

**Annual Governance Statement 2020-21 and Refreshed
Local Code of Corporate Governance 2021**

Final Decision-Maker	Audit Governance and Standards Committee
Lead Director	Director of Finance and Business Improvement
Lead Officer and Report Author	Angela Woodhouse, Head of Policy, Communications and Governance
Classification	Public
Wards affected	All

Executive Summary

The purpose of the report is to present the Annual Governance Statement for 2020-21 and refreshed Local Code of Corporate Governance for consideration and approval of the Audit, Governance and Standards Committee. The Annual Governance Statement is a review of the effectiveness of the Council's governance arrangements, the statement concludes that the Council has effectiveness governance arrangements in place.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

To approve the Annual Governance Statement for 2020-21 at Appendix A and refreshed Local Code of Corporate Governance at Appendix B.

Timetable

Meeting	Date
Wider Leadership Team	8 June 2021
Corporate Leadership Team	20 July 2021
Audit, Governance and Standards Committee	28 July 2021

Annual Governance Statement 2020-21 and Refreshed Local Code of Corporate Governance 2021

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Effective corporate governance arrangements ensure the Council's priorities are understood and delivered</p>	Head of Policy, Communications and Governance
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>Effective corporate governance arrangements ensure the Council's priorities are understood and delivered</p>	Head of Policy, Communications and Governance
Risk Management	The most significant risks from the Corporate Risk Register are included within the action plan in the Annual Governance Statement.	Head of Policy, Communications and Governance
Financial	The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.	[Section 151 Officer & Finance Team]
Staffing	We will deliver the recommendations with our current staffing.	Head of Policy, Communications and Governance
Legal	<p>Section 6(1) of the Accounts and Audit Regulations 2015 requires all local authorities to:</p> <p>a) conduct a review of the effectiveness of</p>	Head of Mid Kent Legal Partnership

	the system of internal control required by regulation 3; and (b) prepare an annual governance statement; Under the Council's Constitution one of the functions of the Committee is to oversee the production of the Council's Annual Governance Statement. The Annual Statement demonstrates measures are in place to ensure good governance arrangements which enable the Council to meet its statutory requirements.	
Privacy and Data Protection	Data protection is covered in the statement and action will continue into 2021-22.	Policy and Information Team
Equalities	Effective corporate governance arrangements include behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law as set out in the code of corporate governance.	Policy & Information Manager
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Policy, Communications and Governance
Crime and Disorder	No implications.	Head of Policy, Communications and Governance
Procurement	Procurement processes and procedures are part of effective governance arrangements.	Head of Policy, Communications and Governance
Biodiversity and Climate Change	The review of the governance framework includes environmental impact.	Head of Policy, Communications and Governance

2. INTRODUCTION AND BACKGROUND

- 2.1 Each year the Council reviews its governance arrangements to ensure compliance with the Local Code of Corporate Governance. The purpose of the review is to provide assurance that governance arrangements are adequate, operating effectively and to identify action which is planned to ensure effective governance in the future. The outcome of the review takes the form of an Annual Governance Statement (AGS) at **Appendix A** prepared on behalf of the Leader of the Council and Chief Executive.
- 2.2 Overall, we can confirm that the Council has the appropriate governance 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.

- 2.3 The most significant governance issues still relate to COVID-19 as they did when we carried out our review last year. The review of the Council's governance arrangements also considers the requirements of the new financial management code and these have also been included in the action plan for 2021-22.
- 2.4 Updates on the actions 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.
- 2.5 The following areas have been identified for improvement for 2020-21:

Corporate Governance Area	Lead Officer	By When
Make data and information more freely accessible on the website and on request	Data Protection Officer	Project to be completed by March 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 2021
Raising awareness of the code of local governance and the Nolan Principles	Head of Policy, Communications and Governance	Updates in November 2021 and March 2022
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> • Develop and embed a policy on Social Value • Review and update the Commissioning Strategy • Hold Member workshops to inform the development of the 2022/23 budget • Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal' • Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and 	Director of Finance and Business Improvement	Updates in November 2021 and March 2022

Corporate Governance Area	Lead Officer	By When
identify scope for improving these as appropriate. • Refresh the 2021/22 Capital Strategy		
Learning from governance failings at other Local Authorities	Chief Executive	Updates in November 2021 and March 2022
Review of Church Road, Otham	Head of Policy, Communications and Governance	Report in November 2021
Change to Executive Model of Governance	Head of Policy, Communications and Governance	Updates in November 2021 and March 2022
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 2021 and March 2022
Corporate Risk: Contraction in retail and leisure sectors, the Council will be developing a Town Centre Management Strategy	Director of Regeneration and Place	Updates in November 2021 and March 2022
Corporate Risk: Financial Restrictions	Director of Finance and Business Improvement	Updates in November 2021 and March 2022
Corporate Risk: Environmental Damage	Head of Transformation and Property	Updates in November 2021 and March 2022
Corporate Risk: Brexit/EU transition	Director of Finance and Business Improvement	Updates in November 2021 and March 2022

Local Code of Corporate Governance

- 2.6 The Local Code of Corporate Governance was previously updated in 2020 has been refreshed this year to reflect changes regarding evidence and some other minor updates these are included as tracked changes in Appendix B.
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3. AVAILABLE OPTIONS

- 3.1 The Annual Governance Statement is a requirement of statutory regulations and provides assurance about the Council's governance arrangements.
- 3.2 The Committee can approve the Annual Governance Statement as it has been presented or request amendments as it deems appropriate.
- 3.3 The Local Code of Corporate Governance was rewritten in 2017 and updated in 2020 the refreshed version attached at Appendix B has minor amendments for approval by the Committee, the Committee could request additional amendments or no amendment to the present code.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Committee is recommended to review the Annual Governance Statement and action plan at **Appendix A** and approve the areas suggested for improvement for 2020-21. They are also asked to approve the refreshed Local Code of Corporate Governance as amended at **Appendix B**.
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5. RISK

- 5.1 The Annual Governance Statement considers and gives assurance to the Council's approach to risk management.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Heads of Service and the Corporate Leadership team and the Corporate Governance working Group have all been consulted on the council's governance arrangements for 2020-21, the views gathered have been included in the statement.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Following the Audit, Governance and Standards Committee's approval the statement will be included in the final statement of accounts and published

on the Council's website. The refreshed Local Code of Corporate Governance will be placed on the website and intranet.

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Annual Governance Statement 2020-21
 - Appendix B: Local Code of Corporate Governance 2021 Refresh
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9. BACKGROUND PAPERS

None.