

# Public Document Pack



**Service Director – Legal, Governance and  
Commissioning**

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Thursday 5 August 2021

## Notice of Meeting

Dear Member

### **Corporate Governance and Audit Committee**

The **Corporate Governance and Audit Committee** will meet in the **Reception Room - Town Hall, Huddersfield** at **10.00 am** on **Friday 13 August 2021**.

The items which will be discussed are described in the agenda and there are reports attached which give more details.

A handwritten signature in black ink, appearing to read 'Julie Muscroft', on a light-colored background.

**Julie Muscroft**

**Service Director – Legal, Governance and Commissioning**

Kirklees Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair/Clerk of their intentions prior to the meeting.

## **The Corporate Governance and Audit Committee members are:-**

### **Member**

Councillor Yusra Hussain (Chair)  
Councillor Paola Antonia Davies  
Councillor Steve Hall  
Councillor Susan Lee-Richards  
Councillor Kath Pinnock  
Councillor Melanie Stephen  
Councillor John Taylor

When a Corporate Governance and Audit Committee member cannot be at the meeting another member can attend in their place from the list below:-

### **Substitutes Panel**

#### **Conservative**

B Armer  
A Gregg  
V Lees-Hamilton  
R Smith  
M Thompson  
D Hall

#### **Green**

K Allison

#### **Independent**

C Greaves  
T Lyons

#### **Labour**

M Akhtar  
E Firth  
M Kaushik  
J Ramsay  
M Sokhal  
S Ullah

#### **Liberal Democrat**

J Lawson  
A Marchington  
A Munro  
A Pinnock

### **Ex Officio Members**

Councillor Paul Davies - Cabinet Member (Resources)  
Councillor Erin Hill - Chair of Standards Committee  
Councillor Elizabeth Smaje – Chair of Overview and Scrutiny Management Committee

# Agenda

## Reports or Explanatory Notes Attached

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### Pages

**1: Membership of the Committee**

To receive any apologies for absence, or details of substitutions to the Committee membership.

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**2: Minutes of Previous Meeting**

1 - 6

To approve the Minutes of the meeting of the Committee held on 23 July 2021.

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**3: Declarations of Interest**

7 - 8

Committee Members will be asked to advise if there are any items on the Agenda in which they have a Disclosable Pecuniary Interest, which would prevent them from participating in any discussion or vote on an item, or any other interests.

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**4: Admission of the Public**

Most agenda items will be considered in public session, however, it shall be advised whether Cabinet will consider any matters in private, by virtue of the reports containing information which falls within a category of exempt information as contained at Schedule 12A of the Local Government Act 1972.

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**5: Deputations/Petitions**

The Committee will receive any petitions and hear any deputations from members of the public. A deputation is where up to five people can attend the meeting and make a presentation on some particular issue of concern. A member of the public can also hand in a petition at the meeting but that petition should relate to something on which the body has powers and responsibilities.

In accordance with Council Procedure Rule 10 (2), Members of the Public should provide at least 24 hours' notice of presenting a deputation.

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**6: Public Question Time**

The Committee will hear any questions from the general public.

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**7: Information Governance response to the pandemic** 9 - 16

To receive a report relating to the Information Governance Pandemic Response.

Officer: Katy Deacon – Information Governance Manager and Data Protection Officer

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**8: Draft Annual Governance Statement 2020/21** 17 - 40

To provide the Committee with details of the latest version of the Statement for information and comment prior to formal approval in conjunction with the Annual Accounts later in the year.

Officer: Simon Straker – Audit Manager

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**9: Update on 2020/21 Audit Progress**

To receive a verbal update on the 2020/21 Audit Progress.

Contact: Stephen Nixon, Grant Thornton

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Contact Officer: Yolande Myers

## KIRKLEES COUNCIL

### CORPORATE GOVERNANCE AND AUDIT COMMITTEE

**Friday 23rd July 2021**

Present: Councillor Yusra Hussain (Chair)  
Councillor Paola Antonia Davies  
Councillor Susan Lee-Richards  
Councillor Kath Pinnock  
Councillor Mohan Sokhal  
Councillor Melanie Stephen  
Councillor John Taylor

Observers: Councillor Elizabeth Smaje, Chair of Overview & Scrutiny  
Committee  
Councillor Erin Hill, Chair of Standards Committee

Apologies: Councillor Paul Davies

**1 Membership of the Committee**

Apologies for absence were received on behalf of Councillor Paul Davies.  
Councillor Mohan Sokhal substituted for Councillor Steve Hall.

**2 Minutes of Previous Meeting**

**RESOLVED** – That subject to the following amendment, the minutes of the Meeting held on 25 June 2021 be approved as a correct record:

**Proposed amendments to Council Procedure Rule 35**

**RESOLVED –**

- (ii) that a report be submitted to the next available committee meeting explaining the relevant parts of the constitution which meant that this committee had to consider the amendment (and explaining whether the Council had a permissive constitution).

**3 Declarations of Interest**

There were no declarations of interest.

**4 Admission of the Public**

It was noted that Agenda Items 15 and 16 would be considered in private session.

**5 Deputations/Petitions**

The Committee received a deputation from Nick Hughes in relation to Agenda Item 12.

A response was provided by the Cabinet Member for Learning, Aspiration and Communities (Councillor Carole Pattison)

**6 Public Question Time  
Question from Nick Hughes**

It has taken Kirklees Council five and a half years to produce this flimsy, one side of A4 report. What possible justification can there be for the Council taking five and a half years to produce this one side of A4?

A response was provided by the Cabinet Member for Learning, Aspiration and Communities (Councillor Carole Pattison)

**Question from Nick Hughes**

At the start of 2016, Kirklees Council assured the public that the investigation would be transparent and honest. In Sept 2017 the Council said that a written report would be produced setting out the findings of the review / investigation. Do you think the Council's investigations have been transparent and honest and why are there no findings in this report, as promised?

A response was provided by the Cabinet Member for Learning, Aspiration and Communities (Councillor Carole Pattison)

**7 Annual Report on Treasury Management 2020/21**

The Committee received the annual report on Treasury Management activities for the previous financial year. The report reviewed borrowing and investment performance.

Investments averaged £63.6 million and were largely deposited in instant access accounts earning an average interest rate of 0.13%. Total external borrowing decreased by £1.1 million to £425.8 million. The Committee heard that the main highlight was a new £10 million Government long loan from the Public Works Loan Board in March 2021. Temporary borrowing increased for the year by £0.6 million to £41.5 million. Most borrowing was on fixed rate terms and the average long-term borrowing rate for 2020-21 was 4.46%. Short-term borrowing rates averaged 0.20%.

Due to a previous revision in its Minimum Revenue Provision Policy the Council over-provided in previous years the re-payment of debt to the sum of £91.1 million. Within the Treasury Management Strategy 2018-19 the Council set out its approach to unwind this over-provision at £9.1 million each year over the next 10 years, starting from 2017-18 onwards. The actual MRP calculation for 2020-21 was £14.3 and hence the maximum unwind allowable. However in 2020-21 the unwind increased by only a further £0.2 million to £13.7 million. Treasury management costs incurred in the year include £9.0 million on net interest payments. The Council complied with its treasury management prudential indicators in the year.

**RESOLVED –**

## Corporate Governance and Audit Committee - 23 July 2021

- (i) That the Committee note the treasury management performance as set out in this report.
- (ii) That the Committee thank officers for successfully navigating a difficult year regarding unexpected additional work to allocate funding sources for local businesses.

### 8 **Update on the Redmond Review and the Council's final accounts for 2020/21**

The Committee received a report which outlined the outcome of the Redmond Review and the final accounts and audit processes for 2021/21. The Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting, reported to the Secretary of State for Housing, Communities and Local Government in September 2020 outlining 23 recommendations. Several remedial measures were then announced by the Government in May 2021.

The Committee heard that the COVID pandemic had brought significant challenges to the Council. In prioritising workloads, the finance team ensured that the draft accounts were produced as close to the original statutory deadline for the draft accounts, of 31 May, as possible. The team capitalised on the early year end preparation work pre-COVID, which allowed the auditors scope to commence aspects of their audit work earlier in the process, given the auditor's own logistical and capacity challenges.

The draft accounts were completed and signed by the Council's Service Director - Finance on 9 July, ahead of this year's revised statutory sign off deadline of 31 July 2021.

#### **RESOLVED –**

- (i) That the new audit regulator and the new local government audit framework be noted,
- (ii) That the revised statutory deadlines for the production of the Unaudited Statement of Accounts (31 July) and for the Audited Statement of Accounts (30 September) be noted,
- (iii) That the Unaudited Statement of Accounts published on the Council's website be noted and to note the dates of the public inspection period, from 9 July to 19 August.

### 9 **External Audit Plan**

The Committee received the External Audit Report, for year end 31 March 2021, as submitted by Grant Thornton. The Committee noted that the Covid-19 pandemic had placed a strain on the financial accounting timetable.

Jon Roberts and Stephen Nixon, representing Grant Thornton, endorsed the findings of the Redmond Review and provided the Committee with highlights which notably included the importance of Systems Leadership. In acknowledging the review, the Committee noted that it would have more responsibility around estimates that appeared within the accounts and acknowledged that the Committee would be expected to have a good understanding of estimates contained therein, including in technical areas.

## Corporate Governance and Audit Committee - 23 July 2021

The report set out several key issues to be considered as part of the end of year closedown. Specific reference was made regarding the level of Dedicated Schools Grant overspend. The Committee noted that the overspend was relatively large in relation to other authorities.

**RESOLVED** – That the External Audit Findings Report, for Year end March 2021, be received and noted.

### 10 Legal advice

The Committee received a verbal update in relation to a request to clarify the legal advice given before the Council's AGM on 19<sup>th</sup> May 2021 relating to the relevant parts of the Council constitution which applied.

The Committee heard that the Terms of Reference for the Corporate Governance and Audit Committee included to keep under review the Council Procedure Rules (CPR) and make recommendations to Council. The AGM considered a motion which set out several amendments to the CPRs, previously considered by this Committee, but that motion did not contain any amendment to CPR 35. The advice given, prior to the AGM, was that the amendment to CPR35 should firstly be considered by this Committee before being considered at Council as it was a new change not an amendment to something previously discussed and considered by this Committee. The Monitoring Officer explained that a note containing the advice would be circulated to Members of the Committee and Group Leaders for information.

The Committee requested further information in relation to whether the Council had a permissive constitution. A verbal response to this was provided in the meeting the Monitoring Officer confirmed that the note would also contain a response to this.

**RESOLVED** – That the advice be noted.

### 11 Nomination of Representative

The Committee received a report regarding the nomination of a representative to a Community Trust, to be established by Thomas Crompton Demolitions Ltd. The Committee noted that the ward affected was Dalton, and not Mirfield as outlined within the report.

The report outlined that the planning permission for the site was subject to the establishment of a Community Trust, which would operate as a liaison Group for the local community. The Committee was asked to consider the addition of the trust to the schedule of organisations (outside bodies).

**RESOLVED** – That the Committee agree to establish the Trust and to the appointment of nominations to the Trust.

### 12 Recommendations for the Council in ensuring its services to schools are provided appropriately and effectively



## Corporate Governance and Audit Committee - 23 July 2021

The Committee received a report which set out the recommendations from an investigation into matters relating to the involvement of the council in the operation and management of schools.

Following complaints being raised about the Council's involvement in the operation of a school, the Chief Executive requested the Head of Internal Audit and Risk to carry out an investigation. The Committee noted that the issues raised within the complaints related principally to issues that were outside of the Council's control or responsibility.

The report produced following the investigation, found scope for improving services to schools in several areas. The recommendations were set out in the appendix to the report, and the Committee noted that the Chief Executive had accepted all the recommendations. Senior managers within the Council had committed to implementing all the recommendations.

**RESOLVED** – That the Committee note the report and recommendations and was satisfied with the outcome of the investigation.

### 13 **Quarterly report of Internal Audit Q1 2021/22 April 2021 to June 2021**

The Committee received a report relating to the internal audit work in quarter 1 of 2021/22.

Quarter 1 contained 12 pieces of completed work, of which 5 were schools. One follow-up identified that no progress had been made but the service was in progress to address issues. Two of the 11 had limited assurance, both of which were into activity areas identified as inadequate circa 2 years ago and related to elements of school meals and building control.

**RESOLVED** –

- (i) That the Internal Audit Quarterly Report be noted and that no further action was sought on any matter identified.
- (ii) That it be noted that there has been no Regulation of Investigatory Powers Act activity during the period quarter 1 2021/22.
- (iii) That the Committee thank officers for succeeding in their audit work despite the ongoing pandemic.

### 14 **Exclusion of the Public**

**RESOLVED** – That acting under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act, as specifically state in the undermentioned minute.

### 15 **Quarterly report of Internal Audit Q1 2021/22 April 2021 to June 2021**

Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information (Variation)

## Corporate Governance and Audit Committee - 23 July 2021

Order 2006, namely Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee noted the exempt information, which was an appendix to Agenda Item 13.

### **16 Recommendations for the Council in ensuring its services to schools are provided appropriately and effectively**

Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information (Variation) Order 2006, namely Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee noted the exempt information, which was an appendix to Agenda Item 12.

<b>KIRKLEES COUNCIL</b>				
<b>COUNCIL/CABINET/COMMITTEE MEETINGS ETC</b>				
<b>DECLARATION OF INTERESTS</b>				
Corporate Governance and Audit Committee				
Name of Councillor				
Item in which you have an interest	Type of interest (eg a disclosable pecuniary interest or an "Other Interest")	Does the nature of the interest require you to withdraw from the meeting while the item in which you have an interest is under consideration? [Y/N]	Brief description of your interest	

Signed: ..... Dated: .....

## NOTES

### Disclosable Pecuniary Interests

If you have any of the following pecuniary interests, they are your disclosable pecuniary interests under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.

Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.

Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -

- under which goods or services are to be provided or works are to be executed; and
- which has not been fully discharged.

Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.

Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.

Any tenancy where (to your knowledge) - the landlord is your council or authority; and the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -

- (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and  
(b) either -

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or  
if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.



**Name of meeting:** Corporate Governance & Audit Committee  
**Date:** August 13<sup>th</sup> 2021  
**Title of report:** IG response to the pandemic

**Purpose of report:** To report on the main Information Governance pandemic response

This report is for information and comment.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	Key Decision – No
The Decision - Is it eligible for call in by Scrutiny?	Not Applicable
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer-Henshall
Is it also signed off by the Service Director for Finance?	N/A
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft
Cabinet member <a href="#">portfolio</a>	Councillor Paul Davies

**Electoral wards affected:** not applicable

**Ward councillors consulted:**

**Public or private:** public

**Has GDPR been considered?** Yes

## 1. Summary

This paper is brought in response to the information governance activities carried out within pandemic

## 2. Information required to take a decision

There is no decision to be made, this paper is just for information.

# IG response to the pandemic

## *Introduction*

The pandemic brought several information governance requirements into focus, which was very useful and presented several opportunities where we have taken learning, but also had challenges in terms of complexity and time pressures. They can be summarised as

- requirements to share information with new organisations, without having previous infrastructure in place to enable the sharing to happen securely.
- requirements to support vulnerable individuals, without the council having full understanding of where those individuals were.
- the importance of maintaining good information governance

## Information Sharing

### Issue

Issues arising in March 2020 highlighted that there was very little infrastructure in place to enable personal data sharing to happen easily. It also highlighted that certain organisations had very different data sharing cultures to the council and very different interpretations of data protection law.

This was identified by central government and led to the Secretary of State for health and social care issuing a Notice for the Control of Patient Information (COPI). This enabled organisations with health and social care responsibilities to use the COPI gateway to share information. This notice opened up the opportunities to share and request information from our CCG and health trust partners. It also allowed us to refresh our thinking in terms of working with other council partners. However, some of the smaller but more vital organisations to residents, maintained their limitation on personal data with local government. This has been highlighted to central government and new laws are being developed to help overcome these difficulties. This is going to bring into focus, the use of personal data to improve outcomes for individuals.

### Response

To respond to the pandemic in a holistic and effective manner, the council needed to create information sharing infrastructure with a wide range of partners. Whilst this was fairly straightforward when dealing with government departments or local NHS trusts, it became more difficult when dealing with voluntary response groups, set up purely to deliver essential services to residents. Information sharing agreements needed to be put in place as well as the provision of information governance training to volunteers who would be carrying out many of these essential activities with residents.

### Action

The information governance team checked all of the information sharing agreements, before they were approved by service directors. The team also works with colleagues in the community's service to develop training and guidance notes for all of the individuals responding to the pandemic.

Having set up information sharing agreements with the Department for Health, the council received a list of shielding patients on a weekly basis. This list was matched against the council tax register, to identify people living on their own and/or people with mental health exemptions. Having this information available to the services responsible for the Covid response, allowed them to target their resources in a more effective and appropriate way.

Later on, these combined lists were used to enhance the contact tracing efforts of the council. This allowed more successful contacts with individuals who were well linked to all those who had tested positive for COVID-19 and it allowed the council to support the efforts to reduce transmission within the area.

The council also worked with CCG's to identify patients who required additional support.

### **Lawful, fair and transparent information use**

It was important that transparency of the council's activities was maintained. So, a range of privacy notices were written and posted on the council's website, to ensure that the use of personal data by the council was clear and residents understood their personal data was being used fairly and lawfully.

### **Data protection risk assessments**

The work council officers needed to carry out in relation to the pandemic, was quite different to business as usual. Many of the activities which needed to be carried out, had never received a data protection risk assessment and so a new short form was developed to ensure that the council had full awareness of its exposed risks. This allowed services to identify the risks and appropriate mitigations, whilst still progressing with pandemic response activity.

### **Targeted service support**

The information governance team was not structured to enable service specific support. However, in this unprecedented time, the team worked differently by asking for volunteers to take a lead on the focus areas identified by executive team. This provided the council with identified individuals to focus their information governance-related work and opportunities for individuals within the team to develop their own skills and knowledge.

Throughout the financial year 2020/21 individuals within the information governance team worked tirelessly to ensure that the Covid response was enabled by information governance.

### **Information Security**

The pandemic lock down required the majority of office-based staff to transfer into their homes, in order to carry on working. This caused significant pressure on the IT infrastructure, but it also meant that officers were carrying out confidential activities in an insecure environment. This required much adaptation and consideration for data protection matters in a very high pressured and difficult climate.

The information governance team worked closely with the IT service and colleagues in communications team to ensure that appropriate support and guidance was provided to all members of staff.

The council experienced an increase in information security incidents during this year, the majority of which were the result of emails and letters going to the wrong address or recipient, or emails going to the correct with the wrong attachment. Many of these incidents can be put down to the change in working conditions for the majority of staff, throughout the pandemic. The IG team continued to provide guidance to individuals and provide teams with information security presentations at team meetings.

### **Information Requests**

The IG team has in some ways led a restricted service from a business as usual stand point through the pandemic. UK GDPR Subject Access Requests have had a number of delayed responses due to a number of reasons including assisting and supporting the pandemic response, for example members of staff

from the service assisting and supporting other teams, the new information sharing and data protection issues the pandemic response required, outlined above and the inability to access premises due to lock down restrictions. The social distancing restrictions imposed by the pandemic initially required the archive facility to be closed then opened with limited access and restricted numbers in accordance with appropriate risk assessments required. The result is that the council now has a backlog of subject access request of 300-person days.

For freedom of information responses, officers who would normally provide information have been committed to the Council’s wider pandemic response. This has meant that the compliance rate for 2020/21 is lower than usual. However, response rates are now improving as officers return to their business as usual role.

The figures for Subject Access Requests, Environmental Information Regulation requests and Freedom of Information requests can be found below.

	Freedom of Information	Subject Access Request	Information rights requests
Requests received	1229	299	48
Requests responded to within deadline	1019	203	38
Compliance rate	83.53%	67%	68%

### ***Transforming information into intelligence***

Council services which had previously operated independently, where being asked to collate data sets and provide coordinated solutions for residents. This resulted in a number of challenges, including the lack of digital platforms to carry out the required work and question marks around how lawful the consolidation of these data sets was.

The council’s Granicus platform was used to build a system which could cope with the influx of information and automatically generate tasks. This information also allowed the response teams to make phone calls and speak to patients to see if there were any additional needs within the household.

This opening up of datasets, to enable the range of services to use the council’s information had a significant benefit to service delivery. It also demonstrated that with better interconnections of data, services can deliver more effective and appropriate solutions to residents.

### ***Achieving better outcomes***

It has long been recognised that the council needs strong links with its partners to deliver the range of services required by communities. Having the detailed information of the collated datasets allowed the response teams to provide a more formal level of support to residents. It also enabled the council to involve the voluntary sector partners to deliver food parcels and prescriptions, a lifeline for many residents. This activity requires the formal of information sharing agreements between the organisations. These information sharing agreements were established with partner organisations in each area, allowing effective and targeted responses to the most vulnerable residents.

As the pandemic progressed, improvements were made to working practices which resulted in an improved information flow between partners at all levels.



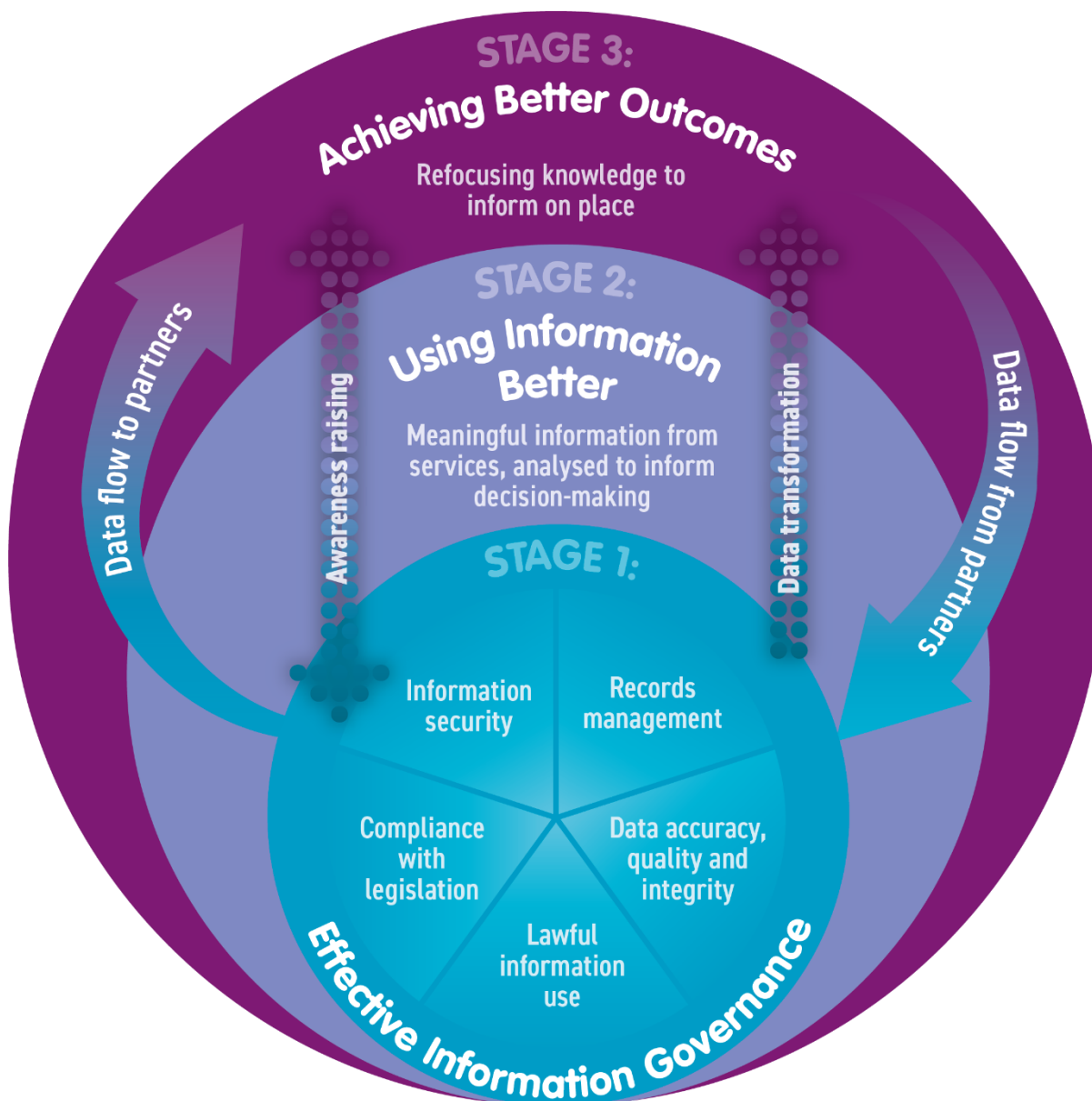
# Learning from the pandemic experience

## IG strategy

Six months into the pandemic, it was becoming clear that the council needed to learn and adopt into business as usual practice, many of the excellent approaches we were using to deliver positive outcomes for residents. The council's Information Governance Board decided to use the opportunity to refresh the IG strategy, which was due to end on April 1, 2021.

Using connections built up during the pandemic, the IG Board's Strategic Task Group consulted with Cabinet members, colleagues in the local health trusts, CCG's, the police and third sector partnership organisations. Discussions were held with Huddersfield University and Kirklees College as well as colleagues in neighbouring local authorities. Finally, discussions were held with Service Director SLT's and the IG board task groups to identify and help target the areas of focus required for the new IG strategy.

Below is the graphic of 2021 IG strategy, which demonstrates the stages and activities required to enable the council to achieve better outcomes for residents through an improved use of information.



## Strategy implementation

Executive Team approved the new IG strategy in July 2021. The strategy is being shared with councillors during August, then will be shared with senior officers in September.

Council services will each be asked to complete an IG strategy self-assessment, which will help them determine where their Information Governance strengths and weaknesses are. This will allow them to create an action plan, to enable them to improve their IG compliance.

The Council's Information Governance Board will oversee the implementation of the IG strategy. The IG board will review the implementation every six months, to ensure services have the support they need to achieve the strategy outcomes.

### 3. Implications for the Council

- **Working with People**  
The changes which will be made from the learning experiences of the pandemic will enable improved services for residents.
- **Working with Partners**  
Partners including the police, health trusts, CCG's, universities, colleges and other local authorities were consulted to ensure that a fully holistic strategy was created from our learning experiences.
- **Place Based Working**  
using information in a more effective way will enable a much better response for Kirklees places.
- **Climate Change and Air Quality**  
improving the use of information and the effectiveness of sharing information between the council and partners will reduce the amount of waste and travel while also improving response times.
- **Improving outcomes for children**  
Improving how we use information across the Council will improve outcomes for children, due to improved joined up working and ensuring the records the council holds are effective, accurate and up-to-date.
- **Other (eg Legal/Financial or Human Resources)**  
the learning all services have gone through during the pandemic, has improved awareness of IG matters and enabled many teams to think more clearly about their information governance responsibilities. This has opened up opportunities to update ways of working and provided an appetite for exploring how further improvements could be achieved.

#### Do you need an Integrated Impact Assessment (IIA)?

Not at this time

### 4. Consultees and their opinions

Councillor Davies is in full agreement with the report and said 'it is absolutely in line with the approach required'.

### 5. Next steps and timelines

The IG strategy is going to LMT in September. It will then be presented to officers, to enable them carry out the self-assessment.

**6. Officer recommendations and reasons**

Councillors are asked to review the report and raise questions as required.

**7. Cabinet Portfolio Holder's recommendations**

Not Applicable

**8. Contact officer**

Katy Deacon, Information Governance Manager and Data Protection Officer

**9. Background Papers and History of Decisions**

Not applicable

**10. Service Director responsible**

Julie Muscroft, Service Director, Legal Governance and Commissioning

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**Name of meeting: Corporate Governance & Audit Committee**  
**Date: 13 August 2021**

**Title of report: Draft Annual Governance Statement 2020/21**

**Purpose of report: To provide the Committee with details of the latest version of the Statement for information and comment prior to formal approval in conjunction with the Annual Accounts later in the year.**

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports)?</a>	Not applicable
The Decision - Is it eligible for "call in" by Scrutiny?	Not applicable
Date signed off by Director & name	Yes
Is it also signed off by the Service Director for Finance?	Yes
Is it also signed off by the Service Director for Legal, Governance & Commissioning?	Yes
Cabinet member portfolio	Cllr Shabir Pandor

**Electoral wards affected: All**  
**Ward councillors consulted: Not applicable**  
**Have you considered GDPR; Yes**  
**Public**

## 1. Summary

- 1.1 The Committee is asked to note the latest version of the Draft 2020/21 Annual Governance Statement, prior to it being signed off by the Chief Executive and Leader of the Council, which concludes that overall the governance arrangements remain fit for purpose and to consider whether the issues raised reflect the state of the governance and control framework during 2020/21.
- 1.2 As the Statement covers the period up until the Annual Financial Accounts 2020/21 are approved, there may be need for revisions to be made in the text to reflect the findings from the external audit and anything material in the intervening period. In this respect any further significant impacts directly or indirectly consequent from the pandemic will need to be reflected in the Statement. In recognition of this situation, the draft document includes a separate conclusion and commentary as recommended by CIPFA / SOLACE.
- 1.3 The Statement is a statutory requirement and accompanies the Statement of Accounts in order to provide readers with assurance about the governance

and internal control environment in which they have been compiled and to which they relate.

- 1.4 The draft Statement has been compiled following the annual review of the effectiveness of the overall internal control and governance arrangements and draws on a number of forms of assurance which have been presented to various parts of the Council during the year, including many to this Committee (e.g. annual activity reports), being principally the Annual Report of Internal Audit, reports by the external auditor, Monitoring Officer and from the performance management framework.
- 1.5 The draft Statement highlights a number of what are termed 'Significant Governance Issues'. Unusually, each of the Issues from the 2019/20 Statement are brought forward, reflecting the unique demands faced during this time as well as the wide-ranging nature of the issues and action required. Consideration has been given to a number of potential new Issues and two, organisational resilience and new funding relationships have been incorporated into slightly refocussed ones brought forward. Staff wellbeing has been identified as a new Issue in its own right.
- 1.6 The actions and controls the Council is taking are contained within a recommended Action Plan. Since the final Statement will not be agreed until later this year, subject to the approval of this draft by this committee, it is intended that the draft Action Plan will be the subject of internal monitoring, with reporting back to Executive Team and this Committee during the remainder of 2021/22. Any amendments made to the final version will be reflected in monitoring work should there be sufficient time to progress the action during the year.

## **2. Information required to take a decision**

- 2.1 The detail is contained within the draft Statement.

## **3. Implications for the Council**

- 3.1 **Working with People** – None directly
- 3.2 **Working with Partners** – None directly
- 3.3 **Place Based Working** – None directly
- 3.4 **Improving outcomes for children**– None directly
- 3.5 **Climate change and air quality**- None directly
- 3.6 **Other (e.g. Legal/Financial or Human Resources)** - Although each of the sub categorisations above suggest no direct implications, the review of the effectiveness of the internal control and governance arrangements covers all aspects of the Council's operations, including elements of the above, either specifically, indirectly or on a commissioned basis.

## **4. Consultees and their opinions**

- 4.1 The Chief Executive, Strategic Directors, Service Director Legal, Governance & Commissioning, Service Director Finance, Service Director Strategy & Innovation, Head of (Audit &) Risk, Head of Health Protection and Head of People Services have commented on the draft Statement.

**5. Next steps & Timelines**

- 5.1 A finalised version of the Statement will be considered by the Committee ahead of the approval of the Annual Accounts later in the year. The Action Plan will be revised and updated in responding to the Significant Issues identified. Monitoring will take place on the draft issues identified. When a final statement is approved, this will be monitored.
- 5.2 Communications will assist in the formatting of the final version.

**6. Officer recommendations and reasons**

Members are asked to comment on the draft Statement, and to formally note it.

**7. Cabinet portfolio holder recommendation**

Not applicable.

**8. Contact officer**

Simon Straker, Audit Manager 01484 221000 (73726)

**9. Background Papers and History of Decisions**

The Draft 2020/21 Statement is attached.  
2019/20 Statement  
Action Plan 2020/21 (included in the Quarterly Reports of Internal Audit).

**10. Service Director responsible**

Chief Executive.

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Kirklees Council

# Annual Governance Statement 2020/21

July 2021

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## Coronavirus Response

The impact of the global pandemic in Kirklees and on the Council from March 2020 was sudden, dramatic and unprecedented and has challenged the entire organisation and its governance arrangements. Significant organisational disruption, new emergency responsibilities, staff shielding and self-isolating and also working from home has impacted on addressing issues raised last year and created a multitude of potential new ones. So much so, that the issues raised so far and likely to occur during 2021/22 have been compiled into an additional separate part of this Statement together with a separate conclusion.

Nevertheless the Council has continued to deliver key services and provide support throughout this period in large measure due to the hard work and commitment of all of its staff.

We would like to take this opportunity to thank all colleagues, councillors, partners and volunteers for their contributions so far which have placed the Council and the people and businesses of Kirklees in a much better place to move forward.

## Overall Conclusion & Opinion

We have been advised on the extent and implications of the annual review of effectiveness of the governance framework by the Corporate Governance and Audit Committee, and although we have less assurance than would normally be the case, we are satisfied that overall the arrangements continue to be regarded as fit for purpose in accordance with our governance framework and Code of Corporate Governance.

We have begun to take steps on a priority risk basis to address the issues raised both by the pandemic and which form part of our ongoing response, as well as those that occurred prior to it, in order to further enhance our governance arrangements as contained in the Action Plan that underpins this Statement. We are satisfied that these steps will address the need for improvements that were identified in our review and will monitor their implementation and operation during 2021/22 in conjunction with the Corporate Governance & Audit Committee ahead of next year's review.

Signed:



Cllr. Shabir Pandor, Leader of the Council



Jacqui Gedman, Chief Executive

## **Coronavirus Conclusion**

The response to Coronavirus focussed on a number of key priorities – managing business continuity, promoting public safety and saving lives, maintaining support and safeguarding the most vulnerable and providing a resilient response within the region.

Since March 2020, the way the Council operates and its governance arrangements have changed significantly but its' key objectives and commitment to the principles in the Local Code of Corporate Governance have remained the unwavering cornerstone to its activities and as such have remained fit for purpose in these unprecedented times.

Business continuity plans helped manage the initial phase of the response immediately prior to and following the first lockdown in March 2020 to ensure key public services and business critical activities continued in accordance with current and quickly changing Public Health England and Government advice. Cabinet and the Executive Team provided strategic leadership and support.

The Coronavirus (Flexibility of Local Authority and Police and Crime Panel Meetings) Regulations 2020 came into force on 4 April 2020. This put in place the ability for Councils to hold meetings virtually so long as they meet certain criteria specified in the Regulations. The first virtual meeting of the Cabinet took place on 1 May 2020 at which the Chief Executive reported back on the decisions she had taken in the interim as required by the Constitution. The Regulations also enabled deferment of the 2020 Annual General Meeting. The Regulations and virtual meetings applied up until 6 May 2021, thereafter meetings have been held in person.

As with all other organisations, the coronavirus outbreak represents a unique and unprecedented set of challenges to the Council as a service provider, community leader, partner and an employer. The fundamental challenge to established ways of working and global nature of the pandemic has necessarily raised a number of Issues for the Council but to date we have successfully delivered upon our key objectives within the principles of our governance arrangements.

## **Coronavirus related Significant Governance Issues**

At some future point a full review including recovery will be conducted of the Council's response and learning points for the future but because of the protracted nature of the pandemic it remains too early to say with sufficient confidence which, if any, particular Issues would merit inclusion in this Statement because of their impact on the Council's key objectives, as it will require a significant period of time to assess the impact overall. That being the case, debriefs on elements of the response have been undertaken, including business continuity (first wave), excess deaths, surge testing and PPE procurement.

The pandemic has changed the working life of almost everyone and the way we learn to live and work in the future will lead to some fundamental changes which create significant risks, most notably a skill and knowledge gap from the accelerated retirement of those that decide

permanent working from home is not their preference. This applies equally to our partners and contractors too.

More specifically the diversion of key staff to managing the pandemic has already impacted upon the delivery of some important areas of responsibility, food hygiene inspection being a notable case in point, leading to a backlog in meeting statutory responsibilities and keeping residents safe and healthy.

## **Wider Significant Governance Issues during 2020/21**

The annual review process that has been possible has identified and evaluated both ongoing and new Issues and if any of these meets one or more of the following criteria suggested by CIPFA / SOLACE it is regarded as Significant and included in this Statement:

- it undermines / threatens the achievement of organisational objectives (A)
- it is a significant failure to meet the principles (and sub-principles) of good Governance (B)
- it is an area of significant concern to an inspector, external audit or regulator (C)
- the head of internal audit, one of the statutory officers or the corporate governance & audit committee has recommended it be included (D)
- it is an issue of public or stakeholder concern (E)
- it is an issue that cuts across the organisation and requires cooperation to address it (F)

## **Progress with the Issues in last year's Statement**

The 2019/20 Statement unusually covered the period up to January 2021 due to the elongation of the time afforded to the external auditor to complete their work before the Accounts were signed off. Added to the focus of corporate managers being to address the issues arising due to the pandemic this timing has understandably resulted in somewhat of a pause in the planned response to addressing the majority of the Issues raised last year.

We have noted in previous Statements that many Issues are of a complex nature, sometimes not solely entirely under the Council's direct control, and these often take longer than one year to address and embed. Indeed a core are likely to feature in one form or another for a longer period, albeit that various parts of each Issue can be resolved during the year and where appropriate this has been reflected in what remains to be done, as shown in the table over the page.

Issue / Inclusion Criteria	Progress in 2020/21	Further Action in 2021/22
<p>Further strengthen the Corporate Plan with improved linkages to both revenue and capital resource allocation and performance measures.</p> <p>(A, B, F)</p>	<p>The new Corporate Plan, <i>Our Council Plan 2020/21</i>, is intended as a roadmap for recovery in Kirklees. At its heart is a determination to build a fairer and more equal borough for people to live, work and grow up in. The Plan retains its focus on outcomes for people but elevates our ambition and puts an extra focus on breaking down the barriers that have previously prevented people from sharing in the benefits of plans like this. Overseen by a new Inclusion Commission, we will make sure our focus on tackling inequalities delivers for everyone in Kirklees.</p> <p>Both the Medium Term Financial Plan 2020-23 (revenue) and Capital Plan (2020-25) are well aligned to Corporate Plan ambition and priorities. Reviewing budget setting arrangements for 2019/20 and beyond regarding outcome based budgeting was acknowledged to be a work in progress as regards the most recent budget round.</p> <p>A revised quarterly performance monitoring system has been introduced and is being embedded.</p>	<p>The corporate planning process is likely to include a substantial revision to reflect the impact on the organisation and its finances consequent to Coronavirus.</p> <p>To develop a more robust, intelligence-led performance management mechanism across the organisation aligned with the annual planning cycle to drive resource allocation decisions that are better aligned to priority outcomes and to monitor their delivery.</p> <p>The performance monitoring system needs embedding for both business critical indicators and other service measures used, including the development of more relevant qualitative indicators alongside quantitative ones to better measure outcomes and impacts. Consideration is also being given to how service planning can be more closely aligned with this mechanism.</p> <p>The next Corporate Plan also needs to take account of developmental issues included in the Peer Review Action Plan from 2019/20 with an aligned Communications Strategy, the development of both of which has been impacted by other organisation priorities in responding to the pandemic.</p>

Issue / Inclusion Criteria	Progress in 2020/21	Further Action in 2021/22
<p>Manage delivery of the Council's Transformation Activities.</p> <p>(A, F)</p>	<p>The Transformation Team clarified and enhanced its offer to respond to changing demands for a mix of robust project management, innovative business change skills and the ability to challenge and offer new insights.</p> <p>Transformation is now focused on the ongoing development and sustainability of public services, which means continuing change and innovation. It is less driven by the savings targets that will come through services and overall budget monitoring.</p>	<p>The council's priority transformation programmes, to which transformation resources are allocated, have been updated to reflect known areas of need and will be checked and adjusted where necessary year by year:</p> <ol style="list-style-type: none"> <li>1. Waste Transformation</li> <li>2. Climate Change</li> <li>3. Assets Transformation</li> <li>4. SEND Transformation</li> <li>5. The ongoing development of a Modern Organisation (i.e. ensuring all services reflect the priorities of the organisation and are 'fit for purpose' during the long-term recovery of the district beyond Covid, supported by effective enabling functions)</li> <li>6. Tackling Inequalities</li> <li>7. Place Based Working</li> <li>8. Health and Social Care Integration</li> <li>9. Residential Care Market</li> <li>10. Access to Services</li> </ol> <p>The focus is now on ensuring these priorities are further shaped and delivered over the coming years. They may be further amended as a consequence of learning from coronavirus.</p>
<p>Strengthen and develop Partnership Governance and new relationships</p> <p>(A, B, F)</p>	<p>A light touch governance review has been completed and is leading to more solid governance structures for the Partnership Executive: a revised executive arrangement is in place with themed meetings throughout the year that draw the partner together on a topic basis. During the pandemic, partnership governance has been</p>	<p>Even prior to the pandemic there was still scope to increase the effectiveness of some partnership arrangements and for changes made recently to become embedded. This need now has a sharpened focus than ever before because of the heightened risks faced with associated parties/partnerships - Kirklees Stadium Development Limited</p>



Issue / Inclusion Criteria	Progress in 2020/21	Further Action in 2021/22
	<p>strengthened through more frequent executive meetings, focusing on response and recovery.</p> <p>KNH has returned to Council control and a transition period began.</p> <p>The Children's Partnership Board arrangements have been re-launched.</p> <p>Uncertainties have arisen associated with changed ways of working with newly emerging / re-shaped anchor /strategic partnerships and our influence in helping shape these from a strategic partnership /influencing /integration perspective, especially regional funders and partners, including the West Yorkshire Mayor and Combined Authority Competitive bidding is one such case and also the impact on Integrated Care Plans and the role of the Health &amp; Wellbeing Board.</p>	<p>and KAL. Also, Kirklees Community Association is now in view for governance reasons.</p> <p>The transition period will help ensure KNH is fully aligned with the Council's priorities and plans and its new governance arrangements are well embedded over the next twelve months.</p> <p>Develop strong working relationships with the West Yorkshire Mayor and others, apply best practice and iterative learning, aligned to clear and consistent communications.</p>
<p>Continue to Strengthen Risk Management</p> <p>(A, B, D, F)</p>	<p>New Strategy &amp; Risk Panel established.</p> <p>The Corporate Matrix has been regularly updated along with an emerging risk report, and this has been discussed by the Executive Team and Leadership Management Team. The CGAC has commented positively on the Corporate Matrix but expressed concerns about the quality and consistency of the directorate based risk management processes.</p>	<p>This still needs more work, as the quality of directorate based risk arrangements requires improvement, as does risk elevation.</p>



Issue / Inclusion Criteria	Progress in 2020/21	Further Action in 2021/22
<p>Continue to improve the manager skill base and capacity.</p> <p>(A, F)</p>	<p>The People Strategy programme of work has been refreshed and now focuses on 4 clear outcomes:            Healthy and Well People;            An Inclusive Employer of Choice;            Highly Skilled, Flexible and Engaged People; and            Effective and Compassionate Leadership.</p> <p>As part of this programme of work, there is a focus on improving manager capacity and skill base through effective workforce planning and a programme of learning and development.</p> <p>In 2020, a new leadership and management pathway was launched with targeted development for BAME colleagues at levels 3 and 5. Governance of the programme is through Modern Organisation Board, with 'check and challenge' via a cross-organisational steering group.</p>	<p>As part of the programme of work, the leadership and management pathway will be further developed to encompass level 7 learning and development, including targeted development for under-represented grapes. Working in collaboration with the LGA, there is also a project underway to improve workforce planning, in particular to build resilience in the organisation and improve career pathways through the organisation. We will also be further embedding our restorative approach to leadership and continue to promote coaching and mentoring to improve manager skill base.</p> <p>The pandemic has helped create key skill shortages in a number of areas nationally that are becoming apparent across Service areas, such as HGV &amp; LGV drivers. This will require monitoring and an appropriate response.</p>
<p>School Governance arrangements need review and improvement.</p> <p>(D, E)</p>	<p>A Schools Causing Concern Group chaired by the Service Director identifies and shares issues for remediation.</p>	<p>Look to understand what is causing a (historically) large number of complaints about governance and management in schools, and look to identify potential solutions.</p>
<p>Governance arrangements need developing to identify and manage issues arising from historically different service delivery. To</p>	<p>Work has commenced to develop a corporate approach that satisfies initial management of such issues as they emerge through the corporate risk management process via the Risk Panel and these are flagged up to ET and enable</p>	<p>To embed and disseminate the learning following the identification and response of such issues on a corporate basis to consolidate overall resilience.</p>

Issue / Inclusion Criteria	Progress in 2020/21	Further Action in 2021/22
<p>learn from the lessons arising and make sure the issues are addressed.</p>	<p>organisational reflection and learning with a view to being less insular and to draw upon wider external assurances and develop an assurance backed culture.</p> <p>Where issues such as historically poor safeguarding, health and safety or HR practices are identified, checking will be undertaken to ensure that the same practices are not still in operation and to take appropriate action.</p>	
<p>Continue to develop and strengthen the governance arrangements for decision-making and place-based working, including greater clarity to the roles and responsibilities of Members and officers, including greater congruence between officer and member structures (as per Peer Review).</p> <p>(A, B &amp; C)</p>	<p>Built upon the progress achieved since the Peer Review.</p> <p>Developed new proposals around governance and decision-making arrangements.</p> <p>Used the re-designed profile of the councillor role as a basis for:</p> <ul style="list-style-type: none"> <li>- the full review of the Members' Allowances Scheme in the summer of 2021; and</li> <li>- how we improve support for councillors to facilitate more effective working with officers in the context of putting councillors at the heart of what we do.</li> </ul>	<p>Ongoing consolidation of governance arrangements identified last year to enhance the Constitution, in particular working with Members to look at some of the issues that came from the consultation and make any changes that may be required to the current Standards process. The Council is also, alongside that, considering the adoption of the LGA Model Code of Conduct.</p> <p>Consideration of proposals to review options around committee structures.</p> <p>Implementation of the review.</p>

Issue / Inclusion Criteria	Progress in 2020/21	Further Action in 2021/22
<p>Address the health and safety issues raised in connection with housing properties and the complete buildings portfolio, ensuring that management and operational arrangements provide for the health and safety of all Council tenants, employees and residents.</p> <p>(C, D, E)</p>	<p>Began implementation of the recommendations in the agreed Action Plan as monitored by the Service Director and Cabinet.</p> <p>Established an Assurance Board in connection with all such issues affecting the complete Council buildings portfolio.</p> <p>However, the pandemic has worsened the overall environment such that ensuring compliance in a timely manner from technically competent staff has become considerably more difficult due to national issues in the employment market in this sector.</p>	<p>Continue to deliver the agreed recommendations begun last year.</p>
<p>Ensure sufficient organisational resilience to resist the type of failings experienced in the local authority sector and beyond, by the formulation of a corporate Assurance Framework and culture in connection with all key and emerging business risks.</p> <p>(All)</p>	<p>The impact of the pandemic and necessary input of key staff into other corporate priorities has meant planned progress in this area has had to be deferred. One example of this is the review of good and sustainable financial management in the Council that Internal Audit were commissioned to undertake based upon best practice in CIPFA's Financial Management Code and report back to CGAC for initial assessment.</p> <p>ET has given initial consideration to lessons to be learned from corporate failures elsewhere as described in various auditor public interest reports.</p>	<p>Compile all the various sources of assurance and determine how they inter-relate to one another.</p> <p>Manage any areas about which there are gaps or where assurance needs strengthening.</p> <p>Ensure issues are responded to appropriately and actions are delivered.</p> <p>Complete the financial sustainability review as per the revised timescale.</p> <p>Enhance the corporate governance framework as described above.</p>

Issue / Inclusion Criteria	Progress in 2020/21	Further Action in 2021/22
<p>Accelerate the response to the Climate Change Emergency Declaration.</p> <p>(A, E, F)</p>	<p>The Council declared a climate emergency in 2019 because we all must take urgent action to improve and protect our environment. Our vision is to make Kirklees completely carbon neutral by 2038.</p> <p>The Climate Change Working Party oversees Phase 1 actions including</p> <ul style="list-style-type: none"> <li>• Setting a carbon budget</li> <li>• Free parking for low emission vehicles</li> <li>• Considering the environmental impact in decision making</li> <li>• Creating a Climate Commission and Green Charter</li> <li>• Developing a detailed and ambitious action plan for Phase 2 to achieve the 2038 target.</li> </ul>	<p>Continue to work towards the Phase 1 Actions, including development of an electronic vehicle fleet, widening the availability of vehicle charging points.</p>
<p>Develop a more strategic corporate management of the investigation and treatment of cases of suspected fraud &amp; corruption.</p> <p>(D)</p>	<p>This is another area where progress has been impaired by resourcing corporate priorities.</p>	<p>Refresh the Corporate Strategy engaging Members and CGAC in particular and focus management and resources on key risk areas.</p>

## **New Issues**

The annual review of the effectiveness of our governance arrangements has identified areas of heightened concern, risk, or significant uncertainty that require a corporate response. Where appropriate, these matters have been incorporated into exiting or slightly refocused Issues brought forward from last year's Statement. Organisational resilience is such a cross cutting theme of note. One area where appropriate distinct focus is required though is described below.

Issue	Planned Action
<p>Staff wellbeing.</p> <p>The wellbeing of all staff is a vital part of being able to deliver the planned outcomes for the Council. Building and maintaining a healthy and well employee base is a key part of the existing People Strategy. However, the pandemic impact has been such that almost everyone has been affected personally, physically and emotionally, in addition to experiencing the effects arising from the effort and commitment that has been necessary to continue to deliver front-line services in very difficult circumstances, and the consequences of practical changes from adapting flexibly to new roles and tasks and to working from home in different ways.</p> <p>One particular aspect, given the demographic profile of the workforce, is a potential knowledge and skills gap arising from the likelihood of accelerated retirement amongst those who decide new ways of working are not for them, together with a recognition of the need for staff recuperation and recovery.</p>	<p>Recovery planning is underway including various sources of support, coupled with clear expectations and effective leadership and management.</p> <p>Implementation of the relevant parts of the People Strategy as described above.</p>

A detailed Action Plan sits behind this summary and the Executive Team and Corporate Governance & Audit Committee will monitor progress quarterly during 2021/22.

## Statement Scope

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

Kirklees Council has a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government 2016*. A copy of the Code is available from the Monitoring Officer. The current version following annual review can be found at

<https://www.kirklees.gov.uk/beta/council-and-democracy.aspx#your-council>

This Statement explains how the Council has complied with the Code during 2020/21 and up to the date that the Statement of Accounts was approved and thus meets the requirements of the Accounts and Audit Regulations 2015, as revised by the Accounts and Audit (Amendment) Regulations 2020. It provides assurance about the Council's governance framework, including the other entities in the Group Accounts, a wholly owned subsidiary during 2020/21, which has since been returned to Council control, Kirklees Neighbourhood Housing Limited and a joint venture, Kirklees Stadium Development Limited, to enable readers of the consolidated Accounts to be satisfied that proper arrangements are in place to govern spending and safeguard assets. Where specific improvements and/ actions are ongoing or needed, brief information is provided about the key issues and the main areas of work that have been progressed during 2020/21. A more detailed Action Plan sits behind this summary.

## The purpose of the governance framework

Corporate governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a Council relates to the communities that it serves. 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 Council to monitor the achievement of its' strategic objectives as set out in the Corporate Plan 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 that framework and is designed to manage risk to a reasonable level. 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 key parts of the governance framework

- a Local Code of Corporate Governance overseen by the Service Director Legal, Governance & Commissioning and the Corporate Governance and Audit Committee, to assess operational practice and behaviour, and prepare this Statement.
- a Council Constitution.
- a Leader and Cabinet model of governance, supplemented by decisions of the Chief Executive March – May 2020 under the emergency powers of Part 3.7 of the Constitution and Strategic Directors under the Officer Scheme of Delegation. Cabinet meetings have been held virtually since 1 May in accordance with new legislation. Virtual meetings were rolled out to enable other Committees to meet similarly as soon as was possible.
- a corporate governance, audit and scrutiny process as set out in the Constitution,
- statutory officer roles performed by the Chief Executive as Head of Paid Service, the Service Director Legal, Governance & Commissioning as Monitoring Officer and the Service Director Finance as Section 151 Officer. The S151 Officer is a professionally qualified accountant and reports directly on financial matters to the Chief Executive as a member of the Executive Team (ET).
- a Corporate Plan that outlines how officers will seek to run the Council to meet our community commitments and objectives
- oversight and delivery of the Council Transformation Programme, including a number of officer boards as described in the Constitution, notably the Children’s Board
- a Monitoring Officer who has responsibility for the Constitution and ensuring the legality of Council actions and decision making.
- a S151 Officer who has responsibility for ensuring that the financial management arrangements conform with all of the governance requirements of the five principles that define the core activities and behaviours that belong to the role in the CIPFA *Statement on The Role of the Chief Financial Officer in Local Authorities (2014)*.
- codes of conduct defining the standards of behaviour for Members and employees
- an Anti-Fraud & Anti-Corruption Policy
- a Risk Management Strategy
- systems of financial and business internal control
- an internal audit section, that is compliant with the Public Sector Internal Audit Standards and Code of Ethics
- whistle blowing arrangements
- a complaints system for residents and service users
- business continuity arrangements
- a senior manager to act as the Caldicott Guardian to protect the confidentiality of patient and service-user information
- a Data Protection Officer reporting directly to the Chief Executive and a Senior Information Risk Officer
- arrangements to manage other parts of the Council’s Group. The S151 Officer monitors and reports on the financial effectiveness of the subsidiary and joint venture companies, whose accounts are subject to external audit.
- A Covid Recovery Framework using the strong foundations established during lockdown to help the Council come back stronger across a themed recovery programme supported by an Outbreak Control Plan approved by the local Health Protection Board.

## 2020/21 Review of effectiveness

Kirklees Council has a legal responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review is informed by a number of sources including the work of the executive managers, the Head of Audit & Risk's annual report, the external auditor and other review agencies and inspectorates and Member Committees. The Council has four bodies / committees jointly responsible for monitoring and reviewing governance. These are:

- the Executive (Cabinet);
- the Corporate Governance & Audit Committee;
- the Overview & Scrutiny Committee; and
- the Standards Committee.

The main parts of the review process are described below, although due to the timing of the Coronavirus outbreak some sources of assurance used are in interim or draft version pending return to more normal working. A further assessment will be made later in the year before finalising the Statement.

### 1. Annual Review of effectiveness of the system of internal control

In accordance with the requirements of the Accounts and Audit Regulations 2015 and Public Sector Internal Audit Standards (PSIAS), the CGAC approved the annual review of the effectiveness of its system of internal control and internal audit. The Head of Audit & Risk's self-assessment of current compliance with the Public Sector Internal Audit Standards & Code of Ethics and revised CIPFA Local Government Application Note 2019, concluded that overall Internal Audit does conform to these Standards and an Action Plan has been agreed to further improve compliance and monitor progress with this objective, and this will be monitored by the CGAC.

### 2. Head of Audit and Risk's Annual Assurance Opinion

The unique circumstances faced during the year necessarily reduced both the planned programme of internal audit work and the scope of that which could be undertaken given that all staff were working at home during this entire time. Nevertheless, a revised plan of key areas from which assurance was required was devised mid-year and approved by CGAC. In addition Directors were asked to provide confirmation from their viewpoint via completion of Assurance Statements that key operations and controls remained intact.

Both the conclusions as expressed in the opinion set produced from the audits undertaken and the returns received from Directors were sufficient to conclude that other than in respect of a small number of significant control issues that have arisen during the year, the Head of Audit and Risk has provided assurance that overall the Council's systems of governance, risk management and internal control are generally sound and operate reasonably consistently across Services.

### 3. External Auditor's Review

During the year the External Auditor's Annual Report included



- an unqualified opinion on the Council's 2019/20 financial statements; and
- an unqualified value for money conclusion, stating that we have made proper arrangements to secure economy, efficiency and effectiveness in our use of resources.

#### 4. Corporate Governance & Audit Committee (CGAC)

The Committee considered and approved an updated Local Code of Corporate Governance at its meeting in March 2020.

During 2020/21 the CGAC reviewed a number of aspects of the Council's governance arrangements and noted or approved revisions or made recommendations to Council as appropriate, arguably most notably concerning the new West Yorkshire Mayoralty.

CGAC also received assurance from various 2019/20 annual reports such as health and safety, emergency planning and business continuity, information governance and customer corporate standards on complaint handling, and a review of the Ombudsman and Third Stage Complaints received, together with details of the Whistleblowing Complaints that have been received.

Recognising the need to ensure that both new and existing members of the Committee have the appropriate support and skills to carry out their role, training sessions are provided at various intervals and this year included treasury management.

#### 5. Overview & Scrutiny Management Committee

During 2020/21 the Committee and its four Panels reviewed a number of aspects of the Council's governance arrangements and key issues faced and strategies and responses to manage these, including devolution in West Yorkshire, Our Council Plan, Cohesion, Climate Change, Domestic Violence Strategy Update and Place Partnerships working, in addition to the response to Covid-19.

#### 6. Standards Committee

During the year the Committee reviewed various aspects of Member conduct, and received an update on progress in implementing the recommendations locally in the report of the Committee on Standards in Public Life. The Committee considered the CSPL recommendations in 2019 and concluded that on the whole the Council met with the recommendations. At the beginning of this calendar year the Council consulted about the standards process and had an excellent response. As a result of the response the Council will be working with members to look at some of the issues that came from the consultation and make any changes that may be required to the current Standards process. The Council is also, alongside that, considering the adoption of the LGA Model Code of Conduct.

#### 7. Role of the Chief Financial Officer

The role of the Chief Financial Officer (CFO) continues to reflect the governance arrangements set out in the CIPFA Statement, which are required to ensure the CFO is

able to operate effectively and perform their core duties as part of the review of the Constitution. The Council's financial management arrangements continue to fully conform to those set out in the Statement.

The Council and CFO is working towards compliance with the CIPFA Financial Management Code and has commissioned Internal Audit to assess the body of evidence that exists to document this and confirm what further progress is needed.

## 8 External Inspections & Peer Reviews

Action Plan from Local Government Association Corporate Peer Review Challenge

The Challenge took place during July 2019 and the outcome was largely positive. It did provide a series of key recommendations and an Action Plan was compiled to manage the response, which includes development issues being managed through the new Corporate Plan and governance ones through the Action Plan for this Statement, for example those linked to the Democracy Commission have been completed.

## 9 Officer Governance

Officer Boards as prescribed in the Constitution have continued to drive forward the Transformation Programme within the context of the Medium Term Financial Plan with strategic oversight from the Executive Team and escalation of appropriate issues. These arrangements are subject to both Cabinet and Scrutiny oversight.

## 10 Significant Partnerships

Partnerships range from joint venture partnerships, thematic partnerships and their subsidiaries to key contractual agreements managing substantial amounts of public money. The main contact officer for each Partnership is responsible for assessment of the governance arrangements and providing details of any significant changes to the membership and circumstances of the partnership. This information is used by senior officers of the Council to assess the potential risk that the partnership presents to the reputation or financial standing of the Council. The Council is continuing to work on a number of areas where arrangements need to be revised to strengthen and embed the governance framework, as identified in the Action Plan for this Statement.

## 11 Director of Public Health / Emergency Planning

As the coronavirus outbreak escalated during March 2020, the risk and potential impact on the Council and the whole of Kirklees was assessed and the scale and magnitude of the issues raised came into focus. Advice and guidance building on that from Public Health England has continued apace ever since. Well-established multi-agency relationships prior to the pandemic enabled the timely activation of command and control structures and the Kirklees response with the sharing of plans and arrangements was well received regionally. Government departments have recognised the Council as an excellent partner as an enhanced response area.

12 Monitoring Officer / Senior Information Risk Owner

Reviewed information governance and security matters as Chair of the Information Governance Board within the context of an internal review of the Board's terms of reference and increasing focus on an enabling and supportive role, as well as wider assurance concerning organisational governance and compliance with the Constitution.

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