

Annual Governance Statement

2019-20

Introduction

The Annual Governance Statement is a review of the Council's governance arrangements in 2019-20. The statement evaluates how we meet the governance framework and provides an opinion on whether the current governance arrangements are fit for purpose.

Conclusion on Significant Governance Issues

Overall, we can confirm that the Council has the appropriate systems and processes in place. Whilst we are satisfied the governance arrangements in general work well our review has identified additional actions to ensure good standards of governance are maintained. The most significant governance issues relate to COVID-19, and also included are the most significant risks from the Corporate Risk Register. In developing a recovery plan from COVID19, the Council will take steps to ensure that its financial obligations are adhered to, particularly the legal duty to set and maintain a balanced budget. The risk will be addressed through constant monitoring of the budget during the year and appropriate remedial action taken. 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.

Areas for Improvement 2020-21

Key improvement area	Lead Officer	To be delivered by
Ensure financial risk arising from the impact of COVID-19 are managed	Director of Finance and Business Improvement	1 March 2021
Poor management of contracts or financial resilience of contractors leads to significant contract failure disrupting services and creating extra liabilities. Potential impact on the capital programme because of the resilience of our contractors.	Director of Finance and Business Improvement	1 March 2021
Exit of EU on unfavourable terms results in adverse short-term Brexit impacts disrupting the Council's ability to offer services and increasing liabilities.	Director of Finance and Business Improvement	1 March 2021

Key improvement area	Lead Officer	To be delivered by
Data Protection Areas identified for Improvement in 2020-21: <ul style="list-style-type: none"> Record of Processing Activity updated CCTV Information sharing guidance issued and training rolled out Asset Register and Retention Schedule review completed and changes implemented 	Data Protection Officer	1 November 2020 1 March 2021
Capacity to deliver the investment and regeneration programme – (link to Corporate Risk Register).	Director of Regeneration and Place	1 March 2022
Property Maintenance, Health and Safety Compliance.	Director of Finance and Business Improvement	1 March 2021
Ensuring we are resilient and continue to build relationships with partners.	Chief Executive	1 March 2021
Declaration of Interests.	Monitoring Officer	1 November 2020
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.	Chief Executive	1 March 2021

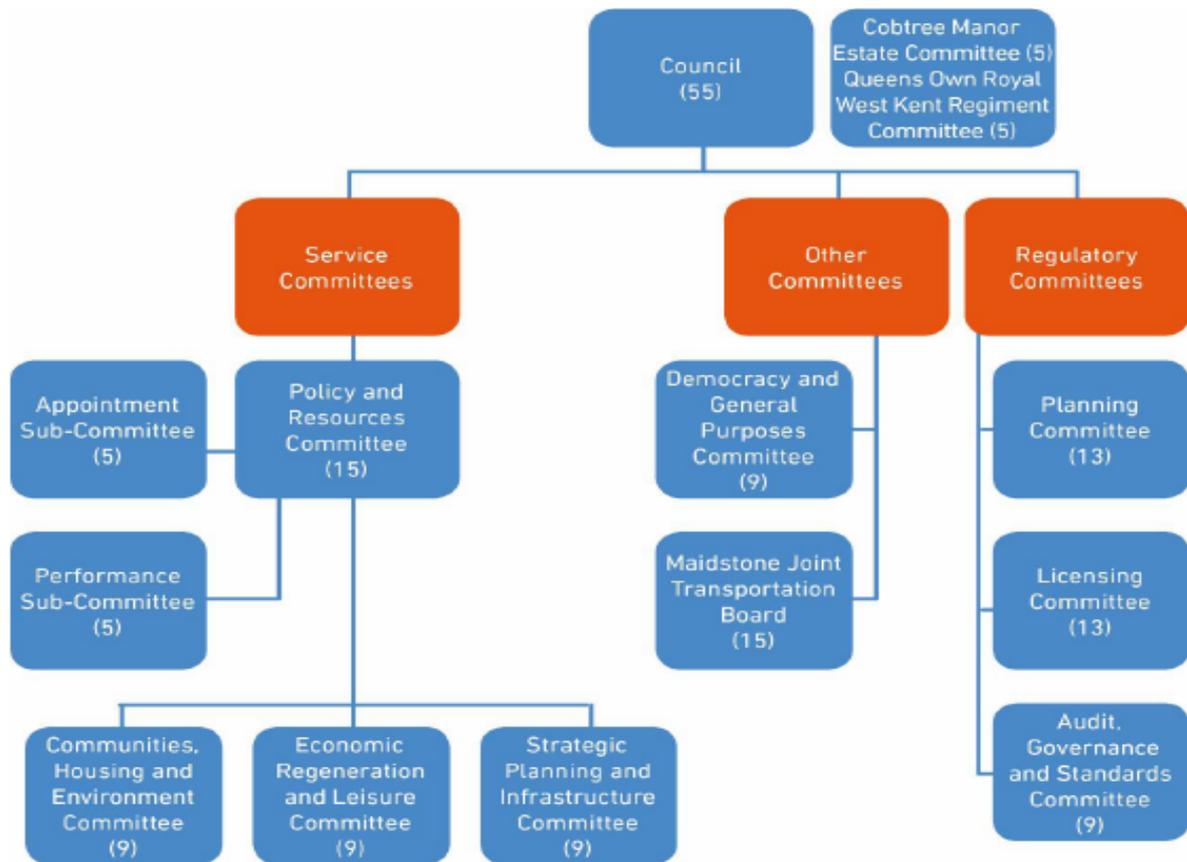
Scope of Responsibility

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 2019-20 also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) which require an authority to conduct a review of the effectiveness of its system of internal control and the duty to prepare an annual governance statement.

Key Governance Roles and Responsibilities

The Council operates a committee system of governance and the Leader is the focus for political direction and the chief spokesperson for the Council. The Leader is also Chair of the Policy and Resources Committee. The Council has four

service committees taking decisions within their terms of reference as agreed by Council; individual Councillors do not have delegated authority from Council to make decisions. In addition, there are committees that deal 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’s Section 151 Officer, Mark Green, and the Monitoring Officer, Patricia Narebor, are key members of the Corporate Leadership Team, reviewing all decisions taken through 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. During 2019-20, amendments to the Constitution have been referred to the Democracy and General Purposes Committee and revisions implemented in line with the decision of the Committee and under the Monitoring Officer’s delegation. 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 who is Head of Paid Service with overall corporate management and operational responsibility.

The Head of Policy, Communications and Governance, has responsibility for corporate governance, 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 has approved and adopted a Local Code of Corporate Governance in 2017, which 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 and processes, and 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 2020 and up to the date of approval of the Statement of Accounts.

The International Framework: Good Governance in the Public Sector states that:

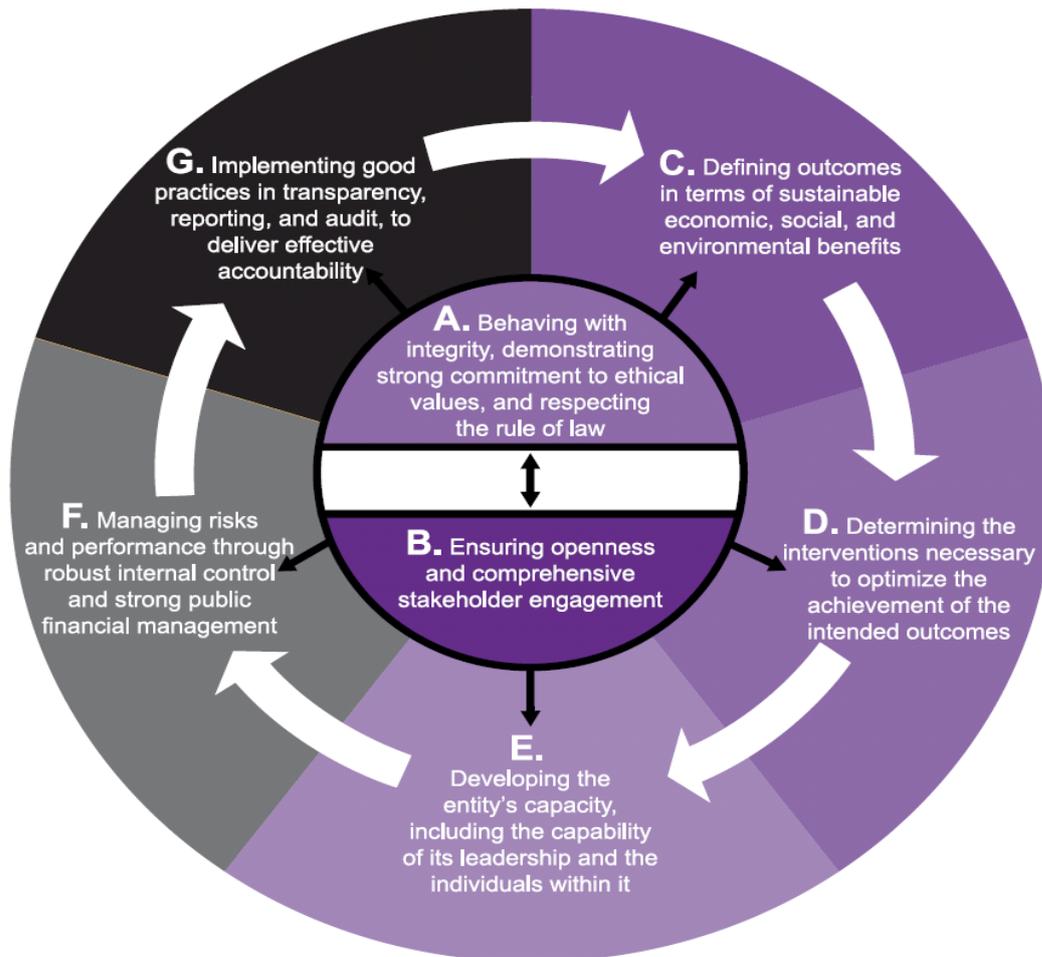
"Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."

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.

This statement sets out how we have demonstrated and met those principles in 2019-20.

The 7 principles within the Local Code of Corporate Governance



Looking back at 2019-20

A number of improvement actions were identified as part of the 2018-19 Annual Governance Statement.

The table below shows progress with these actions:

Key Improvement Area	Update
<p>Ensuring sufficient resource to deliver the ambition for embracing growth and enabling infrastructure priority (link to Corporate Risk Register)</p>	<p>The Regeneration and Economic Development service has been refocused towards investment in and delivery of the Council's growth and infrastructure projects.</p> <p>The Council works in collaboration with Kent County Council to secure infrastructure monies above those sums collected via Section 106 and the Community Infrastructure Levy.</p> <p>Local Growth Fund monies were secured to part fund a programme of junction improvements to mitigate development in the current Local Plan. Whilst programmes such as this are complex to deliver, KCC have now completed their public consultation on the various proposals and are optimistic that works will commence on site this year.</p> <p>Another example is the highways improvements outside of the Kent Medical Campus that are being accelerated by a successful bid to the National Infrastructure Productivity Fund, again with KCC. Monies secured exceeded £9m, to include a £0.5m loan from the Council, and this will fund improvements to two nearby roundabouts and provide the duelling of the road between them and works on site will commence in September 2020.</p> <p>Furthermore, the Council has two mixed tenure housing developments on site at Brunswick Street and Union Street, and again the Council secured in excess of £0.6m from the MHCLG Land Release Fund to unlock these complex brownfield sites. Furthermore, an additional bid has been made for two more schemes for projects at King Street and Medway Street in the town centre for which the outcome is awaited. The Council also has a further 14 apartments for PRS on site at the Springfield Mill development on the edge of the town centre. These new apartments will be ready for occupation in 2021.</p>

Key Improvement Area	Update
	<p>The Council has also secured Local Enterprise Partnership Local Growth Fund monies of £1m to fund improvements to the Maidstone East Ticket Office, plus £1m of National Station Improvement Funds. The project is now in site and will be complete by December 2020.</p> <p>Progress has been made in this area, however as this continues to be a priority and a risk for the Council it has been included as an area to improve in 2020/21.</p>
<p>Ensuring there is protection against bribery and corruption.</p>	<p>Online learning training modules have been made available to staff following a Team Talk in December on gifts and hospitality.</p> <p>The Council's Counter Fraud and Corruption Policy was refreshed in January 2020, the refresh made minor textual amendments and additional information added to the 'Further Advice and Support Section'.</p> <p>Anti-Money Laundering Policy and Guidance was approved by the Audit, Governance and Standards Committee in March 2020.</p> <p>We will keep these policies and their performance under review, but we have not identified this as an improvement area for 2020/21.</p>
<p>Capacity to deliver the investment and regeneration programme – (link to Corporate Risk Register)</p>	<p>The Business Rates Retention Pilot monies were in part used to create planning guideline documents for the five town centre opportunity sites. All five have now been adopted, and this work has stimulated a developer to submit a detailed Planning application on the first of these, Len House, which is due to be determined in July 2020. Current successes include the expansion of the Maidstone Property Holdings Ltd market rent portfolio, improvements at Mote Park. Additionally we were pleased to gain ERDF funding for the Innovation Centre and we are now on site and due to complete in summer 2021. Staffing resource has increased and there has been extensive staff training, as well as strong partnerships with a number of consultancy firms.</p> <p>The Council, acting in the capacity of master-developer and land promoter, is also promoting a</p>

Key Improvement Area	Update
	<p>Council-led garden community through the Local Plan Review process. This is an exciting and ambitious project for which the Council has already secured Homes England as a partner.</p> <p><u>Commercial Investment</u> As part of the commercial investment strategy, resources have been budgeted for the ongoing maintenance and development of our new acquisition at Lockmeadow.</p> <p>While noting the considerable progress, the Council still has significant commitments to deliver. This remains an improvement area into 2020/21.</p>
Property Maintenance, Health and Safety Compliance	<p>Clear responsibility has been established for property maintenance and health and safety compliance. Residential property (private sector and temporary accommodation) is now managed by the Housing Team and commercial property maintenance by the Corporate Property team. Regular checks are carried out to comply with the legal requirements for health and safety, including properties where the prime responsibility lies with the tenant. The outcomes are reported on a regular monthly basis to Corporate Leadership Team. An asset management plan has been drafted and will be taken to the Policy and Resources Committee in Autumn 2020.</p> <p>The Corporate Leadership Team will continue to review requirements, especially considering COVID-19, and we have retained this as an improvement area for 2020/21.</p>
Governance for Maidstone Property Holdings	<p>An external review was undertaken for the governance arrangements of Maidstone Property Holdings Ltd, this was reported to Audit Governance and Standards Committee in November 2019. The review was undertaken with the assistance of external solicitors, Anthony Collins Solicitors LLP, and has resulted in confirmation of the company's future aims and objectives, an amended draft Business Plan and various other company documents, clarity on the Service.</p> <p>Agreement required, clarity on the different roles of the company and the Council. The results of the review were also reported to Policy and Resources</p>

Key Improvement Area	Update
	<p>Committee. Regular quarterly reports on the company's performance are presented to Policy & Resources Committee, in order that it may exercise its stewardship role as shareholder.</p> <p>On clarification of roles and responsibilities, we have excluded this from the list of continuing governance issues.</p>
Contract Management	<p>A range of actions have been carried out to improve the standard of contract management, including publication of contract management guidance, officer training, improved liaison with MK Legal, and central monitoring of contracts. Overall responsibility for maintaining the standard of contract management across the Council has been allocated to the Procurement and Contracts Team within the Head of Commissioning and Business Improvement's service area. Contract Management has now been reassessed as sound and all the recommendations have been closed as implemented.</p> <p>Therefore, we have not included this as a continuing area for improvement.</p>
Partner Relationships	<p>There is a very strong working partnership in place with KCC, underpinned by the new Maidstone Strategic Infrastructure Working Group comprised by councillors and senior officers from both authorities.</p> <p>In terms of Transport partnership working with KCC, this has been evidenced by the two authorities co-funding a Maidstone Transport Planner, and the joint commissioning of a Maidstone Transport Model to support the Local Plan Review.</p> <p>We have also continued to work closely with our partners in health and community safety on a number of projects and initiatives.</p> <p>As detailed earlier, the Council is also working closely with Homes England, to help to deliver a Council-led garden community proposal. They have undertaken to provide match funding for the land promotion and planning costs.</p>

Key Improvement Area	Update
	While continuing to build and maintain these relationships, we have retained this area for governance focus in 2020/21.

Review of Effectiveness 2019-20

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

Assured (in part)

The Council has strong values known and understood by officers one of which is integrity and promotes a culture of compliance. Councillors are trained on the Code of Conduct and guidance is offered from the Monitoring Officer, CLT 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

The audit review and follow up report identifies actions to improve Declarations of Interest, these were not all completed in 2019-20.

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 has been updated in June 2020 for approval by the Audit Governance and Standards Committee alongside the Annual Governance Statement.

The Council also has in place a local Code of Conduct for Councillors and a Code of Conduct for staff. 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 2019-2020, there were 5 Code of Conduct complaints dealt with under the Localism Act 2011 against parish councillors and no complaints were raised against Borough Councillors. At times information given to members to fulfil their committee and governance role has been shared with the media. The Chief Executive continues to work with group leaders on this issue. Only 45% of staff responding to the staff survey identified that the relationship between Members and Officers is generally good, 9% of staff disagreed with the statement. Officers have worked hard to ensure that decisions going to service committees are at the appropriate strategic level rather than operational or managerial matters.

On 8 June the Local Government Association began consultation on a new draft member Code of Conduct, which we intend to participate in. As a result our own local Code of Conduct may be updated in 2020-21, this is likely to involve a cross Kent piece of work.

Information on the employee Code of Conduct is set out in the staff handbook and is included in the induction for all new employees.

A [Register of Interests](#) is maintained and training is offered to Councillors on standards, interests and our Code of Conduct. A register of gifts and hospitality is 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 results of the Audit review of Declarations of Interest undertaken in 2018/19 were reported in July 2019. The area was rated as weak with recommendations for improvement. An update in March 2020 identified two actions on managing the process for declarations of interest as deferred, and for this reason this has been added to the governance action plan.

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 and are used as part of the appraisal process. A staff survey was carried out at the beginning of 2020 which showed a clear understanding of the Council's priorities and values with 90% of those who responded saying they understand the Council's 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 2019 and will be reviewed again in July 2020.

The [Constitution](#) is kept under review by the Democracy and General Purposes Committee and the Monitoring Officer, with changes agreed by full Council.

In 2019-20 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 ensures a clear separation of roles.

B. Ensuring openness and comprehensive stakeholder engagement

Assured

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

A variety of communication channels are used to engage and inform residents including social media, traditional press and radio.

Going forward we will work on our transparency as an area of improvement in relation to our role as master planner for the Council-led Garden Community

The Policy and Information Team and Communications Team work together with teams across the Council to ensure consultations are run consistently and effectively and are well communicated to all stakeholders. This collaborative working enables the teams to manage the consultation process more effectively, and, in particular, better manage barriers such as 'consultation fatigue' - where we are consulting the same people repeatedly and they lose interest in responding. The Council is a member of the Consultation Institute which provides a wealth of resources and insight. Officers have undertaken accredited training via the Institute to further improve our approach and processes.

Over the course of 2019-20 we have carried out ten resident and stakeholder consultations on our services ranging from the Annual Budget Survey, customer satisfaction, planning decisions, climate change and homelessness and rough sleepers policy priorities surveys.

The Council has a Communication and Engagement Action Plan in place which is reviewed annually and approved by the Policy and Resources Committee. 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.

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. We have dealt with a large volume of FOI requests a total of

893 requests of which 96% were processed on time an improved performance compared to the previous year in which we dealt with 704 requests and 94% processed on time.

The Communications Team issued a significant number of press releases to support service area campaigns between April 2019 to March 2020 totalling 138.

The Council applies the public interest test appropriately when deciding whether reports or other information the Council holds have to 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. In 2019/20 the Council has been subject to increased scrutiny in relation to its Garden Community Proposal, and this has been identified as an area for improvement for 2020/21

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, BME forum, Children and Young People forum, Voluntary and Community Services focus group, disability network and older persons' forum. We have acted as community ambassadors in our capacity as the democratically elected body representing residents with partners.

In January 2020, the Communities, Housing and Environment Committee had an item on the Local Health Care provision in Maidstone and interviewed the Chief Executive and representatives from the NHS.

We also participate in the Maidstone Strategic Infrastructure Working Group with Kent County Council. The aims of the group include achieving consensus in the identification, development and delivery of key infrastructure in the Borough.

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

Assured

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

A member project has been underway in 2019-20 to look at the Council's approach to climate change and biodiversity including commissioning the Carbon Trust to review our own estate and identify actions to reduce our emissions and impact on the environment.

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.



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 for the year. 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. In response to a staff survey 85% of staff agreed that they had a clear understanding of the Council’s priorities, and 93% agreed that they were committed to the Council achieving its objectives with no one disagreeing with that statement.

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 agreed in 2018-19 includes the four new priorities and the four cross cutting objectives. We also have a robust risk management framework in place; risks are reported to the Leadership Team, Policy and Resources and Audit, Governance and Standards Committees.

In January 2019 the Council undertook a [Property Asset Review](#). As a result it was identified that the Council needs a new Asset Management Plan, and this is scheduled to go to Policy and Resources Committee in Autumn 2020.

In July 2019 Policy and Resources Committee set up a [Biodiversity and Climate Change](#) member working group to look at achieving net zero carbon emissions for the Borough by 2030 and deliver an action plan to improve biodiversity and tackle climate change. This will report in October 2020.

We have successfully implemented a ‘go green go wild’ project to embrace and encourage biodiversity and protect and enhance our green spaces. During 2019-

20 a £20,000 community fund was introduced, delivering 10 grants to local groups to support 'go green go wild' initiatives. We have also introduced electric vehicles for street cleansing and replaced our grounds equipment to reduce their environmental impact.

The Council has a financial inclusion board to support the delivery of its social inclusion and equalities responsibilities. Objectives include identifying strategy, policy, action, work programmes and training to deliver the cross-cutting objectives in the Council's Strategic Plan to reduce deprivation, including improving financial inclusion and improving social mobility. The board monitors progress and evaluates the impact of the Council's interventions to address and reduce health inequalities, reduce deprivation and improve social mobility. A project has been launched with Policy in Practice producing a dashboard to show those that are high risk or in crisis from poverty.

In early 2019, the Council committed to be part of the [compassionate cities](#) programme working in partnership with the Heart of Kent Hospice. Compassionate Cities are communities that publicly encourage, facilitate, support and celebrate care for one another during life's most testing moments and experiences, especially those pertaining to life-threatening and life-limiting illness, chronic disability, frail ageing and dementia, grief and bereavement, and the trials and burdens of long-term care. Its communities care for one another at times of crisis and loss and recognise it is not simply a task solely for health and social services but is everyone's responsibility.

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

Assured

Oversight and healthy challenge are provided through service committees, boards and working groups.

The review of the Council's risk register has identified a significant risk to the Council in relation to the impact and recovery from COVID19 and a second risk in relation to the resurgence of COVID19

The [Council's Constitution](#) clearly defines the roles and responsibilities of Officers and Councillors. In 2019/20 the constitution was reviewed by the Monitoring Officer and Democratic and Electoral Services Manager and this has resulted in reformatting, minor amendments and changes to the member and public question procedure rules.

The Council's four service committees are 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 are reviewed monthly by each committee. Details of committees and their work can be found on our [website](#).

Performance is reported on a quarterly basis to each service committee as well as updates on plans and strategies throughout the year. Corporate Leadership Team received monthly performance monitoring reports for Housing and Planning during 2019-20.

We believe that analytics can be used to provide greater insight and support us to transform and shape our services in a way that focuses on prevention and early intervention. Predictive analytics is a key tool to help us to identify those most at risk of presenting as homeless and to understand the effective interventions. We are collaborating with EY & Xantura to support us in transforming our service so that resources are focused on points of the pathway that are most effective. The platform creates a 'single-view' of a household and individual from disparate data sources to create a holistic household composition. It uses advanced analytical modelling to enable identification of those at the highest risk of homelessness six to nine months before crisis and specific risk factors present, based on historic data. Earlier identification enables earlier support interventions from service professionals, improving outcomes for the most vulnerable residents in the district.

The Council has a Transformation Team which carries out reviews to improve the efficiency of Council services. In 2019-20 reviews were carried out of our Street Cleaning, Leisure and Building Control services as well as a cash payments project.

A range of actions were carried out in 2019-20 to improve the standard of contract management, including publication of contract management guidance, officer training, improved liaison with MK Legal, and central monitoring of contracts. Overall responsibility for the maintaining the standard of contract management across the Council has been allocated to the Procurement and Contracts Team within the Head of Commissioning and Business Improvement's service area. Contract Management has now been reassessed as sound and all the recommendations have been closed as implemented. In March 2020 we began exploring a partnership with Tunbridge Wells for a shared procurement service.

A clear separation of responsibility has been established for property maintenance and health and safety compliance, with regard to our residential property (private sector and temporary accommodation) being managed by the Housing Team and commercial property by the Corporate Property team. Regular checks are carried out to comply with the legal requirements for health and safety, including properties where the prime responsibility lies with the tenant. The outcomes are reported on a regular monthly basis to Corporate Leadership Team, and as this remains an ongoing issue this will be included on the action plan for 2020/21.

The highest level risks on the Corporate [Risk Register](#), were reported and monitored by Corporate Leadership Team throughout the year, and action was taken to manage risks to an acceptable level. Further to this, risks updates were reported to Policy & Resources Committee and also to Audit, Governance and Standards Committee during the year for oversight and challenge.

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

Assured

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.

In early 2020 a staff survey was undertaken in which 69% of respondents answered that they were able to access the right learning and development opportunities when they need to. 59% of staff identified that the learning and development activities completed in the last twelve months had helped to improve their performance.

The appraisal process for staff includes a personal development section where staff are encouraged to think about development needs and identify training required. This information is then fed into the Learning and Development team and assists with the development of the programme for the year. The Council has a management toolkit and training programme and introduced the "Maidstone manager" in 2017-18 which sets out the behaviour and standards that are expected of managers.

The Council has a learning and development programme in place for officers and a Member development Charter in place for Councillors. There is a wide variety of training offered to staff and Councillors.

The Strategic Plan sets out a number of priorities and outcomes to be achieved by 2045, to achieve these we will need to look at the organisation's capacity

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

particularly in relation to Economic Regeneration and Community Development. The recent pandemic puts even more pressure and focus on these objectives and the Council will need to look at its outcomes for the next five years when it reviews the Strategic Plan in 2020-21.

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 bi-annual reports to Policy and Resources Committee. Members take an active interest in the risk management process

Assured

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 for 2020-21.

Areas for improvement have been identified for data protection and these are in the action plan for 2020-21.

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 are reported to the wider leadership team and service committees on a quarterly basis for scrutiny and challenge.

Service committees carry out policy and strategy development. Financial performance is reported to all the service committees on a quarterly basis.

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 impact of the pandemic on the period covered by the Annual Governance Statement was limited, with lockdown measures only taking effect on 24 March 2020, right at the end of the period. However, there will be a very significant financial impact in the new financial year, both from additional costs incurred by the Council in responding to the pandemic, and from a reduction in income

across almost all the Council's revenue streams, including Council Tax, Business Rates, and fees and charges for the services that we provide.

At the time of publishing the draft Statement of Accounts, the government had provided the Council with £1.7million of non-ringfenced grants to offset additional costs and loss of income, but this is expected only partly to address the likely financial shortfall. As set out in the Statement of Accounts, the Council holds £17 million of usable reserves, which provides the Council with a reasonable level of financial resilience. However, drawing on these reserves would leave the Council with relatively greater exposure to the risk of further pandemic outbreaks and/or other unforeseen events. Furthermore, the need to rebuild reserves would constrain the Council's capacity for service delivery and to support community recovery.

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

The Council has a Data Protection Officer and has in place an action plan to ensure compliance with Data Protection Legislation. The information management group chaired by the Senior Information Risk Owner meets quarterly to review information management practice and policies including cyber security. The Chairman of the Audit, Governance and Standards Committee also attends and contributes to the group. The group in 2019-20 considered the Council's preparedness for Brexit in relation to information management; as a result the record of processing activity and privacy notices for the council were reviewed. The ROPA will be fully updated in 2020-21. A review was carried out of CCTV and an action plan to tackle the concerns identified will be delivered in 2020-21. Some actions were undertaken in January and February but were put on hold during the pandemic as officers were redeployed across the Council.

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

Assured

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 Council's website includes information that is required under 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 will be considered by Audit, Governance and Standards and Committee in July 2020.

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 Mid Kent Services; to ensure the partnership is operating effectively, regular board meetings are held quarterly to manage performance.

An external review was undertaken for the governance arrangements of Maidstone Property Holdings Ltd, this was [reported](#) to Audit Governance and Standards Committee in November 2019. The review was undertaken with the assistance of external solicitors, Anthony Collins Solicitors LLP, and has resulted in confirmation of the company's future aims and objectives, an amended draft Business Plan and various other company documents, clarity on the Service Agreement required, and clarity on the different roles of the company and the Council. The results of the review were also reported to Policy and Resources Committee. Regular quarterly reports on the company's performance are presented to Policy & Resources Committee, in order that it may exercise its stewardship role as shareholder.

Internal Audit Opinion

The Head of Internal Audit will present the annual report and opinion to Audit, Governance and Standards Committee on 29 July 2020. The specific extract of that report that includes the opinion reads:

Internal Control

I am satisfied that during the year ended 31 March 2020 the Council managed a system of internal control that offers sound assurance on control effectiveness.

Governance

I am satisfied that Council's corporate governance arrangements for the year ended 31 March 2020 comply in all material respects with guidance on proper practices.

Risk Management

I am satisfied the risk management arrangements at the Council for the year ended 31 March 2020 are effective and provide sound assurance.

Signed:

Chief Executive:

Date:

Leader of the Council:

Date: