

## South Lanarkshire Council

### Annual Governance Statement 2020/2021

#### 1. Scope of responsibility

The residents of South Lanarkshire expect the council to conduct its business in a lawful and transparent way. In particular, the council has a duty to safeguard public money and account for it; and to continuously review and improve how its functions are discharged, focussing on the priorities of economy, efficiency and effectiveness.

The council is responsible for putting in place proper arrangements for the governance of its activities, facilitating the effective exercise of its functions including clear arrangements for the management of risk.

A [Local Code of Corporate Governance](#) (referred to as the “Code” from here on) has been approved and adopted. The Code is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework entitled ‘Delivering Good Governance in Local Government’.

This statement explains how the council has complied with the Code during 2020-21 and meets legislative requirements to include the Annual Governance Statement within the Annual Accounts. It also sets out the significant changes to the council’s governance arrangements as a result of the global health pandemic (referred to as the “Pandemic” from here on).

#### 2. The purpose of the council

The [Council Plan, Connect 2017-22](#) sets out the council’s vision, values and objectives and what difference this will make to the residents and communities of South Lanarkshire. A mid-term review was finalised during 2020.

The council is also a statutory Community Planning Partner and the [Community Plan 2017-27](#) provides a common vision for the South Lanarkshire Community Planning Partnership and sets out how the partners aim to achieve that vision. An update of the plan was completed during 2020-21.

The council has set the framework for strong corporate governance by having a clear vision and values which are outlined in the diagram below:-



### 3. The purpose of the council's governance framework

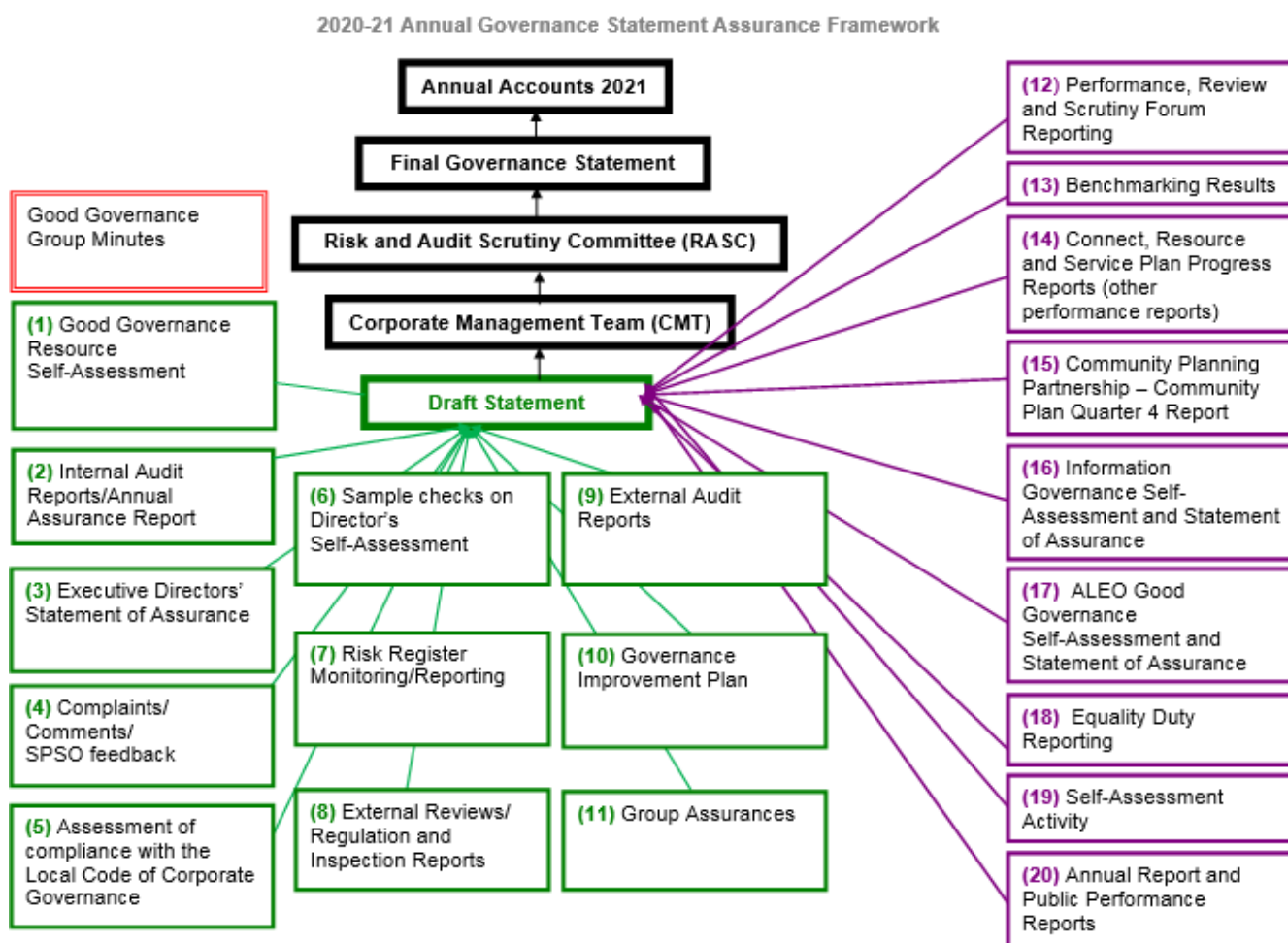
The governance framework comprises of the culture, values, systems and processes by which the council is directed and controlled. It describes the way the council is accountable to communities. It enables the council to monitor the achievement of its strategic objectives and consider whether these objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's aims and objectives by evaluating the likelihood and potential impact of those risks being realised. This enables the council to manage risk efficiently, effectively and economically.

The governance framework has been in place at South Lanarkshire Council for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Accounts.

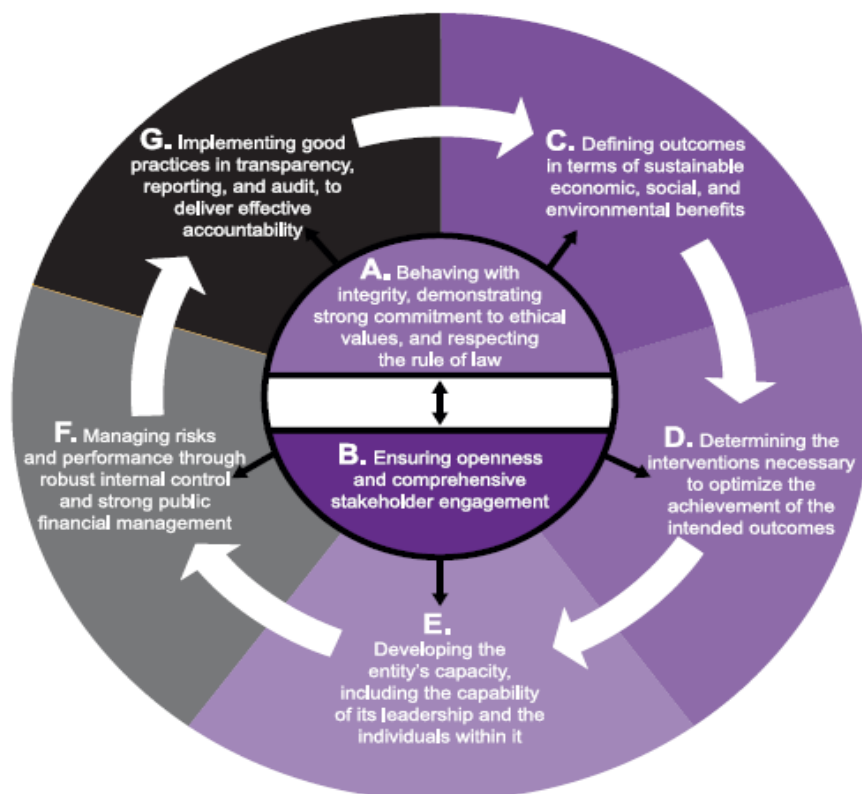
### 4. How the council monitors and evaluates the effectiveness of its governance arrangements?

The council annually reviews the effectiveness of its governance arrangements. The key sources of assurance that inform this review and underpin the statements made within this document are shown in the diagram below.



## 5. Key elements of the council's governance assurance framework

The council aims to achieve good standards of governance by adhering to the seven national principles below, which form the basis of the council's Code. These principles are used each year to evaluate governance arrangements and identify areas for improvement.



The following table demonstrates how the council has complied with these principles and provides assurance as to how they are met. Significant elements of the systems and processes that comprise the council's governance arrangements and important changes/developments are described. Links to the key council documents referred to below can be found in Section 2 of the Code. The impact of the Pandemic has been included and additional commentary can be found at the end of this section. Commentary on the council's level of compliance with the CIPFA Financial Management Code can also be found at the end of this section.

<b>Principle A:</b> Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
<b>Links to council's values:</b> <ul style="list-style-type: none"><li>Accountable, effective, efficient and transparent; Working with and respecting others</li></ul>
<b>How we do this:</b>
<ul style="list-style-type: none"><li>The council's values and objectives provide clear direction to councillors and employees and are embedded in all policies and processes.</li><li>Standards of conduct and integrity were promoted through the national Code of Conduct for Councillors and by the Standards and Procedures Advisory Forum. This is supplemented by role profiles which have a core accountability to maintain the highest standards of conduct.</li><li>The Standards Commission for Scotland issued one decision notice, finding that a councillor had acted in breach of the Councillors Code of Conduct. This was reported to council in compliance with s18 Ethical Standards in Public Life, etc. (Scotland) Act 2000.</li><li>The employee Code of Conduct outlines standards of conduct and integrity. All breaches including reported cases of suspected unethical behaviour and non-compliance with the</li></ul>

law/policy were investigated through the employee disciplinary process and the recommended actions taken.

- Professional Codes of Conduct ensured that ethical standards were maintained and all breaches were investigated by the governing body.
- To support integrity in decision making, the council has a number of committee procedural documents including decision making protocols known as the Scheme of Delegation, terms of reference documents, standing orders on procedures and contracts and financial regulations. Extended powers were granted to the Chief Executive under the Scheme of Delegation to allow him to take decisions in consultation with political group leaders on matters which would normally be subject to committee approval during the period when formal committee meetings, etc. were suspended in 2020 as a result of public health restrictions.
- To ensure openness and transparency agendas and committee reports continued to be published to the council website at least five working days ahead of the scheduled meeting dates and minutes of decisions taken by the Chief Executive during this period were publicised on the council website on the day the meetings were scheduled to take place. Committee meetings resumed remotely via Microsoft Teams in June 2020 and the local democracy reporter was invited to attend remotely. Blended meetings with participation in person and via Microsoft teams resumed briefly in August 2020 however as a result of the reintroduction of public health restrictions committee meetings reverted to being held by Microsoft Teams.
- To ensure openness and transparency in decision making processes, all declarations of interest made by councillors at meetings were recorded and made available online.
- There are a range of policies such as the Counter Fraud, Bribery and Corruption Policy Statement and Strategy, Fraud Response Plan, Whistleblowing for Third Parties and Confidential Reporting procedures. These continue to be updated to reflect best practice and support a culture of ethical behaviour amongst employees and councillors.
- Health and Safety compliance during 2019-20 was assessed as being within the top rating band of “good”.
- Legal Services maintained an overview of Pandemic legislation and regulations and worked with services to ensure compliance.

#### **Principle B: Ensuring openness and comprehensive stakeholder engagement**

##### **Links to council's values:**

Accountable, effective, efficient and transparent; Fair, open and sustainable; Focused on people and their needs; Working with and respecting others

##### **How we do this:**

- To ensure transparency and openness in decision making processes during the Pandemic, agendas, reports and decisions were published on the council's website and printed copies were available for public inspection for all committee and forum meetings (except the Standards and Procedures Advisory Forum). From January 2021, arrangements were put in place for subtitled recordings of all meetings to be posted on the council's YouTube channel. [http://bit.ly/SL\\_Committees](http://bit.ly/SL_Committees).
- The [Committee Management Information System](#) allows members of the public to register and be notified when committee and forum papers are published. The system also facilitates the creation of [online petitions](#) to increase the potential reach of signatories.
- The work of the council and key information from our partners is communicated regularly using a range of communication channels. The [South Lanarkshire View](#) pages on the council website provide a dedicated source of local information and news for communities. A variety of social media channels are used to communicate updates and share information.
- A suite of dedicated Pandemic pages providing advice, help and public health information were created and maintained on the council website.
- A 'Let's Talk South Lanarkshire' campaign has been established and was used to engage local people in an initial discussion about their experiences of the Pandemic and will

continue to be used for ongoing dialogue with communities on both the council and community planning priorities.

- The council's Community Engagement Team continue their work to increase stakeholder engagement and involvement in decision making processes through the continued development of new Community Planning Partnership Neighbourhood Plans which are aimed at improving outcomes and reducing inequalities.
- The Community Planning Partnership published its first [Community Participation and Engagement Strategy 2020-2025](#) which is also available online in [BSL](#) and the council has produced an online course for employees to complement this.
- A partnership Participation and Engagement Group has been established to ensure that there is a consistent and co-ordinated approach to engaging with communities.
- The council carried circa 200 surveys and engagement activities with residents, employees and partners, and through the council's Citizens Panel to inform policy and service delivery. Further information on our surveys is published on the [council's website](#).
- To ensure inclusivity and help shape service delivery, the council co-ordinates regular engagement with targeted groups of people such as young people, older people, people with disabilities, unpaid carers, black and ethnic minorities, etc. Groups considered items such as the budget consultation, rent setting and performance reporting.
- The [Participation Requests](#) and [Community Asset Transfer](#) processes support communities to engage with the council to improve local outcomes.
- The council's performance [Spotlights](#) set out what the council has achieved and the [18 public performance reports](#) provide a comprehensive overview of service performance. These demonstrate the council's commitment to continuous improvement and achieving Best Value; summarise the progress that the council has made in meeting its objectives and how it is performing locally and nationally.
- The council's Digital Inclusion Strategy 2020-23 sets out the actions that the council will take to assist those people who are unable to get online to access services digitally. The council also leads on a partnership Digital Inclusion Group.
- A comprehensive range of information on how the council operates is available on the website. The [Freedom of Information Publication Scheme](#) ensures that key information about how the council works is accessible to the public.

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

**Links to council's values:**

Accountable, effective, efficient and transparent; Fair, open and sustainable; Focused on people and their needs

**How we do this:**

- The council adapted approaches in response to the Pandemic to ensure processes continued to be effective, efficient and transparent.
- The council has a Capital Strategy that has a long-term outlook on future capital investment (up to 2027-28). This document is underpinned by a suite of Asset Management Plans which are aligned with the council's objectives and focus on creating an efficient, fit-for-purpose and sustainable core estate that delivers best value in terms of investment, running costs and environmental impact.
- The Council Plan 2017-22 and Community Plan 2017-27 have clearly defined economic, social and environmental outcomes to be delivered during the period. In light of the Pandemic, priorities for both plans will be reviewed during 2021-22.
- A new Community Wealth Building Strategy setting out the council's ambitions in relation to spending, workforce, land and property, finance and building the generative economy was approved in March 2021.
- Annual Resource Plans which deliver the objectives of the Council Plan were reviewed and updated. These plans outline the outcomes and actions to be achieved within the year and reference linkages with other key strategic plans of the council and partnership plans.



- The [Sustainable Development and Climate Change Strategy 2017-2022](#) which sets out the council's strategic outcomes in terms of the council, environment and communities for sustainable development and climate change during the period was developed using the principles of the United Nation's Sustainable Development Goals and to reduce the council's contribution to global warming. The new strategy is in development and will be published in April 2022.
- The council's [Climate Change and Sustainability Committee](#) oversees the delivery of the Sustainable Development and Climate Change Strategy 2017-2022, the council's transition to carbon neutrality and climate resilience.
- The council's new [Procurement Strategy 2020-23](#) which will be complemented by an annual action plan, sets out how value for money, national and local priorities will be delivered. It also demonstrates how the council will deliver the wider social, economic and environmental aims of procurement as required by the sustainable procurement duty.
- Sustainability principles are embedded in procurement processes and in recognition of the importance of our suppliers in achieving the council's aim to become more sustainable.
- Strategic Environmental Assessments (SEAs) were completed for all relevant council led policies, plans and strategies developed during 2020-21.
- The [South Lanarkshire Local Development Plan 2](#) was adopted by the council on 9 April 2021. The spatial strategy of the plan is to encourage sustainable economic growth and regeneration, a move towards a low carbon economy, protect the natural and historic environment and mitigate against the impacts of climate change.
- A summary of the findings resulting from [Equality Impact Assessments](#) of the council's key decisions on service users, communities and businesses have been published on the council's website.
- Strategic decisions of the council have been subject to a Fairer Scotland Impact Assessment which considers how inequalities of outcome can be reduced.

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

**Links to council's values:**

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving; Focused on people and their needs; Working with and respecting others

**How we do this:**

- Key services were adapted and delivery was maintained throughout the Pandemic in line with Public Health guidance and Government guidance and legislation.
- There is a standard approach to identifying savings across the council. The council's efficiency programme is overseen by the Senior Management Team. Frameworks are in place for holding discussions with key stakeholders. Savings achievements are monitored monthly and reported to the Senior Management Team quarterly.
- The Financial Strategy which is aligned with the council's objectives was updated during the year to reflect the latest internal and external influences. This plan sets out the assumptions in terms of commitments, grant funding and efficiency requirement and demonstrates sound financial management and the ability to address projected funding gaps.
- The annual budget setting consultations took place with members of the public, councillors, trade unions and employees to inform savings proposals. There was over 2,000 responses to the online consultation, more than 4 times the previous year's response rate. The annual budget is open to scrutiny and amendment by councillors until the approval of the final budget.
- The council's Performance Management Framework has ensured that progress against intended outcomes has been regularly reported to Management Teams; Committees; and the Performance and Review Scrutiny Forum. Decisions and actions to address performance issues have been taken and monitored to ensure that they have been effective.
- The council has complied with its statutory and regulatory reporting requirements during the year.

- The Public Bodies (Joint Working Act) sets out those Adult Care Services that are delegated to the Integration Joint Board (IJB) as set out in the South Lanarkshire Integration Scheme. These services continue to be operationally delivered by the council in line with the strategic direction set out in the Strategic Commissioning Plan and annual IJB Directions.
- The council considers the specification and achievement of community benefits, which focus on the health, economic, social and environmental wellbeing of the South Lanarkshire area, when awarding contracts.
- To improve efficiency and effectiveness, the council is the lead authority for a range of collaborative projects and services delivered through the Clyde Valley Learning and Development Group.

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

**Links to council's values:**

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving; Excellent employer; Focused on people and their needs; Working with and respecting others

**How we do this:**

- A Leadership Challenge Programme which is linked to succession planning has been developed and will be rolled out during 2021.
- Learning and Development programmes were revised and employees at all levels can now access optional accredited management qualifications.
- Training requirements were identified and online learning and development opportunities including webinars and e-briefings were developed and offered to all councillors.
- Two surveys of all council employees working from home were undertaken during 2020. On both occasions, 87% of those who responded said that they felt working from home was a positive experience. Feedback from these surveys will be used to inform future agile working arrangements.
- A range of policies and activities are in place to support the Health and Wellbeing of employees including physical and mental health and these have been regularly communicated. Online wellbeing events were held in response to the new ways of working.
- The council recognises that skilled and motivated employees are a key asset. All employees have an annual performance appraisal which links to the council values and a Personal Development Plan. The council offers a range of training interventions to support employee development.
- The council has a comprehensive and coordinated approach to workforce planning which also supports succession planning. Each Resource reviews their workforce plan and related action plan to better understand workforce capacity issues, further challenges and opportunities to ensure that resources are in the right place, at the right time and people have the right skills. The council-wide Workforce plan 2020-23 has been revised to consider the workforce requirements as a result of the Pandemic response.
- Senior Managers have overseen the annual scrutiny of the council's assets through the review of a suite of Asset Management Plans. Service Asset Management Plans have been developed in line with CIPFA guidance and these feed into the Corporate Asset Management Plan which outlines priorities and provides an overview of how the council has performed in this area.
- The council's Scheme of Delegation, Financial Regulations, Standing Orders on Contracts and Terms of Reference ensured that committees, officers and statutory officers were clear on the decisions that could be made within their area of authority. This is supplemented by councillor's role profiles which outline the key purpose, specific and core accountabilities for each role.
- The council continues to work with a range of public sector, business and academic partners to improve outcomes for those living and working in South Lanarkshire. Strategic Partnerships include the Community Planning Partnership and the Glasgow City Region City Deal.

- In terms of the 2019-20 Local Government Benchmarking Framework results, based on the information available at the end of January 2021, the council is performing better than the Scottish average levels for under half of the indicators. The results were analysed and an action plan developed which will be monitored by the Senior Management Team.
- The council takes a risk-based approach to self-assessment which is used to review and redesign services with a focus on fundamental change. Progress and the impact of improvement activity was reported to the Senior Management Team and the Performance and Review Scrutiny Forum.
- The council has a robust complaints process which is underpinned by national complaints handling standards. Complaints performance was regularly reported to Senior Management and committee and [learning from complaints](#) which is integral to this process is also published on the council's website. Complaint handling procedures have been updated in line with national changes and communicated to all employees.

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

**Links to council's values:**

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving

**How we do this:**

- The council, in partnership with Trade Unions, ensured that safe systems of work were in place through a robust risk assessment process, changes to working methods and supply of personal protective equipment.
- The council has put in place comprehensive arrangements for identifying, evaluating and controlling significant risks which threaten the council's ability to meet its objectives to deliver services to the public. There is also a robust process in place for compliance monitoring of the council's Risk Management Strategy, Resource Risk Registers and Control Plans.
- The annual end of year compliance statement evidenced that all Resources were compliant with Risk Management Strategic requirements.
- The council's risk scoring matrix was revised as an outcome of the 2020-21 annual review of risks.
- The council's Internal Audit Service which complies with Public Sector Internal Audit Standards completed a revised annual programme of risk based audits with an objective of providing an opinion on the adequacy and effectiveness of the council's risk management, governance and internal control arrangements. Where improvements were required, action plans were developed and monitored and where necessary follow-up audit work completed.
- In response to changes in working practices and the introduction of new systems, for example to process Pandemic grants, Internal Audit has advised on key internal controls that should be maintained through the identification of alternative controls and has been involved in the development of new systems.
- Whilst the Information Governance Board did not meet from March to December 2020, assurances have been received from Executive Directors that they have followed the Information Governance operational arrangements in order to promote effective arrangements for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
- Information security incidents have continued to be monitored and considered for notification to the Information Commissioner's Office. Throughout the period, the council's Data Protection Officer provided advice and assistance to Resources in relation to meeting their obligations under UK General Data Protection Regulations (GDPR).
- The system of internal financial control is based upon the Financial Regulations which set out the rules to ensure robust internal control over the council's finances. Control is maintained through regular management information, management supervision and a structure of delegation and accountability.



- The cost of the Pandemic on the council's budgets has been closely monitored and regular reports have been presented to the Senior Management Team and Committee.
- External Audit of the council's accounts is robust and a "clean audit certificate" was issued for 2019-20.
- Through a well-established Performance Management Framework, the council has clearly defined processes in place for the identification, monitoring and reporting of its objectives to ensure continued effectiveness and the achievement of Best Value. Progress is monitored and reported regularly to both managers and councillors. This includes areas of under-performance and the related improvement actions.
- Trustees of the South Lanarkshire Charitable and Educational Trusts received independent legal training setting out their duties and responsibilities in ensuring that the trusts operate in a manner designed to benefit communities.
- The Executive Director of Finance and Corporate Resources is a member of the council's Senior Management Team and as such, is integral in all major decisions taken by the council, and in material matters which are submitted to councillors for decision. This involvement fulfils the expectation of CIPFA in terms of the role of the Chief Financial Officer.
- The council has completed a self-assessment using the principles of the CIPFA Financial Management Code and an action plan has been developed to ensure full compliance by March 2022.

**Principle G:** Fair, Open and Sustainable; Implementing good practices in transparency, reporting, and audit to deliver effective accountability

**Links to council's values:**

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving; Working with and respecting others

**How we do this:**

- The Good Governance Group has completed the annual review of governance arrangements at resource level and in line with the CIPFA/SOLACE Delivering Good Governance Framework. Governance improvement actions have also been identified and are included in Resource/Service Action Plans. Progress against actions including those highlighted as significant governance areas for action will be reported to the Senior Management Team and committee.
- In the 2019-20 annual audit report, the external auditor commended the council's annual governance statement as good practice for the second year.
- All Directors completed their annual Statement of Assurance and where relevant assurances have been provided.
- The council prepares and publishes an Annual Governance Statement which is aligned with national guidance and reflects on the adequacy and effectiveness of the council's governance arrangements. This is independently considered by External Audit and published with the Annual Accounts and separately on a dedicated [governance web page](#).
- The annual review of governance arrangements for the council's at Arm's Length External Organisation (ALEO) and key external service providers has not highlighted any compliance issues.
- The annual review of the Local Code of Corporate Governance was completed and the revised Code was approved by committee and re-published on the council's website.
- Whilst temporary decision making arrangements were put into place as a result of the Pandemic restrictions on people gathering, all agendas, reports and decisions continued to be published (except those exempt under the Local Government (Scotland) Act 1973) on the council's website. Arrangements were put in place for subtitled recordings of committee meetings which can be found on the council's YouTube page. [http://bit.ly/SL\\_Committees](http://bit.ly/SL_Committees).
- The Risk and Audit Scrutiny Committee considered the adequacy and effectiveness of the council's governance arrangements and internal control environment and approved the Annual Governance Statement and Accounts.

- Internal audit activity has continued to be reported to the Senior Management Team and to the Risk and Audit Scrutiny Committee.
- Internal Audit changed how their findings are presented to the Risk and Audit Scrutiny Committee to improve scrutiny.
- Outcomes from external audit and inspection activity was reported to the appropriate committee and action plans were developed for implementation where required.

## COVID-19 Pandemic Governance Arrangements

The 2019-20 Governance Statement set out the initial impacts of the Pandemic on the council's governance arrangements. During 2020-21, the council, its partners and local community organisations have continued to strengthen the partnership approach in response to the Pandemic. The council continues to manage the impacts of the Pandemic through robust resilience arrangements and controls.

As the council has moved through the different phases of response and recovery, changes to governance arrangements have been made to comply with national guidance and legislation. New ways of working have been put in place to continue to maintain the delivery of essential business of the council and to respond to the Pandemic. Priority services have been maintained throughout the Pandemic and many new services/processes established. Throughout the year, schools, nurseries, etc. have adapted in accordance with national decisions including home schooling through closures, blended learning and partial re-opening on a phased basis for some pupils.

Costs associated with the Pandemic have been met from funding provided by the Scottish Government and the council will continue to monitor the financial impact of the Pandemic into 2021-22 and beyond. This will include working with South Lanarkshire Leisure and Culture on the impact of the Pandemic on their business and their recovery.

Plans for returning to 'business as usual' and 'Pandemic recovery' developed during June 2020 are being reviewed. The council and the Community Planning Partnership are currently reviewing their priorities which will be informed through ongoing dialogue with local communities, organisations and businesses.

As the Pandemic response eases, recovery will be a significant area of work for the council and its partners and is highlighted as such in Section 7 of this statement.

A timeline providing a summary of the impact of the pandemic on the council's governance arrangements is set out in Table 1 below:-

**Table 1 - Summary of the impact of the Pandemic on the council's governance arrangements**

Timeframe	Impact on the council's governance arrangements
March/May 2020	<ul style="list-style-type: none"> <li>• Category one emergency response co-ordinated through the Lanarkshire Resilience Partnership.</li> <li>• Non-statutory services temporarily suspended to redirect employees and assets to deliver statutory services and respond to the Pandemic. South Lanarkshire Leisure and Culture employees also re-deployed. New support roles included working in Care Homes, Pharmacies, the Community Wellbeing Helpline, Community Meals, Education and Food Hubs.</li> <li>• Face-to-face services suspended to comply with Pandemic restrictions.</li> <li>• Safe Systems of Work developed with Trade Unions to ensure the safety of employees and where relevant residents who are in receipt of services.</li> </ul>

Timeframe	Impact on the council's governance arrangements
	<ul style="list-style-type: none"> <li>• Provision of Emergency Childcare Hubs for key workers and vulnerable families.</li> <li>• Temporary decision-making arrangements put in place as set out in the Scheme of Delegation. Council business was considered by the Chief Executive with all political group leaders meetings. To ensure transparency reports and decisions were published on the council website.</li> <li>• Community Wellbeing Helpline established to provide support to communities. This was later combined with the National Assistance Helpline which supported individuals/families who were shielding/vulnerable.</li> <li>• New I.T. developments to support working from home and new ways of working were established.</li> <li>• Internal control measures adapted to reflect online working methods.</li> <li>• Strategic risks reviewed, COVID-19 risks adopted.</li> <li>• Capital programme put on hold.</li> <li>• Processes and controls put in place to administer new sources of government funding.</li> <li>• COVID-19 related spend, loss of income and forecasted budget shortfalls regularly reported to Senior Managers and Councillors.</li> <li>• Extension of financial support to individuals and families in terms of school meals, clothing allowance, etc.</li> </ul>
June/August 2020	<ul style="list-style-type: none"> <li>• Recovery Plan developed and Recovery Working Groups and a Recovery Board established to oversee delivery and provide scrutiny.</li> <li>• Committee and Forum meetings resumed online which included a period of blended meetings with some people connecting from a meeting room and others from home.</li> <li>• Continued provision of the National Assistance and Community Wellbeing Helplines with additional Vitamin D assistance.</li> <li>• All services suspended due to the Pandemic were reviewed using the council's Service Restart Framework which is aligned with the council's priorities.</li> <li>• Following review and in accordance with government guidelines and public health advice, a phased return of suspended and face-to-face services resumed.</li> <li>• A Pan Lanarkshire Economic Forum was established to support economic recovery.</li> <li>• Internal Audit Plan updated to focus on known/emerging COVID-19 risks.</li> <li>• Conversations with communities regarding the impacts of the Pandemic begin.</li> <li>• Local Community Networks established.</li> <li>• Continued administration of government funding.</li> <li>• Continued provision of Emergency Childcare Hubs for key workers and vulnerable families.</li> <li>• Continued provision of financial support to individuals and families in terms of school meals, clothing allowance.</li> </ul>
September/December 2020	<ul style="list-style-type: none"> <li>• Council returns to a full Pandemic response as a result of the second wave of the Pandemic and national lockdown.</li> <li>• Processes and controls put in place to administer new streams of government funding.</li> <li>• Continued provision of National Assistance and Community Wellbeing Helplines now expanded to include Test and Protect Self Isolation Support and Grant.</li> </ul>

Timeframe	Impact on the council's governance arrangements
	<ul style="list-style-type: none"> <li>• Premises, vehicles made available and employees deployed to deliver the Lanarkshire COVID-19 Vaccination, Contact Tracing and Community Testing programmes.</li> <li>• Continued provision of Emergency Childcare Hubs for key workers and vulnerable families.</li> <li>• Continued provision of financial support to individuals and families in terms of school meals, clothing allowance.</li> </ul>
January/ March 2021	<ul style="list-style-type: none"> <li>• Committee and Forum meetings now recorded and added to the council's YouTube channel for public viewing.</li> <li>• Live streaming of Committee and Forum meetings tested.</li> <li>• Continued provision of National Assistance and Community Wellbeing Helplines including Test and Protect Self Isolation Support and Grant</li> <li>• Administration of government funding.</li> <li>• Continued provision of Emergency Childcare Hubs for key workers and vulnerable families.</li> <li>• Continued provision of financial support to individuals and families in terms of school meals, clothing allowance.</li> </ul>

## CIPFA Financial Management CODE

The Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability. The following information sets out the council's level of compliance with the CODE.

The council has reviewed the principles of the FM Code as part of its internal governance process. A self-assessment was carried out during the shadow implementation year (2020-2021) which identified that the council had embedded 13 of the 17 principles of the Code in its normal business by the end of that financial year. For the remaining four principles which are not fully embedded, an action plan has been developed, to ensure full compliance by the end of the first full year of implementation (2021-2022). The action plan is summarised below and will be complete by March 2022:-

1. A detailed financial resilience assessment will be carried out;
2. A statement re the adequacy of reserves will be included in the 2022-2023 budget strategy paper;
3. It is proposed that, alongside our usual consultation process, we include key stakeholders in the development of medium and long-term financial plans; and
4. The council's Options Appraisal guidance and template will be re-issued to Resources via the Senior Management Team, to encourage its use in demonstrating value for money in decision-making.

## 6. Review of Effectiveness

The review of governance arrangements for 2020-21 has also considered the following assurance outcomes:-

### Group Assurances

In respect of the Joint Boards, Charities and Companies that fall within the council's group boundary, the review of their internal financial control systems is informed by:-

- Annual Governance Statements included in the respective financial statements of the Joint Boards;
- Assurances from company directors and/or other senior company officials; and



- The work of the relevant bodies respective external auditors (and where relevant internal auditors) and other interim reports.

The Executive Director of Finance and Corporate Resources, the council's Chief Financial Officer, has considered the effectiveness of the group's internal financial control system for the year ended 31 March 2021. It is the Executive Director of Finance and Corporate Resources' opinion that reasonable assurance can be placed on its effectiveness.

## Internal Assurance

It is the opinion of the council's Risk Management Service that a good level of assurance can be placed on the council's strategic risk control environment and a good level of assurance can be placed on the council's operational risk control environment.

It is the opinion of the council's Audit and Compliance Manager that, overall, reasonable assurance can be placed on the adequacy and effectiveness of the council's framework of governance, risk management and control arrangements for the year ending 31 March 2021.

## 7. Significant Governance Areas

The 2019-20 Annual Governance Statement identified 12 significant governance areas that the council were working to address. Progress updates can be found on the council's website; see the Significant Governance Areas Update Q4 2020-21 link to be added when published. Of these areas, three have progressed and are now embedded in our processes, the other nine remain as significant areas of action for the council moving forward into 2021-22 and will continue to be monitored as such.

Through the 2020-21 annual governance review, the following areas which outline the actions being taken to address them have been identified as significant areas of work for the council during 2021-22:-

No.	Areas identified in 2019-20	Actions	Lead Officer
1	<b>COVID-19 Pandemic</b>  The council will continue to respond to matters arising from the COVID-19 Pandemic	The council will continue to monitor national guidance; maintain ongoing resilience arrangements; and implement further measures as and when required in response to the Pandemic.  Corporate and Resource risk registers will continue to be monitored and updated to reflect national and local developments.	Chief Executive and all Directors
2	<b>COVID-19 Pandemic recovery</b>  Recovery actions	As conditions improve, the council will deliver the right services in the right way, for the benefit of our residents and communities.	Chief Executive and all Directors
3	<b>I.T Infrastructure</b>  Migration of computer systems to an external provider	<ul style="list-style-type: none"> <li>• Conduct procurement to identify and award contract for external hosting services.</li> <li>• Complete planning for migration of all computer systems from Caird Data Centre.</li> <li>• Complete preparatory work to set up new network hubs.</li> </ul>	Director of Finance and Corporate Resources

No.	Areas identified in 2019-20	Actions	Lead Officer
		<ul style="list-style-type: none"> <li>Commence move of IT systems to new provider.</li> </ul>	
4	<b>Cyber Resilience</b>  Compliance with legislative and regulatory policy	<ul style="list-style-type: none"> <li>Maintaining Public Sector Network (PSN) accreditation and instilling an ethos of ongoing compliance.</li> <li>Continued compliance and accreditation to Cyber Essentials Plus.</li> <li>Moving forward working towards the guidelines outlined within the Scottish Public Sector Cyber Resilience Framework.</li> <li>Continued awareness training for all SLC staff around the area of Cyber Resilience.</li> </ul>	Director of Finance and Corporate Resources
5	<b>Participatory Budgeting</b>  1% of the council's budget to be subject to Participatory Budgeting	<p>All Scottish councils are required to commit 1% of their budget to Participatory Budgeting (with the "council budget" being defined as the council's Total Estimated Expenditure (TEE) less Assumed Council Tax Income both taken from the Government's Finance Settlement).</p> <p>Councillor's awareness sessions have been conducted and a webinar made available for councillors. The Executive Committee has agreed the first wave of services to be considered under Participatory Budgeting.</p>	Director of Finance and Corporate Resources
6	<b>Financial Challenges</b>  Reduction in council funding, resulting in difficulties maintaining front line services	<p>The council faces a challenging situation in the medium to long-term because of reduced funding in real terms, rising costs and an increase in demand.</p> <p>The council has developed a long-term strategy which identifies budget pressures, future risks and uncertainties, and projects budget gaps to 2028-29.</p> <p>The Budget Strategy for 2022-23 will be updated and presented to councillors during autumn 2021.</p>	Director of Finance and Corporate Resources
7	<b>Integrated Joint Board – Health and Social Care</b>  The need for the council to deliver the objectives set out in the Integrated Joint Board (IJB) Strategic	<p>The current strategic direction set out and approved by the IJB is detailed within the Strategic Commissioning Plan. The council and NHS Board are required to deploy their resources in line with this strategic direction.</p> <p>The IJB issues Directions that set out the key actions to be delivered by the council</p>	Director, Health and Social Care, South Lanarkshire Health and Social Care Partnership

No.	Areas identified in 2019-20	Actions	Lead Officer
	Commissioning Plan 2019-22	<p>during the year 2021-22 and these Directions were agreed by the IJB at it special budget meeting in March 2021.</p> <p>The council will provide progress updates against Directions for which it is the lead organisation.</p>	
8	<p><b>Integrated Joint Board – Health and Social Care</b></p> <p>The need for the council to deliver improvements within Care at Home to meet regulatory requirements</p>	<p>Following inspection activity in the latter half of 2019, the Care Inspectorate identified concerns in the delivery of Care at Home services in both the Hamilton and Rutherglen/Cambuslang services.</p> <p>Individual Improvement Action Plans have been developed and progressed for Rutherglen and Hamilton Services. An overarching improvement plan has been developed and progress updates are overseen by the Care at Home Transformation Board. Regular updates on progress are provided to the Health and Social Care Partnership Senior Management Team; the council's Senior Management Team; the Social Work Committee; and the Integrated Joint Board.</p>	<p>Director, Health and Social Care, South Lanarkshire Health and Social Care Partnership</p>
9	<p><b>National expansion in early years education and childcare provision</b></p> <p>The COVID-19 Pandemic and the various announcements by the Scottish Government for schools and educational settings has impacted on the delivery of 1140 hours early learning and childcare with a change to the target date now being August 2021</p>	<p>In line with the Education Recovery Plan, a restart of the significant investment made through the capital programme to expand the delivery of 1140 hours has taken place. The support of council services has been instrumental in re-starting the building programme.</p> <p>Woodhill Early Learning and Childcare in Kirkmuirhill opened its doors to children and staff in September 2020. The nursery offers 63 places and is an important milestone in the expansion of early years' capacity (Target South Lanarkshire Council wide: 1658 places). Admissions were reviewed and places reallocated. All families (approximately 7300 children as at April 2021) have been allocated the statutory minimum of 600 hours, however, it has been possible to provide 1140 hours places to almost 6,000 (83%) eligible families. As the capital programme progresses, further 1140 hours places will increase.</p>	<p>Director of Education Resources</p>

No.	Areas identified in 2019-20	Actions	Lead Officer
		<p>Approximately 2,200 families are accessing places through our contracted funded providers, all at 1140 hours.</p> <p>Regular monitoring and review will be undertaken and progress reports made to the council.</p>	
10	<p><b>Review of Community Planning</b></p> <p>Provide support to the review of Community Planning arrangements</p>	<p>During 2019, the Community Planning Partnership Board undertook a self-assessment of the current Community Planning arrangements. Improvement actions were later supplemented by the recommendations from the council's Best Value Assurance Review and a group has been set up to take these forward.</p> <p>The review focuses on several key areas including structures, governance and accountability arrangements. The council will provide resources to support the implementation of the agreed actions.</p> <p>The proposal was approved by the Community Planning Partnership Board at their meeting in September 2020. This highlighted a two phase approach to implementation, with interim actions to be delivered during the 2021-22 year leading to final improvements, particularly around structures, during 2022-23 in order to ensure that the partnership is fit for purpose to deliver the outcomes within the new Community Plan, which will be created using a co-production model during 2021-22.</p>	Director of Finance and Corporate Resources
11	<p><b>Community Wealth Building</b></p> <p>Deliver the Community Wealth Building Strategy</p>	<p>The Community Wealth Building Strategy which was approved in March 2021 will bring fundamental changes to how the council delivers its services and works with its partners and communities. Work has started to develop an action plan and performance monitoring and reporting arrangements. A robust assessment of risks will be undertaken and a risk register will be developed.</p> <p>Other key actions for delivery during 2021-22 include the establishment of a Community Wealth Building Commission and engaging with Community Planning</p>	Director of Finance and Corporate Resources



No.	Areas identified in 2019-20	Actions	Lead Officer
		partners on the Community Wealth Building Principles.	
12	<b>Sustainable Development and Climate Change</b>	The council acknowledges the serious and immediate threat of climate change and is committed to accelerating the pace of action in response to the climate emergency and in Scotland's transition to a net-zero and climate resilient society and economy. During 2021-22, a review of the council's Sustainable Development and Climate Change Strategy (2017-2022) will be carried out and concluded; and a new Strategy for 2022-2027 will be developed.	Director of Community and Enterprise
13	<b>Economic Recovery and Renewal</b>	<p>Economic recovery from the Pandemic will incorporate the principles of Community Wealth Building and during 2021-22 an Economic, 'Response, Recovery and Renewal' Strategy framed around the themes of: People; Place; and Business will be developed.</p> <p>The council will also lead on local economic recovery for South Lanarkshire businesses through promotion of local economic support networks and contribution to the pan-Lanarkshire Economic Forum.</p>	Director of Community and Enterprise
14	<b>Implement the outcomes following the Cross Party Working Group review of South Lanarkshire Leisure and Culture (SLLC)</b>	<p>The review of leisure and culture provision concluded on 19 May 2021. Outcomes to be implemented over the course of the year include changes to:-</p> <ul style="list-style-type: none"> <li>• governance arrangements (a new constitution will be developed, reflecting a modernised governance model. This will also involve a review of various Service Level Agreements that exist for the provision of shared services with the aim of strengthening the SLC/SLLC partnership);</li> <li>• pricing arrangements (SLLC will now have latitude to adjust commercial pricing without prior approval by the Council); and</li> <li>• Further engagement with community groups on community asset transfer of SLLC assets.</li> </ul>	Director of Community and Enterprise

## **8. Summary**

The annual review of governance arrangements across the council and overall compliance with the council's Code demonstrate sufficient evidence that the Code's principles of Delivering Good Governance in Local Government operated effectively and that the council complies with its Code.

During 2021-22, steps will be taken to address the significant governance areas highlighted in this statement to further strengthen the council's governance arrangements and evidence our commitment to continuous improvement.

**John Ross**

**Leader of the Council**

**Signature:**

**Date:**

**Cleland Sneddon**

**Chief Executive**

**Signature:**

**Date:**

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

**Signature:**

**Date:**