

Annual Governance Statement

2020/2021



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Scope of Responsibility

Peterborough City Council (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 and properly accounted for and provides value for money. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. That duty has grown in importance with the reduction in resources being made available for Local Authorities as part of the Government's on-going austerity programme.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which include the arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

The Council has established governance arrangements which are consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework – Delivering Good Governance in Local Government. It has adopted a Local Code of Corporate Governance. The Annual Governance Statement sets out how the Council has complied with the Code and also meets with the regulation 4(2) of the Accounts and Audit Regulations 2015.

The Council meets the requirements of Regulation 6(1)b of the Accounts and Audit (England) Regulations 2015 in relation to the preparation and publication of an annual governance statement. It is subject to review by the Audit Committee when they consider both the draft and final Statements of Account and is approved by the Audit Committee in advance of them agreeing the Statement of Accounts.

The Council's financial management arrangements are consistent with the governance requirements of the Statement on the Role of the Chief Financial Officer in Local Government (2016). The principles being that the Chief Financial Officer (Corporate Director of Resources):

- Is actively involved and is able to bring influence on the Authority's financial strategy;
- Leads the whole Council in the delivery of good financial management;
- Directs a fit for purpose finance function;
- Is professionally qualified and suitably experienced; and
- Is a key member of the Corporate Management Team

All Statutory Officers have regular 1:1 sessions with the Chief Executive.

The issues identified as a significant governance issue and the progress made by management throughout the future financial year 2021 / 2022 to address these issues will be reported regularly to the Audit Committee with an assessment made in reducing the risk as part of their governance role within the Council.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It 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. It also enables the Council to demonstrate to the public that it has effective stewardship of the public funds it is entrusted to spend.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level consistent with the risk appetite of the Council. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

The Governance Framework

The Council is a unitary authority which was set up in 1998. Its strategic vision and corporate priorities are set out in the Peterborough Sustainable Community Strategy 2008–2021. An updated Corporate Strategy 2021-2025 was endorsed by Cabinet in March 2021 for consultation. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes and behaviours required to deliver good governance to all.

Key Elements of the Governance Framework

The key elements of the Council's governance framework are detailed against each principle in the CIPFA / SOLACE Framework – Delivering Good Governance in Local Government (2016) as follows:

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- The Council established a Constitution and Ethics Committee in May 2018 to oversee the Member and Officer codes of conduct, the operation of the constitution and the Member Officer protocol. In its first three years of operation it has amended and updated the Member Code of Conduct and associated complaint procedures, overseen the drafting and issuing of a Social Media Code for members, updated the Member Officer protocol, introduced a procedure for the operation of a Shadow Cabinet, updated Council Standing Orders, Civic Protocol, Petitions Scheme and Officer Employment Rules. It has also considered the recommendations and best practice identified in the report by the Committee on Standards in Public Life on Local Government Standards and compared against the council's current procedures.
- In order to ensure Members and Officers behave with integrity to lead its culture of acting in the public interest there are appropriate processes in place to avoid conflicts of interest and gifts and hospitality. Regular monitoring has identified no concerns. The Policy is updated at the Constitution and Ethics Committee.
- Staff behaviour is governed by the Officer Code of Conduct.
- Third party challenge to the Council's operations is through a publicised complaints procedure. Complaints are responded to the Heads of Service within each department before central escalation if not resolved.
- Confidential concerns can be raised through the Council's Whistleblowing Policy with a number of officers identified as first points of contact.
- A Counter Fraud Strategy has been established to deliver raised awareness of fraudulent activities and to provide proactive solutions to minimise the risks of fraud. Our policies have been reworked to reflect this and refreshed annually.
- The scrutiny process as detailed in the Constitution enables those who are not Cabinet members to call in key decisions.
- The Council is managed by a Cabinet system as set out in the agreed Council Constitution which show the scheme of delegation between elected Members and Officers.
- Procurement arrangements recognise the importance of ethics and sustainability with appropriate evaluation of suppliers proposals for Social Value which includes sustainability issues supported by appropriate contract clauses and monitoring.
- Member and Officer Relationships, governed by the Member Officer Protocol in the council's constitution, are mutually supportive and based on openness, honesty, trust and appropriate challenge. The latter is vital in making service changes and more self-sufficiency from citizens into reality.
- The Chief Executive is the Head of Paid Service and is supported by the Corporate Management Team. Cabinet portfolios are assigned on a function basis rather than directorate and subject to appropriate officer support.

- The Corporate Director of Resources is the nominated Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972. Internal Audit are provided direct and work in line with the Public Sector Internal Audit Standards. In 2018 / 2019 the service was externally reviewed and demonstrated full compliance with these standards
- The system of internal control is based upon a framework of comprehensive financial regulations and procedures. Control is based on regular management information, management supervision, and a structure of delegation and accountability.
- The Director of Law and Governance is the Monitoring Officer and is responsible for ensuring the Council acts in accordance with the law and the Constitution.
- As part of respecting the law, the Council was inspected by the Investigatory Powers Commissioner's Office in February 2021. Positive feedback was from the inspection setting out how the Council complied with Codes of Practice. Minor amendments are required to our Policy and this was reported to Audit Committee in March 2021.

Principle B: Ensuring openness and comprehensive stakeholder engagement

- The Council has established clear vision and values linked to its strategic objectives. An updated draft Corporate Strategy was published in March 2021 for consultation.
- Council meetings are open subject to Coronavirus Act (2020) regulations to every citizen, are sound recorded and made available online, for example on Facebook.
- The Coronavirus Act (2020) allowed authorities to conduct meetings and take decisions in ways other than face to face so that decisions can still be made to maintain good governance, principles of openness and accountability. The council has adapted its approach by assessing which decisions could be delayed and re-scheduled and which decisions need to be made at pace to deal with the pandemic. Virtual meetings were instigated to ensure transparency and good governance prevailed and allowed access to the public and press.
- Community liaison schemes are in place to discuss major developments which will impact on the community, for example, works in relation to the Business Improvement District.
- The Council is a constituent Council of the Cambridgeshire and Peterborough Combined Authority which is responsible for a number of new powers devolved from central government.
- The Council works in partnership with Cambridgeshire County Council and a number of services are shared.
- In order to demonstrate its openness, the Council also publishes its Pay Policy Statement; its Constitution; Council, Cabinet and Committee reports; and Payments over £500.

- Budget considerations of the final budget took place at Full Council on 3 March 2021. The Council Tax increase for the year was 4.99%, the maximum allowed by regulations (1.99% General Increase and 3.00% Adult Social Care). Phase 1 was considered by Cabinet on 30 November 2020.

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

- Risk management is integral to the governance arrangements and the risk register is considered by the Audit Committee and the Corporate Management Team. The risk management framework consists of a policy statement; risk register; systems for mitigating and controlling risks; and systems for monitoring and reviewing. Effective risk management is monitored through the Risk Management Board to ensure consistent treatment and action across all Directorates. Supplementary registers were established during the year to cover for Covid-19 risks and these have been incorporated into each department.
- The Medium Term Financial Strategy sets out how services are delivered within the Council's financial resources, including how the Council is delivering innovative solutions to provide environmental and economic benefits to the citizens of Peterborough.
- In July 2019, the Council agreed there was a Climate Emergency and reports now have to contain, where relevant, a carbon Impact Assessment. An annual Climate Action Day has been set up, the second took place on 4 March 2021.
- Significant changes to services are supported by an Equality Impact Assessment.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcome

- Decisions are based on rigorous and transparent scrutiny and a relationship of trust between Members and Officers.
- In order to achieve long term financial targets the Council has set a budget for the year 2021 / 2022 supported by an appropriate Robustness Statement setting out an assessment of risk which sets out future savings required by the Council. Separate financial support has been provided by MHCLG following ongoing dialogue throughout 2020.
- All meetings and key decisions are included in the Councils Forward Plan which is published and available to the public.
- The Audit Committee is an essential part of good governance and is regularly assessed against best practice.
- The Council, in order to discharge its functions on Health, operated a dedicated Health Scrutiny Committee in 2020/21. This as combined with Adults from 2021/22.
- Educational attainment is acknowledged as a particular priority and plans are set up to improve results in this area for the longer term.
- Performance management is undertaken across all areas, whether relating to individuals, processes or projects. Lessons learnt from mistakes are acted upon.

Principle E: Developing the entity’s capacity including the capability of its leadership and the individuals within it

- Performance management framework is in place which covers all officers including an appraisal system with targeted, relevant training. Human Resources procedures set out the appointment process which is transparent.
- Regular meetings and 1:1’s are held at all levels. As part of these meetings performance is discussed. The performance review process has been reviewed and new “Conversations” established. This is due to go live in 2021.
- A Leadership Programme is under construction for all managers and is due to deliver appropriate training and raise awareness across the Council of its processes, policies and services. Deferred due to the ongoing pandemic, it is due to go live in summer 2021.
- The national agreement on pay and conditions of service is implemented as is the commitment to pay the Living Wage for its entire staff and the Council is also seeking to achieve this through its contractual arrangements.
- To ensure independent reviews of its systems, the Council operates an Internal Audit service (which in 2018/19 passed its 5 yearly assessment to assure compliance with Public Sector Internal Audit Standards), complying with best practice. Findings are reported to the Audit Committee. The Committee has the opportunity to call officers to account for weaknesses identified and how actions are being mitigated to address these weaknesses.
- Key partners who provide essential Council services are subject to independent oversight by Committees.
- The Cabinet Shareholder Committee provides oversight and scrutiny of entities the Council has an interest in, for example Peterborough Ltd.
- A protocol for the delivery of joint work with Cambridgeshire County Council was approved by Cabinet in September 2018 to ensure that as this increases over time there is the associated governance around its management and delivery. Key officers involved in joint working are required to complete s113 agreements.
- The Constitution is reviewed on at least an annual basis, with quarterly reports on potential changes going to the Council’s Constitution and Ethics Committee and then on to full Council for a final decision.

Principle F: Managing risks and performance through robust internal control and strong public management

- The Councils Risk Management Framework has been set out under Principle C. This ensures there is continuous monitoring and reporting of risk.
- New Members are inducted prior to the Annual Meeting. Separate training is provided for specific Committee needs.
- All Cabinet meetings consider key matters including those on risk and performance and these are detailed in the Forward Plan.

- The Annual Budget is supported by commentary detailing its deliverability and is supported by an appropriate reserves policy. The final accounts are prepared in accordance with professional standards and subject to External Audit.
- Information governance and compliance with the various policies, for example General Data Protection Regulation are regularly monitored through mandatory training.

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

- As part of the Transparency Agenda the Council agreed to publish senior officer salaries over £50,000 and invoices over £500 on its web site.
- The Council is proactive in engaging with citizens and other key stakeholders.
- Clear protocols and robust processes are in place to allow Internal Audit and External Audit to undertake their activities to look to scrutinise and protect the authorities interests.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Directors and Heads of Service within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Internal Audit Opinion, and also by comments made by the external auditors and other review agencies and inspectorates. During 2020 / 2021, the works undertaken by the Internal Audit team was sufficient to be able to form the view for the Annual Internal Audit Opinion that there was a sound governance framework from which those charged with governance could gain reasonable assurance.

The Council's Constitution details Directors' responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of the service is informed by the Council's risk registers, with the allocation of audit resources controlled through an annual risk- based operational plan, which is agreed by Audit Committee. In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms.

Directors have completed Annual Assurance Statements in respect of governance and internal control arrangements for their respective areas. These reviews identified improvements to governance arrangements and internal control, namely:

- Improving governance for the delivery of major projects, including making greater use of POWA;
- Put robust processes in place for succession planning;
- Improving on the levels of performance reporting across the Council; and

- Regular testing of disaster recovery plans and learning lessons from those.

As a result of the Covid-19 pandemic the Council quickly put in place:

- An emergency operations structure incorporating a Gold decision-making structure and Coordination Hub. The Gold decision making structure initially was meeting daily, which then moved to bi-weekly meetings as the Council moved further into the pandemic period;
- Movement of staff and resources to cover new pandemic delivery priorities;
- Arrangements to track the financial implications of the pandemic on the Council's resources; and
- Arrangements for the democratic decision making in line with the Council's Constitution and emergency legislation including remote decision making.

The Council already had in place enhanced control processes that were implemented in 2019/20. These were adapted to the requirements of C-19 including reallocating Internal Audit resource from the initial Audit Plan to the review of processes and procedures put in place due to the pandemic. Processes described above ensured that the Council could properly report on the effect of C-19 for Peterborough and ensure that the Council maximised Grants both for itself and businesses during this period.

An External Audit of the accounts year ended 31 March 2020 undertaken by Ernst and Young was reported to the Audit Committee during the year. Issues identified during the review of the accounts, the impact of the pandemic and financial stability of the Council resulted in additional testing to be undertaken. Updates have been provided to senior managers as this has progressed and the Accounts were formally signed off by Audit Committee on 21st June 2021.

Significant Governance Issues

The Annual Governance Statement identifies governance issues and risks for the Council to address. *(Tables below set out the governance issues which were previously reported and the progress in addressing them. A number of previous actions have been deleted and referred to Audit Committee in July 2021).*

2018/2019	Area of Assurance	Assurance Gap / Proposal to Mitigate	Progress / Residual Status
19.05	<p>BUSINESS CONTINUITY</p> <p>Lead: Corporate Director of Resources</p>	<p>To ensure that the work undertaken in 2018/19 is completed and updated on an ongoing process to ensure that the Council can operate and deliver to customers in times of crisis.</p> <p><u>Proposal:</u></p> <p>Review all departmental Business Continuity delivery plans in Q1 and Q4 of 2019/20 to ensure the points raised in 18.6 above has been delivered. Conduct a yearly full business continuity test during 2019/20.</p>	<p>Council officers have been successfully working remotely since March 2020 due to C-19.</p> <p>This has actively been used to coordinate responses in relation to Covid-19. Regular reviews are undertaken to ensure that remains valid.</p> <p>REMAINS VALID – LINK WITH DISASTER RECOVERY</p> <p>There has been no disaster recovery testing in the last 12 months and this increases the residual risks against the Council. It will be activated in 2021.</p>

2019/2020	Area of Assurance	Assurance Gap / Proposal to Mitigate	Progress / Residual Status
20.01	<p>BALANCED BUDGET</p> <p>Lead: Corporate Director of Resources</p>	<p>The Council has set a balanced budget for 2020/21. This is based on a number of transformation projects being delivered. This includes HR business model; Improved financial control; Finance Business Partner model; Increase in automation; Increase in shared services; and Reduction in staffing levels</p> <p><u>Proposal</u></p> <p>While the various projects are managed there is the risk that if not implemented on time that savings will not be achieved. In the worst case scenario this could lead to the need to issue an s114 letter.</p> <ul style="list-style-type: none"> • Conduct a set of reviews during spring 2020 in order for the Council to come as close as possible in the July 2020 Council meeting to approving and implementing the 2021/22 budget as per the Robustness Statement in the 2020/21 MTFS. • Put in place monthly monitoring process that ensures that all 2020/21 and future years savings proposals are ragged against delivery and ensure these are reported to Joint Management Team and then Cabinet. • Set out mitigation steps where delivery cannot be met. • Link overall Council Viability to item 20.02 and 20.03. <p>The “Going Concern” Note 44 sets out the Council’s position at November 2020 and the “material uncertainty” on maintaining current service levels that the External Auditors highlight as a significant risk due to the Council’s existing financial position and the financial effects of COVID-19.</p>	<p>Reviews took place in January to March 2020 which identified possible savings options of £12m of the total £14m 2021/22 deficit. These were then impaired down to £3m due to C-19.</p> <p>Significant budget gap identified for future years £21/22 onwards due to the nature of C-19 and the Councils underlying financial position.</p> <p>Regular communications were held with MHCLG in relation to the budget. An independent review was undertaken which confirmed the extent of the funding required to enable to balance the budget. Auditors have commented on the transparency of the Council’s position.</p> <p>This was acknowledged and appropriate funding was granted by MHCLG to close the gap. Nevertheless, future year budget gaps remain and these will need to be assessed and a continued</p> <p>MHCLG financial and Governance review due on site at the Council in July 2021 to validate overall financial support and a path to sustainability in future years.</p> <p>The increasing need for and cost of demand led services such as social care, temporary accommodation and no recourse to public funds creates significant pressures on budgets. These pressures are anticipated to continue for 2021-22 and beyond and will continue to need close monitoring and robust management action.</p> <p>The government have delayed the review of relative needs and resource and the 75% business rates retention will no longer be implemented in 2021-22 to allow councils to focus on meeting the immediate public health challenge posed by the pandemic. However, there is still a risk due to the uncertainty of the government funding of local government which creates a challenge in terms of budget setting and medium term financial planning.</p>

20.02	<p>COVID-19</p> <p>Lead: Corporate Director of Resources</p>	<p>Since mid-March 2020, the Council has diverted its resources to focus on providing active support across Peterborough and the surround as part of its reaction to tackle Covid-19.</p> <p>Linked to 20.01 above, there is a risk that costs incurred outweigh the levels of funds received from Central Government.</p> <p>Emergency procedures put in place need to be reviewed to ensure that effective governance is in place to protect Council / users etc.</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> • Robust risk management processes followed to ensure effective monitoring of key risks whether relating to response to Covid-19 or return to business as usual • Ensure processes are in place to estimate, document and then report on COVID-19 expenditure items. • Assess 2020/21 budget and income streams for non-deliverable items and link to overall 2020/21 Financial monitoring and the 2021/22 MTFS requirements • Set up formal reporting structures to Joint Management Team, Cabinet Government and the LGA to set out the Council position. • Set up a lobbying strategy to ensure best results for the Council • Have a robust recovery plan to ensure that moves back to “normality” have been properly evaluated to minimise cost/lake advantage of changes to service delivery to deliver a revised product to the public 	<p>The council has adhered and responded at pace to government guidance in response to the pandemic. Priorities changed to focus on the need to distribute emergency funding to vulnerable residents and businesses and to support essential services. BAU changed to accommodate this, but key processes and functions have been maintained.</p> <p>An ongoing assessment of the impact of the coronavirus pandemic on council services and council systems continued throughout the year in line with good financial governance. This was reported to MHCLG monthly.</p> <p>The 2021/22 MTFS reflects the impact of the pandemic.</p> <p>The council will look to ensure that the additional spending and loss of income (particularly from council tax and business rates) are fully recovered from central government. The council has maintained a log of all spending commitments and income losses relating to the pandemic to enable full accountability.</p> <p>Financial stress on major service contracts such as leisure and construction, a fall in commercial property income and a delay to capital programme works has been assessed in the medium and longer term. One impact has resulted in the leisure contract returning to the Council.</p> <p>Ongoing discussions have been held with MHCLG which has seen additional funds provided in order to balance the budget.</p> <p>See 20.01 for links to MHCLG Reviews.</p>
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20.03	<p>COUNCIL STRUCTURE</p> <p>Lead: Joint Management Team</p>	<p>Linked to 20.01 and 20.02 the current situation has identified that the Council can operate (albeit is it effective) outside of its main hub. There is a need to review the current arrangements to ensure that they meet future needs / pressures.</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> • Review all services presently halted for critical assessment of if they continue in the future – Opportunity. • Evaluate with Government potential length of the COVIF-19 emergency and what “business as usual” will mean at the other end • Have in place recovery and re-implementation strategies for key services 	<p>The Council has worked in an agile nature for the whole of 2020/21 and will continue to do so until Government advice changes.</p> <p>Team Charters have been updated to reflect expected working patterns post C-19.</p> <p>Recovery Board discusses new way of working cross Council for escalation to JMT and Members for approval.</p> <p>MTFS includes assumptions of how the Council will work in the future, including estimates of ongoing demand for services.</p> <p>Also see commentary in 20.01 / 20.02.</p>
20.04	<p>LEVELS OF DEBT</p> <p>Lead: Corporate Director of Resources</p>	<p>Given the Country is now heading into a possible recession, and the fact that the Council is very reliant on external income, how will it ensure debt levels do not spiral out of control</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> • Ensure that key debtors are communicated with regularly (at least monthly) • Ensure enhanced debt monitoring is in place for COVID-19 recovery period 	<p>Debts continue to be monitored and a report has been taken to Audit Committee for approval of write offs over £10,000. All paths to recover of these debts have been exhausted.</p> <p>Negotiations have been underway, due to be completed by the end of June 2021, with the CCG on the treatment of existing debt and approval pathways for ongoing debt.</p> <p>Internal Audit have been commissioned in May 2021 to look into the debt recovery process. This will be reported on in June 2021 and will also form part of the evidence for the MHCLG / Peer reviews covering the financial resilience of the Council.</p> <p>Note, that there is a new Government initiative in 2021/22 that allows debtors more time to pay outstanding sums which will need to be administered.</p> <p>As per the 2020/21 outturn report, outstanding sundry debt is £5m less than the 2019/20 position.</p>

20.05	<p>LOSS OF KEY STAFF Lead: All Directors</p>	<p>COVID-19 will be a severe test on Council resources. The Council needs to ensure it retains key staff</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> • Ensure that processes are fully documented • Ensure that appropriate succession planning arrangements have been identified • Identify activities which are overly reliant on one individual 	<p>Succession planning identified as an issue from Directors Self Assessments – no evidence that this has been progressed across organisation.</p> <p>Noted that during C-19, more staff transferred from Agency to permanent positions due to safety of tenure.</p> <p>Risk remains, especially post C-19 where staff have realised that in many jobs they can work from anywhere.</p> <p>(To remain as an issue to be addressed)</p>
20.06	<p>COUNCIL CONTROLS 2019/20 Lead: Chief Internal Auditor</p>	<p>There were three Internal Audits of Limited Assurance in 2019/20 which required rectification plans:</p> <ul style="list-style-type: none"> • The Procurement Card System • Energy Management • Transition of Amey contract to Peterborough Limited <p>There were no Internal Audits rated as “No Assurance”</p> <p><u>Proposal:</u></p> <p>Ensure recommendations are implemented. Ensure assurance levels of these Audits move to at least Reasonable Assurance</p>	<p>Improvements have been established for 3 of the audits identified.</p> <p>The Procurement Card system remains as Limited Assurance. A further follow up will be undertaken.</p>

The following governance issues have been identified in the year to be addressed:

2020/2021	Area of Assurance	Gap	Proposal
21.01	<p>SOCIAL CARE INTEGRATION</p> <p>Leads:</p> <ul style="list-style-type: none"> Corporate Director People and Communities Corporate Director Resources 	<p>Health partners are looking to establish an integrated care solution system arrangements with the Council. This will require appropriate strategies and planning by all parties, especially the management of ring-fenced resources, the political dynamic for budget setting and spend.</p>	<p>Ensure Coverage at all critical meetings</p> <p>Ensure Council Governance processes understood and adhered to by Health Partners</p> <p>Ensure periodic updates to JMT and Cabinet so sighted on progress and potential risks, liabilities and opportunities.</p>
21.02	<p>ONGOING BUDGET POSITION</p> <p>Leads:</p> <ul style="list-style-type: none"> Corporate Director Resources All Corporate Directors 	<p>In its 2019/20 Audit Results Report signed off by Audit Committee on the 21st June the Councils External Auditors have given the council a Qualified Opinion for its Value for Money opinion, based on its financial position.</p> <p>The financial position and work being done with MHCLG is set out in 20.01 but this magnifies the significance of those conversations.</p>	<p>Ensure that MHCLG and LGA reviews are completed</p> <p>Address quickly the recommendations of the MHCLG review, once received, as this will impact future funding for the Council.</p>
21.03	<p>INFORMATION GOVERNANCE</p> <p>Leads:</p> <ul style="list-style-type: none"> Director of Customer & Digital Services Director of Law & Governance and Monitoring Officer 	<p>The nature of the council's business activities means that there are ongoing information governance risks, including cyber security and IT network security, which continues to require careful management.</p> <p>The continuing need to improve services and enhance customer access to those services means that integration, optimisation and security of the use of data held and managed by council departments continues to be of paramount importance.</p>	<p>Monthly updates to JMT on these issues and how treats are being mitigated</p>
21.04	<p>CLIMATE CHANGE</p> <p>Lead:</p> <p>Executive Director, Place & Economy</p> <ul style="list-style-type: none"> All Directors 	<p>The implementation of the council's climate change strategy, to allow the council to adapt to the impact of climate change.</p>	<p>Clearly costed and agreed medium long-term plans, for implementation of the strategy as we move over the next 5 years up to 2026.</p>

21.05	<p>PROJECT MANAGEMENT</p> <p>Lead:</p> <ul style="list-style-type: none"> Director of Customer & Digitals All Director 	<p>The Council is making use of project management software to provide an effective solution to consistent practice being followed for key delivery. There is mixed take up across the organisation and increases the risk of project failure.</p>	<p>Clear project plan for moving project monitoring in all services onto POWA</p>
21.06	<p>LOAN FINANCING (EMPOWER)</p> <p>Lead:</p> <ul style="list-style-type: none"> Corporate Director Resources 	<p>The external Auditors in their 2019/20 Audit Results Report have a recommendation that the Council:</p> <p>Reviews any similar finance arrangements (the Empower Arrangement) to ensure that there is not a risk of exposure to further financial loss.</p> <p>Reviews the appropriateness of its Minimum Revenue Provision policy for capital loans in light of these events.</p> <p>Should it decide to bring the solar panel assets and asset management arrangements in-house, obtains an up-to-date valuation of the assets as soon as practicable in order that the Authority can determine whether there are any additional indicators of impairment and the basis on which the solar panel assets are recognised for financial reporting and asset management purposes.</p>	<p>That the Council undertake this review and report on progress (as the valuations might take more time) to the next available Audit Committee.</p>
21.07	<p>PERFORMANCE REPORTING</p> <p>Leads:</p> <ul style="list-style-type: none"> Director of Business Improvement and Development All Corporate Directors 	<p>Directors self-assessment questioned whether this was as developed as well as could be expected. Need to have a way of regularly reporting on performance (not just financial which has been fully reviewed and working well)</p>	<p>Define what departments regard as their key performance information</p> <p>Set out a reporting framework so that this information is reported alongside other information like financial information to key stakeholders.</p>
21.08	<p>BUSINESS RATES DEBT LEVELS</p> <p>Lead:</p> <ul style="list-style-type: none"> Corporate Director Resources 	<p>This includes Business Rates and Council Tax Collection, which due to C-19 were below previous years collection levels. Business Rates, in particular, were £11.5m lower than expectation in 2020/21 due to the Council not starting formal chasing of outstand debt until Quarter 4.</p>	<p>Ensure that for Business Rates, ongoing weekly reviews are undertaken to ensure the £11.5m 2020/21 deficit is recovered and that 2021/22 collection rates are closely monitored.</p>

21.09	<p>COUNCIL CONTROLS 2020/21</p> <p>Lead: Chief Internal Auditor</p>	<p>There were three Internal Audits of Limited Assurance in 2020/21 which required rectification plans:</p> <ul style="list-style-type: none"> • Procurement Cards • Teacher Pensions (Premature Retirement Payments) • IT Asset Management <p>There were no Internal Audits rated as “No Assurance”</p>	<p>Ensure recommendations are implemented.</p> <p>Ensure assurance levels of these Audits move to at least Reasonable Assurance</p>
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Summary

The Council has in place strong governance arrangements which we are confident will protect its interests and provide necessary assurances to our citizens and stakeholders. These have been adapted during the C-19 Pandemic. However, like all organisations we cannot stand still and thus we propose to continue to take steps to address the above matters to enhance further our governance arrangements. We are satisfied that the steps described address the need for improvement identified in the Council’s review of effectiveness and will monitor their implementation and operation, not only as part of our next annual review, but also continually throughout the year.

Certification

As Leader and Chief Executive, we have been advised on the implications of the results of the review of effectiveness of the Council's governance framework, by the Audit Committee and Cabinet.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within Peterborough City Council to ensure effective internal control is maintained. We are also satisfied that there are appropriate plans in place to address any significant governance issues and will monitor their implementation and operations as part of our next annual review.

Signed:

Gillian Beasley, Chief Executive

Date:

Signed:

Councillor Wayne Fitzgerald, Leader of the Council

Date: