Buckinghamshire Council

2020/21 Annual Governance Statement (AGS)

March 2022
Richard Ambrose – S151 Officer

INTRODUCTION

On 1 April 2020, we became a new organisation, establishing the single Buckinghamshire Council, providing all council services to all of our Buckinghamshire residents as one team. The "go-live" of the new, single Unitary authority also coincided with the first period of lockdown due to the Covid-19 pandemic. This resulted in the most extraordinary first year for Buckinghamshire Council with much of the organisation's work being dominated by the Covid-19 response. A report detailing the Council's response to the pandemic can be found here.

This is the first Annual Governance Statement (AGS) for Buckinghamshire Council and conveys the breadth of work undertaken by staff across the Council to comply with the various standards in place for public services whilst responding to the pandemic.

This review includes:
- The Council's Governance Framework including key roles and how we demonstrate the core principles of good governance;
- Governance arrangements in relation to the COVID-19 pandemic;
- Internal Audit function during 2020/21;
- Our statutory governance roles;
- Review of all legacy authority actions 2019/20; and
- Actions for 2020/21.

We have reviewed our overall effectiveness both as part of becoming a new Unitary authority, bringing together teams with different cultures and processes and with regard to the COVID-19 pandemic challenges faced and those which we continue to face during recovery.

The Action Plan sets out additional actions we will be taking alongside our ongoing focus on the law and standards in order to deliver continuous improvement.

STATEMENT OF OPINION

It is our opinion that the Council's governance arrangements in 2020/21 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2021/22. It is our opinion that this has remained the case during the COVID-19 pandemic; and that despite the challenges posed by this, the Council's governance in dealing with the pandemic and our ability to maintain sound governance during the outbreak, has been effective.

SIGNATURES
Signed on behalf of Buckinghamshire Council:

	Date		**Date**
Rachael Shimmin	**XX/04/22**	**Martin Tett**	**XX/04/22**
Chief Executive		**Leader of the Council**	

Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically and efficiently.

We also have a duty under the Local Government Act 1999 to put in place proper arrangements for:
- the continuous improvement of our functions
- the governance of our affairs, including those of the Local Government Pension Scheme, which includes arrangements for the management of risk.

The Council has approved and adopted a Constitution, and has several internal documents, which set out the corporate governance framework for the Council consistent with the principles of the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government".
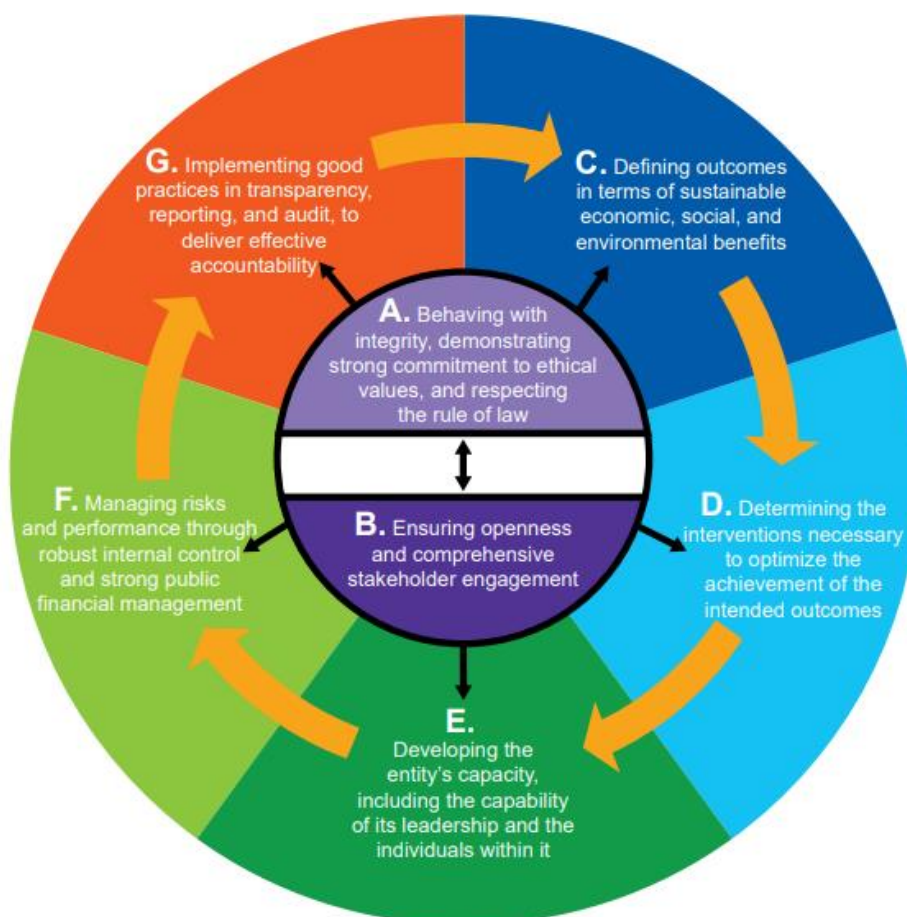
The AGS provides an account of the processes, systems and records which demonstrate assurance for the effectiveness of the framework of governance of the Council's discharge of its responsibilities.

The AGS explains how Buckinghamshire Council has complied with the Governance Framework. It also meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of the statement of internal control.

Core Principles of Good Governance

Good Governance in the Public Sector comprises the arrangements in place to ensure that the intended outcomes for all interested parties are defined and legally achieved. In delivering good governance, both the Council, and individuals working for and with the Council, aim to achieve the Council's objectives while acting in the public interest.

The core principles defined in the "Delivering Good Governance in Local Government" framework are set out in the graphic below:

Buckinghamshire Council's Governance Framework

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. The framework enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money

The first year of the new Unitary authority has focussed on bringing together different processes, cultures and values from the five legacy authorities.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It could not eliminate all risk of not achieving policies, aims and objectives and

could therefore only provide a reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the Council of not meeting its policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

Policy, Planning and Decision Making

The [Corporate Plan 2020 - 2023](#) is focussed on delivery of four key priorities:

- strengthening our communities.
- improving our environment.
- protecting the vulnerable.
- increasing prosperity.

The corporate plan sets out our strategic direction for the next three years, outlining our ambitions and priorities to make Buckinghamshire the best place to live, raise a family, work and do business. Underpinning the Corporate Plan is a [Strategic Plan](#) for each of the Council's six directorates which set out how services will contribute to the corporate plan priorities and how success or impact will be measured over the course of a year

Buckinghamshire Council has 147 councillors, 3 for each of the 49 wards. These councillors are from different political parties and have different roles in the decision-making process.
All councillors agree to follow the code of conduct and rules for making decisions set out in [our constitution](#).

Within the Constitution, Schemes of Delegation to members and officers, Financial Procedure Rules and other supporting procedures clearly define how decisions are taken and highlight the processes and controls required to manage risks with appropriate review procedures

Details of the Council's committee structure can be found [here](#).

Financial Management

Strong Financial Management is critical to ensuring the financial sustainability of the Council, in demonstrating that Value for Money is delivered in the services provided and that the priorities of the Council are delivered. The Council operates in an uncertain environment and this uncertainty has led to major failings in other Councils. The Council's Financial Management Strategy sets out how we work to manage this uncertainty and ensure the Council's aims and objectives can continue to be delivered into the future.

The CIPFA Financial Management Code details the elements considered as key in demonstrating good financial management within public sector organisations and underpins our Financial Management Strategy.

Seven pillars of Financial Management at Buckinghamshire Council:

- Leadership behaviours.
- The finance service as business partners.
- Robust financial planning processes.
- A strong governance framework.
- Clarity of accountability across the organisation.
- A commercial approach to financial management.
- Decision-making which supports financial sustainability.

Key Roles

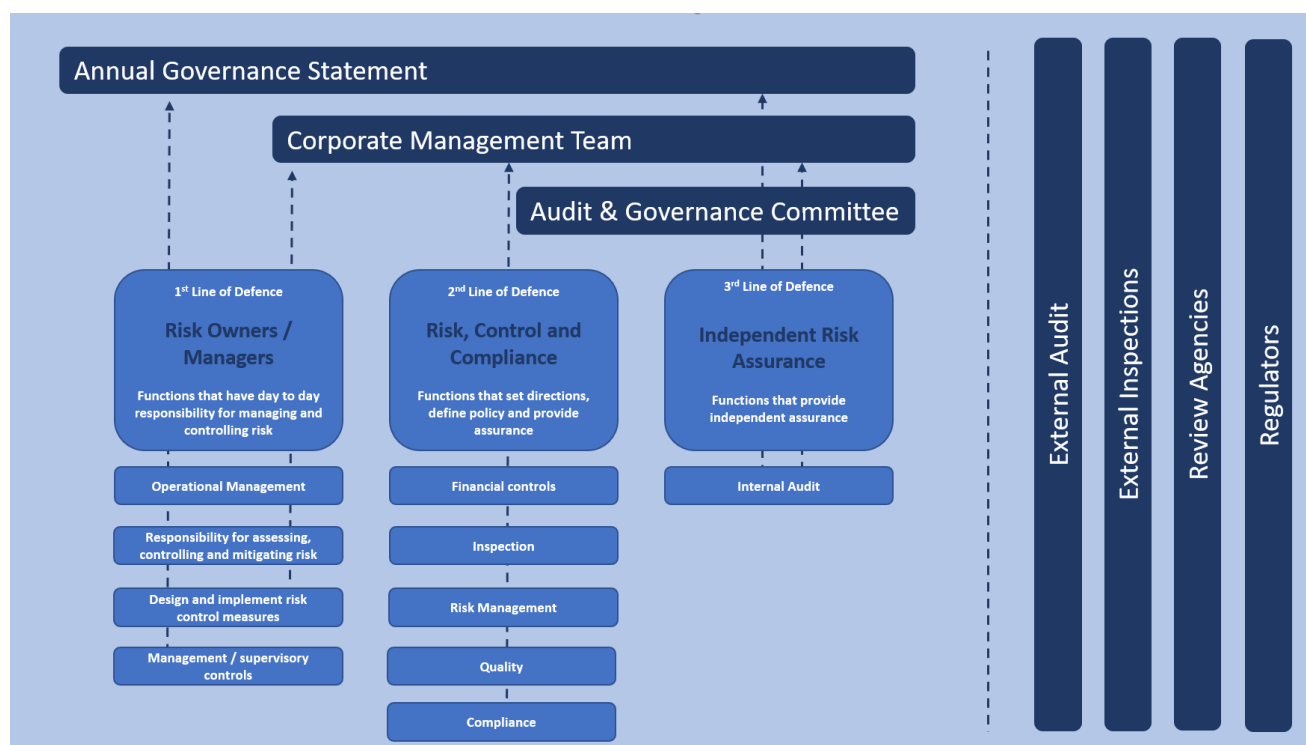Key role for developing and maintaining the governance framework are:

The Council	- Approves the Corporate Plan - Approves the Constitution - Approves key polices - Approves the budget
Cabinet	- Main decision-making body of the Council - Made up of the Leader of the Council and a number of Cabinet Members with responsibility for different portfolios
Audit and Governance Committee	- Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment - Approves annual Financial Statements and the Annual Governance Statement
Standards and General Purpose Committee	To oversee and develop the Council's Councillor Code of Conduct and the overall standards of conduct and ethics of Members and co-opted Members of Buckinghamshire Council
Select Committees (4)	The select committees each fulfil a check and challenge function for decisions and policies made by the Cabinet.
Corporate Management Team (CMT)	- The Chief Executive has overall accountability for the governance framework - Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues, overseeing the implementation of Council policy - Accountability for developing and maintaining the Council's governance and risk framework
Chief Finance (S151) Officer	Leads and directs the financial strategy of the Council and ensures the Council controls and manages its money well, being suitably qualified and experienced ensuring the Finance Team is fit for purpose

	➢ Accountable for developing and maintaining the Council's internal control and counter-fraud framework ➢ Contributes to the effective corporate management and governance of the Council ➢ Attends formal 1:1s with CEO, and attends all CMT meetings
Monitoring Officer	➢ Advises the Council on ethical issues, standards, and powers to ensure The Council operates within the law and statutory Codes of Practice ➢ Overall responsibility for the maintenance and operation of the Whistle blowing Policy and contributes to the effective corporate management and governance of the Council
Managers	➢ Responsible for developing, maintaining, and implementing the Council's governance, risk, and control framework ➢ Contribute to the effective corporate management and governance of the Council
Internal Audit	➢ Provides independent assurance and opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework ➢ Delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity ➢ Makes recommendations for improvements in the management of risk
External Audit	➢ Audits / reviews and reports on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion)

In preparing the Annual Governance Statement the Council has:
Reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance

The review of effectiveness is informed by the three lines of defence (i.e., from the senior managers within the Council who have responsibility for the development and maintenance of the governance environment; the Head of Internal Audit; inspections made by external auditors and other review agencies and inspectorates).

The key sources of assurance that inform this review and where it is obtained from are outlined below:

Where do we need assurance?					
Compliance	Standards of Conduct and Behaviour	Risk Management	Financial Management	Services Delivered	Effectiveness of Internal Controls

Where do we get assurance from?

Constitution	Audit & Governance Committee, Council, Scrutiny	Internal and External Audit	Risk Management Strategy and Framework	Performance Management System / Reporting	Complaints, Counter Fraud and Whistleblowing	Independent and External Sources (e.g. OFSTED, CIPFA)

Effectiveness Against the Core Principles of Good Governance

As mentioned below in our Action Plan, the Council has not, in its first year, achieved a separate Local Code of Corporate Governance. What follows is a summary of our key governance framework and an assessment of its effectiveness over the 2020/21 year.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
o Members and officers recognise the importance of compliance with the Constitution, specifically the Finance and Contract Procedure Rules; Scheme of Delegation and Codes of Conduct; all of which are reviewed and updated regularly. Where there have been instances of non-compliance or areas of concern, these are identified, reported through appropriate channels and managed effectively under established policies and processes and where necessary escalated for action.   o Statutory responsibilities across the Council are discharged openly and proactively, examples include having key statutory officers in place including the Monitoring Officer, S151 Officer, Head of Paid Service and the Senior Information Risk Owner (SIRO)).   o The Council has Whistleblowing, Anti-Fraud and Corruption and Anti-Money Laundering policies in place which are monitored through the Audit and Governance Committee.   **Effectiveness:**   o The Council has responded well to modified statutory timetables and other regulatory requirements in acknowledgement of the challenges of the Covid pandemic with both a flexible and proportionate approach.   o All roles have responded rapidly and flexibly in reaction to the pressures of the Covid pandemic and changing legislation; examples of which have been seen in delivering vaccinations, testing and lockdown practices.   o The Council has a zero tolerance to fraud and corruption. Identified concerns are acted upon in a timely manner. Millions of pounds of grant money has been awarded to thousands of businesses and built in pre-authorisation counter fraud checks arranged to minimise fraud; the system was refined and improved with each round of funding and officers resisted pressure to pay before suitable arrangements were embedded to ensure best use of grants.

B. Ensuring openness and comprehensive stakeholder engagement

Effectiveness:

o Openness and transparency of decisions are demonstrated throughout Council activity. All committee meetings and publicly available minutes are held on the Council's website.

o All council committee meetings are live-streamed via webcast and became available to a wider audience during the pandemic.

o Compliance has been forefront and demonstrated in the main through the Council's response to the Covid pandemic with communications across several media channels and at an unprecedented level of frequency; daily at peak times and to a variety of stakeholders. An example of which were the regular updates from the Chief Executive to keep members and officers informed of responses to major events and activities, such as the transition to the new Unitary Authority and the Covid pandemic, and the Leader's regular e-newsletter to residents which provided critical information about the local situation and response to the pandemic.

o There is a Local Resilience Forum (LRF) which is supported throughout the Council, including at Chief Executive level by attendance at Gold Command meetings through which a huge amount of work is undertaken with the community and multi-agency partners to ensure a robust response is possible for any emergency, this has been key to managing the response to the Covid-19 pandemic.

o Public Health has been at the forefront of engagement with all stakeholders during the pandemic.

o Stakeholders are able to take part in public consultations or surveys here.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

Effectiveness:

o In responding to the Covid-19 pandemic, the Council has reprioritised non-essential work during 2020/21 and redeployed employees across the workforce to meet service needs in addition to redeployment to NHS roles to support the testing and vaccination programmes.

o Due to the lockdown periods in 2020/21 and the response to the pandemic the Council has radically challenged some its approaches to service delivery. Learning from this period about ways of working has been evaluated to ensure the right blended approach going forward. This includes the return to office working and the support for employee wellbeing.

o The use of digital technology has increased; customers were encouraged to further self-serve online.

o Inevitably, the impact of Covid has tested that financial resilience in 2020/21 and will continue to do so in coming years. Overall, government funding has covered the additional costs / reduced income resulting from the pandemic. The medium and longer-term planning elements of the financial plans will be recognisably challenging in 2021/22 with the one-year spending review. Scenario planning and careful monitoring remain important.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

o All decisions are taken correctly either through delegating to officers or by Cabinet or Council. Reports are considered by Legal and Finance before decisions are made

to ensure they present the information required for members to make a reasoned decision. Responding to Covid emergency decisions followed approved processes and a protocol for virtual public meetings was adopted.

Effectiveness:

o The pandemic presented both direct and indirect health and economic threats which disrupted businesses as usual for the Council. Whilst facing these unprecedented challenges, the Council was able to effectively collaborate with its key partners in protecting Buckinghamshire residents and, through a clear mutual aid approach, ensuring that the critical services that communities depend on were maintained in very difficult circumstances.

o The response to Covid-19 has seen adaptations to reflect new ways of working and emergency arrangements; changes to 'business as usual' activities, including cessation or reduced frequency or scale of activities and resulting longer-term changes to priorities, programmes, strategies and plans as a result of the impact of the pandemic on the Council.

o Covid-19 became a key priority for the Council in partnership with other key partners. Advice and support has been provided to the wider community: vaccination and testing sites established; PPE sourced and distributed; provision of lateral flow tests; grants and advice to businesses and signposting to other support providers such as, food provision; social networks and grief and bereavement services to name just a few.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

o The Corporate Management Team was well established before the Unitary authority went live on 1 April 2020, with the Service Director management structure also in place.

o Officers and Members understand their respective roles, these are set out in job descriptions and the Constitution. These responsibilities and accountabilities are understood and reviewed on a regular basis.

o A mandatory training programme is in place which all officers are required to complete.

o The Better Buckinghamshire Service Review (transformation) programme launched soon after transition. The programme has a clear methodology and involves a systematic review of each individual service area over a three-year period to design and implement new service models, as well as a number of cross cutting projects focused on organization wide capacity.

F. Managing risks and performance through robust internal control and strong public financial management

o Services pro-actively input into the annual audit programme, strategic, operational and project risk reviews. Both strategic and operational risks are reviewed regularly by senior managers and Corporate Directors and are reported through to the Risk Management Group (sub-group of Audit and Governance Committee).

o Risks are managed within services using the Corporate Risk Management system, Pentana, and each directorate has an agreed Risk Escalation Framework.

o Internal Audit sets a risk assessed programme annually identifying the key areas for review and the need for assurance.

- The Audit Board (S151 and Monitoring Officers, Head of Audit and Director of Legal) oversees the Internal Audit Plan and approves all changes to priorities.
- The Statutory Officers Group (Chief Executive, S151 and Monitoring Officers, Director of Legal and Governance and the Head of Business Assurance (& Chief Auditor)) meet every six weeks and has oversight of current fraud investigations, high risk cases, data breaches, member complaints and other statutory matters.
Effectiveness:
- The Council prioritised supporting the Covid-19 response over delivering other services and the Covid response continues into 2021/22 impacting on resources, services, supporting businesses, the public and communities.
- In response to Covid-19, the Council immediately put in place governance arrangements that allowed the organisation to have a co-ordinated approach to responding to the pandemic. Covid cells were established, and risk management was at the forefront of each cell, with escalation arrangements established from the onset.
- Covid grants were paid out quickly and in line with conditions, with relevant pre and post payment assurance checks undertaken.
- Regular grant reconciliations and returns to government were embedded well within Covid response, as well as reporting to CMT.
- Business continuity challenges were well managed providing speedy responses to ensure the safety of all, compliance with and implementation of Government guidance, improved communications of the issues, increased deployment and use of IT systems for remote working, community support, collation of data such as staff absences, payment of grants to businesses, redeployment of staff, business and council tax relief and minimising the risk of fraud.
- Covid-19 saw the Internal Audit plans regularly revisited and resources redeployed to help design and deliver processes and activity in response to Covid-19 which provided a level of assurance as to the Council's management of the situation.
- High risk areas not subject to audit were identified to enable senior management and members to gather and seek direct assurance as necessary.
- Based on the Internal Audit and Assurance work performed, support to the Council in responding to the Covid-19 pandemic, management responses received and the Covid-19 climate in which the Council was operating along with the on-going service transformation programme, the Head of Audit opinion on the adequacy and effectiveness of the Council's internal control, risk management and governance framework was of reasonable assurance.
- The Strategic Risk Register has been reviewed and challenged by CMT on a regular basis, with new and emerging risks considered and included where appropriate.
- The overall system of internal control facilitated the effective exercise of the Council's functions and provided an unqualified opinion regarding the effective, efficient and economic exercise of the Council's functions for 2020/21.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- As a public body, the Council has a high level of transparency in its activities and reporting and complies with the relevant legislation.
- Information is reported and shared through various routes including Council, Cabinet, Scrutiny Committees and with partners.

> - o Contracts awarded and procurement information is updated monthly on our websites and full, detailed and timely feedback is available to all unsuccessful bidders.
> - o The Information Governance Group oversees the implementation of Information Security policies based on best practice.
> - o The externally chaired Children's Services Improvement Board provides robust oversight of the implementation of the improvement plan.
> - o The externally chaired Adults and Health Practice and Quality Board provides robust oversight of the quality of practice within this directorate.

5. Action Plan

It should be noted that governance issues facing the organisation are not necessarily always a result of weaknesses within the internal control framework. The following are the key matters arising from the review of 2020/21 including the outcome of the actions set out in last year's AGS.

A number of new actions are planned for 2021/22 to further strengthen the Council's governance alongside the standing arrangements already in place.

The 2020/21 AGS Action Plan is set out in appendix 1.

Children's Services

The OFSTED report published in January 2018 rated Children's Services as 'inadequate' overall despite acknowledging a number of improvements since the previous inspection. A focussed visit was carried out in February 2021 looking at how the social care system has delivered child-centred practice and care within the context of the restrictions placed on society during the COVID-19 (coronavirus) pandemic. The report can be seen here.

A robust improvement programme is in place, and the findings from the February 2021 visit are reflected in the improvement plan.

The OFSTED inspection in December 2021 concluded a judgement of "requires improvement to be good" and confirms the significant improvements across the service. The latest report can be found here.

Local Code of Governance

Due to the response to the pandemic and resulting capacity issues, the Local Code of Governance has not been completed for the Unitary authority. The action to progress this is included in the Strategic Risk Register so is visible and monitored.

Wholly Owned Companies

The authority needs to complete a review of the Council's Shareholder arrangements for the Wholly Owned Companies to ensure that adequate governance arrangements are in place and to learn lessons from other authorities. A Stakeholder Group has been established during the 21/22 financial year and more detail on the effectiveness of this will be included in the 21/22 Annual Governance Statement.

2019/20 AGS Action Plan

Significant progress had been made to address the weaknesses identified in the 2019/20 AGS across all legacy authorities. The updates are provided in Appendix 2.

Conclusion

The opinion of the Chief Finance Officer is that the Council continues to operate robust internal controls and good public financial management. Further action is required to manage financial pressures and develop strategies to meet the long-term financial challenges that face the Council. There has been no re-course for the Chief Finance Officer to exercise his statutory powers and the Council complies with its financial regulations and procedures together with relevant codes of practice and guidance.

It is the opinion of the Monitoring Officer, that the Council has complied with its Constitution and its corporate governance arrangements are sound

Richard Ambrose
Director of Corporate Finance (S151)
xx 2022

Sarah Ashmead
Deputy Chief Executive (Monitoring Officer)
xx 2022

Appendix 1 – 2020/21 AGS ACTION PLAN

Governance Issue	Action to be taken	Responsible Officer	Timescale
Children's Services	The current Improvement Plan, dated October 2020, demonstrates that the service has sustained improvements achieved to date. This is in a background of continued upward demand in both the volume and complexity of casework as a direct consequence of Covid-19. The service has maintained grip and control of performance through weekly reporting on management oversight and virtual contact by team.	Corporate Director of Children's Services	Ofsted Inspection in December 2021 has resulted in a "requires improvements to be good" judgement. The full report can be found here.
Governance	A Local Code of Corporate Governance to be developed and embedded in line with the CIPFA Delivering Good Governance Framework.	Director of Legal and Governance Services	September 2022
Governance	Complete a review of the Council's Shareholder arrangements for the Wholly Owned Companies. Review effectiveness of newly formed Stakeholder Group.	Director of Corporate Finance (S151)	Initial review of financial sustainability lessons learned completed and can be found here. Additional governance arrangements to be developed by September 2022.

Appendix 2 – 2019/20 AGS ACTION PLAN

Governance Issue	Action to be taken	Responsible Officer	Update March 2022
Covid-19	Continued monitoring and reporting of financial impact of Covid-19 and identification of mitigating actions to address. Robust scrutiny over the Lost Income Compensation Scheme claim.	Service Director – Corporate Finance (S151)	Implemented. Regular reporting to CMT Budget Board during pandemic.
Children's Services (BCC)	The current Improvement Plan, dated October 2020, demonstrates that the service has sustained improvements achieved to date. This is in a background of continued upward demand in both the volume and complexity of casework as a direct consequence of Covid-19. The service has maintained grip and control of performance through weekly reporting on management oversight and virtual contact by team.	Corporate Director of Children's Services	See 2020/21 Action Plan
Integrated Transport (BCC)	A detailed improvement plan with clear actions (including owner and target date) is in place and is managed through the Integrated Transport Improvement Group. Progress is reported on a monthly basis to the Strategic Board, which is chaired by the Corporate Director and attended by key stakeholders including the Cabinet Member.	Service Director – Transport Services	Implemented. Transport Improvement Board operating well and providing robust challenge over the service.
Risk Management (CDC/SBDC)	Initial risk registers in service plans for the new Council informed by legacy authorities' managers. Day one key authority wide risk register in place coordinated by the Corporate Risk Manager and agreed by the Corporate Management Team.	S151 Officer	Implemented.
Schemes of Delegation (CDC/SBDC)	The Constitution for the new Council contains provision to put in place all the appropriate delegations, and these are appended to the formal document and made publicly accessible.	S151/Monitoring Officers	Implemented.
Skills Gaps (CDC/SBDC)	Service Directors of the new Council assess the key knowledge needed and identify any gaps in the teams transferring and put in place in the initial months plans to address knowledge and resourcing gaps and how to transfer key knowledge from staff leaving, or other actions to fill knowledge gaps.	Corporate Directors	Implemented as part of transition plans/service reviews.
Business Continuity Plans (CDC/SBDC)	Review of business continuity plans, with prioritisation: • Services to vulnerable people • Essential organisational infrastructure elements (e.g. ICT)	Corporate Director of Resources	Implemented.

No actions within AVDC and WDC AGS.