

Covering Note

This is the draft Annual Governance Statement (AGS) for 2020/2021.

The AGS has been prepared as per the Accounts and Audit Regulations 2015, and Proper Professional Practice. This includes guidance from CIPFA and SOLACE.

The current status of this document is draft. It is unaudited and may be updated and amended.

The draft AGS has been published as required by relevant legislation: <http://www.legislation.gov.uk/uksi/2015/234/regulation/15/made>. It has been prepared in accordance with regulation 6(1)(b). As a draft document the statement has not yet been approved in accordance with regulation 6(2)(b), and the final version will be approved by the Civic Affairs Committee in advance of the Statement of Accounts.

The AGS should reflect events in the relevant financial year, plus up to when the Accounts are approved by Committee. The document and action plan will continue to be developed during this period. The Covid-19 events in particular has continued to have a significant effect on Councils since March 2021. Consequently, it is appropriate to reflect this in the AGS, and further updates may need to be included if new guidance is issued from professional bodies and Central Government.

Annual Governance Statement

Introduction and purpose

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it also provides value for money. It has to effectively manage its risks and put in place proper arrangements for the governance of its affairs.

Definition of Corporate Governance

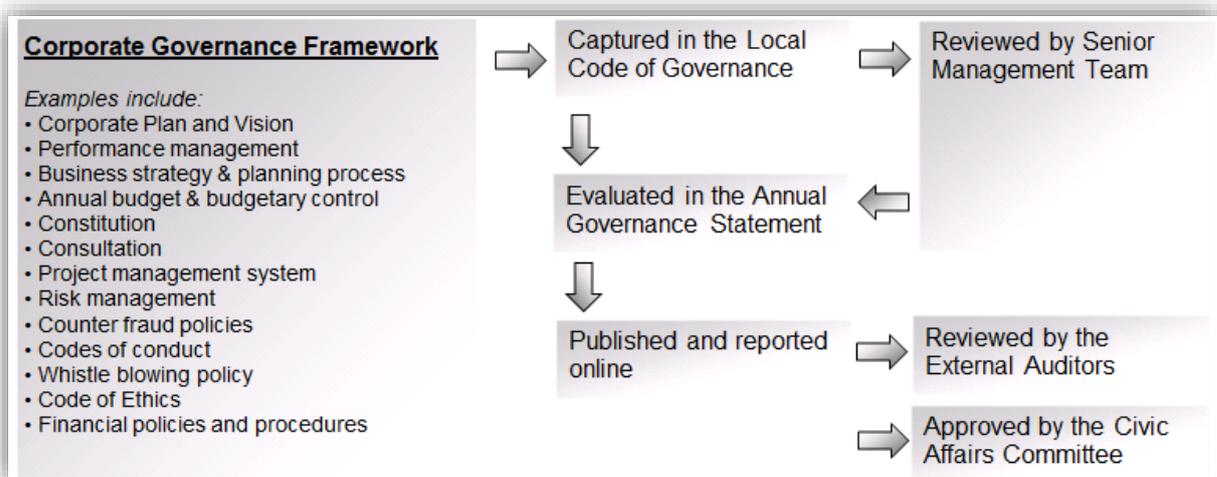
Corporate governance generally refers to the processes by which an organisation is directed, controlled, led and held to account.

Good governance in the public sector means: "*achieving the intended outcomes while acting in the public interest at all times*"

The Governance Framework

Our governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. It brings together an underlying set of legislative and regulatory requirements, good practice principles and management processes.

The Council has a robust process for reviewing and updating the governance framework.



The Council has set out aims and objectives which are published on [our website](#)¹. The Council has a clear vision to "*lead a united city, 'One Cambridge - Fair for All', in which economic dynamism and prosperity are combined with social and environmental justice and equality*" The vision has three main aims, captured in the annual statement:

- to make Cambridge fair for all,
- to make it a great place to live, learn and work, and
- caring for the planet.

¹ <https://www.cambridge.gov.uk/vision-statement>

The Council produces a [Corporate Plan](#)², which included five strategic-level objectives for 2020/2021:

- Helping people in Cambridge who have the greatest need
- Planning for growth and ensuring our new communities are successful
- Protecting our environment and tackling climate change
- Delivering quality services within financial constraints
- Developing effective partnerships and an innovative and dynamic organisation

The Council prepares an Annual Report illustrating progress against the plan each year, and this is published on the [website](#).

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

Local Code of Governance

We are responsible for ensuring that there is a sound system of governance which incorporates the system of internal control.

This Governance Framework is recorded in the Council's [Local Code of Governance](#), which is underpinned by the 7 principles of good governance as set out in the CIPFA / SOLACE publication 'Delivering Good Governance in Local Government Framework 2016'. The principles are:

- A. behaving with integrity and in accordance with our core values
- B. being open and ensuring effective engagement takes place
- C. working together to achieve our intended outcomes
- D. setting goals for economic, social and environmental benefits and reaching them
- E. growing our capacity - including our leadership and the people who work with us
- F. managing risks and performance through robust internal control and strong financial management
- G. Implementing good practice in transparency, reporting and audit – delivering effective accountability

² <https://www.cambridge.gov.uk/corporate-plan>

Role and responsibilities

All of the Council is responsible for developing and complying with its Local Code of Governance. There are a variety of governance structures, and some of the key roles include:

Governance structures	Roles and responsibilities
Council	Council agrees the budget and policy framework, such as the Corporate Plan, Medium Term Financial Strategy. Further details are published on our website .
The Executive	<p>The Executive comprises the leader of the council and six Executive Councillors. The executive councillors make decisions relating to the major service areas.</p> <p>These councillors can make decisions individually, usually at a meeting of a scrutiny committee relevant to their executive area. They also meet collectively to determine the council's budget and medium-term financial strategy. Further details are published on our website.</p>
Scrutiny and Overview Committees	<p>To balance the Executive's powers, scrutiny committees are responsible for advising and reviewing decisions. They hold the Executive to account to make sure the best decisions are taken for the council and local residents. Further details are published on our website:</p> <ul style="list-style-type: none"> • Environment and Community Scrutiny Committee • Housing Scrutiny Committee • Planning and Transport Scrutiny Committee • Strategy and Resources Scrutiny Committee
Strategic Leadership Team	The management structure includes a Strategic Leadership Team of Chief Executive, Strategic Directors, the Head of Corporate Strategy, the Head of Finance, and the Head of Transformation. It is supported by a Senior Management Team. Both teams consider policy formulation and future planning. Further details are published on our website .
Civic Affairs Committee	<p>The Civic Affairs Committee plays a vital role overseeing and promoting good governance, ensuring accountability and reviewing the ways things are done. It provides an assurance role to the Council and is responsible for corporate governance issues including:</p> <ul style="list-style-type: none"> • Electoral issues • Audit and regulatory financial matters • Civic and democratic process management issues • Miscellaneous regulatory responsibilities <p>It works closely with both Internal Audit and senior management to continually improve the governance, risk and control environment. Meetings details and minutes are published on the website. The Committee has also appointed an independent person which is regarded as best practice.</p>

Purpose of the Annual Governance Statement

The Council conducts a review of its system of internal control, prepares and publishes an Annual Governance Statement in each financial year.

This enables us to demonstrate whether, and to what extent, the Council complied with its Local Code of Governance.

The Local Code of Governance is updated regularly. This process records our good practice, and also helps us to plan further action which can improve our governance arrangements.

Statutory compliance

Producing the Annual Governance Statement helps the Council meet the requirements of Regulation 6(1)b of the Accounts and Audit (England) Regulations 2015. It is reviewed by the Civic Affairs Committee and approved in advance of the Statement of Accounts.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. That duty has grown in importance with the reduction in resources being made available for Local Authorities as part of the Government's on-going austerity programme.

The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

Review and assurance mechanisms

Management activities contribute to the continuous review of the Local Code of Governance, and also inform the Annual Governance Statement. In addition, assurance can be provided from other sources, as detailed below:

Head of Internal Audit Opinion

The Head of Internal Audit provides an independent opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and the extent to which the Council can rely on it. This has been considered in the development of the Annual Governance Statement.

Regular updates are presented to the Civic Affairs Committee throughout the year and the July 2021 report outlined the key findings of the internal audit work undertaken during 2020/2021, including any areas of significant weakness in the internal control environment.

Resource was allocated to supporting the Council deliver Covid-19 activities, where this could help to maintain or improve the governance, risk and control environment. Consequently, resources have been diverted from typical assurance-based activities. Internal audit maintains a risk-based plan and this approach was supported by the Civic Affairs Committee. The breadth of and volume of other risk-based assurance was less than usual, however core assurance work was delivered, and we considered the governance, risk and internal control environment.

From the audit reviews undertaken, no areas were identified where it was considered that, if the risks highlighted materialised, it would have a major impact on the organisation as a whole. In each instance where it has been identified that the control environment was not strong enough or was not complied with sufficiently to prevent risks to the organisation, Internal Audit has issued recommendations to further improve the system of control and compliance. Where these recommendations are considered to have significant impact on the system of internal control, the implementation of actions is followed-up by Internal Audit and reported to Civic Affairs Committee.

It is the opinion of the Head of Internal Audit that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment during the financial year 2020/2021, and this remains at a similar level to the previous year.

Partnership assurance

The Council has services which are delivered in partnership with other Councils. Where other Councils are the lead authority, they will provide assurance back to Cambridge City Council that controls are effective, and where there is opportunity for improvement. This includes Waste Services, Planning and Development, plus Information and Communications Technology. A limited assurance report was issued at South Cambridgeshire District Council for [Planning Performance](#), and an action plan has been developed for improvement.

The Council set up an Investment Partnership with Hill Investment Partnerships in 2017. Updates on all the Cambridge Investment Partnerships current projects are provided quarterly to the Housing Scrutiny Committee, and information is available on their [website](#).

Cambridge City Housing Company Ltd was established in 2016 as a wholly owned company. The Council's published annual statement of accounts includes details of the Housing Company, and reports on the Council's relationship with the Housing Company, financial performance and loan arrangements. The Council receives information on the Housing Company through its Strategy & Resources Scrutiny Committee. The Committee reviews the Housing Company's business plan, and the Council's published Corporate Plan sets out the objectives, activities and people involved in management and decisions.

External reviews

The Planning Advisory Service was commissioned to undertake a [Planning Committee Peer review](#) of Cambridge City Council and the Joint Development Control Committee. This was organised by the Local Government Association (LGA). The review highlighted 11 recommendations for improvement.

The Trade Waste function of the Shared Waste Services received positive assurance from their Internal audit reviews and maintained their accreditation with the ISO9001 (Quality Management) and ISO14001 (Environmental Management) standards following external inspections.

The Local Government and Social Care Ombudsman resolve complaints in the public sector and provides annual statistic on performance. No public interest reports were published.

External Audit

Ernst & Young (now EY) are the appointed external auditor, and their results report (ISA260) will be presented to the Civic Affairs committee later in 2021. For 2019/2020 financial year EY issued "unqualified" audit opinions on the financial statements, value for money conclusion and whole of government accounts which provided assurance to the Council.

Public Services Network

The Council completed the Cabinet Office compliance verification process for the Public Services Network Code of Connection (PSN), and a certificate was issued. This demonstrated that the information technology infrastructure was sufficiently secure to connect to the PSN.

The Financial Management Code

Strong financial management is an essential part of ensuring public sector finances are sustainable, and CIPFA launched a Financial Management Code to support this. A key goal of the code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. The code incorporates existing requirements on local government to give a comprehensive picture of financial management in the Council.

Councils are required to be compliant with the code from the next 2021/2022 financial year, and we must demonstrate that the requirements of the code are being satisfied. A high-level review of the Financial Management Standards (FMS) contained within the code has already been completed, to provide assurance and develop any actions needed to achieve compliance.

Impact of Coronavirus

Pandemic events have the potential to significantly affect our governance, risk and control environment. Immediate impacts could include the Council's decision-making processes, risk management, and the overall capacity and capability of the Council. In the longer term it can also impact our strategic outcomes, financial and organisational resilience, stakeholder engagement and accountability.

In response to the pandemic we have implemented mitigating measures through our business continuity framework, with continuous risk management, and proactively worked with our stakeholders, partners and customers. This has positively contributed to many of the principals from our Local Code of Governance, such as engaging with stakeholders, determining interventions to achieve outcomes, managing risk, and adapting our internal controls.

Our [Annual Report for 2020/2021](#) illustrates how it was an exceptional year and highlights how council services sought to adapt to the restrictions imposed by the government in response to the global coronavirus pandemic, seeking new ways of working – including with communities and partners - to deliver the services that are important to local people and to respond to the challenges of Covid-19.

The pandemic has also illustrated how important 'good governance' has been to enable and sustain a whole system response. It has highlighted the systemic risks beyond the Councils control that can have a significant impact on achieving intended outcomes for the residents of Cambridge. This includes, for example, our ability to sustain partnerships, joined up delivery of services and multi-agency co-ordination mechanisms with police, fire, NHS, and other local authorities, where they are under significant strain, or under-resourced, or take a different approach to managing risk, accountability and transparency.

Progress from the last Annual Governance Statement

The Council prepared an [Annual Governance Statement for 2019/2020](#) which was approved by the Civic Affairs Committee in November 2020:

Action	Update and status
Reprioritise resources to focus on critical activities in response to external factors such as Covid-19 and Brexit.	<p>We reprioritised our resources to focus on the critical activities, and this helped us to deliver resources where it was needed most. Consequently, some activities which contribute to our governance arrangements, such as decision making, service plan reviews, and Member Elections were deferred to a later date. We worked with partners, through the local resilience forum, to manage the wider community impacts.</p> <p>The Councils Forward-Plan of work is regularly reviewed to ensure our activities are prioritised according to need, and this enables us to respond to emerging and unplanned events. We will continue engage with our stakeholders to ensure they are informed of any changes, and planned activities will be delivered at the earliest opportunity.</p>
Complete statutory financial reporting to revised timetables	<p>This continuing risk of completing, auditing and approving Statement of Accounts to statutory deadlines has been recognised nationally across the Public Sector.</p> <p>Revised legislation has been issued in response, temporarily extending the deadline for Councils, and there is now a staggered program of external audits. The Council worked with the external auditors to manage the process for approval of the 2019/2020 Statement of Accounts to the revised timetable and these were approved in November 2020, which was an improvement on the previous year.</p>
Review of our workspace arrangements, including physical security, maintaining good health and safety, and leveraging our use of digital and agile working will help us to mitigate these risks.	<p>Historic events highlighted risks which could restrict our access to the workplace, resulting in delays of public meetings and achievement of outcomes. This provided an opportunity to review the management of our workspaces. Temporary enabling legislation enabled us to hold Committee meetings online, and the Council successfully adapted during this period.</p> <p>The Council took positive steps to address these risks, and has been regularly reviewing our workspace arrangements, including physical security, maintaining good health and safety, and leveraging our use of digital and agile working throughout the pandemic.</p>

Action	Update and status
<p>Prepare for longer term financial risks, and respond to any further pressures, by updating our financial modelling.</p>	<p>Unplanned events such as Covid-19 have the potential to drive significant budgetary constraints, with reduced income from commercial activities, fees and charges, plus potential increases to our expenditure and costs. This is in addition to existing uncertainty from known risks such as Business Rates Retention, delayed confirmation of the Fair Funding Review and the uncertainty of Brexit.</p> <p>The Council delivered an updated Medium-Term Financial Strategy and commenced work on Financial Resilience to support the Financial Management Code.</p> <p>The Council will continue to prepare for these risks, and respond to any further pressures, by updating our financial modelling, consulting with stakeholders, and developing new policies and procedures. The Council maintains a Corporate Plan and ongoing revisions will recognise these pressures to help manage our financial resilience and stability.</p>
<p>Maintain effective internal controls during rapid change</p>	<p>The Council had already implemented a number of initiatives to support agile working, which has helped with our adaptation to the impact of Covid-19. Teams implemented new procedures to continue working effectively in different workspace and environments. Working differently introduces unidentified risks, where internal controls cannot operate as effectively, and potential opportunities for improved ways of working. This was recognised by the Civic Affairs Committee, Management, and the Internal Audit Plan has considered changes to control environment as part of its ongoing assurance work.</p>
<p>Minimising the risk of fraud and error</p>	<p>The Council has delivered business and personal grant support schemes as part of the Covid-19 pandemic response. New and emerging grant support schemes are a desirable target for fraudsters, diverting resources and support away from those in need.</p> <p>We completed fraud risk assessments, and developed appropriate controls, to manage any increased risk of fraud and error and also help ensure support is provided to those in need. We have worked with the Department for Business, Energy & Industrial Strategy to provide assurance that the grant schemes are being delivered effectively and have provided intelligence of potential organised crime to the relevant professional bodies.</p>

Review of effectiveness

The Council has a number of policies and procedures which are recorded in its [Local Code of Governance](#). These are mapped to the seven principles of good governance.

The effectiveness of the key elements of the governance framework is reviewed throughout the year. This activity is informed by the work of senior officers who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and from comments received from external auditors and other review agencies and inspectorates.

The Council is involved in partnership working and has group relationships with other entities. The Cambridge City Housing Company Ltd, Cambridge Investment Partnership LLP, and the Cambridge Live Group are incorporated into Group Financial Statements in our Statement of Accounts. Activities of the groups are also reflected in our review of effectiveness where these have a significant impact on our governance arrangements.

The review concludes that the Council has complied with its Code. Additional examples of good practice, emerging controls, and governance issues from the last twelve months, considered when completing the review are recorded below, and will be incorporated into the next revision of the Code where appropriate:

Principle	Review of effectiveness
<p>A Behave: integrity, ethical values, respect rule of law</p>	<ul style="list-style-type: none"> • We worked closely with Public Health colleagues to coordinate and support the wider county' public health response to the pandemic, including sharing local community intelligence to help contain outbreaks and reduce community transmission of the virus. The Council has been an active partner in implementing the local outbreak management plan in the city as directed by a multi-agency Covid-19 Health Protection Board and has also participated in local recovery and resilience planning. We redeployed staff to activities such as keeping the city centre safe, and used our website to signpost to national guidance, policy and advice on Health and Safety. • The Local Code of Governance was reviewed and updated to reflect the latest professional standards and guidance. • We contributed to the Local Government Ethical Standards review which considered the 15 best practice recommendations developed by the Committee on Standards in Public Life. • We proactively implemented risk-based controls to mitigate the increased potential for Business Grants fraud. • The Environment and Community Scrutiny Committee reviewed the Council's use of the Regulatory of Investigatory Powers Act and approved the general surveillance policy.
<p>B Openness & stakeholder engagement</p>	<ul style="list-style-type: none"> • We maintained openness through access to meetings, information and online support. • We actively communicated with residents throughout the Covid-19 pandemic. This included using the website to signpost people to where they could get help, keeping them updated on changes to services, and financial support for businesses and residents. • The 2020 Annual Briefing for Cambridge Businesses and Organisations was delivered online. The budget for the next financial year was also promoted online to help engage with our stakeholders, residents and businesses. Three priorities were set to tackle the systemic challenges facing the Council: <ul style="list-style-type: none"> ○ Tackling poverty & inequality and helping people in the greatest need; ○ Leading Cambridge's response to the climate change emergency and biodiversity crisis; ○ Delivering quality services within financial constraints while transforming the council; • We continued to consult and engage with stakeholders, including: the Statement of Licensing Policy, Cumulative Impact Assessment and the Single Equality Scheme 2021 to 2024.

Principle	Review of effectiveness
<p>C Defining outcomes - economic, social, environmental</p>	<ul style="list-style-type: none"> • Our Corporate Plan 2019-2022, defines our outcomes and strategic level objectives. Performance, achievements, and further actions linked to the Corporate Plan are included in the Corporate Plan Annual Report. It reflects the impact of the pandemic including activities which could not be delivered, and also new activities which could not be planned. • The Environmental and Community Scrutiny Committee approved a Climate Change Strategy and Carbon Management Plan for 2021-2026 framework, following public consultation. The revised strategic approach builds on what the Council has achieved to date but sets out a new ambition for working with residents, businesses and communities in the context of the Climate Emergency. • The Environmental and Community Scrutiny Committee endorsed the approach to decarbonising our vehicle fleet, seeking to commit to replace old vehicles with ultra-low emission vehicles (ULEVs) whenever possible. • The Environmental and Community Scrutiny Committee endorsed the revised Anti-Poverty Strategy for 2020-2023 and the accompanying action plan. It reviewed activities to reduce poverty from the previous Strategy period and sets out 5 key objectives and actions for the next 3 years. • The Council received updates on significant developments, such as the current status of the programme to build new council homes funded through the Combined Authority and approved the bringing forward of a development programme to provide new housing in 2022-32.

Principle	Review of effectiveness
<p>D Determine interventions to achieve outcomes</p>	<ul style="list-style-type: none"> • In response to the Covid-19 pandemic we took swift action to help support the public and provided regular updates on our website. We introduced city centre measures such as marshals, and signage, to help people visit, shop, or work safely and conveniently. We also provided support to businesses by providing information, and financial assistance through the distribution of national and local business support grants. • The Strategy and Resources Scrutiny Committee noted our response to pandemic which was set out in the Outline Coronavirus Recovery Plan. We worked in partnership across the County to deliver a Public Health response with the County Council, NHS, to deliver mutual aid networks. The Committee also received an update on the Council's intermediate housing company, Cambridge City Housing Company Limited (CCHC) and Business Plan. • The Environmental and Community Scrutiny Committee reviewed the annual report for the Community Grants fund for voluntary, community, and not for profit organisations. It provided an overview of the process, eligibility criteria and budget and detailed the applications received with recommendations for 2021-22 awards. • The Housing Scrutiny Committee approved the Tenancy Policy, Rechargeable Works Policy and Hoarding Policy, and the Homelessness and Rough Sleeper Strategy. • The Environmental and Community Scrutiny Committee approved strategies that helped achieve outcomes, such as "Developing a Litter Strategy for the City", and "Public Art Commission and Strategy".

Principle	Review of effectiveness
<p>E Develop capacity and capability of entity</p>	<ul style="list-style-type: none"> • The pandemic challenged our capacity, consequently elections were postponed, democratic meetings were delayed, and employees were not able to attend the workplace. Digital enabling technology enabled the Council to adapt and respond with different ways of working, and the Civic Affairs Committee recommended a convention for running meetings online throughout the year. • The Chief Executive announced that they planned to leave the Council in September 2020, and the Council appointed an Interim Chief Executive to provide continuity during the recruitment process. The new Chief Executive started in April 2021 and the existing Interim Chief Executive was temporarily appointed to the statutory positions of Returning Officer and Electoral Registration Officer during the transition; and this helped maintain business continuity for delivery of the elections in May 2021. • The County Council resolved to withdraw from the Joint Development Control Committee (JDCC), and consequently the JDCC would not be quorate. The Civic Affairs Committee recommended the creation of a new joint planning committee between Cambridge City Council and South Cambridgeshire District Council, and the standing orders and Scheme of delegation were subsequently approved. • The Council received updates on the work of the Cambridgeshire and Peterborough Business Board (formerly the Greater Cambridge Greater Peterborough Local Enterprise Partnership), Greater Cambridge Partnership and other growth-related partnerships. This is provided as a part of the Council's commitment, given in its "Principles of Partnership Working", to set out annual reports summarising the work of the key partnerships it is involved with.

Principle	Review of effectiveness
F Manage risk & performance, internal control, finance	<ul style="list-style-type: none"> • The Council approved financial reports including Revenue and Capital Outturn reports for the General Fund and Housing Revenue Accounts, which had been prepared using the new Financial Management System. A report presented to the council's Strategy and Resources Committee on 12 July 2021 estimated that, so far, the cost of the pandemic to the council is £18.5million. This is largely due to increased spending on housing and providing accommodation for former rough sleepers, alongside reduced income from car parking, Council Tax and Cambridge Live events. These additional costs have only partially been mitigated by government grants, so far totalling £11.3m – or just 61.3% of the additional net expenditure - leading to a shortfall of £7.2m. • Scrutiny Committees received Business Plans for the Shared Services, and annual Performance reports. This communicated that increased collaborative working between partners is assisting in delivering the benefits set out in the original business plans. • The Council maintains a Risk Management framework, which considers both risk and opportunity. We also considered risks in response to Covid-19 to help manage the impact with timely and proportionate mitigation, plus Brexit as part of our Contingency Planning. • There was a period of unplanned ICT outage during the year which impacted service delivery. Continuity and resilience plans were used to prioritise our services, and our customers were kept informed during our recovery process. Our software deployment protocols have been updated to reduce the likelihood of this risk reoccurring. The 3CICT service have agreed action plans to improve and develop controls identified as part of audit reviews. • The Strategy and Resources Scrutiny Committee received an update and Business Plan for the Council's intermediate housing company, Cambridge City Housing Company Limited (CCHC), plus an update on North East Cambridge (NEC) programme and progress against the three key projects associated with its strategic regeneration. The Environmental and Community Scrutiny Committee received an update on the work of the Health and Wellbeing Board and Cambridge Community Safety Partnership as a part of the Council's commitment given in its "Principles of Partnership Working".

Principle	Review of effectiveness
<p>G Transparency, reporting, audit, accountability</p>	<ul style="list-style-type: none"> • We received an unqualified opinion on the Statement of Accounts for 2019/2020, after the statutory deadline. Both the Council and the externally appointed auditors worked together to conclude these as promptly as possible, and progress updates were communicated to and approved by the Civic Affairs Committee. With continuing pressure to complete accounts nationally to the prescribed timetable, legislation has been set to assist Councils with the completion of their 2020/2021 accounts. • The Housing Scrutiny Committee was presented with the findings of a self-assessment undertaken in response to the publication of the Housing Ombudsman’s (HO) Complaint Handling Code and Self-Assessment Tool. This highlighted an action plan for improvement in 2021. • The Strategy and Resources Scrutiny Committee received an update on the work of the partnerships, including The Cambridgeshire and Peterborough Combined Authority (including the Business Board), Greater Cambridge Partnership, Fast Growing Cities, London-Stanstead-Cambridge Consortium, and the Cambridge – Milton Keynes – Oxford Arc. • The Civic Affairs Committee received the annual report on transparency, including Data Protection, Freedom of Information and Environmental Information Regulations. • We successfully delivered the local elections. This complex process was more challenging due to the pandemic, and lessons learnt have been considered by the Civic Affairs Committee.

Action plan

The governance arrangements continue to be regarded as fit for purpose in accordance with our framework and this is recognised in our conclusion below.

The review process helps us to identify opportunities to improve the governance arrangements over the next twelve months.

Some of these may feature in previous statements where the work is continuous and ongoing. They consider both historic governance issues that have arisen during the 2020/2021 financial year and up to the date the Statement of Accounts are approved, and we also look ahead for potential issues for 2021/2022 from our risk management process, corporate plans and strategies. These focus on the following themes, which are developed into detailed action plans for improvement across our governance framework:

Theme	Details
Managing our recovery and resilience	2020/2021 was an exceptional year and council services adapted to the restrictions imposed by the government in response to the global coronavirus pandemic, seeking new ways of working (including our communities and partners) to deliver the services that are important to local people and to respond to the challenges of Covid-19. Some services could continue as business as usual, whereas others had to stop or rapidly change. We will continue to review how we deliver our services and seek out the best way to do this as we respond to further changes from the pandemic.
Transformation, resources and risk management	<p>The budget for the 2020/2021 financial year set three priorities to tackle the systemic challenges facing the Council:</p> <ul style="list-style-type: none"> - Tackling poverty & inequality and helping people in the greatest need; - Leading Cambridge's response to the climate change emergency and biodiversity crisis; - Delivering quality services within financial constraints while transforming the council; <p>We will review our Risk Management Strategy and Framework to ensure that it reflects our current appetite and supports an agile and transformative approach to working.</p>
Maintaining financial resilience and compliance	External pressures continue to create financial uncertainty and it is important the Council proactively manages this risk. The Council must be compliant with the new Financial Management Code from 2021/2022, which aims to improve the financial resilience of organisations by embedding enhanced standards of financial management. A high-level assessment was undertaken in 2020/2021 in preparation and an action plan has been developed for the Council to be compliant. This will help provide assurance that the we are proactively managing our financial risks.

Theme	Details
Minimising the fraud and error risks	<p>A revised national Fighting Fraud and Corruption Locally Strategy was issued by CIFAS for Local Government. We will review and update our local policies and procedures to reflect this.</p> <p>We will continue to undertake post assurance work on Business Grant Schemes, working with the Cabinet Office, BEIS, and HMRC through data sharing initiatives.</p>
Maintaining good ethical governance	<p>The Council is committed to maintaining good ethical governance, and our Local Code of Governance reflects the Seven Principles of Public Life in local government. To help enhance this process we will review our local guidance and promote any changes.</p>
Proactively preparing for emerging legislative change	<p>We will monitor and respond to emerging legislation (across key areas such as procurement, planning, environmental). This will be reflected in our Corporate Plan which will be revised, along with supporting policies and procedures.</p>

Conclusion and opinion

The Council has in place strong governance arrangements which we are confident protect its interests and provide necessary assurances to our citizens and stakeholders.

We are satisfied that the planned actions will improve our governance arrangements, identified from our review of effectiveness. We will monitor their implementation and operation throughout the year and report their progress as part of our next annual review.