Annual Governance Statement

2020/21

Ribble Valley
Borough Council

www.ribblevalley.gov.uk

Annual Governance Statement
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1.   SCOPE OF RESPONSIBILITY

1.1   Ribble Valley Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and is 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 its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2   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, including arrangements for the management of risk and for dealing with issues which arise.

1.3   The council has approved and adopted a Local Code of Corporate Governance, which is reviewed annually and is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). A copy of the Local Code is on our website.

1.4   This statement explains how the council has complied with the Local Code and also how it meets the requirements of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

1.5   The council's annual review of the effectiveness of its corporate governance for 2020/21 provides assurance on the governance arrangements in place, the progress made against significant governance issues raised at the last annual review and includes an action plan to address significant governance issues identified through this year's review.

2.   THE PURPOSE OF THE GOVERNANCE FRAMEWORK

2.1.   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 and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2.   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 system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

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

3.   THE GOVERNANCE FRAMEWORK

3.1   The Local Code of Corporate Governance is structured across the seven principles detailed in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). The governance framework review below has followed this same format.

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

Behaving with Integrity

3.2. The council's Constitution sets out how the council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The Constitution is published on the council's website and is reviewed annually.

3.3. The standards of ethical behaviour expected from members and staff are defined in codes of conduct that are distributed as part of the induction process. On an annual basis Register of Interest forms are completed by both staff and members. The council also operates an annual performance appraisal process for all staff.

3.4. All Councillors have to register and declare certain pecuniary interests such as employment, land holdings and contracts with the council, which is published on the council's website. Councillors must declare such interests at meetings which they attend and this is minuted.

3.5. There are also procedures laid down for staff and councillors relating to the receipt of gifts and hospitality, and the recording of such.

3.6. Included in the Constitution are the terms of reference for Committees and a protocol for Member/Officer Relations.

3.7. The council has a Scheme of Delegation to Officers within the Constitution. This clearly details a number of specific areas that are delegated to officers for the purposes of decision-making, without the requirement for a decision to be made by the council, a committee or sub-committee.

3.8. The council is committed to the highest possible standards of openness, integrity and accountability. In line with this commitment the council has adopted a whistle-blowing policy to encourage employees and others with serious concerns to come forward in confidence.

3.9. The procedures for the public to follow in order to register a complaint regarding the deliverance of the council's services or a breach of the member's code of conduct are detailed on the council's website.

3.10. The terms of reference for the Accounts and Audit Committee includes responsibilities around the monitoring and promotion of standards.

Demonstrating Strong Commitment to Ethical Values

3.11. Under its terms of reference, the Accounts and Audit Committee champions high standards of ethical governance from elected members and the council as a whole.

3.12. In 2020 the Local Government Association (LGA) reviewed the 'Model Councillor Code of Conduct' which is designed to protect councillors' democratic roles, encourage good conduct and safeguard the public's trust in local government. The Localism Act 2011 requires councils to produce a code of conduct. They can adopt the LGA code or abide by a local one of their own.

3.13. The council has adopted a new code based on the one drawn up by the LGA relating to the seven core principles of public life set out in law. They are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The code sets out the standards of conduct expected of Ribble Valley councillors, including why and how to register and declare financial and other interests, including gifts and hospitality.

3.14.   A full council meeting agreed to adopt the new code and councillors will receive training in relation to it during 2021/22. Any allegations that the Code has been breached are dealt with under a procedure approved by the Accounts and Audit Committee.

3.15.   Whilst codes of conduct for members and staff are in place, there has been no formal training on ethical awareness over the 2020/21 financial year, however it is part of the new members' induction process. There are plans in place to roll out a training programme for all staff starting with Heads of Service. This will cover key elements of the Constitution.

3.16.   The council's performance appraisal process does not specifically take account of values and ethical behaviour.

3.17.   The council's Corporate Plan 2019-2023 includes the objective 'To aspire to be a carbon neutral borough by 2030' and includes a priority action of developing 'an action plan to work towards being a carbon neutral borough by 2030 which is based on a better understanding of our current carbon emissions'.

3.18.   In November 2019, the Policy and Finance Committee agreed to the setting up of a Climate Change Working Group to consider how the Council is meeting the challenge of climate change, both in relation to how the Council provides its own services and how it provides wider support to the community in their efforts to tackle climate change. The work of the group is ongoing with a view to devising a strategy to achieve the council's target of being a carbon neutral borough by 2030.

3.19.   Procurement activity is undertaken in line with the council's Contract Procedure Rules and Financial Regulations, with any requirements to seek exemption from the same being reported to, or requested from, the relevant service committee through submission of a report.

3.20.   The council's ethical requirements are expressed through its procurement activity in the form of contract documents and its standard terms and conditions of purchase.

Respecting the Rule of Law

3.21.   The council has designated the Head of Legal and Democratic Services as Monitoring Officer. The Monitoring Officer has the specific duty to ensure that the council, its officers and its elected members maintain the highest standard of conduct in all they do and as such holds three main roles:
   • to report on matters they believe are, or are likely to be, illegal or amount to maladministration;
   • to be responsible for matters relating to the conduct of councillors and officers; and
   • to be responsible for the operation of the council's Constitution.

3.22.   With reference to the Constitution, this is reviewed annually and approved by Full Council. The council's Monitoring Officer has statutory reporting duties in respect of unlawful decision making and maladministration.

3.23.   The council's Chief Executive, in the statutory role of Head of Paid Service is responsible for:
   • the manner in which the discharge by the council of their different functions is coordinated;
   • the number and grades of staff required by the council for the discharge of their functions;
   • the organisation of the council's staff; and
   • the appointment and proper management of the council's staff.

3.24.   The council's Chief Financial Officer (S151 Officer) is the Director of Resources. The council complies with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.

3.25. The council's decision-making hierarchy and terms of reference for each committee are clearly identified within the Constitution.

3.26. Any legal advice provided by officers would be retained on the relevant files for future reference. Committee reports include a section in respect of legal risks, and the input from the legal team should be sought in the completion of this section where relevant.

3.27. The council has in place an Anti-Fraud and Corruption Policy which was due to be reviewed in 2020/2021. This has been delayed and will now be reviewed in 2021/22.

Principle B - Ensuring openness and comprehensive stakeholder engagement

Openness

3.28. Council meetings are open to the public, other than in limited circumstances where consideration of confidential or exempt information means that the public are excluded. Each meeting also includes public participation with an opportunity to speak regarding items on the agenda.

3.29. The council utilises its website to provide an open culture with access to meeting agendas, reports and minutes. Transparency information is also reported in a timely manner and is grouped together for ease of access.

3.30. The information which residents use most, such as Council Tax and Planning can be accessed quickly and easily from the main page.

3.31. The council's priorities and core values are clearly identified in the Corporate Strategy 2019-2023 and includes key actions. This is available on the council website, as is the Community Strategy. The Community Strategy was due to be reviewed in 2020/21 but was delayed by Covid-19. The review is ongoing with consideration being given as to whether or not there will be a new/replacement strategy implemented in 2021/22.

3.32. All decisions of the council are made in accordance with principles laid down in the Constitution. All reports follow a format that is repeated across all committees and where a decision is needed, they provide the information necessary for members. Any further requests for information are minuted.

3.33. A set timetable is in place for meetings, the production and distribution of agenda packs, and the holding of briefings prior to the meeting between key officers and committee chairs and vice-chairs.

3.34. From mid-March 2020 all council meetings were cancelled due to the Covid-19 pandemic until 4th April 2020 when new regulations came into force under section 78 of the Coronavirus Act 2020. An addendum to the Standing Orders resulted in the council being able to continue its meetings with members in 'remote attendance' and this was facilitated with the purchase of new equipment and relevant licenses. Details of the meetings were publicised ensuring that members of the public could also attend remotely if they so wished.

3.35. We make use of a Citizens Panel and other consultations and surveys wherever possible in informing decisions.

Engaging Comprehensively with Institutional Stakeholders

3.36. The council's Communications Strategy for 2019-2021 can be viewed on the council's website.

3.37. The council does not have any formal partnerships in place and so there were no reviews to be undertaken in this area.

Engaging Stakeholders Effectively, Including Individual Citizens and Service Users

3.38.   When the council is looking to consult, it reviews the parties that need to be involved and looks to ensure that those with an interest are involved. The council has previously been part of the Infusion Research partnership which assisted the Council with research and consultation activity. Any future consultation will be arranged on an ad-hoc basis as and when required and, if required, expertise will be procured from research and consultation consultants.

3.39.   The council has a Citizens Panel which enables the council to access the views of Ribble Valley residents. The results can be used to develop policies and strategies, inform decision-making and identify where service improvements may be required.

3.40.   The bi-annual Perception Survey was due to be undertaken in May 2020 but this was delayed due to the impact of Covid-19 on the Council's day-to-day operations. It is intended to undertake the survey during 2021/22. The survey provides residents with the opportunity to have their say on a range of issues affecting their locality and quality of life. When the survey is undertaken a report of its findings will be reported to Policy and Finance Committee in due course.

3.41.   The council actively promotes the use of its social media sites and engagement with its website.

Principle C – Defining Outcomes in Terms of Sustainable Economic, Social and Environmental Benefits

Defining Outcomes

3.42.   The council's vision, priorities and objectives are clearly set out in the approved Corporate Strategy document 2019 - 2023, which is available to view on the council's website. The Corporate Strategy Action Plan sets out underlying actions that have been established in order to support and measure progress towards the achievement of the council's objectives detailed in the strategy. The document is reviewed on an annual basis. There are no individual service plans in place.

3.43.   The Core Strategy 2008-28 sets out the long-term vision for the Borough and the strategic policies that will deliver that vision, including the Development Management policies.

3.44.   The Community Strategy 2014-2019 sets out the Council's community aspirations, needs and priorities. The strategy outlines a series of priorities and objectives, including tackling rural isolation, affordable housing, tourism, the environment and public transport. The Strategy was due to be reviewed in 2019/20 but this was rolled over to 2020/21. This has been further delayed by Covid-19. The review is ongoing with consideration being given as to whether or not there will be a new/replacement strategy implemented in 2021/22.

3.45.   The Medium-Term Financial Strategy outlines how we intend to raise and use the resources needed to deliver our services and priorities over the medium term. It is a 3-year strategy which is fully reviewed annually to reflect any changes and includes a budget forecast that is reviewed bi-annually. The strategy covers both revenue and capital budgets.

3.46.   The council has a performance management framework which allows it to monitor progress on a number of key service areas. Progress is reported to the Corporate Management Team and final outturn performance is reported to relevant Service Committees at the end of the financial year.

3.47.   The Council's Risk Register sets out the risks that we have to manage to help us achieve our objectives.

3.48.   The council also has processes in place to identify and manage risks. The Risk Register is used to provide assurance over actions being taken to manage key risks, to inform risk management planning and help in seeking to mitigate such risks.

Sustainable Economic, Social and Environmental Benefits

3.49.   Consideration is given to economic, social and environmental benefits in the assessing of bids for the council's capital programme.

3.50.   As capital resources are limited, a large proportion of the capital programme is committed to the ongoing replacement of items such as vehicles and plant. The latest environmental best practice is always reflected upon when procuring such items, within the budgets that are available.

3.51.   Full detailed information is provided to members in the budget setting process for both revenue and capital. The Budget Working Group is valued and allows for more focused work to be undertaken and specific guidance to be given to Service Committees.

3.52.   All decision reports include a section on risks, which includes those risks in relation to the decision to be taken by members:

- Resources.
- Technical, Environmental and Legal.
- Political.
- Reputation.
- Equality and Diversity.

3.53.   The council's Core Values state that we will:

- Lead the Community;
- Strive to achieve excellence;
- Ensure that access to services is available to all;
- Treat everyone equally;
- Respect all individuals and their views; and
- Appreciate and invest in our staff.

Principle D – Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes

Determining Interventions

3.54.   It is ensured that the financial management of the council is sound, by regular and timely reporting to budget holders, Management Team, Leaders and the Council as a whole. Budget setting, control and reporting requirements are set out in the council's Financial Regulations, which have full regard to internal and external regulations and relevant codes of practice. Financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015)

3.55.   Capital and Revenue budgets are monitored closely and reports on budget allocations and actual performance are provided to the Corporate Management Team and to relevant Committees. Further reporting is provided to the Budget Working Group and minutes of the same are reported to Policy and Finance Committee.

3.56.   Delegation of decision making to officers is detailed in the Constitution so that they can deal with the day-to-day running of the service without the need to constantly refer matters back to Committees. Details of what decisions are taken in this way are included in the Scheme of Delegation in the council's Constitution. Further specific delegations may be granted through recommendation in public reports to Committee.

3.57.   As a result of the Covid-19 pandemic further decision making powers were delegated to the Chief Executive under authority given by the Emergency committee on 7 May 2020. Such decisions made by the Chief Executive had to be made in consultation, where appropriate, with the Leader of the Council and Leader of the Opposition and reported to Policy and Finance Committee. This remained in force until 7 May 2021.

Planning Interventions

3.58.   There are clear timetables in place for the various Service Committee meetings. These are published on the council's website.

3.59.   A timetable is set by the Accounts and Audit Committee for the closure of accounts process, detailing key dates and meetings in the process.

3.60.   Where relevant, service areas provide key performance indicators which are monitored and reported on centrally to all service committees at the end of the financial year. There is also in-year monitoring and reporting to the Corporate Management Team.

3.61.   Due to the effect of Covid-19 on the council's resources and additional demands placed upon the council during the period of the pandemic, there was an impact on the reporting of some of the key performance indicators during 2020/21 and this is continuing into 2021/22. Heads of Service are in the process of updating performance indicator information to bring them up to date.

3.62.   All service budgets are matched to the various council priorities and analysis of the distribution of the budgets across priorities is given in the Budget Book.

3.63.   The budget forecast is reported to the Policy and Finance Committee twice a year and is also reported to the Budget Working Group. Clear budget guidance is given to all service committees through the Budget Working Group and also to the finance team and budget holders.

Optimising Achievement of Intended Outcomes

3.64.   The council balances service priorities whilst setting the overall budget in line with the work of the Budget Working Group. This includes both revenue and capital budgets.

3.65.   Very little of the council's procurement activity falls under the requirements of the Public Contracts Regulations due to the level of expenditure involved. As a result, the undertakings around The Public Services (Social Value) Act 2012 are satisfied through the various Framework Agreements that are used.

Principle E – Developing the Entity's Capacity, Including the Capability of its Leadership and the Individuals Within it.

Developing the Entity's Capacity

3.66.   The council has a performance appraisal process in place for all staff. As part of this process targets are set and also future training needs are identified for provision at a service level, or where applicable through the provision of corporate level training, however these were impacted by Covid-19 during 2020/21.

3.67.   The requirement for key property, plant and equipment is reviewed on a regular basis, particularly through the capital programme process and the bidding for resources with a detailed narrative on need.

3.68.   Various service areas undertake differing levels of service comparison with other local authorities. There is no formal planned benchmarking of services; however, ad-hoc service comparisons are undertaken as needed.

3.69.   The council does not have a workforce plan in place. It was intended to devise a plan during 2020/21 however this was delayed due to Covid-19 and has been rolled over to 2021/22. There has recently been a working group formed to work alongside the Chief Executive and the Head of HR with a view to reviewing aspects of the council's approach to recruitment and retention. The work undertaken by the group will feed into the workforce plan to be prepared by the Head of HR.

Developing the Capability of the Entity's Leadership and Other Individuals

3.70.   The functions of statutory officers are documented within the Constitution as are the roles of the Committees. The arrangements in place for the discharge of functions by specific officers under delegation are set out in the Officer Delegation Scheme.

3.71.   The Corporate Management Team (CMT) meets on a weekly basis to discuss matters of strategic and operational importance to the council. Weekly meetings take place between the Chief Executive (Head of Paid Service) and the Leader of the Council. The regularity of CMT meetings was impacted this year by Covid-19 which resulted in the cancellation of meetings and temporary ad-hoc arrangements being put in place before they resumed on a regular basis via remote access.

3.72.   The Chief Executive leads on implementing strategy and managing service delivery and other outputs set by members.

3.73.   The council's Constitution is reviewed annually, including the Scheme of Delegation. Additionally, the Standing Orders, Financial Regulations and Contract Procedure Rules are all reviewed annually. As a result of Covid-19 a temporary addendum to Part 4 of the Constitution (Standing Orders) was approved that, amongst other matters, allowed meetings and voting to be conducted remotely via internet access. The legislation expired on 7 May 2021 and face to face meetings of the council resumed from that date.

3.74.   To enable Elected Members and Senior Officers to have a shared understanding of their respective roles the Council has a Protocol governing Member and Officer relations.

3.75.   All newly elected members receive an induction and an ongoing training plan for members is in place, however it needs to be reviewed and refreshed. Requests for training by members and senior management will always be considered.

3.76.   A standard induction process is in place for members and also for staff. The HR team does not tailor staff inductions to the employee's specific role, however further induction is generally provided separately by the relevant section.

3.77.   The council's performance management appraisal process includes a section reviewing past training and identifying new training that may be required for the employee. This training may be provided at a service level, or if there is demand, at a corporate level.

3.78.   Records are monitored regarding member attendance, but there is no formal review of individual member performance or training needs. There are no personal development plans in place for members.

3.79.   The council has a staff handbook which is published on its Intranet, ensuring that all policies are available to staff. There is also a hard copy maintained at various sites for those with no access to the Intranet.

3.80.   With regards to the physical and mental wellbeing of staff, the council offers a range of proactive measures including a formal programme of Health and Safety training and advice/guidance on coping with stress. There is also an osteopathy policy and the Cultural and Leisure Services Team

offers advice on healthy living that includes weight and blood pressure checks. Various tips and articles are also published for all staff in the monthly newsletter.

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

Managing Risk

3.81.   The council has embedded a structure and system for identifying, evaluating and monitoring all significant business risks at an operational level. The council has a risk management policy in place which is published on the council's Intranet site. The policy clearly outlines the processes and responsibilities that are in place and the monitoring procedures to be followed.

3.82.   The Corporate Management Team receive monthly risk management updates and areas of high risk are reported promptly to Accounts and Audit Committee for scrutiny.

Managing Performance

3.83.   Where relevant, service areas provide key performance indicators which are monitored and reported on centrally to all service committees at the end of the financial year. There is also in-year monitoring and reporting to the Corporate Management Team. Whilst the Performance Management Framework was reviewed in 2018, it is recommended that a review of performance indicators is undertaken as a number of them are no longer relevant or do not actually measure performance.

3.84.   Various service areas undertake differing levels of service comparison with other local authorities. There is no formal, planned benchmarking of services; however, ad-hoc service comparisons are undertaken as needed.

3.85.   Performance against budget is reported to the Corporate Management Team and also on a regular basis to service committees. The overall position is also considered in reports to the Policy and Finance Committee.

3.86.   Outturn reports are also reported to all services committees and this is also considered by the Budget Working Group and used in the budgeting process for future years.

3.87.   A set timetable is in place for meetings, the production and distribution of agenda packs, and the holding of briefings prior to the meeting between key officers and committee chairs and vice-chairs. Included in the Constitution are the terms of reference for all committees. The minutes of all meetings are published on the council's website.

3.88.   Debate and discussion on issues is actively encouraged at committee meetings. The council also have a call-in procedure for any decisions, which allows for further scrutiny. The call-in procedure should normally only apply to decisions which are considered to be contrary to policy or not in accordance with the budget.

3.89.   Full detailed information is provided to members in the budget setting process for both revenue and capital. The Budget Working Group is valued and allows for more focused work to be undertaken and specific guidance to be given to Service Committees.

3.90.   Budget setting, control and reporting requirements are set out in the council's Financial Regulations, which have full regard to internal and external regulations and relevant codes of practice.

3.91.   Performance levels and consequently budgets, have been impacted by Covid-19 throughout 2020/21. As a result of the virus some staff were redeployed into different roles to cover increased workloads and staff absences, including those caused by self-isolation as well as illness caused by the virus.

3.92.   In order to retain some level of normal day to day operations during the pandemic the council invested in technology in order to allow some members of staff to work remotely from home. As a result, the council incurred the costs of purchasing new hardware and software, some of which had ongoing costs throughout 2020/21, for example, licenses to allow council meetings to be conducted online.

Robust Internal Control

3.93.   Internal Audit is an independent and objective appraisal function established by the council for reviewing the system of internal control. This is in compliance with Regulation 5 of the Accounts and Audit Regulations 2015 that specifically requires a local authority to undertake an adequate and effective system of internal audit.

3.94.   An Internal Audit Plan is produced each financial year and is risk based. This is agreed and monitored by the Accounts and Audit Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant service. The report includes recommendations for improvements that are included with an Action Plan.

3.95.   Since February 2020 there has been a vacancy for the role of Internal Audit Manager within the Internal Audit Team and although this did not adversely impact upon the achievement of the 2019/20 Audit Plan it has impacted on the 2020/21 plan with the result that external resources were engaged to ensure coverage of key financial systems.

3.96.   Audit Team staffing was also impacted upon by Covid-19 as a member of the Audit Team was redeployed to the Finance Team in order to relieve some of the burden placed upon the team by the processing of Covid-related grants. It was ensured that any audit work undertaken by this member of the Audit Team did not cover this service area throughout 2020/21 and this assurance will remain in place for the relevant period of 2021/22.

3.97.   The Risk Management Strategy is reviewed on a regular basis and is approved by the Accounts and Audit Committee.

3.98.   The European Institute for Combatting Corruption and Fraud (TEICCAF) issues a checklist for the 'Protecting the Public Purse' document. Authorities are encouraged to use the checklist to ensure that they have sound governance and counter-fraud arrangements in place and that they are working as intended. No significant issues were highlighted as a result of this review.

3.99.   The Fighting Fraud and Corruption Locally strategy (2020) was developed by local authorities and counter fraud experts. It sets out the approach local authorities should take and the main areas of focus in order to transform counter fraud and corruption performance. There is a checklist to measure counter fraud and corruption culture and response. No issues were highlighted as a result of this review.

3.100.   The Accounts and Audit Committee normally meets four times a year and has a clear Terms of Reference. Ad-hoc training is provided to members as and when required and open debate and discussion on all items is encouraged.

3.101.   Regular consideration is given to high-level risks that have been flagged as areas of concern, and where necessary action is called for, or references made to relevant service committees.

Managing Data

3.102.   The council is committed to safeguarding the personal data it holds and sharing this data only in circumstances required or permitted by law. Personal data is processed in accordance with the Data Protection Act 2018 and GDPR and in particular the key principles of both.

3.103. The council's ICT Manager is the designated Data Protection Officer. This creates the potential for conflict of interest, but the Council continually seek to mitigate any perceived risks in this area.

3.104. The council has a Data Protection Policy which is published on the council's Intranet and is available to all staff.

3.105. There has been no formal training for staff on data protection over the last financial year, however since the introduction of GDPR in May 2018 the Council has obtained a license to rollout GDPR training for all staff and members. It was planned for this to be undertaken in 2020/21 however it has been delayed as a result of the pandemic.

3.106. The Council's current Data Retention Policy is dated February 2010 but a review of this is currently underway with a view to it being completed during 2021/22.

3.107. The council has a Data Quality Policy in place. Any staff involved in providing performance indicator data are required to acknowledge that they have read and understood the policy.

3.108. The Internal Audit team reviews the accuracy of the performance indicators that are published at the end of the financial year.

3.109. The council makes information available to the public via the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Individuals may also access their own personal data by exercising the right of subject access under the Data Protection Act 2018.

3.110. The council complies with the Local Government Transparency Code 2015 by publishing accurate data online in the areas mandated by the Code.

Strong Public Financial Management

3.111. Regular monitoring of the council's financial position helps ensure that services perform within the resources allocated to them. Mechanisms within the Financial Regulations allow for flexibility in meeting demands that could not be anticipated.

3.112. The medium-term financial strategy (MTFS) is the council's key financial planning document. It aims to provide the council with assurance that the council's spending plans are affordable over the medium term.

3.113. More detailed short-term financial information is provided through the council's detailed and summary budget books. The budget books and the medium-term financial strategy are all published on the council's website.

3.114. Budget monitoring against these financial plans is reported in full to service committees with variances highlighted and action plans regarding specific areas published within the reports where relevant. All committee reports are published on the council's website and meetings are minuted.

3.115. The Budget Working Group plays a key role in considering the Council's finances and are key in developing the council's budgets, making recommendations to Policy and Finance. The minutes of the group are reported to the Policy and Finance Committee and are again published on the council's website.

3.116. All reports across all committees are published in a consistent style.

3.117. Financial outturn reports are presented to all service committees.

3.118. The council's approach to Financial Management ensures that public money is safeguarded at all times ensuring value for money and the council adheres to CIPFA's Financial Management Code (2019). The Council's approach supports both long-term achievement of objectives and shorter term financial and operational performance.

3.119.   The Chief Finance Officer (Director of Resources) ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control.

3.120.   As part of the 2018/19 assurance review, the Director of Resources highlighted the need to provide formal training to members and staff on the council's Financial Regulations and Contract Procedure Rules. Formal training has not yet taken place but the Director has briefed members on relevant financial matters prior to committee meetings.

3.121.   It was intended for formal training to take place in 2020/21 but this was delayed due to Covid-19. A training programme covering Constitution-related procedures and regulations including the Financial Regulations is to be rolled out to staff starting with Heads of Service.

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

Implementing Good Practice in Transparency

3.122.   The council follows the Local Government Transparency Code 2015, which includes requirements and recommendations for local authorities to publish certain types of data.

3.123.   All transparency-related data is published together in a single area on the council's website.

3.124.   Content on the council's website seeks to meet the needs of the public and where issues are raised through social media, or through the council's contact centre, steps are taken to ensure information is made available where possible on the website to satisfy the queries being raised.

3.125.   In September 2019 new accessibility regulations came into force setting a legal duty for public sector bodies to make their websites accessible for all. This means that the council's website must meet accessibility standards, including publishing accessibility statements explaining how accessible its website is. The deadline by which the council's website had to be made accessible in order to comply with the regulations was September 2020.

3.126.   While progress has been made, work is ongoing to ensure that the council's website fully complies with the regulations.

Implementing Good Practices in Reporting

3.127.   All transparency-related data is published together in a single area on the council's website.

3.128.   The council's Statement of Accounts are published in a timely manner and are published on the council's website. The Statement of Accounts includes a narrative statement which allows for a more understandable format of the outturn position of the council, away from the statutory presentation requirements seen in the statements themselves. Financial outturn reports are presented to all service committees.

3.129.   Following external audit, the Statement of Accounts is approved by the Accounts and Audit Committee.

3.130.   The Council explains how it reviews its governance arrangements, and how it has complied with CIPFA's "Delivering Good Governance in Local Government (2016)" principles by producing this Annual Governance Statement (AGS). This includes an action plan identifying what governance challenges it will need to address in the next financial year.

3.131.   Financial performance is also reported throughout the year to all service committees. Such documents are openly available on the council's website.

Assurance and Effective Accountability

3.132. The council's external auditors, Grant Thornton attend the meetings of the Accounts and Audit Committee and provide reports to the members of that committee.

3.133. The external auditor prepares an Annual Audit Report and Audit Findings Report, which are reported to the council's Accounts and Audit Committee. Any actions that may arise from that report would be monitored by the Accounts and Audit Committee to ensure compliance and that they result in positive improvements

3.134. A review has been undertaken of CIPFA's Statement on the Role of the Head of Internal Audit and no issues were identified. Compliance with the Public Sector Internal Audit Standards was also confirmed. Assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).

3.135. The work of the council's Internal Audit team is reported on a regular basis to the Accounts and Audit Committee.

4. REVIEW OF EFFECTIVENESS

4.1. Ribble Valley Borough Council has a legal responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This was done by following the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016).

4.2. After conducting this review, the Council has assurance that its governance arrangements and systems of control are robust and reflect the principles of the Code of Corporate Governance. This section explains what arrangements were reviewed, and how this assurance was achieved.

Corporate Management Team

4.3. The Corporate Management Team meets each week to discuss policy issues and also considers internal control issues, including risk management, performance management, compliance, efficiency and value for money, and financial management. The regularity of CMT meetings was impacted this year by Covid-19 which resulted in the cancellation of meetings and temporary ad-hoc arrangements being put in place before they resumed on a regular basis via remote access.

Corporate Level Review

4.4. The Corporate Management Team reviewed the compilation of the Annual Governance Statement and consisted of the following officers during 2020/21.

- Chief Executive (Head of Paid Service)
- Director of Resources (S151 Officer)
- Director of Community Services
- Director of Economic Development and Planning

4.5. The group has considered a detailed corporate level review of the council's system of governance in accordance with the guidance provided by CIPFA/SOLACE.

Directorate Level Review

4.6. The council also has in place Directorate Assurance Statements requiring Directors to review the operation of a range of governance systems and procedures within their service areas and indicate whether there are any significant non-compliance issues. These are analysed to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues and as such need to be included in the Annual Governance Statement.

Monitoring Officer

4.7. As the council's Monitoring Officer, the Head of Legal and Democratic Services has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. A new Head of Legal and Democratic Services took up the post in June 2020. The Council reviews the Constitution each year at its Annual Meeting. Assurances were given by the Monitoring Officer with regard to the matters that fall within their jurisdiction.

Accounts and Audit Committee

4.8. The council has appointed an Accounts and Audit Committee whose terms of reference comply with the latest CIPFA guidelines. These extend to monitoring the council's governance and risk management framework and include reviewing the adequacy of the governance framework.

Internal Audit

4.9. Internal Audit is responsible for monitoring the quality and effectiveness of the system of governance and internal control. A risk-based Internal Audit Plan is produced each financial year. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Directorate. The report includes recommendations for improvements that are included within an Action Plan and require agreement or rejection by Heads of Service. The process includes follow-up reviews of agreed recommendations to ensure that they are acted upon.

4.10. The Internal Audit Annual Report contains an opinion on the overall levels of internal control (a view based on the relative significance of the systems reviewed during the year, in the context of the totality of the control environment).

External Audit

4.11. In accordance with the National Audit Office's Code of Audit Practice, the council receive regular reports on elements of its internal control environment, including performance management, risk management, financial management and governance.

CIPFA's Financial Management Code (2019)

4.12. CIPFA's Financial Management Code was published in October 2019 and sets out the standards of financial management for local authorities. It provides guidance for good and sustainable financial management, offering assurance that authorities are managing resources effectively, regardless of their current level of financial risk. It is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.

European Institute for Combatting Corruption and Fraud (TEICCAF) – Protecting the Public Purse Checklist

4.13. The European Institute for Combatting Corruption and Fraud (TEICCAF) issued a checklist for the 'Protecting the Public Purse' document. Authorities were encouraged to use the checklists to ensure that they have sound governance and counter-fraud arrangements in place and that they are working as intended.

'Fighting Fraud and Corruption Locally 2020'

4.14.   The 'Fighting Fraud and Corruption Locally 2020' strategy sets out the approach local authorities should take and the main areas of focus in order to transform counter fraud and corruption performance in 2020. There is a checklist to measure counter fraud and corruption culture and response.

CIPFA 'The Role of the Chief Financial Officer in Local Government'

4.15.   CIPFA published a document on the Role of the Chief Financial Officer. Achieving value for money and securing stewardship are key components of the Chief Financial Officer's role and the document includes a list of principles that were assessed as part of this review of governance arrangements

CIPFA 'The Role of the Head of Internal Audit'

4.16.   The Head of Internal Audit occupies a critical position in any organisation, helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance. This CIPFA document is to clarify the role of the Head of Internal Audit and to raise its profile.

5.   SIGNIFICANT GOVERNANCE ISSUES

5.1.   A governance issue arises when something has gone wrong which will affect the achievement of the council's objectives. There is a need to respond and often recover from an issue and in financial terms, responding and recovering may add significant cost to the organisation or its processes. An issue may arise unexpectedly or may result from a poorly managed risk.

5.2.   Whilst determining the significance of an issue will always contain an element of judgement, an issue is likely to be significant if one or more of the following criteria applies:

- It has significantly prejudiced or prevented achievement of a principal objective;
- It has resulted in the need to seek additional funding to allow it to be resolved, or has required a significant diversion of resources from another service area;
- It has had a material impact on the accounts;
- It has been identified by the Accounts and Audit Committee as significant;
- It has resulted in significant public interest or has seriously damaged reputation;
- The governance issue may, or has been publicly reported by a third party as a significant governance issue;
- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer.

6. REVIEW OF SIGNIFICANT GOVERNANCE ISSUES RAISED IN THE ANNUAL GOVERNANCE STATEMENT 2019/20

6.1 Within last year's review there were a number of issues raised as part of the Annual Governance statement for 2019/20. The status of these issues is provided in the table below:

Subject Area	Details	Status	Action
Peer Challenge Review *Carried Forward from 2017/18 and 2018/19 reviews*	Work continues to address the issues raised as part of the Peer Challenge Review in 2017/18 and follow-up visit in September 2019. The recommendations made at that time are attached at Annex 1, showing progress and the outstanding issues as last reported to Policy and Finance Committee. As part of this review it is recognised that progress has been made, but that the outstanding recommendations need to be addressed.	As many of the actions have since been addressed or are being separately monitored through Policy and Finance Committee this action can be closed for AGS purposes.	Complete for AGS purpose but to continue to be monitored by Policy and Finance Committee
Refuse Vehicle Maintenance Costs *Carried Forward from 2017/18 and 2018/19 reviews*	There has continued to be an overspend in refuse vehicle maintenance costs which have been highlighted to the relevant committees during the year. Work needs to continue to review the overspend and the associated budgets.	Vehicle repair costs continued to overspend in 2020/21 whilst there were issues with staffing levels and the need for external service providers. During 2021/22 spend levels have returned to budgeted levels in the early months of the financial year.	Carried forward to ensure spend levels remain within budget.
Members Code of Conduct – Complaints Process *Carried Forward from 2018/19 review*	In light of the considerable disruption to council business over the last 18 months it is recommended that the members Code of Conduct is reviewed and the process for dealing with such complaints	A review was undertaken and the revised code was submitted to the Accounts and Audit Committee for approval on 14th April 2021.	Complete

7.   REVIEW OF SIGNIFICANT GOVERNANCE ISSUES 2020/21

7.1   In considering the criteria for significant governance issues as listed at section 5 there are a number of areas to be raised as part of this Annual Governance Statement for 2020/21.

7.2   A number of these are items that have been carried forward from the review of actions raised as part of the Annual Governance Statements in 2017/18, 2018/19 and 2019/20 as work continues to address these areas (see section 6). It must be noted that progress has been made in the areas that have been carried forward, but that this work needs to continue to fully address the issues raised.
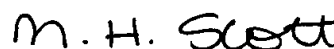
Action Plan

Subject Area	Details	Action
Refuse Vehicle Maintenance Costs *Carried Forward from 2017/18, 2018/19 and 2019/20 reviews*	There has continued to be an overspend in refuse vehicle maintenance costs which have been highlighted to the relevant committees during the year (£190,400 in 2020/21). Work needs to continue to review the overspend and the associated budgets, however indications in 2021/22 show spend levels returned to those budgeted. This is following the ending of the use of third parties in our fleet management.	Community Services Committee to continue to monitor spend closely to ensure levels have returned to be within budget in the longer term.
Recruitment and Staff Retention	The council continues to face significant recruitment and staff retention issues across a number of services.	A Pay Structure Working Group that reports to Personnel Committee has been put in place to examine Recruitment and Staff Retention

7.3   It is proposed over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that this will address the need for improvement that has been identified in our review of effectiveness and will monitor the implementation and operation as part of our next annual review.

Signed:

_____
Leader of the Council
On behalf of Ribble Valley Borough Council

M. H. Scott
_____
Chief Executive