



# Annual Governance Statement 2021/22

## EXECUTIVE SUMMARY

This statement constitutes a review of the effectiveness of our governance arrangements with input from the Chief Executive, Directors and Heads of Service. Overall, we can confirm that the Council has the appropriate systems and governance arrangements in place. When considering the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework 2016 the statement evidences compliance across the seven principles with further action required for principals F and G to ensure transparency is improved and we comply with the new code of financial management see summary below:

Principle	Assurance Level
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law	Assured
B. Ensuring openness and comprehensive stakeholder engagement	Assured
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.	Assured
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Assured
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Assured
F. Managing risks and performance through robust internal control and strong public financial management	Assured in part
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Assured in part

Other action areas include embedding the new process for confidential information and applying the public interest test to reports to ensure transparency. A big change in 2022 has been the move to an Executive model including Policy Advisory Committees, a review of the new constitution is planned by Democracy and General Purposes in December 2022.

## INTRODUCTION

The Annual Governance Statement is a review of the Council's governance arrangements in previous financial year. The statement evaluates how we meet the governance framework and provides an opinion on whether the current governance arrangements are fit for purpose.

Each aspect of the statement has been given an assurance rating based on the following criteria:

Assured	We fully comply
Assured in part	We comply however, improvements could be made or there are concerns or changes proposed
Not Assured	We do not comply and action is required

The past year has seen the Council continue to adapt and respond to challenges as a result of the COVID-19 pandemic as well as new requirements to provide support and assistance as result of the war in Ukraine. In 2021/22 Council Members wrote a new constitution with a focus on ensuring the Council was Member-Led, a new Executive model was introduced in May 2022. Over the past year, the Council has transitioned from a committee system to an executive system. The Council also appointed a new interim Monitoring Officer as part of staff changes to the Legal Partnership.

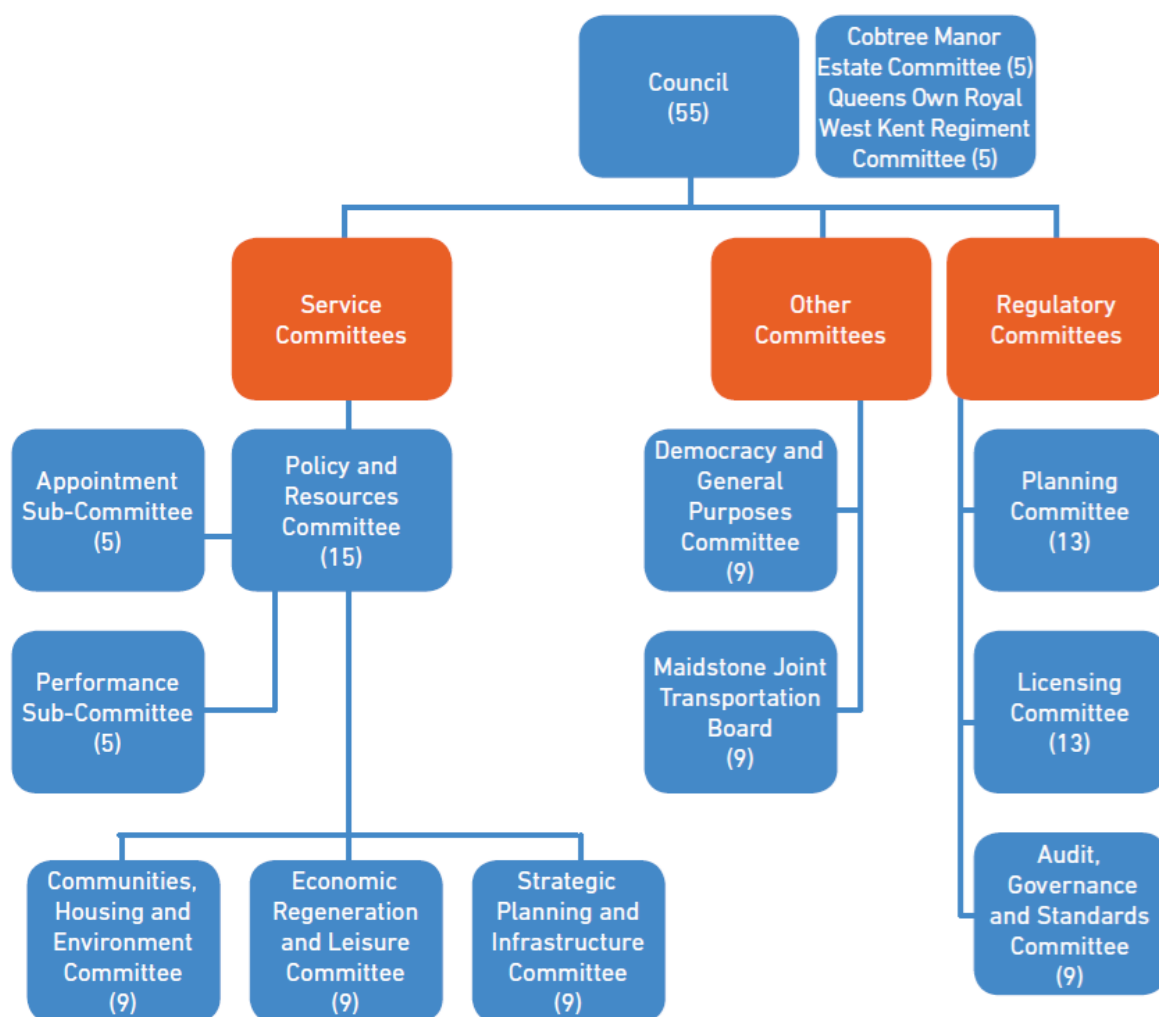
## **KEY GOVERNANCE ROLES AND RESPONSIBILITIES**

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. Maidstone Borough Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. This Annual Governance Statement for 2021-22 also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) which requires an authority to conduct a review of the effectiveness of its system of internal control and the duty to prepare an annual governance statement.

The Council operated a committee system of governance in 2021-22, with the Leader as the focus for political direction, the chief spokesperson for the Council and the Chairman of the Policy and Resources Committee. The Council had four service committees taking decisions within their terms of reference as agreed by Council; individual Councillors did not have delegated authority from Council to make decisions. In addition, there were committees that dealt with licensing, planning, audit, governance and standards, democracy and employment and other regulatory matters. The numbers shown in the diagram below reflect membership. The Council moved to an Executive System at the May 2022 Annual General Meeting.

# Council Governance Model 2021/22

Council and Committees 2021/22 (changed to Executive system in May 2022)



The Council's Section 151 Officer, Mark Green, and the interim Monitoring Officer, Jayne Bolas, are key members of the Corporate Leadership Team, reviewing all decisions taken through the Corporate Leadership Team, Committees and Full Council. The Section 151 Officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget. The Section 151 Officer also has a number of statutory powers to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

The Monitoring Officer serves as the guardian of the Council's Constitution and the decision-making process and has been involved alongside the Head Of Policy, Communications and Governance in the change of governance arrangements in the transition to an executive system. The Monitoring Officer is also responsible for advising the Council on the legality of its decisions and providing guidance to councillors and officers on the Council's Constitution and its powers. This includes dealing with complaints under the Councillors' Code of Conduct.

The Corporate Leadership Team is led by the Chief Executive, Alison Broom who is Head of Paid Service with overall corporate management and operational responsibility.

The Head of Policy, Communications and Governance, Angela Woodhouse, has responsibility for corporate governance and is the Council's Data Protection Officer, leading the Council's

corporate governance group and coordinating the annual governance statement as well as ensuring the Local Code of Corporate Governance is updated.

In discharging this overall responsibility, Maidstone Borough 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 had approved and adopted a Local Code of Corporate Governance in 2017 which has since been updated in 2020, 2021 and again this year. The code is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework [Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016](#).

## **OUR GOVERNANCE FRAMEWORK**

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled, and the activities through which it is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

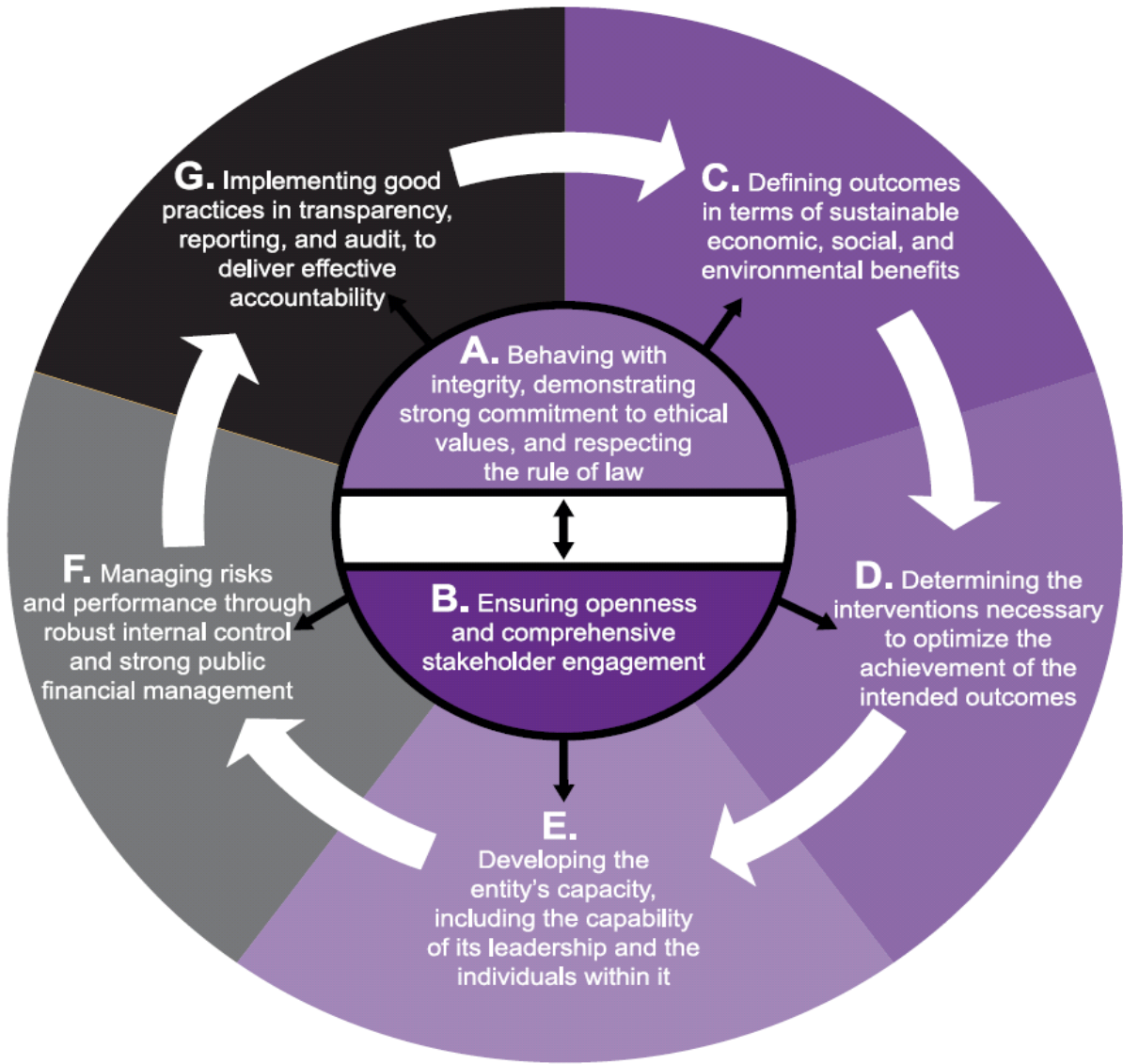
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve the Council's objectives, and therefore can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the Council's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

This governance framework has been in place at Maidstone Borough Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

The International Framework: Good Governance in the Public Sector states that: "Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."

Our Local Code sets out the framework within which we conduct our business and affairs and the governance structure we have in place. Whilst this code sets out principles, processes and policies, it is the application of the framework that will demonstrate good governance.

The diagram below shows the 7 principles within the Local Code of Corporate Governance from CIPFA and SOLACE Framework:



This statement sets out how we have demonstrated and met those principles in 2021-2022, through a review of our effectiveness.

## **GOVERNANCE REVIEW OF EFFECTIVENESS 2021-22**

### **A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING RULE OF LAW**

#### **Assurance Rating: Assured**

##### **Assurance Comments:**

The Council has strong values known which are demonstrated in the integrity of officers. The Council has a culture of compliance, which is supported by the Leadership Team. Councillors are trained on the Code of Conduct and guidance is offered from the Monitoring Officer, Corporate Leadership Team and Democratic Services Team.

The Council's Codes of Conduct sets out clear expectations and requirements for behaving with integrity, committing to ethical values, and respecting the rule of law for both Councillors and Officers. Last year it was identified by the Wider Leadership Team that there could be more awareness of the Nolan Principles and our governance framework throughout the organisation, the Head of Policy, Communications and Governance has given presentations on this topic to Wider Leadership Team, Unit Managers and individual team meetings.

The Council adopted the local code of corporate governance in 2017 which complies with CIPFA and SOLACE "Delivering Good Governance in Local Government". This code was refreshed last year and has been updated again in 2022 with input from the Council's Wider Leadership Team.

The Council also has in place a local Code of Conduct for Councillors and a Code of Conduct for staff which includes the Nolan Principles. Code of Conduct training is carried out annually for Councillors and included in the new councillor induction programme to which all members are invited.

During the municipal year 2021-2022, there were 13 Code of Conduct complaints dealt with under the Localism Act 2011 against Parish Councillors and 5 complaints raised against Borough Councillors.

In 2020 the LGA provided an updated model code of conduct. The general view of the Audit Governance and Standards Committee was that it did not meet their aspirations for an updated code. Since that time Kent County Council considered the model and made comments for consideration. Kent Secretaries have as a group considered the model and what they would consider appropriate to propose as a new model for adoption by all principal authorities in Kent and consideration by Parish Councils, should they wish to adopt a Kent code. The Government have responded to the Independent Committee on Standards in Public Life report and as a result it became clear that some aspects of member aspirations for amendment of the code could not be met as changes to legislation would not be forthcoming.

Kent Secretaries reached an agreed proposal which has recently been considered by Kent County Council and adoption has not yet occurred as amendments have been suggested. The resulting options for members are contained in a report to Audit Governance and Standards Committee in July 2022.

A Register of Interests is maintained, and training is offered to Councillors on standards, interests and our Code of Conduct as part of the annual Member Induction open to all Councillors. A register of gifts and hospitality is also maintained, and staff are reminded to complete this annually. Under the Local Government Act 1972, section 117, the Council requires

officers to disclose any direct or indirect pecuniary interests they may have in any contract or potential contract involving the Council.

The Audit, Governance and Standards Committee's purpose is to promote and maintain high standards of Councillor and Officer conduct within the Council. The Committee has responsibility for adopting and reviewing the Annual Governance Statement, independent assurance of the adequacy of the financial and risk management framework and the associated control environment.

We have a clearly defined set of core values that are embedded at the Council, they form part of our competency framework against which staff are assessed annually. A staff survey was carried out at the beginning of 2021 which showed a clear understanding of the Council's priorities with 80% of respondents indicating they understood the Council's priorities and 91% stating they were committed to helping the Council achieve its objectives. With regard to Service, Teamwork, Responsibility, Integrity, Value and Equality, our STRIVE values, 87% of those who responded agreed they understand the Council's values and were committed to delivering those values. Annually, we hold a staff awards event for those who have demonstrated they have exceeded the standards by going above and beyond the expected, in their behaviour.

The statutory roles of the Chief Financial Officer (s.151 officer) and the Monitoring Officer are set out in the Constitution and in the scheme of delegation. They provide oversight of propriety and lawfulness. They have a direct reporting line to the Chief Executive and are involved in all major decision-making preparation through membership of the Corporate Leadership Team, as well as being signatories to all key and other significant decisions.

There is an Equality Policy in place for the organisation; the objectives and action plan were updated in 2020 and were reviewed and updated again in 2021.

The Constitution is kept under review by the Democracy and General Purposes Committee and the Monitoring Officer, with changes agreed by Council. As the Council has approved a new constitution in May 2022 a review is planned of effectiveness of the new constitution by the Democracy and General Purposes Committee in December 2022. A log of issues is being maintained by Democratic Services with urgent changes required prior to the review being reported to Democracy and General Purposes for decision.

Since 2019, the Council has created a separation between the Local Plan Review and other Planning Functions as the Director for Regeneration and Place is leading on the proposal for a Council-led garden community. This has ensured a clear separation of roles.

## **B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

The council is proactive in relation to transparency and stakeholder engagement.

In 2022, a new guide to Part II items has been developed to ensure transparency

Ward Boundaries were reviewed in 2021/22, as a result a Community Governance Review has been planned for 2022/23

The Communications Team issued 175 press releases in 2021-22 as well as producing two editions of our Council magazine Borough Insight which has been distributed to 82,000



residential properties across the borough. These magazines include articles and features promoting the services and support available from MBC.

The need for good communication with our residents and businesses was accentuated as the country recovered after the Covid pandemic. The comms team has helped partner organisations to promote the Covid vaccinations; they sourced venues and arranged eight pop-up vaccination clinics across the borough. Communications also supported front line service delivery messaging needs through over 150 design projects including signage, posters, newsletters, press releases, radio and newspaper advertising, radio and TV interviews. Topics covered include changes to services e.g. parking, parks and new initiatives including #CleanUpMaidstone, business rate grants, Community Resilience Fund, organised and held the Compassionate Community Awards. The team was also responsible for MBC opening and launch events including the Bus Station, Maidstone East Railway Station, Student Art Project for the Mote Park Café, Love Food at Lockmeadow, Winter Bills Roadshows, Lockmeadow Play Area, and the Mote Park Café & Visitor Centre. They have also hosted 12 All Staff Webinars and facilitated the One Council and STRIVE Awards event. The team is responsible for MBC social media channels and has been active across all producing Facebook – 1,184 posts, 749 Twitter posts and 36 on Instagram.

During 2021/22 the Policy and Information team carried out 23 consultations. 6 of these were internal, aimed at staff or members and 17 were public, resident or stakeholder consultations. Overall, 19,500 responses were received to consultations run by the Policy, Communities & Engagement team in 2021/22.

Public consultations were undertaken on a variety of topics. Some focussed on specific geographical areas in the borough such as Polling Places in Harrietsham & Lenham, Headcorn and South wards and other consultations sought information about specific policies or how residents felt about particular issues. For example, the Archbishops Palace Consultation sought to find out what uses residents felt were appropriate for a prominent historic building. The Community Safety survey built on the previous year's Young People's Crime survey helping to identify where people feel safe in the borough and their experiences of crime.

The information gathered through these surveys has been used to support decision making. Survey data has also been used to identify and prioritise ongoing improvements to service delivery.

The Council has a Communication and Engagement Action Plan in place which is reviewed annually. In December 2021 a Local Government Association Peer Review was undertaken looking at our communications function. As a result a new Communication and Engagement Strategy is being developed for approval in September 2022. The review identified a need to be clear on our priorities as a Council. The Cabinet will be asked to consider reviewing and updating the Council's Strategic Plan as part of the Corporate Planning Timetable in 2022/23.

We also have a Statement of Community Involvement in place for Planning, covering a whole variety of means of communicating with and involving residents in planning matters. A Community Governance Review is planned for 2022/23 following the review of ward boundaries in 2022. Regular communication and engagement has been scheduled into the review to ensure openness and transparency, any decisions taken to change Parish Boundaries or create new parish or town councils will be publicised.

We believe in transparency and have a large amount of information available on the data and information pages of our website, including details of payments to suppliers, decision notices, performance information, a list of our assets and senior staff salaries. This data has been reviewed in 2020/21 and a project has been agreed to improve openness and transparency in 2022/23, a senior Information governance officer was recruited in 2022 to add capacity to the team. The Council's website includes an accessibility statement to inform users how the site has been tested and audited to improve accessibility as well as identifying areas for improvement.

We have dealt with a large volume of Freedom of Information requests a total of 901 requests of which 95% were processed on time, a sustained performance with a higher volume of work compared to the previous year in which we dealt with 896 requests and 96% processed on time.

The Council applies the public interest test appropriately when deciding whether reports or other information the Council holds should be confidential and makes an effort to put as much information in the public domain as possible, including splitting confidential information into appendices to allow discussion of the broader topic in public. This was the subject of substantial consideration as part of the review and development of the new constitution. A new part II guide has been developed for Officers to be rolled out in 2022/23 Over the last three years the Council has been subject to increased scrutiny in relation to its Garden Community Proposal, and this has been identified as an area for continued improvement for 2021/22.

To ensure robust, effective and transparent decision making the Council continues to utilise remote technology to enable committee meetings to go ahead with full public access and engagement on-line. We continue to use remote working technology to allow public participation remotely.

The Council takes up opportunities to engage with partners and stakeholders through avenues such as the Developers' forum, Parish Liaison meetings, Maidstone Destination Management Plan. We have acted as community ambassadors in our capacity as the democratically elected body representing residents with partners.

The Council's Corporate Insight, Communities and Governance Team lead on the Council's engagement with its wider community. The team are a point of contact for both the Voluntary and Community Sector and Parish Councils. A two-way communication process in place which ensures that issues or concerns can be responded to collaboratively. This relationship was strengthened during the pandemic and has been key to the Council's response to the Ukraine.

A regular newsletter is sent to Parish Council and the Voluntary and Community Sector which includes key information from across the Council, facilitating a wider reach for consultation and engagement with the wider community through extended networks.

The Council has service level agreements in place with Involve Kent, the Citizens Advice Bureau and Maidstone Mediation. This funding helps support the delivery of local community forums, including Service Providers, Voluntary and Community Sector, Children and Young People, Health, Wellbeing and Disability and a West Kent Multicultural Network. The forums, run by Involve Kent, offer learning and insight through join up with practitioners and partner organisations. The Citizen's Advice Bureau provide practical advice and increase access to financial support and Maidstone Mediation's services play an important role in homelessness prevention and resolving disputes that can have a detrimental impact on an individual, family or community.

In the past year, the Council has been able to support local community groups through the delivery of the Community Resilience Fund. The fund was designed to enable organisations to continue to provide support to communities experiencing loneliness, social isolation or mental health issues. Funding was provided to a number of counselling and support services in Maidstone to help increase accessibility and ensure demand could be met. The fund also supported a number of organisations providing activities to help well-being, increasing access to outdoor space and group activities.

The Household Support Grant provided a total of £63,000 to organisations offering immediate support such as food, fuel and clothing. The Council asked local community groups and Parish Councils to come forward and apply if they knew of people in their area who needed help buying food or paying essential bills this winter. Maidstone accounts for 25% of all food boxes that are distributed across the whole of Kent, and the foodbanks have seen a 100% increase in deliveries

across the borough for various reasons including the pandemic and financial hardship. The Council increased its support to local food banks in December 2021 after what has been a challenging time for many people. MBC gave the Salvation Army Food Bank in Maidstone £20k and Maidstone Family Food Bank £30k so that they could increase their support for those in need.

## **C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

The Council's priorities and cross cutting objectives in the Strategic Plan 2019-45 seek outcomes with sustainable economic, social, and environmental benefits.

The Council developed a [Strategic Plan](#) in 2018 through a series of events, meetings and consultation with stakeholders. We have in place a clear vision and four key priorities to 2045. Outcomes are measured through strategy action plan updates, performance measures and targets which are reported regularly to Wider Leadership Team and the Service Committees. We updated and refreshed the Strategic Plan in 2021

To ensure the delivery of the strategic plan priorities and actions each service is required to produce a service plan and individuals also identify how they meet the priorities in their objectives which are reviewed monthly. Regular updates are given on progress with the Strategic Plan at our Staff and Manager Forums as well as at our annual One Council event.

Our corporate report template requires report authors to identify how decisions align with the Council's priorities and show the options that have been considered and the impact of the recommended course of action. The template has been updated to include biodiversity and climate change considering the council's new biodiversity and climate change strategy. We also have a robust risk management framework in place; risks are reported to the Wider and Corporate Leadership Teams, Policy and Resources and Audit, Governance and Standards Committees.

In 2021/22 the Council created a [Recovery and Renewal Action Plan](#) in response to the COVID-19 pandemic, following consultation with all four Service Committees this was approved by Policy and Resources Committee in October 2021. Actions were focused on four themes:

- Vibrant Economy
- Community Resilience
- The Way We Work
- Responding to Increased Demands

Maidstone Borough Council's Biodiversity and Climate Change Strategy and Action Plan scored a 72% or joint 25th place in UK out of 325 councils who have declared a climate emergency according to Climate Emergency UK's campaign. An annual review and progress of the Plan was reported to the Policy and Resources Overview and Scrutiny Committee in February 2022. The reviewed and updated Action Plan retained all the same key themes, structure, and actions, with the addition of supplementary information and minor wording changes only. Some additions were made to the Action Plan to ensure it meets soon to be standardised criteria and comparable objectives for local authorities across the UK. Additions to the Action Plan include key information and definitions of 'Net Zero', 'Climate Adaptation and Resilience', detailed targets per year on carbon reductions, and updates to the status of each action.

The Council's Inclusion board is in place to support the delivery of its social and financial inclusion responsibilities. These are underpinned by its Public Sector Equalities Duty. Key service

areas are represented on the board as well as partner organisations. In 2021/22, the board has focused on financial inclusion. The Board has oversight of Maidstone Borough Council Financial Inclusion Strategy 2021-2026 and its 4 workstreams. An action plan is in place to monitor outcomes. A number of initiatives have been successfully delivered including the fuel voucher scheme and the South East Water Project and impact is being maximised through collaborative working, across the Council, with key partners and the Voluntary and Community Sector (VCS).

In October 2021, the Policy and Resources Committee was informed on progress made against the Council's Equalities Objectives and Action Plan. This included the implemented of the Rough Sleeping initiative by the housing team which continued to support approximately 360 households and had been extended until March 2022. It also highlighted the strengthened relationship between the Council and the VCS as a result of joined up working to support residents during the Covid-19 pandemic.

In March 2022, the first Ukrainians arrived in Maidstone under the Homes for Ukraine Scheme. The Council's Housing team have been responsible for home inspections and there is join up in place across key service to help ensure support is in place and the valued relationship with the with the VCS, Parishes and Ward Councillors ensures that we are working together to identify and respond need.

The first [compassionate community awards](#) were first held in October 2020 to acknowledge individuals, groups and organisations who went above and beyond to make a difference to so many people in their communities throughout the COVID-19 lockdown. The awards were held again in October 2021 are now moving into their third year, reflecting new challenges and recognising the positive contributions made.

## **D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

Oversight and healthy challenge are provided through service committees, boards and working groups. The Council's risk register has been reviewed and updated with key risks included in the action plan.

The Council's Constitution clearly defines the roles and responsibilities of Officers and Councillors. It was kept under regular review in 2021/22 by the Interim Monitoring Officer and the Democracy and General Purposes Committee. A new constitution was written in 2021/22 and approved by Members in May 2022 for the change to the governance model.

The Council's four service committees were responsible for making decisions on the services delivered by the Council. The four service committees, Democracy and General Purposes Committee and Audit, Governance and Standards Committee have work programmes in place. These programmes detail the decisions and reports for the year and were reviewed monthly by each committee. Details of committees and their work can be found on our website.

Performance was reported on a quarterly basis to each service committee as well as updates on plans and strategies throughout the year.

The Council has a Transformation Team which carries out reviews to improve the efficiency of Council services. In 2021-22 reviews were carried out covering: Property and facilities, office accommodation and desk booking, HMO licencing and corporate mobile working projects, as well

as improving the online processes for Council Tax discount, ordering and replacing bins and reporting abandoned vehicles.

The Corporate Risks and highest-level risks on the Operational Risk register, were reported to and monitored by Corporate Leadership Team throughout the year, and action identified to manage risks to an acceptable level. Further to this, risk updates were reported to Policy & Resources Committee and also to Audit, Governance and Standards Committee during the year for oversight and challenge. Significant Corporate Risks have been added to the annual governance statement action plan.

## **E. DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

The Council has a clear commitment to developing capacity with a well-developed Learning and Development Programme and an Established Members Charter in place. Staff and Councillors have the opportunity to attend training relevant to their roles and there are agreed budgets for Member development and Staff.

The Council reviewed its senior staff structure in February 2022 and a new structure will be in place in 2022-23 to reflect the change in council services and demand as we fulfil the ambition to deliver 1,000 affordable homes.

The focus for the 2021-2022 training year was on supporting managers as the Council moved to a more hybrid way of working and providing training to support frontline staff in managing difficult conversations with residents. The Council also continued to provide training to staff to help with their own mindset and wellbeing, including re-introducing the Personal Best programme, and running a series of webinars delivered by an external provider on topics such as anxiety, trauma, sleep, anger, etc.

The bi-annual staff survey ran in January 2022. 70% of people reported that they felt they were able to access the right learning and development opportunities, although only 50% felt that the learning and development activities they had completed in the past 12 months had improved their performance and that there were opportunities for people to develop their careers within the Council.

In the 2022-2023 training year, the Council will continue to provide the training offered in the 21/22 year and will also provide training in workplace skills such as presentation skills, reporting writing, project management and time management. The Learning and Development Team will also run webinars for staff and managers on career planning and identifying appropriate training to support people in developing in their current roles and preparing for career progression.

The Council has a [Member Development Charter](#) in place for Councillors. In 2021/22 42 training and briefing sessions were held for Councillors, most of these sessions consisted of topic-based briefings for example briefings on the new governance arrangements, various strategies covid19 recovery and briefings from external partners including Golding Homes and Leeds Castle. Most Member training sessions delivered were in respect of Planning and Licensing roles, functions and responsibilities. Briefings were largely held virtually with some held face to face on a topic-by-topic basis.

In February 2022 the Council's Chief Executive took a [report to Policy and Resources](#) outlining changes to the senior staff structure developed in response to the cumulative impact of incremental changes already made since the structure was implemented in 2016, more recent significant changes in our operating environment arising in part from the pandemic but also government policy including for Levelling Up and a variety of decisions made by the council's committees over the last 12 months which together significantly impact on the skills, experience, expertise and capacity required of the organisation in order to lead delivery of the outcomes identified.

## **F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

### **Assurance Rating: Assured in Part**

#### **Assurance Comments:**

Performance and risk are well managed and regularly reported to management team and committees. Significant risks from the corporate risk register feature in the Annual Governance Statement Action Plan. Several actions have been identified through reviewing council compliance with the new Financial Management Code.

The Council manages risk through a comprehensive risk management framework. This involves identification of risk at corporate and service levels, ownership of individual risks by named officers, development of controls to mitigate risks, and regular reporting. Quarterly reports are presented to the Corporate Leadership Team and Policy and Resources Committee. Going forward these will be taken to Policy Advisory Committees. Members take an active interest in the risk management process and engage fully in discussion about individual risks. The Council has in place a robust risk management framework and guidance and risk management is considered by the Audit Governance and Standards Committee.

Performance reports aligned to the Council's priorities were reported to the wider leadership team and service committees on a quarterly basis for scrutiny and challenge. Service committees carried out policy and strategy development. Financial performance was reported to all the service committees on a quarterly basis. Dashboards have been developed to monitor key service performance across the council. In 2022/23 it is proposed to use these Dashboards as a tool for performance management for Councillors, allowing performance to be monitored in a timelier fashion.

Monthly budget spending is reported to budget holders and quarterly review meetings with the Director of Finance and Business Improvement are in place. The corporate report template requires information explaining the legal and financial impact of decisions and the S151 Officer and Monitoring Officer are required to comment on financial and legal implications of reports.

The Council has an anti-fraud and corruption policy and a whistle blowing policy in place, these are regularly reviewed by the Audit, Governance and Standards Committee.

The Council has a Data Protection Officer and an action plan to ensure compliance with Data Protection Legislation. This Action Plan is reviewed regularly and forms part of the Governance Action Plan for 2022/23. An internal information management officer group chaired by the Senior Information Risk Owner meets quarterly to review information management practice and policies including cyber security. The group regularly monitors trends in rights requests, freedom of information requests, data breaches and cyber security. Cyber security has been identified as a risk on the Council's corporate risk register as a constant and immutable danger. The Council takes this risk seriously investing in defensive counter measures, implementing robust and integrated cyber security tools, ensuring policies and training is in place as well as continuation of cyber phishing campaigns.

## **G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

### **Assurance Rating: Assured in Part**

#### **Assurance Comments:**

The Council has a strong commitment to transparency. Regular consultation is carried out to improve and inform services. A variety of information is available on the council's website. Partnership arrangements are robust.

The change to governance arrangements resulted in Councillors considering the process for part II reports as a result a new process has been introduced with guidance for 2022/23

The Council's website includes information that is required under transparency. It has been identified that this data has now become out of date and we will be updating the pages as part of a project on open data and transparency. We publish an annual report as part of our Statement of Accounts which includes our performance, progress against priorities and financial performance. We report the results of public consultation on our website and our committee meetings are webcast.

The Whistleblowing Policy is available on the intranet and sets out a confidential reporting process for those who wish to raise concerns.

The annual governance statement and action plan is published on-line as part of the statement of accounts and reported to the Audit, Governance and Standards Committee.

The Local Code of Corporate Governance was rewritten in 2017 and a refreshed code was considered by Audit, Governance and Standards and Committee in July 2020 with a further revision presented in July 2021.

Internal audit activity is reported regularly to the Audit, Governance and Standards Committee to inform members of the internal audit activity that takes place during the year.

We are part of the Mid Kent Services Partnership delivering several shared services; to ensure the partnership is operating effectively, regular board meetings are held quarterly to manage performance.

The Council has assessed its compliance with the new Financial Management Code and as a result several actions were identified to improve transparency and reporting for financial information these were included in the action plan last year and incomplete actions have been carried forward to this year.

## UPDATE ON GOVERNANCE AREAS IDENTIFIED FOR DEVELOPMENT IN 2020/21

Corporate Governance Area	Lead Officer	Update
<p>Make data and information more freely accessible on the website and on request</p>	<p>Data Protection Officer</p>	<p>A new space has now been created on the website called information and data <a href="https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data">https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data</a></p> <p>To bring all the relevant elements into one accessible place this includes access to information and results on our consultations, access to the council's disclosure log, as well as useful stats and data on local population.</p> <p>Work is currently underway on a dashboard development programme for services across the council. As part of this consideration is being given to publicly accessible information from services which could be made available through the use of dashboards, principles that need to be considered have been drafted for approval, which will help guide the Data Analytics Team. The team hope to have a first dashboard published this year.</p>
<p>Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)</p>	<p>Data Protection Officer</p>	<p>Report to Audit, Governance and Standards Committee 15 November 2021</p>
<p>Raising awareness of the Local Code of Corporate Governance and the Nolan Principles</p>	<p>Head of Policy, Communications and Governance</p>	<p>The local code of corporate governance was shared with Wider Leadership Team for development and insight in June 2021 and May 2022 . An update was given at a unit managers forum in 2022 on the code and what it means in practice. The Nolan principles for Councillors will be addressed when the code of conduct is updated, this is being progressed by the Monitoring Officer.</p>
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> <li>• Develop and embed a policy on Social Value</li> <li>• Review and update the Commissioning Strategy</li> <li>• Hold Member workshops to inform the development of the 2022/23 budget</li> </ul>	<p>Director of Finance and Business Improvement</p>	<p>Social Value – Work due to commence in next six months.</p> <p>Commissioning Strategy – Strategy has been reviewed and contract management guidance updated.</p> <p>Member workshops on budget – Briefings were held for members in the course of developing the 2022/23 budget. Discussions are starting to take place with members about rolling</p>



Corporate Governance Area	Lead Officer	Update
<ul style="list-style-type: none"> <li>• Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal'</li> <li>• Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate.</li> <li>• Refresh the 2021/22 Capital Strategy</li> </ul>		<p>forward the Medium Term Financial Strategy for 2023/24.</p> <p>Investment Appraisal – approach being refined as part of Capital Strategy update</p> <p>Budget monitoring reports – Under review with a view to updating format for 22/23</p> <p>An updated Capital Strategy was considered by Members January 2022 and agreed by Council. It will continue to be updated on a regular annual basis.</p>
Learning from governance failings at other Local Authorities	Chief Executive	Monthly meetings held with governance lead and statutory officers to review governance matters
Review of Church Road, Otham	Head of Policy, Communications and Governance	Report completed for submission to Democracy and General Purposes Committee on 23 November 2021
Change to Executive Model of Governance	Head of Policy, Communications and Governance	<p>Model approved by Full Council and notice of change published.</p> <p>External legal advisor appointed to assist the Democracy and General Purposes Working Group to write the new constitution.</p> <p>New constitution approved in April 2022, new model introduced at the May Annual Meeting of Council 2022.</p>
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	<p>In respect of the public sector led Garden Community, there remains a clear separation in place between the Council acting as the Local Planning Authority and the Council acting as land promotor in partnership with Homes England. This differentiation is made clear in the various reports that go to the Strategic Planning and Infrastructure Committee and P&amp;R Committees respectively.</p> <p>The Council and Homes England have appointed a communications firm to assist with community engagement from the land promotor perspective. Their work will include creating a new digital engagement platform for the project, where information with stakeholders can easily be shared.</p>

Corporate Governance Area	Lead Officer	Update
		Decision making in respect in relation to the council as land promoter and developer will be scrutinised at the Corporate Services Policy Advisory Committee (PAC) and decision making by the Executive, updates will be given by the Lead Member on the Executive to the PAC as and when required in 2022/23.
Corporate Risk: Contraction in retail and leisure sectors, the Council will be developing a Town Centre Management Strategy	Director of Regeneration and Place	The principle of creating a town centre strategy has been approved as part of the Council's Recovery and Renewal Action Plan and so the funding is now in place within the current Medium Term Financial Strategy, and so the project is now fully funded and underway. Furthermore, budget growth has been approved for the current financial year for further economic development, arts & culture and visitor economy type initiatives to kick start the process of reimagining the town centre, to include a full calendar of events to bolster visitor numbers.
Corporate Risk: Financial Restrictions	Director of Finance and Business Improvement	Under regular review. This is addressed as part of Risk Reports to AGS Committee and in quarterly monitoring reports to Service Committees. The Medium-Term Financial Strategy is being updated to reflect both implications from Covid and longer-term issues around slower economic growth. Furthermore, measures are being identified to address future budget gaps
Corporate Risk: Environmental Damage	Head of Transformation and Property	Actions from the Carbon Trust report are in the process of being implemented and Policy & Resources Committee to provide governance and oversight on delivery of BD&CC Strategy.
Corporate Risk: Major Unforeseen Emergency	Chief Executive	Work is ongoing to ensure the robustness of Disaster Recovery and Business Continuity Arrangements.
Corporate Risk: Housing Pressure Increases	Director of Regeneration and Place	Initiatives to increasing housing and temporary accommodation provision underpinned by the drafting of a new Housing Strategy. Furthermore, the Policy & Resources Committee in January 2022 approved its 1,000 homes programme for circa £200m of net council spend into the Council development of new homes primarily for affordable rent, with further homes for the private rented sector too. Since then, contracts have been exchanged on to two substantial land acquisitions to support this programme.
Corporate Risk: Brexit/EU transition	Director of Finance and Business Improvement	Risk removed from the Corporate register, but operational elements continue to be monitored. MBC officers participate in Kent Resilience Forum planning for disruption at Channel ports.

## CORPORATE GOVERNANCE ACTION AREAS 2022-23

Corporate Governance Area	Lead Officer	By When
New Process for part II items embedded and officers trained	Head of Policy, Communications and Governance	November 2022
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Data Protection Officer	Action plan progress will be reported to this committee in November 2022
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> <li>• Develop and embed a policy on Social Value</li> <li>• Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal'</li> <li>• Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate.</li> </ul>	Director of Finance and Business Improvement	November 2022 and March 2023
Learning from governance failings at other Local Authorities	Chief Executive	Monthly briefing to review any issues
Corporate Governance Review: Following the Boundary Review at a district level a community governance review is proposed for 2022/23, this will be undertaken by the Democracy and General Purposes Committee	Democratic and Electoral Services Manager	Timetabled with Democracy and General Purposes – updates to Audit Governance and Standards Committee in November 2022
Ensure effective decision making and a workable constitution. Review of constitution planned for December 2022 with the Democracy and General Purposes Committee	Head of Policy, Communications and Governance and Monitoring Officer	Update in March 2023
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	Updates in November 2022 and March 2023
Corporate Risk: General and localised economic pressure leads to <b>contraction in retail sector</b> , limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports
Corporate Risk: General <b>financial uncertainty</b> , unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation places further financial restrictions on the Council resulting in	Director of Finance and Business Improvement	Updates in November 2022 and March 2023 plus updates through the risk register and reports

Corporate Governance Area	Lead Officer	By When
difficulty maintaining standards or meeting aims.		
Corporate Risk: Inflation continues to rise and a significant economic event (e.g. further pandemic impacts, BREXIT, supply chain issues) causes <b>significant changes in construction costs which may also result in a contractor insolvency, as they are generally locked into delivering schemes at a fixed price, and so need to manage their exposure to rising costs in their supply chain.</b> For the Council, this leads to a narrowing gap between build price and end of property values, increased costs to the Council and a possible time lag in delivery of 1000 affordable new homes, owing to a lack of capacity in the construction sector.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports

## CONCLUSION ON SIGNIFICANT GOVERNANCE ISSUES

Overall, we can confirm that the Council has the appropriate systems and governance arrangements in place.

The S151 Officer has a personal duty under Section 114(3) of the Local Government Finance Act 1988 to report to the Council if it appears that the set budget will be exceeded. Key considerations for the Council include the need for an adequate contingency provision, the S151 officer's guidance on the financial prudence of options before members and ensuring that there are reasonable grounds for making decisions.

Updates on the areas for improvement will be provided to the Audit Governance and Standards Committee on a six-monthly basis and kept under review by the internal Corporate Governance Group.

## INTERNAL AUDIT OPINION

The Internal Audit function for the Council is delivered through the Mid Kent Audit Partnership, a 4-way shared service with Maidstone, Swale and Tunbridge Wells. The Audit Partnership provides internal audit, consultancy, and advisory support to the Council, and deliver a programme of work (an audit plan) each year. The plan is agreed and monitored through the Audit Committee.

The Internal Audit team continue to report positive levels of engagement across the Council when undertaking their work. Managers and Heads of Service are actively involved in scoping audit work and display a good understanding of internal control and risk management as part of that process.

A key source of assurance over the internal control environment for the Council is derived from the Head of Audit Annual Opinion. The interim Head of Audit Partnership gave the following conclusion for 2021/22 and no matters of concerns were highlighted:

**The planned programme of work delivered by internal audit was constrained by the impact of the COVID pandemic restrictions and significant staffing changes within the**

**internal audit team. The results of the reduced level of internal audit work concluded during the year required me to seek additional assurances to form my opinion. A summary of where it has been possible to place reliance on the work of other assurance providers is presented in the annual internal audit report. Utilising all these forms of assurance I am able to draw a positive conclusion as to the adequacy and effectiveness of Maidstone Borough Council's risk management, control and governance processes. In my opinion, Maidstone Borough Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.**

Signed:

Chief Executive:

Date:

Leader of the Council:

Date: