><b>SEND</b></p> <ul style="list-style-type: none"><li>• Alternative Provision Strategy agreed by Cabinet October 2021</li><li>• Delivery plans established</li><li>• Delivery of priorities within the SEND sufficiency strategy</li><li>• Consulted on Strategy</li><li>• Ongoing consideration of Covid impact</li></ul>
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# Governance Challenges for 2022/23 and onwards

The review of governance arrangements has identified the main areas where the Council will need to focus its efforts during 2022/23, to address changing circumstances and challenges. These are set out below. Completion or substantial progress against these objectives is due by the end of the financial year, in March 2023.

## **Reshaping the Council:**

### ***Our Improvement Journey***

We are well on with making improvements and changes across the organisation and this work will continue to grow and develop over the next twelve months.

**Our ways of working** – we want to further develop our 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 & adapt in response to future challenges. To help us do this we will engage our staff and establish 'change influencers' to help shape emerging proposals and develop new approaches.

**Improved Partnership working** – We will continue to build better alliances with our partners to deliver improved outcomes for the people of Lancashire. Discussions with partners continue to focus on more joined up approaches and opportunities to improve outcomes and save money. A key focus will be working towards the development of strengthened partnership working through our joint long term strategic plan 'A New Deal for a Greater Lancashire'. We will support Lancashire Leaders to strengthen governance and engage with Government with a unified voice.

**A New County Council** – Aspects of the governance framework/decision-making process will be addressed as part of the LGA Peer Review Action plan and response to the Internal Audit review of scrutiny. Discussions will continue to take place with political groups to improve communications with members on key issues and a member survey to take place in Spring.

**Financial Sustainability** – Overall, the Council has an appropriate level of reserves available to manage the financial risks it faces from 2022/23 to 2024/25. However, based on current forecasts it will be necessary that additional savings will be required to bring the council to a financially sustainable position. Therefore, a further targeted service challenge review process will be undertaken as part of the 2023/24 budget process.

## **Family Safeguarding**

We have begun to develop 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 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.

### **Integration and Innovation**

We will continue to work with health partners on our joint work programme and ensure continued senior County Council representation at the Integrated Care Provider Development Advisory Group (Exec Director) and at the Integrated Care System Development Oversight Group (Chief Executive). This is pivotal to ensuing local government context and opportunity is understood and reflected in all plans and priorities. We will also continue to hold regular Internal health integration meetings (cross directorate) that are chaired by the Chief Executive to ensure clear and consistent approach to all meetings with NHS colleagues. Briefings for county councillors involved in NHS meetings will continue as will weekly meetings with lead cabinet members.

### **ICT Provision**

The Oracle Fusion programme will replace the existing system for managing our money and people resources, this will go live during 2022/23. To ensure smooth transition End User engagement sessions are being rolled out and we are identifying 'Hard to Reach' users in service areas. Business Readiness surveys and Business Readiness Assessments are to be completed for each service area. Work will continue to ensure our core systems are fit for purpose and that the organisation's data requirements are met.

### **Demand impact on Community and Services**

Demand for client-based services continues to increase resulting in increased budget pressures that may lead to poor outcomes for those people in receipt of our services. Therefore, for Adult Social Care we will continue to work with a range of partners regarding social care reforms and look to strengthen the adult social care market capacity through fee adjustments and active engagement to identify creative solutions. In relation to Children's social care, we will implement what we have set out above and for SEND we will continue to invest in the service and deliver the priorities in our strategy.

### **Covid-19 Impact on Services and Communities**

Since the onset of the pandemic in March 2020, covid-19 has had a significant impact on both the people of Lancashire and how we have delivered our services in the face of increasing demands. We will continue to 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. Recently, the Government announced its plan for Living with Covid and will publish guidance in due course. We will assess the guidance when published and use it to help make difficult judgements based on the evidence regarding the impact on public health.

## Monitoring Implementation

The key governance challenges facing the Council in 2022/23 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 several 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 and Governance Committee, Cabinet and Corporate Management Team.



## Covid-19 Arrangements

Throughout the second year of the pandemic, there continued to be a tremendous amount of work done by staff and our partners to ensure that our response has been effective. The coronavirus pandemic has had, and will continue to have for some time, a significant impact on the operations of the Council. Over the period of review this has involved a move from response to recovery (and at one point a move back to response as infection rates increased), reverting to business-as-usual arrangements, the introduction of new activities and continued new ways of working. Over the longer term it will have an impact on changes to priorities, programmes, strategies, and plans. The Council has also learnt from new ways of working introduced in response to the pandemic and the response to the pandemic has continued to speed up some areas of change.

### **Financial Sustainability**

The council's financial challenge has been exacerbated by two years of the Covid-19 pandemic, and, like all councils, we are facing financial pressures across the period of our medium-term financial strategy. During the second year of the pandemic, originally planned savings have further been delayed particularly around social care services. Timescales for some savings plans have been revisited and reprofiled to be delivered in 2022/23 and beyond. Due to significant amounts of National Government support during 2021/22, and mitigating savings delivered on a one-off basis, the forecast 2021/22 year-end position is positive, alongside a more favourable financial settlement for 2022/23 than had originally been anticipated which has resulted in an improved MTFS position over the next three years. However, there are inherent risks, the impact of latent demand for services due to the pandemic, inflationary pressures due to the changing economic environment and savings delivery which are largely linked to reducing the future demand for services. There has been a strong track record of delivery of previous savings plans, with some being overachieved and arrangements are in place to track delivery of financial savings and take corrective actions when required.

The External Auditors' most recent Annual Report commented that the Council had maintained a good oversight of its Covid-19 related costs and income losses for the first year of the pandemic. These were identified early on and subject to detailed monitoring and scrutiny. The MTFS was reviewed and updated during the year and quarterly reporting against the budget to cabinet was maintained. This approach has been mirrored throughout 2021/22.

The recent LGA Peer Review also stated that the Council had managed the cost pressures of Covid-19 particularly well.

### **Governance**

At the start of the pandemic, we aligned our response to the Local Resilience Forum (LRF) structures to ensure clarity and continuity between our internal work and the wider partnership activity. This meant that we have a clear understanding of our essential role and could move and adapt to changing circumstances. However, during the year we reviewed our structures and some of the groups stood down.

At the last Corporate Emergency Response Team meeting on the 8 March 2022, it was agreed that we would follow suit of the LRF group and the meeting on the 5 April was our last. This does not mean that we think Covid has gone away but that we are standing down the top tier level of coordination and it will be for each directorate to coordinate themselves within their own service area.

The Incident Management Hub has also stood down, but the Health Protection Board will continue and will closely monitor the Covid-19 situation. We have also switched off special arrangements for dealing with covid i.e., setting outbreak management teams for Schools, Workplaces etc. Attention is turning to active surveillance and monitoring a state of readiness if we see any new variants emerging.

As we moved from response to recovery many of the internal governance arrangements, we had put in place during the first year of the pandemic were reviewed and reversed. Formal on-line meetings have reverted to face to face and the delegation of all Cabinet powers to officers at Head of Service or above has been removed. Directorate risk and opportunity registers were reintroduced, and the Corporate Risk & Opportunity register recommenced reporting to committee in September 2021.

Homebased working continued for most staff with the gradual return to the office from September 2021 as we introduced new accommodation and flexible working arrangements.

### **Improving economy, efficiency, and effectiveness**

Many staff have been working so hard to look after others through this pandemic, but it is also 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 our wellbeing information is updated regularly. In aiming to support staff wellbeing, we have been able to maintain the efficient and effective delivery of statutory services.

Partnership working remains key and we continued to work with community partners throughout the year. The LGA peer review feedback stated that our response to covid-19 has been 'exemplary', and we continue to engage with the Lancashire and Cumbria Health & Care Partnership to ensure a joined-up response.

### **Outbreak Management**

Throughout the year controls were in place and functioned well. The testing strategy was refreshed to prioritise care homes and care sector vaccination levels were tracked. The 5-step community testing plan was revised and a local policy to encourage testing and isolation for those who tested positive was implemented. We continued to support schools, vaccination in care settings and developed a system for members of the public who do not have access to transport to access a 'drive thru' vaccination service. Children's social workers undertook twice weekly testing, and we ran a programme of awareness raising. We have started to collect data and archiving in relation to the Government announced Independent Inquiry.

The Corporate Emergency Response Plan has been reviewed, considering learning from Covid-19 as well as all the other responses to date. Service Response Plans are also being updated. A request for

volunteers to support the NHS with administration roles was well received with thirty-six members of staff supporting the vaccination programme.

### **Vaccination & Testing**

Work supporting the national vaccination programme continued throughout the year. This included the booster vaccination and vaccinations for school aged children. In terms of the testing programme, we continued to link with district councils to deliver their local strategies and provided support for testing people on the Afghan refugee settlement programme. We also continued to support district councils with out of hours contact tracing. Libraries were continually restocked with test kits.

### **Support Safe Return to Buildings**

The Safer Working Group continued to meet throughout the year and co-ordinated the phased reopening of offices, some of which had been remodelled as part of the Our Ways of Working programme to support flexible and collaborative working. Risk assessments were undertaken, and key messages shared with staff.

### **Recovery Co-ordination**

Throughout the year the focus was on business continuity and the potential impact that high staff absences may have on local public services including NHS, social care, emergency services and utilities. Modelling was undertaken because of the Omicron variant and services drew up plans to deal with up to 40% staff absences. Considering this the Recovery Plan was reviewed and updated.

## **Conclusion**

The current coronavirus pandemic has tested the Council's governance arrangements for a second year, and we are pleased to note that the governance framework continues to provide 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 have and we will continue to 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 EU law on data protection and privacy for all individuals within the European Union (EU) and the European Economic Area (EEA).

**Integrated Care System** – Lancashire & 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** – the councils' one-off financial resources available to meet planned or emergency needs, above the resources available in the council's annual budget.

**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.