
DRAFT ANNUAL GOVERNANCE STATEMENT FOR 2020/21

1 PURPOSE OF REPORT

- 1.1 In compliance with the Accounts and Audit (England) Regulations 2015, an Annual Governance Statement (AGS) must be prepared and presented to Members for their consideration.
- 1.2 Local authorities are required to prepare the AGS in line with the guidance “*Delivering Good Governance in Local Government: Framework (CIPFA/Solace 2016)*”. They are also required to report annually on the extent to which they comply with their own local code of governance, including how they have monitored the effectiveness of their governance arrangements during the year, and on any known future governance changes. The Framework details seven principles for good governance to assist authorities across their governance systems, structures, and partnerships in reviewing and testing their governance arrangements.
- 1.3 The AGS must be endorsed by the Audit Committee, prior to its certification by the Leader of the Council and Acting Managing Director and published alongside the Council’s Statement of Accounts.

2 INTRODUCTION

- 2.1 All local authorities are required to maintain a Local Code of Corporate Governance (LCCG) and to produce, in line with proper practice and guidance, an Annual Governance Statement. The current version of the LCCG at Rochford was approved by the Audit Committee in November 2020.
- 2.2 The AGS identifies the key procedures within the Council that ensure there is an effective system of internal control and effective governance arrangements upon which assurance can be placed.

3 ASSURANCE FRAMEWORK

- 3.1 The proposed AGS for 2020/21 is appended to this report for Members’ consideration. The format of the AGS reflects that of the Local Code of Corporate Governance. The AGS includes an update on the progress made in addressing the actions and risks identified in the 2019/20 AGS.
- 3.2 The AGS states the broad management arrangements within the Council, where assurance has been obtained and, generally, the policies and strategies that are in place, as detailed in the LCCG.
- 3.3 By considering the key functions of the Council such as those defined in the AGS, Members can reach a conclusion on how they feel the Council is performing in relation to governance, internal control, and risk management.

- 3.4 The AGS covers 2020/21 but will also cover the period of 2021/22 to the date that the Statement of Accounts are formally signed.
- 3.5 Between the date of approval of the proposed AGS and the formal signing of the Accounts there may be changes that may be required in the AGS text to reflect current circumstances. If changes are required, this report requests delegation for the Chairman of the Audit Committee to authorise such changes of a non-significant nature.
- 3.6 Any required changes of a significant nature would be referred to this Committee for endorsement.

4 RISK IMPLICATIONS

- 4.1 Through the ongoing review of the Council's systems, policies, and procedures as part of AGS related work any significant weaknesses or risks would be drawn to Members' attention.
- 4.2 The system of internal control within the Council is designed to manage risk to an acceptable level. However, it cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide a reasonable and not an absolute assurance of effectiveness. The system of internal control is based on a continuing and embedded process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised, and to manage them efficiently, effectively, and economically.

5 CRIME AND DISORDER IMPLICATIONS

- 5.1 None

6 ENVIRONMENTAL IMPLICATIONS

- 6.1 None

7 RESOURCE IMPLICATIONS

- 7.1 The preparation of the AGS has been carried out within existing resources. Good governance arrangements are implicit to the effective management of wider resources across the Council.

8 LEGAL IMPLICATIONS

- 8.1 The production of the Annual Governance Statement is a statutory requirement of The Accounts and Audit (England) Regulations 2015. It is published with the Council's financial statements and will be reviewed by the external auditors.

9 PARISH IMPLICATIONS

9.1 None

10 EQUALITY AND DIVERSITY IMPLICATIONS

10.1 None

11 RECOMMENDATION

11.1 It is proposed that the Committee **RESOLVES**

- (1) That the Annual Governance Statement for 2020/21 be endorsed and referred to the Acting Managing Director and Leader of the Council for signature.
- (2) That authority is delegated to the Chair of the Audit Committee to endorse non-significant changes to the AGS following review by the Council's external auditors.



Assistant Director, Resources

Background Papers:-

None

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ROCHFORD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

2020/21

DRAFT

EXECUTIVE SUMMARY

In the [Business Plan 2020-2023](#) Rochford District Council has committed to priorities and expected outcomes in terms of financial stability, early intervention, maximising use of assets and enabling communities.

For such a commitment to be achieved the Council must have a solid foundation of good governance, supported by sound financial management. The Council operates under the principles identified in The Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework 2016 ‘Delivering Good Governance in Local Government’.

In November 2020 a revised [Local Code of Corporate Governance](#) (The Code) was adopted, which details these principles and links to the Business Plan. The Code is supported by a significant range of policies and procedures that form [The Governance Framework](#) which sets out how the Council should do what it does.

Each year the Council is legally required to conduct an annual review of the effectiveness of its systems of risk management and internal control, i.e., governance arrangements, through the publication of an Annual Governance Statement (AGS).

This AGS provides assurances on compliance with The Code for the year ending 31st of March 2021 but will include the position up to the date of sign-off of the Annual Accounts.

The Leader of the Council and Acting Managing Director both recognise the importance of having a solid foundation of good governance and sound financial management.

They have been advised on the outcome of the result of the review of the effectiveness of the Governance Framework and consider that the arrangements provide adequate assurance and continue to be regarded as fit for purpose. They pledge their commitment to address the matters highlighted in this Statement, and to further enhance governance arrangements to enable delivery of the Business Plan.

Signed:

Signed

**Cllr S Wootton
Leader of the Council**

**A Hutchings
Acting Managing Director**

Date.....

Date.....

REVIEW OF THE EFFECTIVENESS OF THE COUNCIL'S GOVERNANCE FRAMEWORK

Although the AGS is a formal annual review of governance arrangements the review process is a continuous function throughout the year. These include day to day management controls, corporate oversight function, including statutory officers, reports to Members, ongoing work of the Review and Audit Committees, Internal Audit's work plan. External Audit and occasionally third-party assurance organisations. In addition, services across the Council completed a self-assessment of their own compliance with The Code.

The AGS incorporates the continuous review of the effectiveness of our governance arrangements throughout 2020/21. It identifies those areas we do not have full compliance with The Code and where attention is required to ensure that we have effective governance arrangements that will enable the Council to deliver on its commitments in the Business Plan 2020-2023. The AGS is not a report on what has been achieved or delivered.

This Statement is an objective appraisal of our governance framework and shows that, we have **adequate arrangements, which continue to be regarded as fit for purpose and generally comply with the council's Local Code of Corporate Governance and** shows that we have met our legal and statutory obligations to our residents. It is acknowledged that there are areas for improvement, but most key controls are in place and are operating effectively.

Key projects such as the Asset Development Programme and the Connect Programme are works in progress. In the case of the latter there are several policies and procedures that are in the early stages that will ensure linkage to the Business Plan as they roll out.

The External Auditor has continued to be positive about our arrangements to secure value for money and has provided an unqualified opinion on the Council's Statement of Accounts for 2019/20.

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 to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.

OTHER FACTORS TO CONSIDER AS PART OF ANNUAL REVIEW

GOVERNANCE OF SUBSIDIARY COMPANIES

The Council has three wholly owned companies under the Green Gateway umbrella. High-level assurances were sought on the appropriateness of the arrangements for these companies given their close relationship to the Council. There is a parent company, Green Gateway Trading Ltd. Green Gateway Trading (Development) Ltd, was set up as part of initial proposals to develop the Council's assets. This company is currently recorded as "Dormant" at Companies' House. Green Gateway Trading (GM) Ltd is a fully functioning company carrying out ground maintenance work for

the Council and other public authorities under contract. All three of these companies are properly constituted, have a financial auditor appointed and all relevant documentation has been submitted as required at Companies' House. The Council's finance team is contracted to provide day to day financial services to the Green Gateway Trading (GM) Ltd.

IMPACT OF COVID-19 ON GOVERNANCE

The COVID-19 pandemic crossed from 2019/20 to 2020/21. As before the Council adhered to the approach of the Essex Resilience Forum and associated partner organisations, supported by the Essex County Council and the Council's Local Outbreak Plans, which were developed after the first lockdown.

The Council continued to engage with residents and business by regular updates, utilising its website and a range of social media channels. The telephone system was updated to make it more resilient and compatible with changed working conditions and to improve contact with residents. A local community response hub was set up in partnership with voluntary organisations and the church network, to ensure those most at risk in the community were helped.

The Council's operations were made COVID safe in line with guidelines enabling safe working practices, a limited return to offices, carrying out the Elections in May and a return to in-person Council meetings.

Continuation of democratic governance was enabled by use of remote meetings in line with temporary legislation.

The Council continued the additional work of supporting residents with council tax support and COVID-19 related payments. A wide range of business-related grants were paid out in line with guidelines in a robust process that involved creation of online application forms and fraud prevention measures.

There was a high level of business as usual, despite a significant number of staff working from home. This enabled the creation of an Agile Working Policy that sets out measures to change how the Council will work in the future which meshes into the objectives of the Asset Development Programme and the Connect Programme.

The financial implications of COVID-19 will continue into the foreseeable future but measures are in place to monitor the position and inform financial management.

The response to COVID-19 was subject to two reports to the Review Committee: [September 2020](#) and [January 2021](#). These reports are available on CMIS, via the Website.

IMPACT OF E. U. EXIT ON GOVERNANCE

A series of risk assessments based on the Essex Resilience Forum's work of EU Exit risks was carried out. There were no specific risks identifiable for the Council, that could not be addressed within the existing risk management structure. No changes to governance arrangements were required.

Any implications that may impact on the national and local economy will continue to be monitored as part of the Council's financial management.

COMPLIANCE WITH CIPFA FINANCIAL MANAGEMENT CODE

CIPFA published the first edition of its 'Financial Management Code' for local authorities in October 2019. CIPFA considers that compliance with the Code is mandatory for all local authorities but it is important to note that such compliance is not specifically prescribed in statute. CIPFA state that the first year in which it expects authorities to be fully compliant with the Code is 2020/21.

The Code is essentially a best practice guide to financial management in the local authority sector. It covers the following areas:

- The responsibilities of the chief financial officer and the leadership team (including members)
- Governance and financial management style
- Medium to long term financial management
- The annual budget
- Stakeholder engagement and business plans
- Monitoring financial performance
- External financial reporting

Officers have undertaken an assessment of the extent of compliance with the requirements of the code. In general terms the Council's arrangements follow the recommended best practice set out in the Code. Seven areas for review and possible improvement have been identified. These relate to:

- 1) Increased use of sensitivity analysis in the budget setting process
- 2) Increased robustness of MTFs savings plans, including more explicit linkages to the Council's Business Plan priorities 2020-23
- 3) Implementing an appropriate documented option appraisal methodology to demonstrate the value for money of all Council decisions, including the Connect Programme's related business cases
- 4) Ensuring the Leadership Team have the appropriate skills to enable it to identify and correct emerging risks to its budget strategy and financial sustainability and are committed to developing those skills to enable their roles to be carried out effectively.
- 5) Assessing the financial skills required by managers and ensuring they are committed to developing those skills to enable their roles to be carried out effectively.
- 6) Undertaking a review of the Financial Regulations to ensure these remain fit for purpose (planned as part of wider review of the Constitution in 2021/22)
- 7) Ensuring the Debtors process is robust and effective following a change of responsibilities within the Resources team

These will be reviewed during 2021/22.

SENIOR MANAGEMENT

In June 2021 the Council published a Statement of Intent in relation to a joint strategic partnership with Brentwood Borough Council. The Chief Executive of Brentwood BC would assume responsibility in that capacity for both councils in a shared role.

A formal proposal for a revised Managing Director / Strategic Director structure will be put before Members during 2021/22 for consideration and a decision.

STATUTORY ASSURANCES

Whilst several assurances have been obtained to support the conclusion that the council's governance arrangements are adequate, it is important that the following specific assurances are considered to support this Statement.

Head of Paid Service

The Head of Paid Service is responsible for the overall corporate and operational management of the council.

The Head of Paid Service notes that Council has been significantly impacted by the COVID-19 global pandemic. The Council's operational and governance arrangements have been tested to the limits but have held up reasonably well in all the circumstances. The impact of the pandemic will continue to raise substantial risks to the Council in 2020-21 and officers will continue to monitor the financial impact as well as reviewing lessons learned as the Council develops its processes and procedures as part of the Connect Digital Cultural and Transformation Programme. The Council's financial position remains challenging in the medium term.

In addition, the statement of intent by the Leader of the Council to work in a strategic partnership with Brentwood Borough Council in the joint appointment of a Chief Executive into the vacant Managing Director post and to be Head of Paid Service will be a significant change to the governance arrangements for the Council.

Head of Finance – Section 151 Officer

The Chief Finance Officer (Section 151 Officer) is responsible for the development and maintenance of the Councils governance, risk, and control framework, ensuring lawfulness and financial prudence of decision making and the administration of financial affairs, in accordance with Section 151 of the Local Government Act 1972.

These responsibilities have been considered within the context of this Statement and the Chief Finance Officer can confirm that the Council's arrangements conform to Section 151 of the Local Government Act 1972 and that the Council complies with the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016).

While the Council has robust financial management arrangements in place it is important to note that the Council's Medium Term Financial Strategy (MTFS)

identifies resource shortfalls of £0.6 million in 2022/23 rising to £2.0 million in 2025/26. There remains significant uncertainty around the future funding position and work to address the longer term MTFs gap continues, including consideration of the vacant Managing Director post, driving out best value from the Waste contract which is being re-procured during 2021/22 and the delivery of efficiency savings via the Council's Asset Development and Connect Programmes. In addition, the impact of the Covid-19 pandemic on the Council's financial position continues to evolve as we move into the recovery phase. Both these risks mean the MTFs will continue to be reviewed and updated as more information becomes available.

Monitoring Officer

The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision, or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989.

These responsibilities have been considered within the context of this statement and the Monitoring Officer has no significant concerns to report and has had no reason to submit a report in accordance with the above. The Monitoring Officer is satisfied that the Council has robust processes for decision making, however there remains a need to ensure that a broader range of considerations as highlighted in the Council's Local Code of Corporate Governance are considered in the development of policies, projects and when making decisions.

The Council used its emergency decision-making powers delegated to the Managing Director during the lockdown period to enable it to continue Council business remotely by changing its standing orders in accordance with the Emergency Regulations. It also allowed a rapid decision to be made to provide essential services and Government grant support for those residents within the district who are vulnerable.

The Centre of Governance and Scrutiny (CfGS) has been commissioned by the Council to carry out an improvement review of its scrutiny function. This review follows from the recommendation of the Peer Review in November 2019 and had been delayed due to the pandemic. The CfGS will work with the Council to support officers and Members in reviewing the effectiveness of the Council's overview & scrutiny function and in developing actions aimed at improving the function.

Chief Audit Executive

The CAE must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.




The CAE, through the internal audit service, delivers an annual programme of risk-based audit activity and makes recommendations for the improvement of the management of risk and control. The impact of COVID-19 did not significantly affect the work of Internal Audit during 2020/21, although the Annual Audit Plan was adjusted to meet emerging priorities, within available resources.

The CAE is satisfied that sufficient work has been undertaken during 2020/21 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements. Based on the work performed during 2020/21 and other sources of assurance he is of the opinion that **adequate assurance** can be taken that the Council's risk management, internal control, and governance processes, in operation during the year to 31 March 2021, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve arrangements to enhance the Council's governance framework.


Full details of the assurance provided in this Statement can be found within the Internal Audit Annual Report for 2020/21, submitted to the Audit Committee on the 27th of July 2021.


Under the Accounts and Audit (England) Regulations 2015 and the PSIAS, the council is required to undertake a review of the effectiveness of its Internal Audit function and to report the results in the Annual Governance Statement. It is considered that the council has effective arrangements in place for the provision of the Internal Audit Service.

RATIONALE FOR ‘ADEQUATE ASSURANCE’ OPINION



Definition	Description
<p>Adequate</p> 	<p>There are sound policies and processes in place, which are working effectively across services that provide for good governance arrangements and support compliance with requirements of this Principle and the achievement of the councils’ aims and objectives.</p> <p>There may be minor areas for continuous improvement, but these do not represent a significant or material risk to the council’s overall governance framework.</p>
<p>Some development or areas for improvement</p> 	<p>Whilst there are policies and processes in place, there are some areas which remain a challenge for the council or require further improvement, which may impact the effectiveness of elements of the council’s Governance Arrangements, compliance with this principle and achievement of the council’s aims and objectives. The council has in place an action plan to address challenges and improvement matters.</p>
<p>Key development or many areas for improvement</p> 	<p>The council has significant challenges in relation to the Policies and Processes and these have a detrimental impact on the ability to comply with this principle, which compromise the council’s Governance Arrangements and the achievement of its aims and objectives. We have implemented plans for corrective actions to manage these risks.</p>


REVIEW OF COMPLIANCE WITH LOCAL CODE OF CORPORATE GOVERNANCE 2020/21

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
<p>Principle A:</p> <p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>		<ul style="list-style-type: none"> • The Council has a long-established Constitution which together with a range of codes of conduct, policies, and procedures, as seen in the Governance Framework, sets out how members and officers are expected to conduct themselves whilst discharging their duties. • A revised Local Code of Corporate Governance was approved by the Audit Committee in November 2020. • Members and officers are required to record declarations of interest, and gifts and hospitality received to avoid potential issues of conflict of interest. • Procedures are in place to investigate potential breaches of standards or behaviours by use of the Standards Committee for members and 	<ul style="list-style-type: none"> • It is acknowledged that the Constitution, while generally effective, requires modernisation and the process is under way to bring it up to date. • In a similar manner the Council has a long-established Anti-fraud & Corruption Policy that requires an update, and it is expected that this will be in place during 2021/22 	


Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>the Disciplinary Procedures for officers.</p> <ul style="list-style-type: none"> The Council has a good standard of training and outcomes in identifying and reporting safeguarding issues in both adult and child vulnerable categories. 		
<p>Principle B: Ensuring openness and comprehensive stakeholder engagement</p>		<ul style="list-style-type: none"> The Council has procedures that comply with the Freedom of Information Act and required elements of the General Data Protection Regulations, such as subject access requests and publication of privacy notices. All Council or committee reports, where a decision is requested, are required to consider the impact of content across a range of subjects that include environmental, legality, equality & diversity and crime and disorder. As much as possible Council or committee reports are published via the Council' 	<ul style="list-style-type: none"> The Council's website is not yet fully compliant with accessibility requirements. This is a work in progress. Although several consultation exercises have been carried out there is no overarching corporate engagement approach in place. A revised Customer Charter is in early stages of development. 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<p>website and many meetings are available on social media. Where content is restricted in line with legislation this will be reported in private & confidential appendices that are not publicly available or recorded.</p> <ul style="list-style-type: none"> • Use was made of internet-based meetings during 2020/21 and these complied with temporary pandemic legislation. • There is active leading and participation in joint community safety and health and wellbeing boards with key institutional stakeholders such as the local Clinical Commissioning Group, Police, and voluntary sector. • Statutory consultation of residents or other stakeholders, such as annual budget consultation, is carried out in addition to other consultations as deemed appropriate. 		


Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
<p>Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefit</p>		<ul style="list-style-type: none"> • A revised Business Plan (2020-23) and intended outcomes was approved at Council in February 2020. • Key projects are required to be fully risk assessed and be supported by a business case that considers costs, benefits, sustainability, and environmental and social impact. • A range of policies and procedures were approved by Council and committees through the year. These are documented in CMIS on the Council's website. • The Council plays an active part of the Association of South Essex Local Authorities and contributes to the South Essex Plan (a joint strategic plan). 	<ul style="list-style-type: none"> • Performance measures in terms of output and outcomes are under development to support the Business Plan As part of that definition process Directorate and Service Delivery Plans are in place across the Council 	
<p>Principle D:</p>		<ul style="list-style-type: none"> • The Council maintains a medium-term financial strategy (MTFS) that has a rolling five-year projection 	<ul style="list-style-type: none"> • Performance measures in terms of output and outcomes are under 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p>		<p>that informs the budget, incorporating service priorities and objectives. That relating to 2021/22 was approved by Extraordinary annual Council 16/2/21.</p> <ul style="list-style-type: none"> Key projects are subject to pre-commencement scrutiny and ongoing review for progress and direction at both officer and member arena. (Action plan items from 2019/20) There is quarterly Financial reporting to the Executive 	<p>development to support the Business Plan objectives.</p> <ul style="list-style-type: none"> Social value is referred to in key contracts but needs further development, particularly considering a recently published national procurement policy statement. A draft social value policy is being created for consideration. It is expected that there would be cross-County collaboration in measuring success. 	
<p>Principle E: Developing the entity’s capacity of its leadership and the individuals within it</p>		<ul style="list-style-type: none"> Use is made of partnership or other collaborative working where the added value can be determined in achieving objectives, such as use of partnership organisations to deliver stages of the Asset Development Programme or the Community Hub, building on relationship established during lockdowns to develop a long-term community asset. 	<ul style="list-style-type: none"> The scheme of delegations and responsibilities of members and officers are contained in the Constitution, which is in the process of an update. As part of the Connect Project designed to reset the way the Council carries out its operational functions, a revised workforce development plan has recently been launched to 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<ul style="list-style-type: none"> • The Council maintains a Scheme of Delegation that specifies the types of decisions that may be delegated to individual Members and Officers and those that are reserved for the collective decision making of the Council. • There was a range of training sessions made available to Members during 2020/21 • The Council has committed to supporting officers in maintenance of professional standards and to provide a range of technical and self-help training packages to maximise staff capabilities. The first tranche of these training sessions has been rolled out. • The Council has imbedded health & wellbeing measures in place to support staff, including a panel of trained mental health first-aiders. These measures have been 	<p>link staff performance more closely to the Council's Business Plan, whilst making adaptations for changes in working patterns as laid out in the Agile Working Policy launched in February 2020. This plan will include a new structured appraisal system.</p> <ul style="list-style-type: none"> • Training and development in Health & Safety competencies is progressing slowly. Recent health & safety staff survey carried out results to be considered and a strategy developed 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		highlighted during changes in work arrangements enforced by Covid restrictions.		
<p>Principle F:</p> <p>Managing risks and performance through robust internal control and strong public financial management</p>		<ul style="list-style-type: none"> • There is an embedded corporate risk framework that if fully reviewed by the Leadership Team annually and reported half-yearly to the Audit Committee. • There are regular budget reviews between Finance and service areas. • A detailed report of the progress of the financial position is reported to The Executive on a quarterly basis. • The external auditor assessed the Council's accounts for 2019/20 as unqualified. The accounts for 2020/21 are currently under audit. • Reports and updates of the Treasury Management arrangements are made annually to the Review Committee. 	<ul style="list-style-type: none"> • Service risk management is place and is generally fit for purpose, but reviews of operational risk registers are not carried out as robustly or as frequently as needed to maintain relevant risk management in changing times. These would include changes in work environment, changing health & safety requirements etc. • Testing by Internal Audit has identified that procedures for procuring goods and services for values of up to £10k do not always provide evidence of obtaining best value as required by the Contract Procedure Rules (CPR). Procedures for procurement 	<ul style="list-style-type: none"> • Revised procedures for identifying and collecting unpaid invoices for goods or services provided by the Council need to be established and implemented.

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<ul style="list-style-type: none"> During the year, the Council was responsible for administering a series of grants, with different qualifying criteria, provided by Government to support businesses in the District. Detailed risk assessments and procedures, including anti-fraud measures, were developed and the grants were processed in a timely manner. Three of the grant types were subject to Internal Audit Review with no significant issues identified. The Council's internal audit team operates within the requirements of the Public Sector Internal audit standards as assessed in-year by the Chief Audit Executive (CAE). The Team holds conformance with the standards status following an external review in 2018, with the next review due 2022/23. 	<p>above this value appears better controlled.</p> <ul style="list-style-type: none"> It is acknowledged that CPR require an update, and these are in the process of review, along with the Constitution. The Covid pandemic impacted on the Council resulting in increased pressure on front-line services, significant changes in working patterns as the offices were decanted, and social changes. Overall, the Council did well in maintaining a high level of services and community support with partners. Issues were identified in business continuity / emergency planning arrangements in reports to the Review Committee. Some key measures have been implemented to date and reviews of the Council's 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
		<ul style="list-style-type: none"> The CAE has assessed the system of internal control at the Council for 2020/21 as adequate in his Annual Audit opinion. The Council has an Audit Committee that takes responsibility for overseeing risk management and financial control, receiving reports from, and providing challenge to Section 151 Officer, Internal Audit and External Audit. The Review Committee provides a review and scrutiny function for decisions and operational procedures across the Council. This committee sets its own workplan annually. 	<p>business continuity and emergency planning arrangements are under way, both internally and in conjunction with partner agencies.</p> <ul style="list-style-type: none"> An external review of the effectiveness of the Review Committee, by The Centre of Governance and Scrutiny, has been commissioned and will report during 2021/22. 	
<p>Principle G: Implementing good practices in transparency'</p>		<ul style="list-style-type: none"> All Council and Committee reports are produced in a common style and structure, that are, subject to certain confidentiality requirements, readily available in the public domain. 	<ul style="list-style-type: none"> Due to the priority of maintaining business-as-usual through the period of COVID the action plan points arising from the peer review are not yet fully implemented. See, 	

Core Principles of the Framework	Assessment	In Place	Work in Progress	To Be Developed
reporting and audit to deliver effective accountability		<ul style="list-style-type: none"> • The Council continues to produce financial statements, statutory reports, and the Annual Government Statement in line with regulatory requirements. • During the year, an audit was carried out by the Driver & Vehicle Licensing Authority which confirmed that Council use of the DVLA database for parking enforcement was correctly employed. • Active steps are taken to maintain the accuracy of the Transparency Code published via the Council's website 	“Dealing with last year’s key improvement areas”, below	

DEALING WITH LAST YEAR’S KEY IMPROVEMENT AREAS

What we said we would do	What we have done
<p>Asset Development Program Following the Council appointing a Preferred Bidder for the Asset Delivery Programme the governance structure as set out in the FBC is now being reviewed and agreed with the Preferred Bidder and will be implemented. The governance structure will ensure the key programme workstreams report into a Partnership Board with Council and Preferred Bidder representation. The structure also ensure stakeholder engagement and internal governance processes can feed into the programme as appropriate.</p>	<p>The draft Project Documents were approved by Council on 8 September 2020 with authority for the final completion being delegated to the Assistant Director, Asset and Commercial in consultation with the Leader of the Council including all necessary technical amendments and drafting.</p> <p>The Partnership Board, Partnership Panel and Stakeholder Focus Groups are now fully operational.</p>
<p>Connect Project The ‘Connect’ Programme is a Gold Project which will report to the Executive as part of the quarterly PMO report, any interdependencies between the ‘Connect’ Programme and the Asset Delivery Programme will be identified as part of the PMO reporting.</p> <p>The Connect Transformation Manager will undertake operational project management reporting to the Assistant Director – Transformation and Customer who is the Senior Responsible Officer for the programme. Individual Invest to Save projects as identified as part of the ‘Connect’ Programme will have their own governance as appropriate to the nature of the project. The PMO report will capture programme level assurance.</p>	<p>The Connect Transformation Programme Manager (CTPM) has been appointed.</p> <p>The Key Change Champions group has been working on the Invest to Save Business Cases which are captured and monitored through a tracker and project plan which is monitored by the CTPM.</p> <p>A governance process has been put in place for these to be agreed.</p> <p>Regular reporting is taking place as part of the PMO report.</p>
<p>Financial Resilience The impact of Covid 19 on the Council’s financial resilience will require careful monitoring and the implementation of mitigating</p>	<p>A series of Budget Challenge meetings was held with the Executive and Leadership Team in Autumn 2020 to discuss the MTFs position and identify savings</p>

<p>actions to ensure that budgetary plans are sustainable in both the short and medium term. Work has already started on this, with revised projections for 2020/21 and beyond being shared with the Leadership Team (LT) and Members. However, this will require regular review and updating as the impact becomes clearer, alongside the agreement of a clear action plan by LT and the Executive to address pressures arising in 2020/21 and the longer-term budget gap.</p>	<p>opportunities across individual Portfolio Holder areas for the 2021/22 budget.</p> <p>This resulted in savings of £850,000 being agreed, which alongside a 2.1% rise in Council Tax, and additional grant income, were sufficient to enable a balanced budget to be set for 2021/22. Robust budget monitoring will continue, particularly in light of additional Covid-19 related pressures, to ensure this can be delivered.</p> <p>There remains significant uncertainty around the future funding position and work to address the longer term MTFS gap continues, including consideration of the vacant MD post, driving out best value from the Waste contract which is being re-procured during 2021/22 and the delivery of efficiency savings via the Council's Asset Development and Connect Programmes.</p>
<p>Impact of and recovery from the Coronavirus Pandemic The impact of the COVID 19 pandemic has been felt across the entirety of the Council's service provision. No council staff were furloughed, and service provision continued to be delivered predominantly by officers working from home. A skeleton staff of approximately 12 has occupied the South Street offices with adaptations being made to reflect Government guidance. Both of the Council's sites were closed to the public. A workplace restoration project has been incepted to safely ensure return of officers, members, and visitors to the council's offices. This work will tie into a review being led by the Council's Emergency Planning Officer to ensure that business continuity plans continue to be followed and updated as restoration takes place. The "new normal" that the Council will "return" to will be underpinned by the work of the Connect Programme which will be expedited to consider early</p>	<p>See narrative in main body of AGS</p>

<p>initiatives which will bring forward digital connectivity and improved processes to align with achieving the “new normal”. This work will ultimately feed into the Council’s plans for the Asset Development Programme and ultimately how the Council will use and occupy its corporate spaces in the future.</p> <p>The formal decision-making process and standing orders within the Council’s constitution needed to be amended by use of the Managing Director’s Emergency Powers. The transition back to physical meetings will be led by legislation as the Government amends regulations and guidance around public gatherings and the constitution will need to reflect that. The constitution is being reviewed and this will need to be included.</p>	
<p>Peer Review Action Plan</p> <p>The LGA Peer Review, which reported in November 2019 identified 10 recommendations for the Council to take forward. The Peer Review team indicated that a follow up visit should take place before November 2021 in order to review the Council’s progress. The Council has established an Action Plan which sets out its response to the recommendations and how it proposes to address them. The bulk of the recommendations will be picked up as part of the work being undertaken in the Council’s Asset Development and Connect programmes and some are inextricably linked to the Council’s business planning, financial resilience and MTFS. It is important, nonetheless, that the Action Plan remains a live document and is updated to reflect the Council’s evolving position, so that the comments of the Peer Review team continue to be reflected.</p>	<p>Reaction to the COVID-19 pandemic emergency situation eclipsed all business-as-usual activities in 2019/20 and 2020/21.</p> <p>As a consequence, the Council is not in the position it would like to have been in terms of delivering on the recommendations of the Peer Review. This will be re-prioritised for 2021/22 and a follow up visit re-scheduled as appropriate.</p> <p>The work on the Connect Programme and the Asset Delivery Programme continues alongside development of the performance framework to support measurement of the Council’s Business Plan outcomes.</p>

GOVERNANCE AREAS TO BE DEVELOPED IN 2021/22

Governance Area	Governance Matters Identified / Actions Taken	Target Date	Lead Officer
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The revision of the constitution, including contract procedure rules, was recognised in several of the Principles as significant to improving governance arrangements	2021/22	Monitoring Officer
Ensuring openness and comprehensive stakeholder engagement	A Council-wide Engagement approach will be agreed	2021/22	AD People & Communities
	A revised Customer Charter will be produced	2021/22	AD Transformation & Customer
Managing risks and performance through robust internal control and strong public financial management	Effective procedures will be developed to monitor and manage debtors are in arrears for invoiced goods and services	2021/22	S151 Officer
Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Work will be undertaken to complete the outstanding action points from the LGA Peer Review	2021/22	Managing Director
Determining the interventions necessary to optimise the achievement of the intended outcomes	Performance measures in terms of output and outcomes are under development to support the Business Plan objectives	2021/22	S151 Officer
Compliance with CIPFA Financial Management Code from 2021/22 onwards	Initial areas identified for improvement will be reviewed and addressed via the actions detailed within the AGS during 2021/22	2021/22	S151 Officer