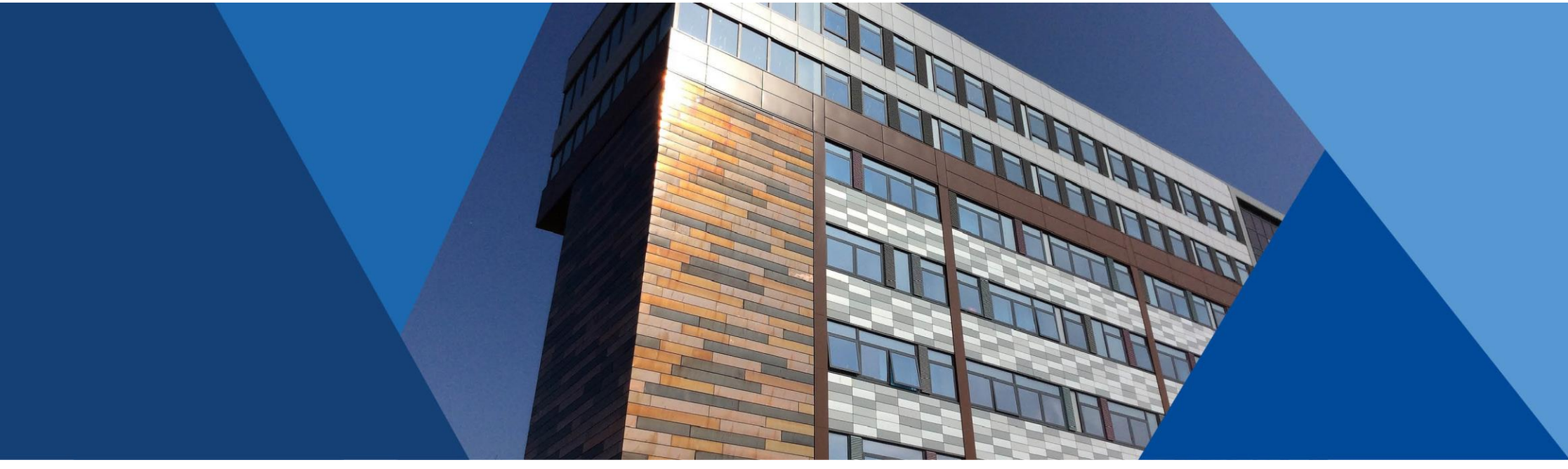
Annual Governance Statement

2021-2022



Gloucestershire COUNTY COUNCIL

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Scope of Responsibility

Gloucestershire County Council (GCC) 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 used economically, efficiently and effectively. 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.

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

GCC acknowledges its responsibility for ensuring that there is effective governance within the Council and as such has developed a Code of Corporate Governance that defines the principles and practices that underpin the governance arrangements operating within the Council.

The Code is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance 'Delivering Good Governance in Local Government framework - 2016 Edition'. A copy of the Code can be accessed on the Council's website. However, a summary of the seven core principles upon which it is based can be found on page 11 of this document.

This statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) (a) and (b), which requires the Council to prepare and publish an Annual Governance Statement (AGS).

The Council's Statutory Officers comprising of the Chief Executive, Chief Financial Officer (S151) and the Monitoring Officer have responsibility for leading and directing the annual reviews of the effectiveness of the Council's governance arrangements against the Code and providing ongoing oversight and robust challenge. When completed, the findings are reported to and improvement actions identified are monitored by the Audit and Governance Committee.

What is Governance?

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- leadership and management;
- performance and risk management;
- stewardship of public money; and
- public engagement and outcomes for our citizens and service users.

What is the purpose of a Governance Framework?

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. It enables the Council 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 system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, the Council:

- operates in a lawful, open, inclusive and honest manner;
- makes sure that public money and assets are safeguarded from inappropriate use, or from loss and fraud, properly accounted for and used economically, efficiently and effectively;
- has effective arrangements for the management of risk;
- secures continuous improvement in the way that it operates;
- enables human, financial, environmental and other resources to be managed efficiently and effectively;
- properly maintains records and information; and
- ensures its values and ethical standards are met.

What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

In this document the Council:

- acknowledges its responsibility for ensuring that there is a sound system of governance;
- summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- provides details of how the Council has responded to any issue(s) identified in last year's governance statement; and
- reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Gloucestershire County Council for the year ended 31st March 2022 and up to the date of approval of the statement of accounts.

It should be noted however, that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not *absolute* assurance of effectiveness.

What is a Governance Assurance Framework?

Assurance provides confidence, based on sufficient evidence, that internal controls are in place and are operating effectively and that objectives are being achieved. An Assurance Framework is a structure within which Members and Senior Management identify the principal risks to the Council meeting its key objectives, and through which they map out both the key controls to manage them and how they have gained sufficient assurance about the effectiveness of those controls. The assurance framework underpins the statements made within the Annual Governance Statement.

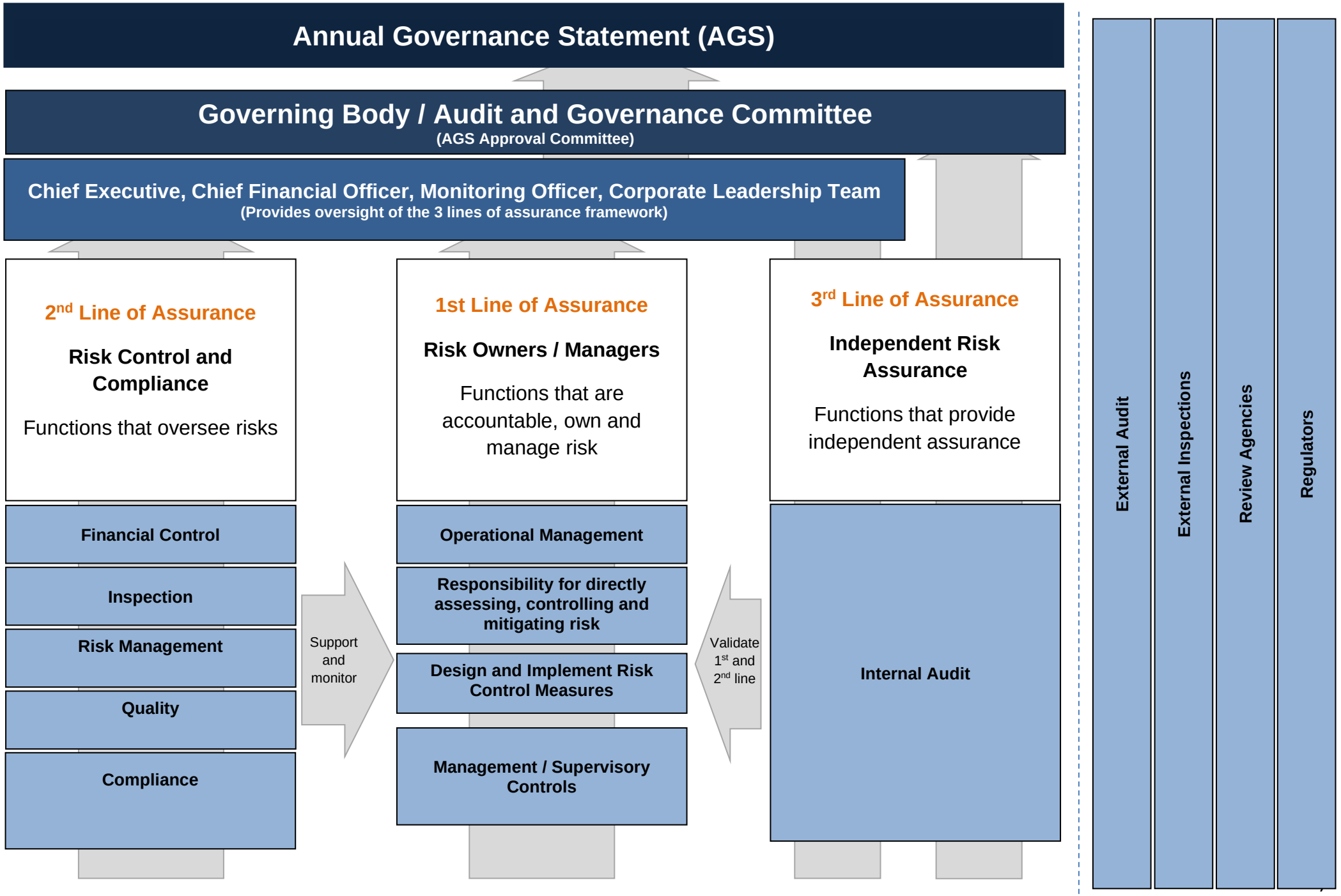
A governance assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes Cabinet Member overview and oversight and robust challenge by the Council's Statutory Officers i.e. the Chief Executive, Monitoring Officer and Chief Financial Officer.

In addition, *'the three lines of assurance'* model is in place which helps Members and Senior Management to understand where assurances are being obtained from, the level of reliance they place on that assurance and identify potential gaps in assurance.

The Three Lines of Assurance in effective Risk Management and Control

Assurance can come from many sources within the Council. The Three Lines of Assurance is a concept for helping to identify and understand the different sources of assurance. By defining these sources into three categories i.e. the **First Line** (functions that own and manage risks e.g. operational management has ownership, responsibility and accountability for directly identifying, assessing and controlling / mitigation risks), the **Second Line** (functions that oversee risks and ensures compliance e.g. HR, Finance, IT and other control functions. This line monitors the effectiveness of risk management arrangements put in place by the first line and the **Third Line** (functions that provide independent assurance on the management of risks e.g. Internal Audit). In addition to internal governance arrangements, External Auditors, regulators and other bodies reside outside of the Council's structure, but have an important role in the Council's overall governance and control structure. This framework helps the Council understand how each contributes to the overall level of assurance and how best they can be integrated and supported. *Please see page 7 for a visual summary.*

What are the Council's Governance, Risk and Control Assurance Framework?



How has the Annual Governance Statement been prepared?

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;
- updated the Council's Local Code of Corporate Governance to reflect this guidance which includes the revised seven principles of good governance and associated required actions and behaviours taken by the Council that demonstrate good governance; and
- assessed the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.

How does the Council monitor and evaluate the effectiveness of its governance arrangements?

Gloucestershire County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. The effectiveness of governance arrangements is monitored and evaluated throughout the year, activity undertaken includes:

- Consideration of governance issues by the Corporate and Directorate Leadership Teams (CLT and DLT) – including risk registers, counter-fraud updates and Internal Audit reports;
- Preparation of a rolling plan of audit coverage provided by the Head of Audit, Risk and Assurance (ARA) which is primarily based on an assessment of the Council's risks;
- The Annual Audit Opinion which is provided by the Head of Audit, Risk and Assurance (ARA);
- Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010);

- Ongoing assessment of internal management processes, including performance management and compliance monitoring;
- The independent views of regulatory inspection agencies such as Ofsted and the Care Quality Commission;
- The views of external auditors, regularly reported to the Audit and Governance Committee (A&GC), including regular progress reports and the Annual Audit Letter;
- The annual report on Risk Management Activity;
- The Council's Risk Maturity Assessment which is Level 3 out of 5: Risk Defined – Early stages of implementation.
- The Council has set up 2 outside bodies which it part-owns alongside other local authorities:
    - *Adoption West* has been set up jointly by Local Authorities in Bath and North East Somerset, Bristol, Gloucestershire, North Somerset, South Gloucestershire and Wiltshire to provide a dedicated adoption service.
    - *Ubico* is an environmental services company wholly owned by seven local authorities; Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucestershire County Council, Stroud District Council, West Oxfordshire District Council and Tewkesbury Borough Council. Its purpose is to keep spaces and places clean and green for every resident, visitor, town, village and community.

  Gloucestershire County Council has appointed Directors to the board of each company who are accountable alongside those appointed by the other partners for ensuring that the Nolan principles are embedded into their governance.
- Governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.

COVID-19 Impact on Governance

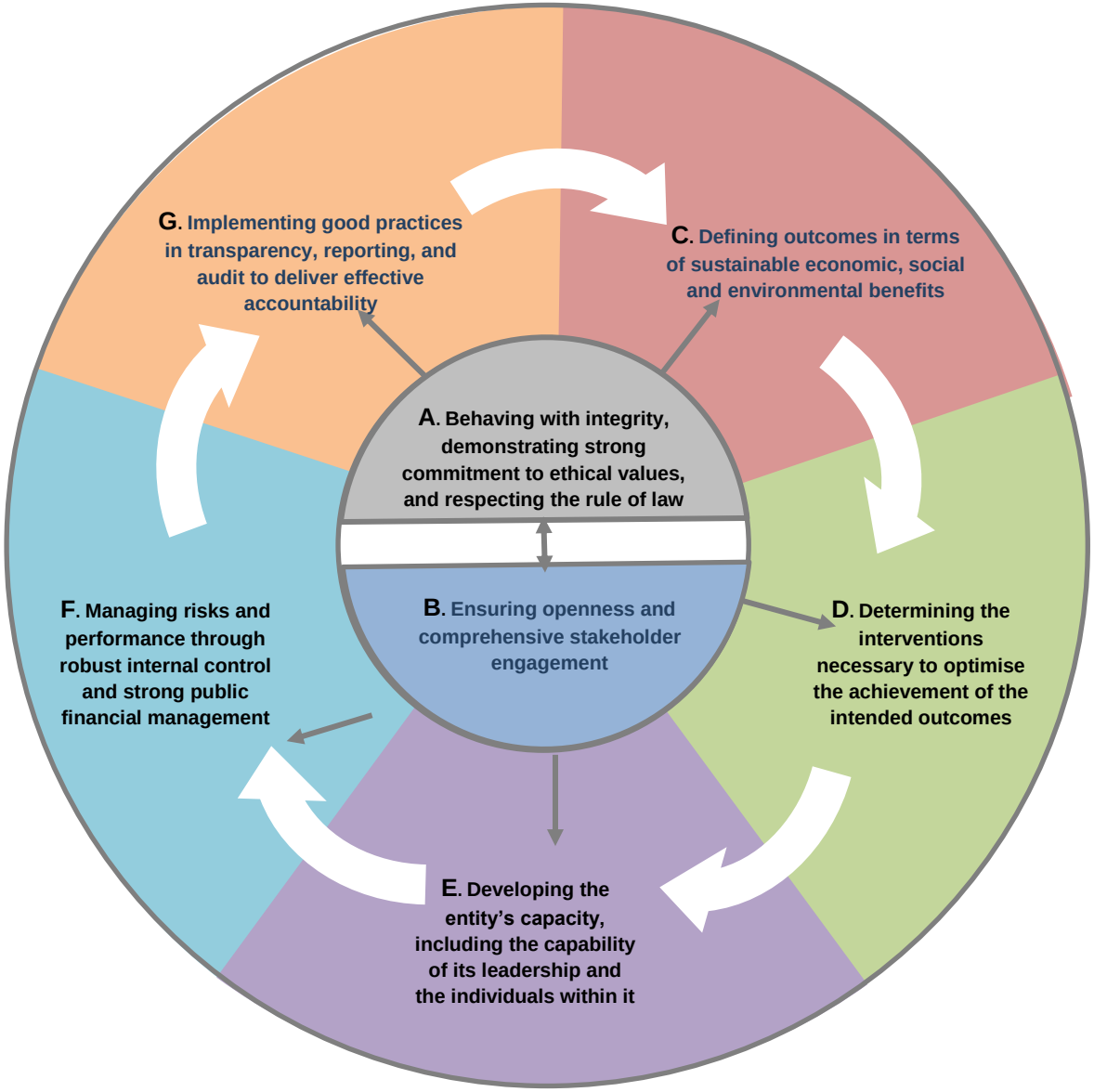
With significant organisational disruption, new emergency responsibilities, increased staff absence and also staff working from home, the annual review has recognised the challenges brought about by Coronavirus/COVID-19. The AGS assesses the arrangements that were put in place initially during 2019/20, and has continued throughout 2021/22. These may fall into the following broad categories:

- Impact on business as usual in the delivery of services;
- New areas of activity as part of the national response to coronavirus and any governance issues arising, e.g. Implementation of new policies and processes and emergency assistance;
- The funding and logistical consequences of delivering the local government response, e. g. Changes to council meetings and decision making arrangements, new collaborative arrangements and funding and cash flow challenges;
- Assessment of the longer term disruption and consequences arising from the pandemic, e.g. Existing projects and programmes may have been put on hold, new priorities and objectives introduced and new risks identified or existing risks escalated.

When COVID-19 impact was added to the 2019/20 AGS in the final stages of preparing the statement, it was assumed that emergency measures to respond to the pandemic would be over long before now, and we would have assessed lessons learned and have returned to ‘normal’. This has clearly not been the case, and the long term impact of emergency working and adaptation to the ever changing restrictions is evident in most of our services. This forms the backdrop to the overall assessment of assurance for 2021/22, and a summary of ongoing key issues is included in the actions table at the end of this report.

What are the key elements of GCC's Governance Framework?

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance:



The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

Principle A

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

Supporting Principles:

Behaving with integrity

How we do this:

- The Council has an Audit and Governance Committee to promote high standards of member conduct. Elected members must follow a Code of Conduct to ensure high standards in the way they undertake their duties. The Monitoring Officer advises members on the Code of Conduct.
- Officer behaviour is governed by the Employees' Code of Conduct. The Code has been formulated to provide a set of standards of conduct expected of employees at work.
- External providers of services acting on behalf of the Council are also required to comply with the Code of Conduct.
- These Codes are regularly reviewed to ensure they are operating effectively.

Demonstrating strong commitment to ethical values

- Arrangements exist to ensure that members and officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. These include:
  - Registers of disclosable conflicts of interests;
  - Declarations of disclosable conflicts of interests and disclosable other interests at the start of meetings; and
  - Registers of gifts and hospitality.
- A corporate complaints procedure exists to receive and respond to any complaints received.
- Actively seek to deter and prevent fraud and corruption and ensure where irregularity is suspected that it is thoroughly investigated.
- The required leadership and staff 'behaviours' are embedded into performance appraisals.

Respecting the Rule of Law

- The Constitution sets out the responsibilities of the Council, the Cabinet, Scrutiny and other Committees, as well as officers, including decision making powers.
- The Council has a duty to appoint three of its staff to specific roles, these being:
  -The Head of Paid Service (Chief Executive), who has overall accountability for the governance arrangements operating within the Council.
  - The Monitoring Officer who has a key role in ensuring that decisions taken by the Council are within the law and the Council complies with the provisions of its Constitution.
  - The Chief Financial Officer is the principal financial adviser to the Council and is responsible for the proper administration of the Council's financial affairs and internal control environment.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Supporting Principles:

Openness

How we do this:

- Progress against the Council Strategy is monitored on a quarterly basis through strategic performance / financial / risk reports to the Cabinet and Scrutiny Committees, which are publicly available.
- Cabinet Member decisions and significant officer decisions are also reported on the Council's website.
- The Council publishes an annual report on the activity of the Scrutiny function.
- The Council publishes certain data in accordance with the Local Government Transparency Code which enables more power to be placed into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.

Engaging comprehensively with institutional stakeholders

- Elected members are democratically accountable to their local area and this provides a clear leadership role in building sustainable communities.
- The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.
- Developed and implemented alternative service delivery models to allow for resources to be used more efficiently and effectively.

Engaging stakeholders effectively, including individual citizens and service users

- The long-term vision for the Council is set out in the Council Strategy which is updated annually and informed by public consultation.
- Call-in is for Cabinet decisions or decisions by the Leader or a Cabinet Member and a key decision taken by Officers under delegated powers. This allows an opportunity for further consideration of the issue before implemented.
- Formal Public Consultation arrangements and public meetings held to ascertain stakeholder views prior to developing and implementing key policy changes.
- Consult Gloucestershire: The People's Panel has been set up which is made up of Gloucestershire residents from all different backgrounds. Members of the panel are asked to give their views about Council services and issues affecting Gloucestershire.

Principle C

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

Supporting Principles:

Defining outcomes

How we do this:

- The Council's long term vision and priorities are set out in the Council Strategy.
- A Budget and Medium Term Financial Strategy, Capital Programme and annual budget process ensure that financial resources are directed to the Council's priorities.
- The Council works with partner organisations where there are shared objectives and clear economic benefits from joint working.
- The Council has a co-ordinated and structured approach to commissioning services and defining outcomes.
- Contract management and monitoring arrangements are in place to ensure that services provided are delivered to a high standard.
- The Council's corporate planning, performance and risk framework reports progress against business objectives and targets. These are reported and monitored by the Corporate Leadership Team, Corporate Overview Scrutiny Committee and Cabinet Members.

Sustainable economic, social and environmental benefits

- An Efficiency Programme identifies and implements efficiency savings across the organisation in a systematic and considered manner.
- The Council aims to ensure that the purchase or commissioning of goods, services or works required to deliver services is acquired under Best Value terms.
- The Council has developed business continuity plans to ensure that critical service delivery can be maintained or recovered during an emergency.
- The Council's decision making process requires consideration of the economic, social and environmental impacts of policies and plans when taking decisions about service provision. In addition a sustainability check list is also included to ensure sustainability is also fully considered.
- Programme and project management arrangements require consideration of Political, Environmental, Societal (i.e. increased demand for a service and demographic changes), technological, legislative, economic and efficiency issues, risks and opportunities and value for money.

Principle D

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

Supporting Principles:

Determining interventions	Planning interventions	Optimising achievement of intended outcomes
How we do this:		
❖ The Council's decision making process ensures that decision makers receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the risks and opportunities associated with those options, thus helping to inform those decisions. ❖ Public consultation is undertaken to ensure that feedback from citizens and service users are fully considered when making decisions about service improvements / changes.	❖ The Gloucestershire Vision plan, which stretches three decades, strives to help Gloucestershire grow - shaping it into a vibrant and welcoming place to live, work and study. ❖ The Council Strategy defines the Council's key priorities and plans, following full consultation with the communities of Gloucestershire. ❖ The Council has developed Strategic Commissioning Intentions and Annual Service Plans with clearly defined outcomes and a balanced set of measures and risks to evaluate performance. ❖ Quarterly performance reports analysing trends and latest budget position are monitored by Cabinet and Scrutiny Committees and mitigation strategies are implemented to manage current and emerging risks.	❖ The Council has developed and implemented a Budget and Medium Term Financial Strategy. ❖ The financial plans demonstrate how the Council's financial resources will be deployed over the next three years to deliver declared aims and priorities. ❖ The strategy sets out the overall shape of the Council's budget by determining the level of resources that will be available and how these are currently allocated between services. ❖ The Council ensures the achievement of 'social value' (i.e. a way of thinking about how scarce resources are allocated and used when awarding a contract) when commissioning services and service planning.

Principle E

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

Supporting Principles:

Developing the Council's capacity

Developing the capability of the Council's leadership and other individuals

How we do this:

- The Council participates in relevant benchmarking exercises and peer reviews to help inform how the resources are allocated, so that outcomes can be achieved effectively and efficiently.
- Collaborative working and alternative service delivery models are fully considered as part of the option appraisal process, when looking to determine how the Council's resources are allocated in order to meet our priorities.
- The Council has drafted an organisational and workforce strategy.
- The Council has an Occupational Health Service that offers health assessments, health screening, health and well-being advice, ill health retirement advice, rehabilitation advice and advises managers on health related performance or attendance issues and an Employee Assistance programme which provides staff counselling and advice.
- Implementation of a Management Programme ('Growing Great Managers', previously 'Aspiring Leaders') which enables the development of our future leaders. Leadership and Management courses are available to support learning and development.

- The Council's Constitution clearly defines the statutory and distinctive leadership roles of the Leader of the Council and the Chief Executive, whereby the Chief Executive leads on implementing strategy and managing the delivery of services and other requirements set by members.
- A Member Development Programme approved by Group Leaders is in place, which supports continued Member development. This includes six key skills needed to be an effective councillor, namely local leadership, partnership working, communication, political understanding, scrutiny and challenge and regulation and monitoring skills.
- The Council's Performance Development Review is a 1:1 meeting for all leaders and employees. It is an opportunity to reflect on how the individual is performing, what is going well and also where the individual may need further support or development as part of their role.
- The above includes leadership skills and behaviours as these behaviours are essential for the delivery of our key priorities, to continue to support our savings targets, and form part of our on-going commitment to personal and professional development.

Principle F

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

Supporting Principles:

Managing Risk

How we do this:

- The Council has a Risk Management Policy / Strategy which clearly defines the roles and responsibilities for managing risk, confirming that risk management is an integral part of all our business activities including all aspects of business planning, option appraisals and decision making.
- Business Continuity arrangements are in place for critical services to ensure they can continue to operate in an emergency.
- The Audit and Governance Committee monitor the adequacy of the risk identification, monitoring and control of strategic and operational risk within the Council.

Managing Performance

- The Council Strategy outlines our priorities which are built on five clear values i.e. Acting with Integrity, Focusing on Citizens/Communities and People, Proactively Challenging, Respecting and Valuing each other and Being Accountable. A business planning framework is in operation which includes our Commissioning Intentions which set out our strategic commissioning priorities and Service Plans which set out the key priorities/ tasks / targets / risks for the day job.
- Priorities are monitored through our performance management and programme and project management frameworks and overseen by, and reported to, the Corporate Overview Scrutiny Committee and Cabinet Members.

Robust internal control

- The Internal Audit (IA) service is 100% compliant with Public Sector Internal Audit Standards.
- Whilst improvement areas have arisen during the year from IA activity, action plans have been agreed with management to address them.
- 'Three lines of assurance' risk assurance model in place within the council (Page 7 above).
- Fraud is taken very seriously and policies and processes are established to deal with such occurrences: Counter-Fraud and Corruption Policy and Strategy and whistleblowing policy.

Managing Data

- Data is managed in accordance with the law. The key information management and security policies in place are: The Data Protection Policy, Freedom of Information Policy, Information Security Policy and the overall Information Strategy.
- Information Sharing protocols are in place when sharing data with third parties.
- Strategy ownership rests with Information Board members who are responsible for agreeing, monitoring, promoting and reviewing its implementation.
- Monitoring also includes reports to Audit and Governance Committee, internal / external audits and Information Commissioner reviews as appropriate.

Strong public financial management

- Robust budget management arrangements are in place including monitoring and review by the Corporate Overview Scrutiny Committee and Cabinet.
- External Audit review and report on the Council's financial statements (including this Annual Governance Statement), providing an opinion on the accounts and concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
- The Audit and Governance Committee monitor the effectiveness of the Chief Financial Officer's responsibility for ensuring an adequate internal / financial control environment.

Principle G

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

Supporting Principles:

Implementing good practices in transparency

Implementing good practices in reporting

Assurance and effective accountability

How we do this:

- Agendas and minutes of Cabinet and Committee meetings including Scrutiny are publically available on the Council's website.
- The Council has a Freedom of Information Act publication scheme (to ensure the members of the public have access to all recorded information held by the Council.
- Working towards compliance with the Local Government Data Transparency Code which sets out the minimum data that the Council should be publishing, the frequency it should be published and how it should be published e.g. expenditure exceeding £500, grants to voluntary, community and social enterprise organisations, senior salaries etc. This makes it easier for local people to contribute to the local decision making processes and help to shape public services.

- The published Annual Statement of Accounts is the statutory summary of the Council's financial affairs for the financial year. The purpose of the Annual Statement of Accounts is to give clear information on the income and expenditure of the Council and to demonstrate the Council's stewardship of public money for the year.
- The Council publishes an Annual Governance Statement and Local Code of Corporate Governance in order to report how we have monitored the effectiveness of our governance arrangements (self assessed against the seven key principles set out within our Code of Corporate Governance) in year and on any planned changes in the coming year.
- The Audit and Governance Committee review and approve the Annual Statement of Accounts and Annual Governance Statement.

- Accountability and decision making arrangements are clearly defined within the Council's Constitution. These accountabilities include arrangements when delivering services with our key partners.
- The Audit and Governance Committee provide independent assurance to the Council on the adequacy and effectiveness of the governance arrangements and internal control environment operating within the Council.
- Risk based internal auditing provides ongoing assurance that the key risks material to achieving the Council's objectives are being managed.
- Peer reviews and benchmarking undertaken to ascertain good practice and implement improvements as identified.

What are the key roles of those responsible for developing and maintaining the Governance Framework?

The Council	- Approves the Council Strategy. - Approves the Constitution (including Standing Orders and Financial Regulations). - Approves key policies and budgetary framework.
Cabinet	- The main decision-making body of the Council. - Comprises the Leader of the Council and nine Cabinet Members who have responsibility for particular 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. - Promotes high standards of member conduct. - Approves the Annual Statement of Accounts and Annual Governance Statement.
Scrutiny Committees	- There are seven Scrutiny Committees aligned to the Council's corporate priorities. - They hold Cabinet and Officers to account and scrutinise performance.
Chief Executive Corporate Leadership Team	- 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. - Oversees the implementation of council policy. - Influencing a corporate culture and fostering a culture of high ethical standards and integrity.
Chief Financial Officer (s151)	- Accountability for developing and maintaining the Council's governance, risk and control framework. - Contribute to the effective corporate management and governance of the Council.
Monitoring Officer	- To report on contraventions or likely contraventions of any enactment or rule of law. To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. To establish and maintain registers of member interests and gifts and hospitality. To advise Members on the interpretation of the Code of Conduct for Members and Co-opted Members. - Overall responsibility for the maintenance and operation of the Confidential Reporting Procedure for Employees. (Whistleblowing) and contributes to the effective corporate management and governance of the Council.
Internal Audit	- Provides independent assurance and annual 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	- Audit / review and report 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).
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.

How has the Council addressed the governance improvement actions from 2020/21?

The Annual Governance Statement 2020/21 contained the following key improvement actions. Details of the issues and how they have been addressed during the year have been reported to the Audit and Governance Committee at their meeting on 21st January 2022. Please note that whilst improvement plans are in place to address these issues, due to their significance in relation to governance and inherent risk, six of the seven issues have been carried forward into the 2021/2022 Action Plan to enable their ongoing monitoring.

2020/21 Review Reference	Action	Current Status
Safeguarding Inspection	1) Children's Services improvement plan	C/F into the 2021/ 2022 AGS Action Plan - see update
Corporate Governance	2) Gloucestershire Fire and Rescue Service (GFRS) improvement plan	C/F into the 2021/ 2022 AGS Action Plan - see update
Exec. Directors Assurance Statement	3) The recruitment and retention of employees in hard to fill, critical positions.	C/F into the 2021/ 2022 AGS Action Plan - see update
Corporate Resources Assurance Statement	4) COVID-19 response and recovery	C/F into the 2021/ 2022 AGS Action Plan - see update
Exec. Directors Assurance Statement	5) ICT Governance – Transformation Roadmap	C/F into the 2021/ 2022 AGS Action Plan - see update
Exec. Directors Assurance Statement	6) Procurement Transformation	C/F into the 2021/ 2022 AGS Action Plan - see update
Exec. Directors Assurance Statement	7) Gloucestershire Industrial Services (GIS Healthcare)	In Feb 2021 a Counter Fraud Team audit was shared. The audit identified many areas of noncompliance across a range of disciplines including fleet management, assets and equipment handling, staff management and procurement.

2020/21 Review Reference	Action	Current Status
		Over the last 12 months there have been significant changes to the management structure. In June 2021 a new Operations Manager was appointed. Over the last few months, the focus has been on ensuring all stock procurement and IT systems in use are compliant with GCC policy. A wider staffing restructure is planned for 2022/2023. The new structure will support delivery of the Equipment review outcomes agreed by JCPE.

What are the key 2021/22 Governance matters identified?

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2022/23, which includes the carried forward actions from 2020/21.

Previously identified issues

The first six issues below are brought forward from the Annual Governance Statement 2020/21, and have been updated for the latest status position for 2021/22.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Executive Director's Assurance Statement	**1) Children's Services improvement plan.** During 2021/22, GCC Children's Services continued on an improvement journey following the Ofsted inspection in 2017, which judged services to be '*Inadequate'*. In February 2022, GCC received a further full inspection of it's services from Ofsted, and all aspects were judged to have improved to '*Requires improvement to be good'*. Significant challenges remain for our improvement journey towards services being rated as 'Good': • Childrens Services has continued to experience significant costs pressures during 2021/22 with a projected overspend at year end of circa £19.1M (non DSG), of which £10.48M is Covid related - leaving a net overspend of £8.6M as forecast at end of March 2022. This is due in greater part to external placements, staffing, disability services and home to school transport. Increased demand for external placements	Ongoing	Director of Children's Services (DCS)

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	and SEND High Needs provision in Education are placing pressure on this year's budget. • The High-Cost Placements Panel continues to provide a mechanism to ensure senior management oversight of individual cases as has the introduction of the Care Ladder particularly in terms of control of spend in the case of the latter. Our Sufficiency Strategy sets out our longer-term vision to ensure good quality care provision is available for children and young people. The opening of Trevone House has allowed us to effectively enter the market in partnership with a charitable partner - the Shaw Trust and along with other proposed developments during 2022/23, such as local mother and baby provision and of lifelong facilities for our most vulnerable and complex young people, will be a key element in realising our longer-term ambition of creating good quality local placements which reflect good value for money. • Our 'grow your own' workforce strategy continues to provide the basis for developing a stable workforce, which remains the single most significant barrier to practice improvement. The second half of 2021/22 was particularly challenging in terms of recruitment and retention. After a prolonged period of gradual improvement and increasing stability, our agency workforce increased over Q3 to circa 27%. Turnover (22%) and vacancies (20%) were equally challenging. Robust action by SLT, supported by corporate colleagues, stabilised the situation over the final quarter. The Social Work Academy continues to play a key role in ensuring we can support an ongoing cohort of students, ASYE and newly qualified practitioners as well as retention of new and more experienced staff. The Academy will also broaden its remit to include other "hard to recruit" specialist staff such as Educational Psychologists and specialised teachers of the deaf, visually impaired and deaf/blind. • Social work practice quality: After 12 -18 months of sustained improvement in the proportion of inadequate practice and gradually increasing the proportion of good quality audits, Q3 and Q4 saw a decline in both. In response, the Team Improvement Programme (TIP) is targeting those teams in which poor practice is highlighted for further support. The Social Work Academy training is key to continuous improvement, as is our Accelerated Improvement Plan which remains central to our improvement		

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	journey. We will also be embedding the Systemic Social Work model as our preferred model of practice over the next 12 months supported by sector led specialists who have been recruited and paid for by the DfE intervention and Innovations Unit. • A judgement involving Somerset County Council highlighted issues around the provision of medical advice into the adoption process. Considering the judgement, a review was undertaken to explore GCC's compliance with regulatory requirements. This highlighted a range of concerns and several children and adopters who are affected. This is a national issue and detailed guidance provided by the President of the Family Court in March 2022 provides the template for remediating affected cases. Childrens Services have worked closely with legal colleagues, Adoption West, and the courts to ensure the impact and uncertainty for children & adopters is minimised.		

Chief Fire Officer's Assurance Statement	**2) Gloucestershire Fire and Rescue Service (GFRS) improvement plan.** GFRS has been on an improvement journey since a series of audits and an inspection by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in 2018. Progress has been made, and is documented by its Improvement Board, overseen by Audit and Governance Committee. It has also led to the setting up of a dedicated Fire and Rescue Scrutiny Committee. The Service was re-inspected by HMICFRS in November 2021 and on the 27th July 2022, they published the final report for GFRS. The overall summary for GFRS states: "*The service has invested time and effort to address problems identified during our previous inspection but work hasn't been focussed or co-ordinated, and staff haven't been effectively involved. Some improvements have been made but overall the service has deteriorated since 2019."* Their feedback identified two Causes for Concern relating to: (i) Culture and (ii) Equality, Diversity & Inclusion These and the wider issues raised are being addressed through a comprehensive Action Plan. This plan is scrutinised through a restructured Improvement Board comprised of the Leader of the Council, CFO, ACFO, Lead Cabinet Member, Deputy Chief Exec, HMIC representative, Senior County Council Officers and LGA South West representative. The plan details 105 actions to address the two causes of concern and the 101 actions required to address the areas for improvement identified. As of November 7th 2022, 18 actions have been completed against the two causes of concern and 19 actions against the other areas for improvement. Prior to the inspection taking place the Council had recognised the need for investment within the Service and has already supported the recruitment of 13 new posts. This investment is being continued by the Council with an additional 26 posts being added into the various departments that support the effective and efficient running of the Service, for example new posts to provide managerial support to our On-Call firefighters and staff to review and implement national operational guidance.	Actions and progress are monitored by the Improvement Board quarterly.	**Chief Fire Officer**

	A Cabinet decision in September 2021 also committed 5 additional posts focussed on supporting the improvement programme and driving change. In total this represents an increase of £2 million being invested into the Service and the introduction of 39 new posts over the two year period.		
Director's Assurance Statement	**3) The recruitment and retention of employees.** Initially identified before the pandemic, the council is currently seeing a number of recruitment and staffing issues across teams within the council that are causing additional stress and workload issues. Some teams in adults social care have quite a severe number of vacancies, but general vacancies across the council are a concern. The Corporate Leadership Team has recently reviewed this and has agreed a specific engagement project to assist with improvement of reputation and brand management to improve recruitment outcomes. **Actions taken to date and ongoing, include:** ➢ Development of a workforce plan that highlights critical, hard to fill roles and areas where critical individuals are likely to move on with targeted succession plans; ➢ Review of our employment offer and recruitment practice to improve promotion of Gloucestershire County Council as a place to work and the County as a place to live; ➢ Review of our pay and grading structure and benchmarking of key roles to ensure that our offer is competitive including use of market supplements & other payments as appropriate; ➢ A targeted recruitment and retention programme for children's social workers; ➢ 'G*row our own'* programmes for key roles utilising the apprenticeship levy including areas such as future managers, lawyers, project managers, social workers, planning, highways and professional support roles; and ➢ An apprenticeship programme targeted at schools and college leavers to encourage them to work in local government. ➢ Directors to engage with staff groups on this issue in the Employee Voice Group meetings.	31st March 2023	Director of Digital and People Services

Corporate Governance	**4) COVID–19 Impact legacy issues:** In the two years since the first national lockdown (March 2020), the Council has successfully adapted to a great many governance and service provision challenges, the most significant of which were: ➢ The need for a majority of staff to continue to work from home on an extended basis. ➢ Implementation of new powers and responsibilities to control and manage the spread of Covid19; leading planning for economic resilience and recovery with local partners. ➢ Challenges of adapting council premises and services in order to continue to serve the local population whilst minimising risk of exposure to the virus to the public and staff. ➢ The need to provide support towards the resilience of local communities and people against financial hardship resulting from the virus, in particular vulnerable children, families, adults and older people. The emergency phase of the pandemic has passed for now, but challenges continue into 2022/23, shifting towards recovery and ensuring a sustainable '*new normal'*. In order to rise to these challenges and maintain robust Governance, the Council will continue to: ➢ Review its internal emergency response structures to be better suited to the enduring nature of the situation; Ensure **Business Continuity Plans** are in place for all services and under constant review, putting in place a clear protocol for assessing risk and taking decisions around service closure and reinstatement in response to changes. ➢ Ensure appropriate governance and decision making is in place for Emergency Grant Funding to support individuals in crisis as a result of the pandemic. ➢ Roll out updated DSE self-assessments to ensure that staff have an appropriate working environment and making additional equipment available to staff in order that they can work safely from home. ➢ Commission additional support for staff for mental health and wellbeing and personal resilience, and providing advice and training to managers; ➢ Roll out 'Agile Working' to establish the hybrid working offices of the future. ➢ Improve skills of managers and staff for managing hybrid working, including staff 'Personal Development Reviews', which have been impacted by the changes.	31st March 2023	Chief Executive

Director's Assurance Statement	**5) ICT Transformation Roadmap** The council is currently embarking on a challenging and transformational refresh of ICT, including networks / WIFI, the rollout of Microsoft 365 and the move to the Cloud. However, in the short term the council is having ongoing problems with ICT that are affecting the service that users receive, and impacting on the staff providing those services. This is being regularly monitored by Executive Director of Corporate Resources, the Director of Digital and People Services and the Assistant Director for Digital and ICT. Progress is expected within Q1 of 2022/23, and the transformation roadmap continues throughout 22/23. There is an increased prevalence of cyber attacks within both council and major suppliers. As an organisation we continue to be extra vigilant.	31st March 2023	Director of Digital and People Services

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Director's Assurance Statement	**6) Procurement Transformation:** Several issues have been identified across the organisation in the area of procurement and associated contract management. These include: ➢ Incomplete oversight of corporate contracts, ➢ Gaps in management information, including of '*off contract'* spend and ➢ a lack of a full strategy for the development of procurement across GCC. A Procurement Transformation Plan began in 2021 to address these issues, and will include a number of work streams that systematically review of all processes and guidance, through to systems of contract monitoring and oversight.	31st March 2023	Executive Director for Corporate Resources

New Issues reported here for the first time in 2021/22 AGS:

Three new issues have been identified through the AGS process, and are highlighted below.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Director's Assurance Statement	**7) Adult Social Care transformation and performance –** readiness for Care Act reforms Adult Social Care services are facing significant changes to their governance framework nationally, in addition to any ongoing issues of local provision and performance. The two principal national challenges can be summarised as: • Care Act reforms - From October 2023, the government will introduce a new £86,000 cap on the amount anyone in England will need to spend on their personal care over their lifetime. • Introduction of Care Quality Commission (CQC) inspections - The government plans to bring back inspections of local authority's adult social care functions by the CQC, with councils being potentially subject to government intervention for failings. Preparing for these changes is challenging in terms of changes to process and data provision, but there are some local issues of performance and transformation which add to the complexity: • Data quality issues following the introduction of the new case management system, and some historic data improvement issues within specific teams (Brokerage and Financial Assessment and Benefits – FAB team). • Covid impacts on demand and practice (whole system) and referrals (FAB team). • ICT improvement rollouts (Financial assessments app and Power BI analytics). • An increase in upheld ombudsman complaints into social care practice, including a Public Interest Report into a specific case failure relating to 2018/19. Plans are in place, specified in the Adults Transformation Programme, but will require organisational focus to achieve.	31st March 2023	Executive Director of Adult Social Care and Public Health

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Exec. Directors Commissioning Intentions	**8) Equalities, Diversity and Inclusion development work** Equalities, Diversity and Inclusion (ED&I) is a key priority within our Workforce Strategy, and a key cultural element of our governance framework. We are aiming to recruit from the widest pool of talent and to benefit from a diverse and inclusive workforce where all can flourish and progress. We have developed a three-year workforce action plan which includes: • Increasing workforce diversity; • Inclusive strategies and policies; • Collecting, analysing and publishing workforce data; • Equality and inclusion learning and development; • Improved health and wellbeing for all. Beyond this, we also have ambitions to improve our role as an 'anchor institution' - influencing and enabling our partners, suppliers and communities towards best practice in ED&I policy and practice. A self assessment of our current status and improvement needs will be carried out during 2022 and an action plan developed.	31st March 2023	Executive Director of Corporate Resources

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Director's Assurance Statement	**9) Implementation of the Community Infrastructure Levy (CIL)** Issues with the implementation and collection of the community infrastructure levy (CIL) and the loss of Section 106 income has prevented local infrastructure needs from being met, and without intervention, local infrastructure spending will continue to fall below the level required to deliver positive outcomes for residents specifically in the areas of transport provision, access to employment, educational provision and libraries. We continue to work constructively with partner authorities and developers to resolve these issues sustainably.	31st March 2023	Executive Director of Economy, Environment and Infrastructure

Certification

The annual review has assessed the Council's governance arrangements in place during 2021/22; the majority of the year was affected by Coronavirus. To the best of our knowledge, the governance arrangements as defined above and within the Council's Local Code of Corporate Governance have been operating effectively with the exception of those areas identified on pages 20–30.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness, and we will monitor their implementation and operation during the year and as part of our next annual review.

We will also ensure that the AGS is current at the time of publication and reflects any further impacts on governance. Where necessary a second conclusion on the adequacy of governance arrangements during this period will be included to make clear the impact.

Signed:

Mark Hawthorne
Leader of the Council

Pete Bungard
Chief Executive

Date:

I can confirm that the Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government 2016.

Signed:

Steve Mawson – Executive Director of Corporate Resources – (Chief Financial Officer & S151 Officer)

Date: **26 May 2022**