

Calderdale MBC Annual Governance Statement 2019/20

1. What is the Annual Governance Statement (AGS)?

It is a mandatory requirement for local government bodies required by the Accounts and Audit Regulations 2015.

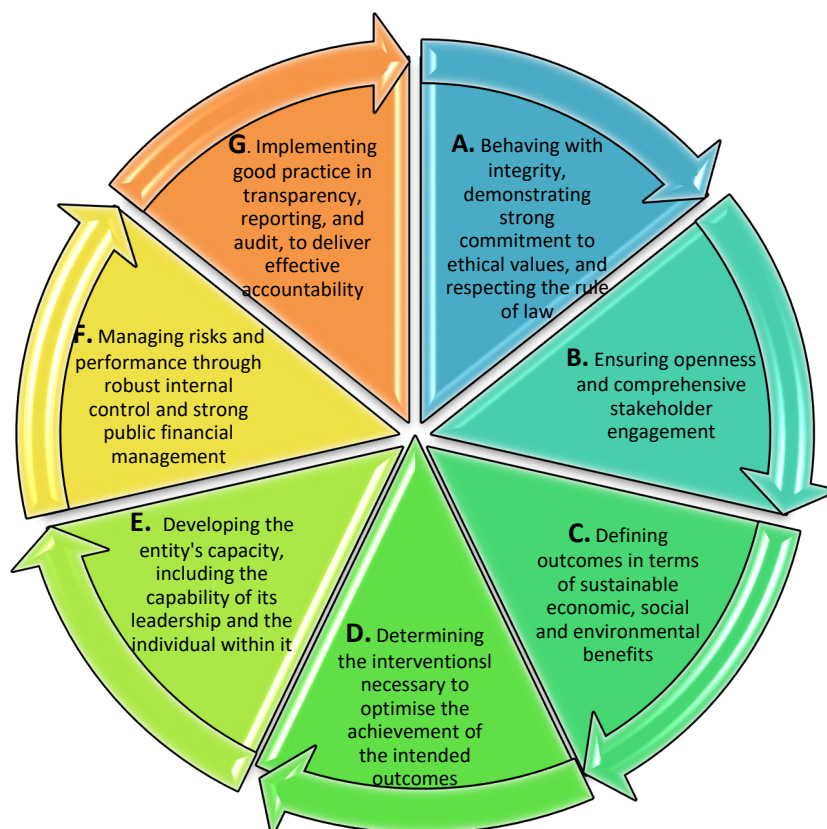
In essence it is an accountability statement from Calderdale MBC to stakeholders on how well the Council has delivered on governance over the course of the previous year.

It is an open and honest reflection on governance which identifies any current challenges.

It is a meaningful tool for improving governance where areas for improvement are identified.

2. What is a Governance Framework?

CIPFA and Solace introduced a new governance framework, [*Delivering Good Governance in Local Government: Framework*](#), in April 2016. This includes seven principles for Good Governance in the Public Sector as follows:



Since 2016/17 Calderdale Council has adopted these principles to demonstrate its commitment to delivering good governance which are detailed within the [local code of corporate governance](#).

3. Who is the Audience for the AGS?

In addition to the statement being of value internally to Members and staff, the AGS is prepared to provide accountability to a wide variety of stakeholders including the following:

- Members of the public
- Local businesses
- Partners
- DCLG
- External auditors, inspectors and regulators

4. What Demonstrates Good Governance for Local Authorities?

- ✓ OPERATION OF A GOVERNANCE FRAMEWORK
- ✓ HAVING A SYSTEM WHICH BRINGS TOGETHER AN UNDERLYING SET OF LEGISLATIVE REQUIREMENTS, GOVERNANCE PRINCIPLES AND MANAGEMENT PROCESSES
- ✓ STRONG REGULATORY FRAMEWORK WITH ROBUST ARRANGEMENTS FOR MONITORING AND REVIEW
- ✓ GOVERNANCE ARRANGEMENTS WHICH ARE OWNED BY AND VALUED BY SENIOR MANAGEMENT AND ALL STAFF AND NOT REGARDED AS MERELY BUREAUCRACY
- ✓ EXECUTIVE ARRANGEMENTS ARE BASED ON SOUND DECISION MAKING SUPPORTED BY EFFECTIVE PROCESSES

5. What Governance Arrangements Does Calderdale Have in Place?

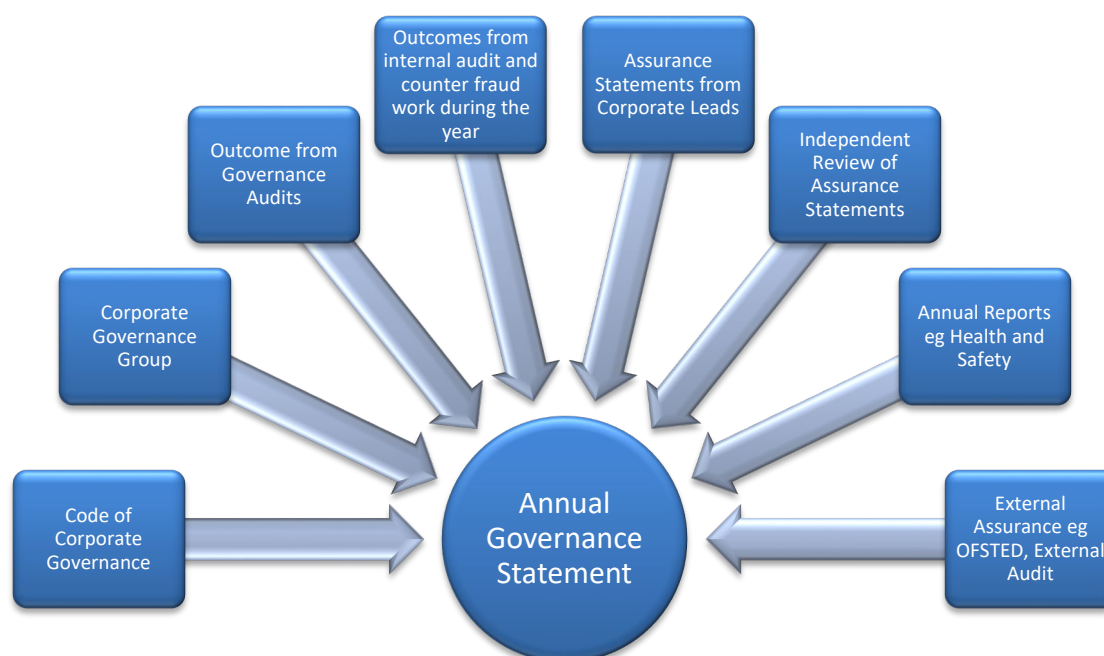
The following demonstrates the overall framework of assurance for Calderdale which together ensure that the Council is achieving its objectives, achieving underlying good governance, risk management and internal control.



The Council's control environment is shown at **Appendix A**, which details the Council's Constitution which includes the rules of governance for the Council and is underpinned by the Standards, Policies and Procedures which support the delivery of the Council's priorities.

6. How is the Effectiveness of Calderdale's Arrangements Evaluated?

The following chart shows the assurance mechanism which supports the overall evaluation of the effectiveness of the governance framework in place at Calderdale, including the systems of internal control, which take into account risk and ultimately aids the preparation of AGS.



7. What is the Opinion on Calderdale's Governance Arrangements?

This statement provides an opinion on the level of assurance with regards to the Council's governance arrangements which enable stakeholders to be satisfied that proper arrangements are in place to govern spending and safeguard assets.

The evaluation on the effectiveness of arrangements provides assurance that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

8. Are there any risks, future challenges and weaknesses in Calderdale's Current Governance Arrangements and where applicable how are they going to be addressed?

The review of effectiveness identified the following issue with regards to governance:

Covid -19 Pandemic

Although the AGS assesses governance in place throughout 2019/20, meaning that for the majority of the year Calderdale's governance arrangements were unaffected by the pandemic, they were impacted during March 2020. In addition the AGS needs to be current at the time of publication, and as such is included as an issue to reflect the impacts and change of priorities.

Calderdale has set up various and extensive officer and Member groups to manage the impacts of the pandemic and priorities moving forward including Business Continuity: Covid-19, Future Council Group, Covid Recovery Co-ordination Group, and Covid-19 Impact Assessment Task and Finish Group. Partnership arrangements are also in place to understand the wider governance implications of Covid-19 on Calderdale.

Steps were taken to ensure effective decision making arrangements were in place throughout the pandemic. This included the use of digital platforms to enable decision making Council meetings to continue. Reports to the initial Cabinet meeting after lockdown identified decisions made by officers to enable them to sign them off and any use of Chief Executive emergency powers were fully captured. It is worthy of note that due to the rapid adoption of virtual meeting processes, there was a swift return to more or less pre Covid decision making and governance processes.

All Corporate Leads have been contacted to establish what impacts they have identified in addition to changes they are proposing moving forwards. In addition to changes to decision making and the conduct of meetings the changes will fall into the following general areas:

- Restart, Amplify or Transformation of Council Services - a series of reports have been considered by Cabinet under the Future Council programme about how services might transform to adapt to changing needs and to build greater financial sustainability.
- Implementation of new policies or processes – as part of the Future Council programme policies and processes are being reviewed to make them fit for future purpose.
- Funding – Cabinet has received regular reports on the impact of Covid-19 on the Council's finances and a financial recovery plan put in place based on implementing existing savings targets, containing additional costs within

Government funding for Covid-19 and reviewing discretionary spend and moving towards a more business critical model.

- Impact on existing projects and programmes – the indirect impact of Covid-19 is being reported to MHCLG in the monthly financial returns.
- Changes to Strategic and Operational Risks – Audit Committee has approved a Covid-19 impact assessment showing the impact upon the Council's key strategic and operational risks.

It is anticipated that a review of lessons learnt will be carried out, looking at the Council's response to the pandemic, which where appropriate will be used to identify any improvements required. Elements of this are already being used to determine our response to the second wave of Covid-19 cases.

Project Management

As a result of concerns identified with regards to the governance arrangements around project management, this issue has been included as a significant item in the Council's AGS since 2015/16.

A number of corporate initiatives have been introduced throughout the authority since 2016/17 to address the original weak areas identified with regards to record keeping, evidence to support the appointment of consultants, the need to improve monitoring arrangements, quality control and roles and responsibilities.

In February 2020, the findings from the latest follow-up audit of project management, was reported to the Audit Committee. The purpose of the follow-up audit was to review the position with the implementation of Internal Audit recommendations aimed at improving governance arrangements around project management, and comment on whether improvements had been fully embedded across the Council. It was the opinion at that time that improvements had been made but there was still work to be done in embedding those arrangements.

Since that time it is pleasing to note that the Interim Director - Regeneration & Strategy has lead on the development of a new model for project management, following a review.

The conclusion of the review identified the need to enhance governance arrangements, including clarity around procedures and guidance, roles and responsibilities and consistency with the approach to project management. Recommendations were made to deliver the new model to address the enhancements required. Progress will be reviewed throughout 2020/21.

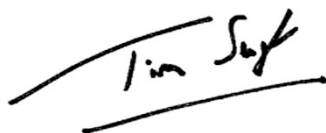
No additional items have been identified for inclusion in the 2019/20 AGS.

Signed by the Chief Executive:



Date: 20 Nov 2020

Signed by the Leader of the Council:



Date: 20 Nov 2020