

Annual Governance Statement 2020/21

Executive summary

The overall assessment is that the council is satisfied that governance, risk management and control in relation to business critical areas was generally satisfactory during 2020/21.

Audit activity has identified specific areas where improvement is required and plans are in place to address these and to continue to strengthen the governance arrangements.

Introduction and Acknowledgement of Responsibility

The council is responsible for ensuring that it acts in accordance with the law and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. Additionally, the council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government.

This statement explains how the council has complied with the code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement. In line with the CIPFA/SOLACE framework, this statement is “an open and honest self-assessment” of the council’s performance across all of its activities and describes:

- the key elements of the council’s governance arrangements, covering all corporate systems and the range of activities for which the council is responsible;
- the specific achievements in the 2020-21 financial year;
- the processes applied in reviewing the effectiveness of the council’s governance framework, including the system of internal control;
- the actions proposed to deal with any significant governance issues identified.

The Principles of Good Governance

The CIPFA/SoLACE Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector. The document sets out seven core principles that underpin the governance framework and these are set out below (Appendix B sets out in more detail how the council is meeting these requirements in practice).

Core Principles of the CIPFA/SoLACE Framework

- A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B.** Ensuring openness and comprehensive stakeholder engagement
- C.** Defining outcomes in terms of sustainable economic, social and environmental benefits
- D.** Determining the interventions necessary to optimise the achievement of the intended outcomes
- E.** Developing the entity’s capacity, including the capability of its leadership and the individuals within
- F.** Managing risk and performance through robust internal control and strong public financial management

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

Key Elements of the council's Governance Framework

The council's governance framework comprises the systems, processes, cultures and values by which the organisation is directed and controlled, and through which it accounts to, engages with and leads the local community. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Figure 1 – Overview of the council's Governance Framework

Overview and Scrutiny

- Scrutiny is used to hold public-service providers in Lambeth to account and help improve the public services in the area
- Scrutiny committee review council policy and can challenge decisions
- They scrutinise the decisions of cabinet and performance of the council and have a key role in advising on the development of council policy

Council, Cabinet and Leader

- Provide leadership, approve the budget, develop and set policy
- Provide oversight of the council's strategic financial management and performance (role of the Cabinet Member for finance)
- Approve the constitution which sets out how the council operates
- Agree Council Plan priorities, developed in consultation with residents and stakeholders
- Manage the delivery of agreed council priorities, strategies and policies

Corporate Committee

The council's Audit and Corporate Governance Committee has responsibility for non-executive functions other than planning, licensing, pensions and standards. It meets approximately five times a year and receives reports on the regulatory framework as follows:

- Annual Governance Statement
- Statement of accounts and external auditor's opinion
- External audit plan
- Internal audit plan
- Internal audit update
- Principal risks;
- Counter-fraud; and
- Treasury management (quarterly)

The Committee may also consider additional reports on any of those functions should it consider it necessary to provide the assurance sought. Its terms of reference, structure, composition and work programme have been developed with reference to the CIPFA Position Statement and published guidance Audit Committees – Practical Guidance for Local Authorities and Police (2013)

Decision Making

- All decisions are made in compliance with law and council constitution
- All meetings are held in public
- Reports and papers are published on council website
- Decisions are recorded on the council website

Risk Management

- Risk management strategy and policy set out how risks are identified, assessed and mitigated

- Risk Registers include corporate, strategic and operational risks
- The council has an agreed risk appetite which defines the amount and type of risk the council is willing to accept

Chief Officers Team

The Director of Finance and Property is the council's appointed Chief Financial Officer in accordance with section 151 of the Local Government Act 1972. The Director of Legal Services is the council's Monitoring Officer. These are statutory posts, responsible for delivering and overseeing the financial management and governance of the council. The Chief Financial Officer and the Monitoring Officer are both members of the Corporate Management Board.

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

The London Borough of Lambeth expects the highest conduct and behaviour from all its Members and officers. The council's policy and decision-making are managed and controlled within a strong, well-established framework and a major feature of this is the council's written Constitution.

The council's Constitution sets out how the council operates and how decisions are made. This includes detail about committees and their composition, their powers and procedures, financial processes, rules of procedure and legal matters. The council regularly reviews and matches its governance structures and processes to council-wide priorities to ensure the principles of good governance are applied throughout the council. The Constitution outlines the officer and member code of conduct. The council's monitoring officer oversees all member code of conduct issues with the Independent Person where necessary.

All changes to the constitution are prepared by Democratic Services, reviewed by Legal and then submitted to the Constitution Working Group (CWG). The CWG is an informal body made of senior cross party politicians and officers from across the council chaired by the Chief Whip. The CWG meet regularly throughout the year to review the constitution and give the council confidence that its constitution remains robust, up to date and compliant with all relevant legal requirements. [Read the Constitution.](#)

The Standards Committee is responsible for promoting and maintaining high standards of conduct by councillors and non-elected co-opted representatives. The council completed a recruitment exercise in 2020/21 where two Independent Persons were appointed and who will work with the Monitoring Officer on standards matters in accordance with the Localism Act 2011. Moving forward, Lambeth's Independent Persons will also work closely with the Standards Committee on all aspects of the Committee's work in relation to wider ethical and governance issues affecting the council, providing an independent perspective.

The council has in place a 'Whistleblowing Policy' (Duty to Act) which reflects the legal framework and obligation on the council to enable staff to raise concerns which may involve unlawful conduct, illegality, financial malpractice or dangers to the public, employees or the environment. This procedure sets out the action that individuals should take to report a concern and also the action to take if, in extreme circumstances, a matter is not addressed or if they feel that raising the matter internally could result in evidence of malpractice being concealed. [Read the Whistleblowing Charter.](#)

The council has a clear two stage process for handling complaints, supported by the Corporate Complaints Policy. The policy sets out guidance on logging, handling and monitoring complaints and for responding to enquiries from the Local Government Ombudsman. The aim of the process is to drive service improvement across the council by highlighting good practice and identifying lessons learnt from complaints. If the customer feels their complaint has not been resolved after the second stage, they can escalate their complaint to the Local Government Ombudsman (LGO) [Read the complaints policy.](#)

The council recognises the importance of learning lessons, evaluating performance and improving the customer experience. To assist with these aims an Improvement plan has been designed by the corporate complaints unit and includes four key themes relating to customer transformation, training, customer standards and improving performance: Further information on the Improvement Plan is available at Item 1 of the 20th May Corporate Committee agenda [here](#)

The council also has a clear process for managing Freedom of Information (FOI) and Subject Access Requests (SAR). The aim of the process is to promote transparency across the organisation and deliver an efficient approach to handling requests. The process is supported by Directors (who are responsible for signing off requests). Challenge is provided by the Corporate Complaints Unit and Legal Services. Management Board have strategic oversight, and as part of this role receive quarterly performance reports on compliance as part of the corporate performance report, as well as receiving ad hoc updates in response to particular issues or queries. [Read the FOI guidance.](#)

SAR's performance in previous high risk areas (IICSA and Children's Services) improved during 2020/21, however an audit of corporate SAR's reported that high risks exist within corporate SAR's processes (further details are included within governance issues section and the Annual Audit Opinion 2020/21)

B. Ensuring openness and comprehensive stakeholder engagement

The council supports the principle that people should have the opportunity to voice their opinions on issues that affect them. The views of residents and service users are at the heart of the council's service delivery arrangements and are actively sought by the council as evidenced by the Residents Survey, conducted annually.

Effective partnership governance and stakeholder engagement is critical to achieving the outcomes the council and partners are working towards as described in the Borough Plan. As well as meeting their statutory duties, partnership boards will need to provide effective governance and leadership to the delivery of the Borough Plan.

The strategic partnership board "Lambeth First" was first established during 2017/18 and continued to operate during 2020/21. The board brings together representatives from the public, private and voluntary sectors. It secures linkages across our thematic partnerships (e.g. Health and Wellbeing Board, Safer Lambeth Executive, Lambeth VCS forum) and maintains a long-term focus on the risks and opportunities facing the borough. Implementation of the Borough Plan will continue to be monitored by thematic partnership boards which ensure openness and comprehensive stakeholder engagement. [Read further information about Lambeth First.](#)

The 2020/21 Corporate Plan (which is the internal plan for the year, in support of the objectives in the Borough Plan) contained specific proposals around the Lambeth First Partnership Board (LFPB) and other engagement/participation mechanisms. The LFPB met in autumn 2020 and endorsed changes to the Borough Plan (introduction of the 5th pillar) and also agreed the shape of changes that need to be made to the Board itself during 2021/22. Note: this strand of work has not been driven by Covid-19, but it has been shaped and re-thought as a result of it. It will refresh the LFPB and enable it to be in a better position to oversee the renewal of the Borough Plan following the local elections in 2022.

The council and partners will continue to strengthen partnership boards during 2021/22, including the Lambeth First Partnership Board, Children's Partnership Board, Safer Lambeth Board, the YOS Management Board and SEND Strategic Governance Board.

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

The Lambeth Borough Plan sets out the council's vision and priorities that all partners work towards in order to make Lambeth a stronger, fairer and more prosperous borough. It was developed through the Lambeth First Partnership Board (LFPB) including the council, NHS, local businesses, universities and housing associations.

The council recognised the need to revisit and update the Borough Plan during 2020/21 to take into account required changes brought on by the pandemic. The stark realities of Covid-19 had exposed the clear disproportionality of impact on Black and Minority Ethnic residents, as well as vulnerable people across the equalities domains within the Equality Act 2010 - Covid-19 had hit older and disabled people particularly hard.

The research carried out by the council showed that this disproportionality was a reality in the borough – and it was therefore important that the LFPB take a lead role in overseeing work at a strategic level to address the issues of structural inequality and differentials in health and educational outcomes, as well as in key areas such as crime, policing and serious youth violence.

A key change to the Borough Plan was the inclusion of a new fifth pillar which focuses on equalities, diversity and inclusion (EDI), as well as significant work to support businesses, personal resilience of residents, help for the voluntary and community sector (VCS) and the mobilisation of Hubs and support for the most vulnerable.

Our Vision

In a volatile and uncertain world, Lambeth will thrive with growth and change, providing opportunity for residents and excellence in public services, making Lambeth a great place to live, learn, work and invest - driving fairer outcomes for our diverse community

- **Enabling sustainable growth and development in the borough:** protecting our core revenue streams to help our most vulnerable and our key services
- **Increasing community resilience:** using the benefits of growth to target our investment in early help and preventative services
- **Promoting care and independence:** reforming the way we commission and deliver services with our partners
- **Making Lambeth a place where people want to live, work and invest:** We want to maintain safe, clean and cohesive communities across the borough
- **Be passionate about equality,** strengthening diversity and delivering inclusion

Working together towards these goals has added impetus as the public sector goes through an extended period of financial contraction resulting from reductions in central government funding, and the borough more broadly faces a period of uncertainty in the wake of recovering from COVID-19 and changes brought on by Brexit. To achieve these goals there is a commitment to collaborate, tackle inequality, be transparent and provide value for money for our residents. [Read the Borough Plan](#).

The council's Medium Term Financial Strategy ('MTFS') is a core part of the council's strategic framework and plays a pivotal role in translating the council's strategic plans and ambitions into action. The MTFS has been extended so it now covers a four-year period. The main objectives of our MTFS are:

- Prioritise our resources in-line with the council's Borough Plan to ensure we achieve our core priorities
- Maintain a balanced budget position, and to always set a MTFS which maintains and strengthens that position
- Provide a robust framework to assist the decision making process within the council

- Manage the council's finances with a forward looking four year rolling strategy
- Deliver value for money to our tax payers
- Exercise probity, prudence and strong financial control
- Manage risk, which includes holding reserves and balances at an appropriate and sustainable level as agreed by our S151 Officer
- Continually review budgets to ensure resources are targeted on our key priorities

These objectives are at the core of our current MTFs and we will ensure that these objectives are upheld throughout the duration of the MTFs and beyond.

The MTFs will continue to be updated as we gain greater certainty and clarity on the level of funding for future years. Both the Financial Planning processes, budget monitoring and savings delivery are subject to regular reviews by the Internal Audit Team.

Due to the importance of delivering savings and remaining within agreed budgets, savings are monitored on a monthly basis through the savings tracker, budget monitor and regular reports to Management Board, Cabinet Member for Finance, Informal Cabinet and Cabinet. [Read the Medium Term Financial Strategy.](#)

In October 2019 CIPFA published the Financial Management (FM) Code, which outlined 6 principles of good financial management:

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

The main headings within this governance statement are aligned with the principles of good financial management, demonstrating how the council complies with the overarching requirements of the Code.

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

The council has in place a robust decision making process with all reports are subject to corporate clearance (Legal, Finance and Democratic Services) prior to publication in accordance with the published procedures (which form part of the Council Constitution). All reports follow a standard template which identifies the decision or action required, why the report is recommended, alternative options considered and rejected together with a details (including consultation carried out) section. The details section includes any pros and cons relevant to the proposal and deals with any supporting information that the decision maker may require in order to make a valid, legal decision. [Read the Decision Making Guide](#)

The council's Overview and Scrutiny Committee manages the council's scrutiny process. This includes scrutinising items on the council's Forward Plan and exercising the power to call-in executive key decisions, agreeing the scrutiny inquiry programme, and monitoring performance

and budgets. The Overview & Scrutiny Committee has one sub-committee responsible for scrutinising the planning, provision and management of Children & Young People's Services. A further sub-committee is due to be established in the 2021/22 municipal year to scrutinise housing management. Scrutiny provides the role of the "critical friend" to the decision makers and assists in policy development, drives improvement in public services and enables the voice of the public to be heard. [Read further information on Overview and Scrutiny.](#)

The Corporate Committee performs the 'audit committee' role and is responsible for monitoring the effective development and operation of corporate governance across the council. It provides independent assurance of the adequacy of the council's governance arrangements, including the risk management framework and the associated control environment, the authority's financial and non-financial performance.

Each service area within the council is also required to produce an annual business plan that includes what and how services are to be delivered, the cost drivers, future challenges, opportunities and risks and how they will be addressed. The plans detail the budget envelope and projected costs for the service. Budget pressures arising in services are identified through regular monitoring of budgets with action plans to address any significant in year budget variances agreed with the corporate Management Board and subject to monthly progress / status reporting at departmental management teams. Budget and Performance monitoring is reported to Cabinet on a quarterly basis.

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

The annual appraisal of employees is part of the performance management process that helps to identify learning and development needs linked to annual objectives which are translated into personal development plans for staff. Senior officers are also expected to keep abreast of developments in their profession and share best practice for continuous organisational improvement. During the last year this has been conducted on a virtual basis due to the impact of the pandemic and lockdowns.

Members are also offered development opportunities, in line with their own personal development plans. In addition members of key committees, such as the scrutiny committee and its panels, have received specialised training in order to equip them to carry out their duties. Support and information is also provided to opposition parties for example when they seek to put forward alternative budgets. The council is also actively engaged with colleagues through the London Member Development Network, which the Democratic Services Manager continues to attend. In addition to the development opportunities provided for all.

F. Managing risk and performance through robust internal control and strong public financial management

The council has in place a 'Risk Management Strategy and Policy 2020-2023' which sets out the framework, arrangements and responsibilities in respect of how risks relating to the delivery of key outcomes and priorities, are identified and managed. The policy is intended to assist officers, at all levels, in applying sound risk management principles and practices across their areas of responsibility recognising that all employees, members and those who act on behalf of the council have a role to play in the effective management of risk. It is also relevant to Members in their capacity as 'decision makers'.

The Risk Management Strategy and Policy is subject to annual review to ensure it continues to reflect good practice and remains aligned with current business processes and practices. Any significant changes are reported to the council's Corporate Committee which has responsibility to provide independent assurance on the adequacy of the risk and internal control framework. The Corporate Committee undertakes the core functions of an audit committee and operates in accordance with CIPFA guidance. [Read the risk Management policy and strategy 2020-23.](#)

Risk numbers:

A total of 75 key business as usual (BAU) risks and 41 COVID risks were captured on risk registers at the end of Q4 2020/21 - 10 BAU risks and 11 COVID risks were rated as high risks at Q4. Further details on these risks are provided within the [25th March Corporate Committee risk report](#).

Summary of risk numbers at Q4 over past 3 years:

- 2020/21: 75 key BAU risks identified – 10 rated as high risks
- 2019/20: 76 key BAU risks identified – 20 rated as high risks
- 2018/19: 92 key BAU risks identified – 23 rated as high risks

Key Performance Information:

In 2020/21, budget and performance information was provided to management teams monthly, Management Board and Cabinet every quarter. In terms of performance reporting, this is done by reporting on progress against the following areas:

- **Tier 1: Borough Plan KPIs** – these give an understanding as to the achievement of the four main objectives, or pillars, in the Borough Plan. Whilst some of these measures are not within the council's direct control, they do provide a better understanding of the wider wellbeing of the borough, and as such, the monitoring of their improvement provides a views as to the effectiveness of the work carried out by the council and its partners towards the success of the Borough Plan
- **Tier 2: Priority Service KPIs** – these give an understanding as to the achievement of the four main objectives, or pillars, of the Borough Plan as well as the fifth 'enabling' pillar. These measures are within the council's direct control.
- **Tier 3: Escalated Service Performance Indicators** – these indicators are aligned with service priorities, directors are accountable for the management and improvement of these indicators. Performance of these indicators are escalated to Management Board where there are particular issues or concerns around longer term performance and where immediate action needs to be taken
- **Business Plans** – progress against the set directorate objectives that are linked to the delivery of the four main objectives of the Borough Plan
- **COVID-19** a dashboard was implemented to monitor both impact of the pandemic across the borough and the council's response in ensuring that services are sustained and residents receive the support they need. The dashboard was reviewed regularly by senior management at bi-weekly meetings where the council's response to COVID was considered

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

The council is committed to openness and transparency and publishing as much data as possible to increase accountability. The council has an Open Data section on the website that enables the public to access the data published under the requirements of the Local Government Transparency Code (2015). This Code sets out the specific data required to be published, and the timescales by which the data must be published. All data required to be published by the Local Government Transparency Code is published. [Read the open data page](#).

The council's Constitution sets out how decisions are made and makes specific reference to decision making by Full Council, by the Executive (Cabinet), by Overview and Scrutiny Committees, other committees and by council bodies acting as tribunals. The council produces a Forward Plan of all Key Decisions which are proposed to be taken within the next four months (updated monthly 28 clear days prior to scheduled Cabinet meetings on a rolling basis). Other decisions are also included where practicable to assist in providing public transparency and confidence in decision making. All agendas and minutes of meetings in respect of council, Cabinet

Overview and Scrutiny, Non-Executive Committees and statutory boards are published on the council's website. The Constitution also includes an Officer Scheme of Delegation which sets out the powers and functions that are delegated to named council officers. The Scheme of Delegation is a statutory requirement and is maintained by the Service Director: Legal & Governance. In addition, 'Decision Making - Corporate Standards and Guidance for Officers' is published on the internet and sets out the decision-making process, highlighting those aspects of decision making that are compulsory and must be complied with in all respects [Further information on decision making is available here](#)

The 2020-21 Internal Audit plan was drawn up to address the statutory requirements and key risks for the council. It was drafted from a number of sources including the council's latest principal risk report, an Internal Audit risk assessment, audit plans of other local authorities, intelligence from previous audits, and CIPFA good governance guidelines. A full summary of the work that Internal Audit has undertaken during the 2020-21 financial year was provided in the 2020-21 Internal Audit Annual Report to the Corporate Committee in May 2021.

Audit recommendations made in previous years continued to be followed-up in 2020-21, when due. A good rate of implementation and positive outcomes have generally been noted through follow-up activity completed to date. Audit recommendations made in 2020-21 will be scheduled for follow up in 2021-22 to ensure that management action has been implemented within agreed timescales. This will provide senior management and the Corporate Committee with a direction of travel in the internal control environment across the council and will identify areas where further improvement is required.

Brexit – planning and preparedness

The council's No-Deal Brexit Working Group was re-established during 2020/21 and brought together multi-agency partners to ensure staff, employers/partners and residents were at the heart of decision making around Brexit no-deal preparations. A No-Deal Brexit risk register was developed and included 50 risks relating to seven key themes, the risk register was discussed, monitored and updated as part of the No-Deal working group arrangements. The Brexit risk register is available to view as part of the [25th March corporate committee report](#).

A review of the council's Brexit preparedness reported the following key findings:

1. **Understands the range of issues:** There is a good level of understanding of the range of risks to which the council could be exposed. A detailed risk register has been produced and the council has been collecting data both internally and from suppliers (particularly contracts over £500k) to try and quantify the risk.
2. **Co-ordination and governance:** A multi-agency Task & Finish Group has been set up, which meets monthly to ensure a consistent approach to assessing risk, to track progress with priority actions and to monitor guidance from Central Government. The council has also set up a BECC (Borough Emergency Command Centre) which would act as the co-ordination centre for any significant event caused by a 'no deal' (for example fuel disruption or civil unrest).
3. **Risk Register:** A Brexit Risk Register has been produced, which covers a wide range of risks, some controlled by the council, but many are broader and 'owned' by Central Government. For those items that are 'owned' locally, a prioritisation session has taken place to define mitigating actions. A Microsoft Teams section and SharePoint Site have been created to track progress with the mitigating actions.
4. **Suppliers:** The council encouraged officers to consider the impact of Brexit, and has extended these talks to the supplier network. The council is aware that its suppliers in social care, maintenance, agency staff, waste/ cleaning, leisure, highways and parking may be affected due to EU staff or supplies. A survey has been produced to ensure the council assesses the impact on all contracts over £500K

5. **Data collection:** Suppliers were asked to identify if there are high concentrations of EU staff. The council communicated internally as well as on the Lambeth Website about the EU Settlement scheme and how to apply

Following agreement of the Brexit trade deal a number of the key Brexit risks diminished, however some risks remain and continue to be monitored and managed as part of the council's ongoing risk management and control activity.

Review of Effectiveness

Lambeth Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness.

The effectiveness of governance arrangements is monitored and evaluated throughout the year, activity undertaken includes:

- Consideration of governance issues by Directorate Management Teams and Management Board – including risk registers, counter-fraud updates and internal audit reports
- Preparation of a rolling plan of audit coverage provided by the Head of Audit and Counter Fraud which is primarily based on an assessment of the council's risk profile
- The Annual Audit Opinion which is provided by the Head of Internal Audit and Counter Fraud
- Ongoing assessment of internal management processes, including performance management and compliance monitoring
- The work of the council's governance boards and working groups, including Management Board, Directorate and Divisional Management teams and working groups (e.g. COVID-19 Silver Group, Health Protection Board (Gold), Brexit preparedness, GDPR readiness and Cyber security working groups)
- The independent views of regulatory inspection agencies such as Ofsted and the Care Quality Commission
- The views of external auditors, regularly reported to Corporate Committee, including regular progress reports and the Annual Audit Letter
- The work of the Corporate Committee which includes responsibility for monitoring the development and operation of corporate governance in the council

Assurance Statement

The Public Sector Internal Audit Standards (PSIAS) require that the Head of Internal Audit provides an annual audit opinion that can be used by the organisation to inform its governance statement. The wider content of this AGS indicates a good level of assurance from the council's governance framework. With regard to the annual opinion of the Head of Internal Audit (HIA), the HIA is satisfied that the work undertaken by the audit function during 2020-21 has enabled the HIA to form a reasonable conclusion on the council's control framework, risk management and governance arrangements. The audit plan is produced to focus on the highest risk areas facing the council and those areas in which senior management have asked for independent assurance. For the year ended 31 March 2021, it is the HIA's opinion that the adequacy and effectiveness of the council's arrangements overall for the council's systems for control, risk management and

governance are sound with some improvement required. Weaknesses identified during individual audits and investigations are not significant, in aggregate, to the system of internal control.

Governance challenges posed by COVID-19 during 2020/21

To deliver both business-as-usual and Category 1 responder roles, the council had to establish and deliver internal and external responses to the COVID-19 pandemic. At an organisation and system level, the council and its health and care partners have had to continually learn, test, adapt and respond to the emergent evidence about of the nature of the virus and its impact on both the population and care services (including in the voluntary and community sector) and to the evolving requirements and directions of central government. This challenge has required the council and partners to work in radically different ways to support care and to ensure the safety of our residents and of our staff, including for many through remote or virtual working. As we have learnt more about the nature of the pandemic and how best to respond to it, we have continually adapted our local responses to both minimise the negative impacts of Covid-19 and to address the interventions needed to reduce its spread. To meet the many challenges posed by Covid-19, governance arrangements were adapted and many new initiatives were implemented including:

- **Leadership and oversight established quickly:** Good working relationships across partners building on existing Lambeth Together partnership
- **Service delivery was prioritised:** With a focus on the provision of key critical services such as emergency planning and response, safeguarding, safety checks and distribution of care packages and PPE through the vulnerable people's hubs and supply chains
- **Implementation of new policies and processes:** To enable services to continue functioning during a time of major change, a number of new policies were introduced including an updated remote working policy, a redeployment policy, video call policy and office equipment policy
- **Development and implementation of emergency assistance programmes:** Working with community groups the council quickly set up a network of food delivery hubs across the borough which provided food and care packages to thousands of vulnerable residents. A vulnerable people's helpline, web form and triage process were also implemented to support residents most in need
- **Resident involvement and participation:** With the changes brought on by the pandemic there was a risk that resident involvement and participation in key projects and initiatives would decrease. However due to a greater use of technology, a much improved level of engagement on major council projects was experienced, and much larger meetings were conducted with a greater audience viewing and participating online.
- **Changes to council meetings and decision making arrangements:** To enable social distancing, council meetings (officer and Member meetings) were held remotely online (where possible) and an updated decision making procedure was introduced to enable decisions to be made as quickly as required. Additionally, the Borough Emergency Control Centre (BECC) was activated to assist with the management and coordination of key decisions
- **New collaborative arrangements:** Collaboration and partnership working were key aspects of the council's response to COVID-19. A number of new arrangements were introduced including working with partners to support young people's needs by delivering a broad range of online services, establishing a Lambeth Business Taskforce in partnership with our Business Improvement District and working with neighbouring boroughs, police and NHS to provide the required health, care and enforcement services

- **Funding and cash flow challenges:** The impacts of COVID-19 resulted in reduced income coupled with a significantly increased need for additional expenditure. These impacts lead to increased risks with budget overspends, service delivery and ability to fund C-19 responses. These risks were managed by close monitoring and recording of cash flow forecasts and expenditure, and regular communications to stakeholders - including services, businesses and MHCLG

In addition to these challenges the impacts of COVID-19 were considered for each of the council's key risks, and due to the number of new risks posed by COVID-19 a separate risk register was developed and used to monitor changes to identified and emerging risks. The COVID-19 risk register contains 40 risks relating to 11 themes including, workforce, health and care, supply chains, finance, ICT and service delivery. Each of the identified risks have control measures in place and are monitored and updated regularly.

COVID-19 recovery priorities

As a borough we are now taking forward our COVID-19 response through our [New Beginnings](#) work, drawing on the learning and reported experiences of our residents to address those challenges that have been further highlighted and exacerbated through the pandemic, including that of increased inequality and discrimination, or that have newly emerged as a consequence of it. The key components of our borough recovery work centres on five key challenges:

- **Health, Care and Wellbeing:** Recovery proposals are addressed through the Lambeth Together Recovery Plan, as developed by local partners informed by the impact and experience of Covid-19 on Lambeth residents and our health and care workforce.
- **Supporting Children and Families:** Children and families have been significantly impacted through Covid-19 particularly the most vulnerable and most deprived. Our focus will be on those children's and families experiencing; poverty, unemployment challenges with education, impacts on BAME communities.
- **Our Economic Recovery Strategy:** seeks to tackle the economic consequences we now face with our ambitions centred on, supporting people, supporting business and developing places
- **Responding to the Climate Change Emergency:** it is estimated that carbon emissions have reduced by between 4 and 10% through the lockdown period. Lambeth has already declared a climate emergency and we would wish to use the current circumstances to help us make changes that mean we do not return to unsustainable ways of living.
- **Strengthening Our Communities - working with local people and neighbourhoods:** In addressing recovery we know that we will need to work ever more closely with our communities and through local third sector organisations and community groups within our neighbourhoods and across the borough.

Assurance statement – COVID-19 response

Overall the council's response to the Covid-19 pandemic has been successful and there is a great sense of pride in what the council's management and staff, along with the management and staff of its key partners, have achieved. There is a clear recognition that strong governance and control, unprecedented cross-directorate working and closer working relationships with Voluntary and Community Sector (VCS) partners were key to successful outcomes. Read [further information on our response to the Coronavirus](#).

2020/21 Governance Issues

A summary of 2020/21 governance issues and progress against last year's issue is provided in the below table.

Governance issues 2020/21

Reference	Governance issue	Source	Overview of issue and actions taken (and planned) to address the issue	Leads	Timescale
1	Corporate SAR's performance and procedures	Internal audit report	<p>Internal audit tested 75 subject access requests and found multiple instances of non-compliance with timescales e.g. not acknowledging receipt within 2 days; not responding within 30 days; and lack of extension letters being sent by required deadlines</p> <p>SAR's policies and procedures exist but these had not been reviewed within 12months and contained information which was out of date. In addition, while job descriptions exist confirming subject access request responsibility, there is no defined process setting out how teams need to collaborate across the council.</p>	Corporate SAR's team	March 22

Progress against 2019/20 governance issues and challenges

Reference	Governance issue	Source	Overview of issue and actions taken (and planned) to address the issue	Leads	Timescale
2	<p>The following recurring themes have been highlighted within the CAE Annual Report across the internal audits performed during 2019/20:</p> <ul style="list-style-type: none"> - evidence of appropriate review - timely performance of key activities - record keeping - user access <p><i>Further information is provided in the Annual Audit Opinion</i></p>	Chief Audit Executive Annual Report	The council has a dedicated follow up process and the timely implementation of the associated actions from these findings is a key assurance mechanism. The statistics show that 98% of Critical/High risk findings, due by 31/03/21, have been implemented. This is significantly above target (85%) and a 27% improvement on the previous year (75% on 2018/19).	Audit Recommendation owners	March 21

Signed:



Leader of Lambeth Council
Claire Holland



Chief Executive- Lambeth Council
Andrew Travers