

## ANNUAL GOVERNANCE STATEMENT RECOMMENDATION IMPLEMENTATION PROGRESS REPORT

### ANNUAL GOVERNANCE STATEMENT ACTIONS

| Local Code ref   | Local Code Measures  | Current Score<br>4 high<br>0 low | Resp               | Deadline   | Date Impl | Progress Comment  |
|--|--|----------------------------------|--------------------|------------|-----------|---|
| <b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b> |  |                                  |                    |            |           |   |
| -  | Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation: individual sign-off with regard to compliance with code | 3                                | All Managers       | 31/3/2022  | 31/3/2022 | New annual appraisal process - 'Your Conversation' - being launched in 2021. This is supported by monthly 121 meetings between line managers and team members. Values are confirmed, and Behaviours workshops are planned for 2021 which will most probably lead to an update on the Personal Qualities Framework   |
| A6   | Use the Council's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council;  | 3                                | Monitoring Officer | 31/03/2021 | Complete  | The Review of Local Government Ethical Standards was reported to the Standards Committee in April 2019. The Best practice recommendations have been considered and reported back to the Standards Committee in April 2021. This was at the same time that the Revised Member Code of Conduct was considered.  |
| A10  | Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice;  | 4                                | Monitoring Officer | 31/3/2022  | Complete  | Engagement with all Services on the Constitution and any required changes. Establishment of Constitutional Working Group with Party Leaders ( first meeting took place 07/06/2021).Training Programme 2021/22 on Legal, Governance and Democracy for all staff.   |
|  |  | 4                                | Monitoring Officer | 31/03/2022 | Complete  | MO underpins personal behaviour with ethical values in relation to Code of Conduct Complaints against Members, established Standards Committee, following procedure and assessing complaints with Independent Person.<br>Also advising fairly in relation to declarations of interest for both members and officers.<br>Annual Review completed<br>Meetings arranged with the Independent Person as required. |

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|                |  |                                  |                                   |            |           | Appointment and meetings with Independent Person   |
|                |  | 3                                | Human Resources Lead Specialist   |            | Complete  | Planned programme of HR policy reviews currently underway - around 1/3rd completed: final policy updates to HR Committee in July 2022  |
| A12            | Put in place arrangements so that conflicts of interest on behalf of members and employees can be avoided and put in place appropriate processes to ensure that they continue to operate in practice | 4                                | Monitoring Officer                | 31/03/2022 | Complete  | Regular training is provided on declaration of interest requirements for new members with refresher training for all members.<br>Declaration advice provided at all meetings with dispensations in place as required and requested.<br>Work this year to improve the related party disclosures linked to transparency of member support grants and other interests.<br>Work required relating to raising the profile and awareness regarding officer declarations of interest, relaunch planned. Plus raising awareness regarding process. Form updated this year. |
| A14            | Actively recognise the limits of lawful activity placed on the Council by the ultra vires doctrine but also strive to utilise the Council's powers to the full benefit of our communities;           | 4                                | Monitoring Officer / All Managers | 31/03/2021 | Complete  | Monitoring Officer reports quarterly to the Corporate Management Team on significant legal issues and cases of significance. With all case work we advise on vires (intra and ultra) doctrine and the MO ensures the Council acts within the vires doctrine.<br>Quarterly reports continue, daily advice and input on case work and legal advice provided on reports to meetings and decision making.  |

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| A15            | Observe all specific legislative requirements placed upon the Council as well as the requirements of general law, and in particular integrate the key principles of administrative law – rationality, legality and natural justice into the Council's procedures and decision making; | 4                                | All Managers                                  | 31/03/2021 | Complete    | Legal officers advise officers on points of law and through continued development and training. The MO and Legal Officers not only apply these principles within their department but across the Council and when advising Members  |
| A16            | Put in place effective systems to protect the rights of staff. Ensure that policies for whistle blowing which are accessible to staff and those contracting with the authority, and arrangements for the support of whistle blowers, are in place                                     | 3                                | Human Resources Manager / Section 151 Officer | 31/3/2022  |             | Whistleblowing policy last reviewed 2017/18: review was due in 2019/20 but has been delayed due to pressures of Customer Connect and Covid-19. The review has commenced and will be reported to Audit Committee when complete.  |
| A18            | use a statement of business conduct to make its expectations clear to partners and external providers of services;  | 3                                | Section 151 Officer/Strategy Lead Specialist  | 31/3/2022  | 31/3/2022   | Although there is a Partnership Register, there appears to be no current policy to accompany To do: Development of External Arrangement Policy/Strategy/ Guidance<br>UPDATE: Partnership Guidance is being presented to Audit Committee at its meeting on 8 <sup>th</sup> December 2021 for consideration and will be implemented after this. |
| A19            | Induction for new members and staff on standard of behaviour expected   | 3                                | HR Lead Specialist                            | 31/12/2021 | In progress | Aim: provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis. Induction process in place, with development opportunities boosted by recent provision of e-learning. Also, new Member Development Strategy currently going through approval process. |
| A20            | Assess the skills required by members and officers and make arrangements to agree a development plan to develop those skills and address any training gaps, to enable roles to be carried out effectively;  | 4                                | All managers                                  | 31/10/2021 | Complete    | 'new appraisal' approach, skills gap conversations, and Customer Connect Transition programme are underway  |

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| A22  | ensure that professional advice on legal and financial matters is available and recorded well in advance of decision making and used appropriately when decisions have significant legal or financial implications.   | 2                                | Monitoring Officer       | 31/03/2022 | Ongoing   | Report includes sections for professional advice on legal, financial, HR and other areas. Reports circulated to relevant officers, dates of advice recorded in report, all reports (except planning committee) considered and approved by Corporate Management Team before cleared for publication. However, current legal case management system needs addressing. Urgent need for adequate legal case management system.<br>Meetings of Statutory Officers in place |
| <b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b> |   |                                  |                          |            |           |   |
| B1   | Develop protocols to ensure effective communication between members and officers in their respective roles;   | 3                                | Strategy Lead Specialist | 31/03/2022 |           | Protocol exists and is being reviewed.  |
| B3   | Ensure that the Council's vision, values, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated; | 3                                | Strategy Lead Specialist | 31/3/2022  | 31/3/2022 | Review concluded in 2021/22: Council Plan review approved by Council 22/2/22.<br>Officer review of values during 2021/22 with teams.  |
| B4   | In pursuing partnerships, agree a set of values against which decision making and actions can be judged in line with and having referred to the Partnership Register and Guidance.  | 3                                | Strategy Lead Specialist | 31/3/2022  | 31/3/2022 | A Partnership Register exists but responsibility shifts means that it needs a review. Also policy behind it needs reinstating.<br>UPDATE: Partnership Guidance is being presented to Audit Committee at its meeting on 8 <sup>th</sup> December 2021 for consideration and will be implemented after this.  |
| B5   | Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale   | 3                                | All Managers             |            |           | Building of relationships with portfolio holders. Examples SAMP board, Climate Change Action Group. Actions may be dependent on the area of work  |

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|                | and considerations on which decisions are based;   |                                  |  |   |             |   |
| B9, B10        | Overall, several Local Code provisions to ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has a commitment to openness and transparency in all its dealings including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate. |                                  | Operational Lead Support Services;<br>Performance, Innovation and Commissioning Specialist | CC commenced due to continue over next 12 months. | In progress | Information governance, data quality and transparency will all feature as part of the Customer Connect Programme, particularly the implementation of the new digital platform. In addition, the new platform will also enhance communication with customers, ensure that it is easier to access services and gather feedback. Update: MyAccount launched May 2021: this formed an essential element of managing Covid-19 grant schemes. Implementation of development management system continuing. Full staff transition to new systems and processes delayed by Covid-19 and diversion of resources to LGR. |
| B13            | To ensure committee decisions are fully documented through the use of appropriate report templates, agenda submission processes and minutes;   | 2                                | All Managers   | 31/10/2021  | 31/03/2022  | Further training has been carried out but processes still need to be embedded. Council wide engagement needed. Training during 2021/22 completed and recorded so available in future.   |
| B16            | Ensure that professional advice on legal and financial matters is available and recorded well in advance of decision making and used appropriately when decisions have significant legal or financial implications;  | 3                                | Monitoring Officer   | 31/03/2022  | 31/03/2022  | Specific facility within all reports to Council members that log the advice sought from legal and finance. More training delivered during 2021/22 and recorded of how and when advice from legal and finance advice should be sought.   |
| B17            | When working in partnership, ensure that there is a clear statement setting out the purpose of the partnership and the outputs to be achieved.   | 3                                | All managers   | 31/03/2022  | 31/3/2022   | Reflected in the partnership guidance to be considered by Audit Committee December 2021.  |

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| <b>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>       |   |                                  |   |            |           |   |
| C7   | Link service plans to agreed measures and targets within the Council plan;  | 3                                | All managers  | 31/10/2021 |           | Out of date and was being replaced by "Plan on a Page" but development has been delayed by LGR.   |
| C11  | Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their job;   | 3                                | All managers  | 31/10/2021 |           | Although Protocols are in place, they are not always applied  |
| <b>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</b> |   |                                  |   |            |           |   |
| D1   | Decide how the quality of service for users is to be measured and ensure that the information needed to review service quality effectively and regularly is available;  | 3                                | All managers  | 31/10/2021 |           | Service Plans was being replaced by "Plan to Page" but development has been delayed by LGR.   |
| D13  | Partnership Framework:<br>Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their job                                    | 3                                | All managers  | 31/12/2021 | 31/3/2022 | Reflected in the partnership guidance to be considered by Audit Committee December 2021.  |
| D14  | Link service plans to agreed measures and targets within the Council plan (including Social Value)<br><br>Set out clear financial and contract procedure rules, kept under review as part of the overall Constitution of the Council. |                                  | Strategy Lead Specialist;<br>Performance, Innovation and Commissioning Specialist;<br>Finance Lead Specialist | 31/10/2021 | On-going  | Embedding of procurement practices into service planning (eg identifying contracts in plans) along with wider consideration of social value around delivery options.<br>Update: A Commissioning Framework and revised Procurement Strategy have been approved including social value alongside other relevant policies such as climate change and biodiversity. The Commissioning Specialist is now in post and is reviewing the current activities |

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| <b>Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</b> |   |                                  |   |  |                   |   |
| E2   | assess the skills required by members and officers and make arrangements to agree a development plan to develop those skills and address any training gaps, to enable roles to be carried out effectively;          | 3                                | Human Resources Lead Specialist                           | 30/11/2022                                       |                   | Leadership Team development programme with external provider will conclude in summer 2021. Team Leader programme has started. Behavioural workshops have been held with the majority of employees to define behaviours that help us meet this need.   |
| E3   | Ensuring appropriate financial skills of Officers scored 3 out of 4 with some scope to make financial acumen requirements more explicit.  |                                  | Finance Lead Specialist / Human Resources Lead Specialist | CC commenced due to continue over next 12 months | Completed 2021/22 | This is a medium term strategic project which also links in to Customer Connect. A programme of finance and legal training has been provided to all staff with recordings available.  |
| E5   | Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed, in line with the member development strategy; | 3                                | Human Resources Lead Specialist                           | 31/12/2021                                       | Completed 2021/22 | Induction process in place, with development opportunities boosted by recent provision of e-learning. Also, new Member Development Strategy currently going through approval process Your Conversation launch May 2021. Values and Behaviours workshops undertaken for the majority of staff. |
| E8   | Consider career structures for members and officers to encourage participation and development  | 2                                | Chief Executive / All managers                            | 31/03/2022                                       |                   | Overtaken by LGR proposals/implementation.  |
| E9   | manage the strategic Human Resource Management and Organisational Development needs of the organisation through relevant policies and accreditation.  | 3                                | Human Resources Lead Specialist                           | 31/10/2021                                       |                   | Plan on a Page development has been delayed by LGR.   |

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| E14   | develop protocols to ensure effective communication between members and officers in their respective roles;   | 3                                | Chief Executive          | 30/06/2022 |           | Discussion between Chief Executive and Leader  |
| E15   | develop protocols to ensure that the leader and chief executive negotiate their respective roles early in their relationship and that a shared understanding of roles and objectives is maintained; | 3                                | Monitoring Officer       | 31/03/2022 | Ongoing   | Keeping this under review, Cabinet away days with Leadership Team and clarification of Council Priorities and roles and responsibilities relating to them.   |
| E16   | determine a scheme of delegated and reserved powers within the constitution and ensure that it is monitored and updated when required   | 3                                | Monitoring Officer       | 31/03/2022 | Ongoing   | Contract procedure rules within the Constitution were updated to streamline decision making to make it more agile. Report on property service delegation to improve decision making to be considered by Cabinet in December. |
| E17   | Ensure effective internal control arrangements exist for sound financial management systems and processes;  | 4                                | Section 151 Officer      | 30/06/2022 |           | Constitution updated to reflect proposed amendments.   |
| E18   | Establish clear channels of communication with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure that they operate effectively;               | 3                                | Strategy Lead Specialist | 31/03/2022 |           | Included in partnership guidance.  |
| <b>Principle F: Managing risks and performance through robust internal control and strong public financial management</b> |   |                                  |                          |            |           |  |

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| F17   | ensure performance, financial and non-financial, is reported to senior management and Members including action plans where necessary;  | 3                                | All managers       | 31/10/2021 |            | To be considered as part of Plan on a Page, development has been delayed by LGR.   |
| F18   | To ensure committee decisions are fully documented through the use of appropriate report templates, agenda submission processes and minutes;   | 3                                | All managers       | 31/10/2021 |            | Calendar of dates for submitting, publishing and distributing timely reports that are adhered to Deadlines frequently missed or insufficient time allowed for preparation of comments. Training has been provided to ensure timely receipt of requests for support and advice. |
| F20   | develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall;  | 4                                | Monitoring Officer | 31/03/2021 | On-going   | Training to be provided at least annually for members<br>Access to North West Employers in place for training and support<br>Evidence of effective scrutiny in the Annual Report 2020/2021   |
| <b>Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b> |  |                                  |                    |            |            |  |
| G9  | ensure that the authority as a whole is open and accessible to the community, service users and staff and make a commitment to openness and transparency in all our dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so; | 3                                | Chief Executive    | 31/3/2022  | 31/12/2022 | Not explicitly a community strategy but new partnership guidance sets out arrangements for accountability in partnerships.   |

### CIPFA FINANCIAL MANAGEMENT CODE ACTIONS

## ANNUAL GOVERNANCE STATEMENT RECOMMENDATION IMPLEMENTATION PROGRESS REPORT

| Fm Code Ref   | FM Code measure   | Current Status Yes /No | Resp                                    | Deadline                     | Date Impl | Progress Comment  |
|---|---|------------------------|---|------------------------------|-----------|---|
| <b>A: The leadership team is able to demonstrate that the services provided by the authority provide value for money</b>                                |   |                        |   |                              |           |   |
| A2  | High-level governance and management arrangements exist: Effective service and financial planning   | N                      | All managers                            | 30/09/2021                   |           | Plan on a Page development has been delayed by LGR.   |
| A4  | Reviewing explicitly the ways in which these services are delivered or by comparing the authority's own services and service performance with those of other authorities: <ul style="list-style-type: none"> <li>• Efficiency reviews</li> <li>• Benchmarking</li> <li>• Peer Review</li> </ul>   | N                      | Section 151 Officer                     | 31/03/2022                   |           | Linked to Plan on a Page development which has been delayed by LGR.<br>Service delivery blueprints for all services have been prepared for the new unitary authority.<br>Full financial planning process including MTFP, 5-year budgets and capital programme.  |
| A5  | Ways in which the authority could help to ensure that its services are effective, in that they are achieving the authority's objectives and meeting the needs of service users: <ul style="list-style-type: none"> <li>• Monitoring of Performance Data</li> <li>• Service Reviews</li> <li>• User Surveys</li> <li>• External assessments</li> </ul> | N                      | All managers<br><br>Section 151 Officer | 31/03/2022<br><br>31/07/2022 |           | Plan on a Page development has been delayed by LGR: link to monitoring required<br>Performance Dashboard introduced for whole of Council<br><br>Value for money policy to be prepared alongside Procurement Strategy update and Medium Term Financial Plan refresh: no MTFP for SLDC will be prepared for July 2022 as it is being superceded by the Westmorland and Furness MTFP |
| <b>L: The authority has engaged with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget.</b> |   |                        |   |                              |           |   |
| L   | The authority has engaged with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget.   | N                      | Section 151 Officer                     | 28/02/2022                   |           | Overview and Scrutiny Committee invited to comment on draft MTFP and budget proposals. Statutory business rate consultation carried out as part of budget setting process.<br>It was planned that a public consultation methodology to be developed for 2022/23 budget setting process but this has not been progressed due to additional responce requirements of LGR.           |
| <b>M: The authority uses a documented option appraisal methodology to demonstrate the VFM of its decisions</b>  |   |                        |   |                              |           |   |

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|---|--|------------------------|-----------------------|------------|-----------|---|
| M1  | Option appraisal IFAC/PAIB Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal   | N                      | Section 151 Officer   | 30/07/2022 |           | A high-level bid is required for all capital schemes, a full business case is requested prior to commencement of capital works but the format is not mandated.  |
| M3  | The accounting treatment of material decisions is considered and demonstrated as part of the formal option appraisal process.  | N                      |                       |            |           | A business case format will be prepared to include the rationale for the project, capital and revenue costs, payback period (if applicable) and project risks. Procurement Strategy to be approved in All tenders consider VFM by considering the quality of service, not just the price. Following internal audit review, from April 2022 new processes have been agreed including a major project officer group which will meet for the first time on 27 <sup>th</sup> June 2022. |
| <b>N: The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability</b> |  |                        |                       |            |           |   |
| N2  | All Financial monitoring reports include:<br>•Accruals based financial information<br>•Service performance information   | N                      | Chief Finance Officer |            |           | Purchase ordering system produces accruals based purchase information, payroll and income is on cash basis.   |
| N6  | There are appropriate arrangements in place for reporting and managing the financial performance of each of the organisation's delivery partnerships and collaborative arrangements. | N                      | All managers          | 31/3/2022  |           | Some monitoring through contract processes, were not fully consolidated into main finance monitoring processes: will be included in 2022/23   |
| N7  | There are appropriate arrangements in place for the project management and cost control of capital projects.   | N                      | All managers          | 31/3/2022  |           | While there is budget monitoring there has been a very significant level of re-profiling of capital programme which suggests further work is necessary. Following internal audit review of projects a new methodology and approach is introduced from June 2022.  |
| <b>O: The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial stability</b>                               |  |                        |                       |            |           |   |

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|-------------|--|------------------------|---------------------|------------|------------|---|
| O2          | Management accounts include either a full balance sheet or an appropriate level of balance sheet information to meet business needs and evidence of monitoring of material items | N                      | Section 151 Officer | 31/03/2022 | 31/03/2022 | Internal monitoring only includes certain balance sheet items, mainly around debt. Full review of balance sheet monitoring completed March 2022 for implementation during 2022/23 monitoring. |