

Annual Governance Statement

2020-21

Contents

Introduction

Key Governance Roles and Responsibilities

Our Governance Framework

Governance Review of Effectiveness 2020-21

Update on Areas Identified for Development in 2019/20 Annual Governance Statement

Corporate Governance Areas for 2020-21

Conclusion on Significant Governance Issues

Introduction

The Annual Governance Statement is a review of the Council's governance arrangements in 2020-21. The statement evaluates how we meet the governance framework and provides an opinion on whether the current governance arrangements are fit for purpose.

The past year has seen the council face challenges in-light of the COVID-19 pandemic and public health emergency. We have been put into the challenging position of managing response and initiating recovery, ensuring we are supporting our most vulnerable residents in immediate crisis and looking at how we can build back better as we emerge from the pandemic. A review of the effectiveness of our governance arrangements includes actions taken because of the pandemic which have been woven throughout each element of governance reviewed.

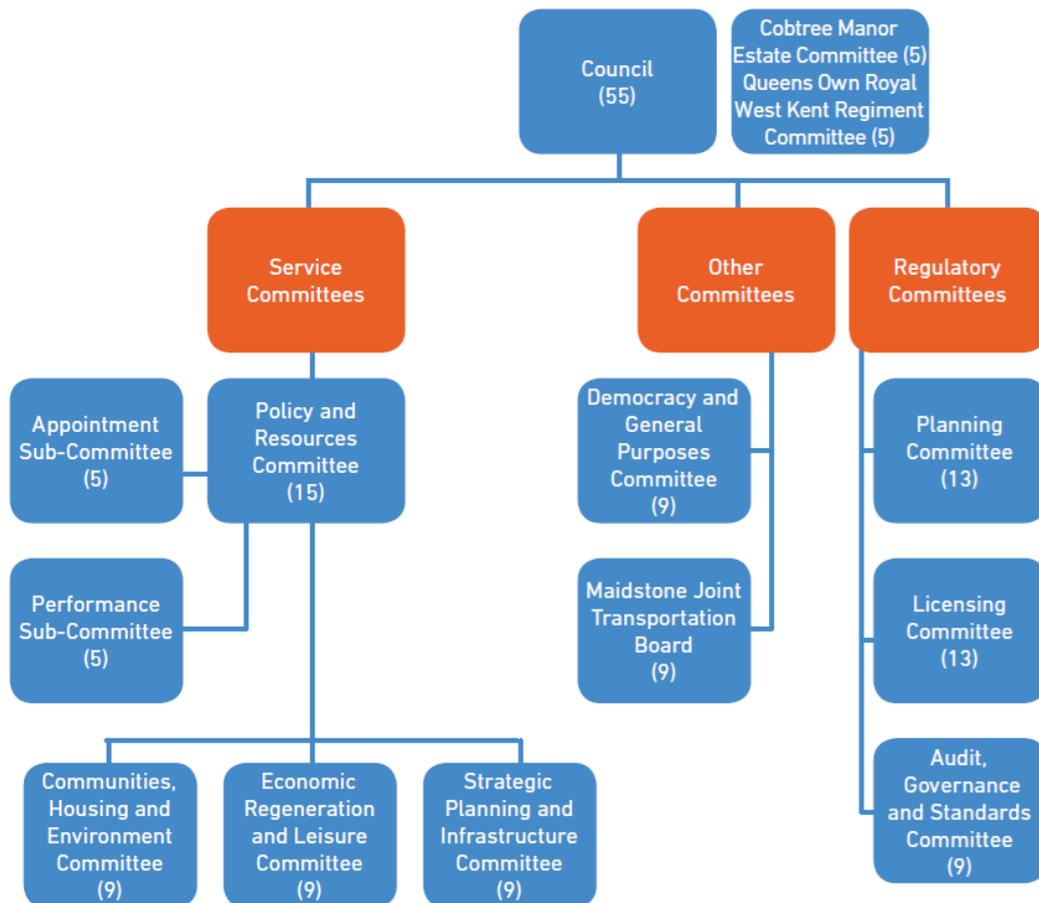
We've also considered the Council's compliance with the Chartered Institute of Public Finance and Accountability's new Financial Management Code and this will be reported to Audit Governance and Standards Committee in July 2021. Areas of improvement have been included in our action plan for 2021-22.

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 2020-21 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.

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 the Chairman 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. In May 2020 the Council agreed to change its model of governance to an Executive Model, with the Democracy and General Purposes Committee undertaking this work in 2021-22 for implementation at the May 2022 Annual General Meeting.

Council Governance Model



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 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. During 2020-21, 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 had approved and adopted a Local Code of Corporate Governance in 2017 which has since been updated in 2020 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 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 2021 and up to the date of approval of the Statement of Accounts.

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

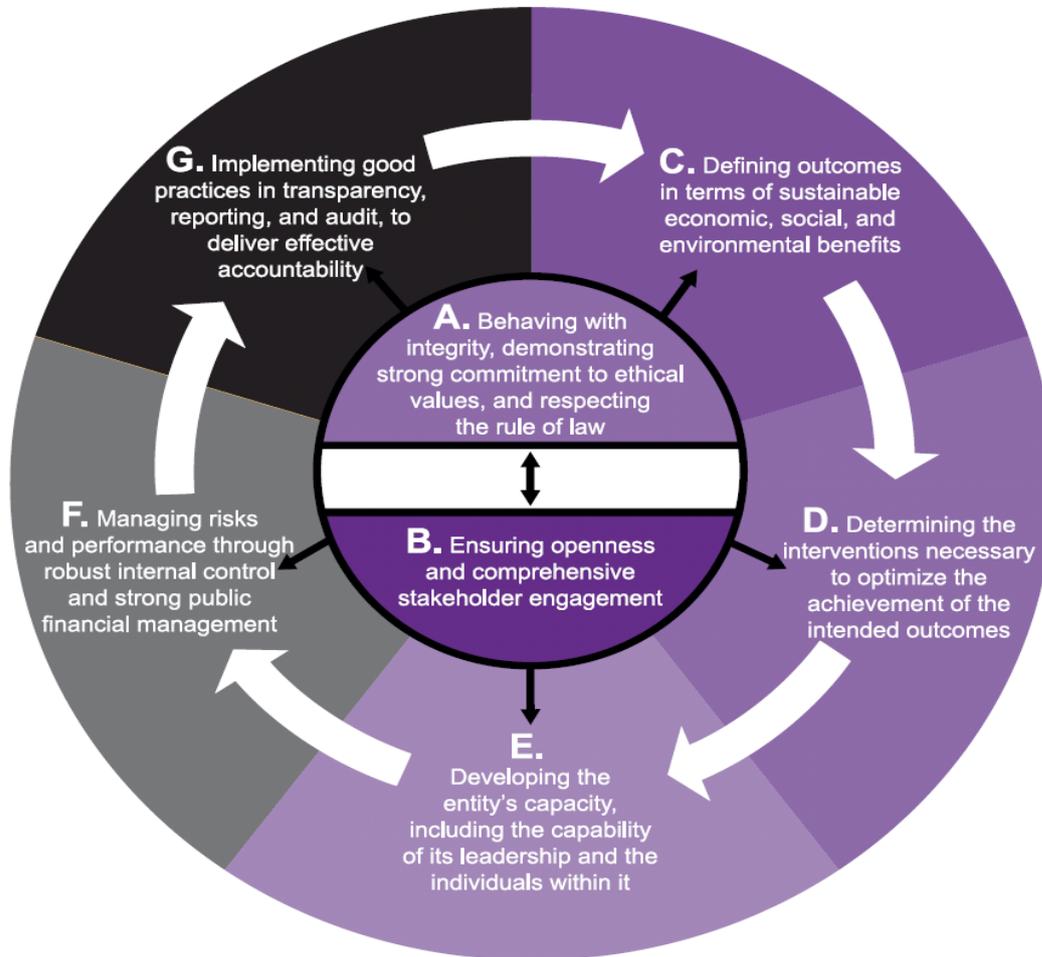
"Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."

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 2020-21.

The 7 principles within the Local Code of Corporate Governance

Diagram from CIPFA and SOLACE Framework



Governance Review of Effectiveness 2020-21

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, 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. It has been identified by the Wider Leadership Team that there could be more awareness of the Nolan Principles and our governance framework throughout the organisation.

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 updated in June 2020 and has been refreshed in 2021 with input from the Council's Wider Leadership Team. The team identified that awareness should be raised of the code and this will be taken forward as an action in 2021-22.

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 2020-21, there were 8 Code of Conduct complaints dealt with under the Localism Act 2011 against Parish Councillors and 1 complaint raised against Borough Councillors. In 2020-21 there continued to be times where confidential information given to Councillors to fulfil their committee and governance role was shared with the media. The Chief Executive continues to work with group leaders on this issue. Democracy and General Purposes Committee reviewed Councillors access to information including external counsel advice and did not make changes to the access to information procedural rules.

The Local Government Association updated the model code of conduct in 2020. Our own local Code of Conduct will be updated in 2021-22 and incorporated as part of the new arrangements.

Information on the employee Code of Conduct is set out in the staff handbook and is included in the induction for all new employees. Following discussion with Wider Leadership Team and a review of the requirements of the new financial code, it has been identified that more could be done to embed the Nolan Principles. This will be an area for improvement in 2021-22 and will be led by the Corporate Governance Working Group.

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 [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 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 2020 and will be 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 full Council.

In 2019 the Council 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.

During 2020-21 the Council consistently followed government advice in taking decisions on service delivery during the public health emergency. Consequently, a decision was taken to close several Council venues including the Museum and Lockmeadow. Play areas were closed and several services that were either non-essential or non-compatible with social distancing rules were suspended including food safety inspections and taxi driver knowledge tests. The Council's contractors also closed the leisure centre and the theatre in 2020 in response to the pandemic. Services have now resumed in accordance with government guidance.

B. Ensuring openness and comprehensive stakeholder engagement

Assured

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

The Communications team have issued 190 press releases in 2020-21 as well as our council magazine Borough Insight, including one special edition focussing on the impact of the pandemic and the services and support available. The need for good communication with residents and businesses was accentuated during the response phase to the COVID-19 public health emergency. The Communications team supported front line service delivery communication needs through over 50 design projects including signage, posters, newsletters, 44 press releases, 22 radio interviews and six radio adverts. Topics covered include changes to services e.g. parking, parks and new initiatives including business rate grants, virtual committee meetings and the community hub. The team have also been active across social media channels producing over 300 posts on both Facebook and twitter as well as 22 posts on Instagram. The team also encouraged the take-up of the COVID-19 vaccine with campaigns targeted at groups and areas where there is evidence they are less likely to get the vaccine.

During 2020/21 the Policy and Information team have carried out 25 consultations. Nine of these were internal, aimed at staff or members. Fourteen were public residents or stakeholder consultations, and two were undertaken on behalf of other local authorities. Overall, 19,100 responses were received to consultations run by the Policy & Information team in 2020/21. Public consultations were undertaken on a variety of topics, some of which focussed on specific geographical areas in the borough such as Weaving Heath and the Town Centre. Other consultations sought information about specific policies or how residents feel about particular issues. For example, the impact of Covid-19 Survey, looked at behavioural changes caused by the pandemic and The Youth Crime Survey, explored how safe young people in Maidstone feel. The information gathered through these surveys has been used to support decisions on Council spending, licensing policy and renewal of the Council's Public Spaces Protection Orders. Survey data has also been used to identify and prioritise improvements, for example the Bus Station Improvement Survey, and to assess how our staff were feeling as a result of the pandemic and changes to ways of working through the Staff Wellbeing Survey.

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. This data has been reviewed in 2020-21 and a new project has been agreed to improve openness and transparency as an improvement area for 2021-22 to improve access to data, increase transparency and update information. 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 896 requests of which 96% were processed on time, a sustained performance compared to the previous year in which we dealt with 893 requests and 96% processed on time.

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. Over the last year 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 in 2020-21 the Council utilised remote technology to enable committee meetings to go ahead with full public access and engagement on-line. This ensured all councillors could attend meetings, and public could access was maintained alongside participation through question time. 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. We continue to build relationships with partner organisations including at a Councillor level as evidenced by Golding Homes' attendance at the Communities, Housing and Environment Committee meetings in 2020-21.

Involve, through a service level agreement with the Council continue to run a number of forums, including Service Providers, Voluntary and Community Sector, Children and Young People, Health, Wellbeing and Disability and a West Kent Multicultural Network which offer learning and insight through join up with practitioners and partner organisations. Involve also facilitate a wider reach for consultation and engagement with the wider community through its networks. This is achieved via its weekly newsletter and emails. During the pandemic the forums were brought together, as many of the challenges faced from social isolation to digital inclusion affected all the sectors covered by the forums.

For the Council, COVID-19 illustrated the need to be able to reach the community directly to understand its needs. Involve continue to play an important role in this going forward. However, the work of the Community Hub and the repository of community organisations that came forward to offer help during the pandemic continues to be built upon and developed. The Council are already engaging with this growing cohort and can include them in public consultations to provide invaluable insight.

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. In 2020-21 the plan’s areas of focus were updated in response to COVID-19

A Biodiversity and Climate Change Strategy and Action Plan was approved by policy and Resources Committee in 2020 and training is planned in 2021-22 to embed this in decision making

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 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 2020-21 the Council revised the Strategic Plan's areas of focus updating them from 2019-24 to 2021-26 with the following changes:

- A focus on delivering those actions in the new Economic Delivery Strategy (EDS) that will promote economic recovery from COVID-19
- Delivering a sustainable and vibrant leisure and cultural offer
- Working with community groups and parish councils to develop community resilience and pride in our Borough
- Promote inward investment; and
- Identifying opportunities with partners to reduce health inequalities in the Borough.

A Biodiversity and Climate Change Strategy and Action Plan was approved in 2020 and is overseen by the Policy and Resources Committee through six monthly updates.

The Council has an inclusion board to support the delivery of its social inclusion and equalities responsibilities. In 2020-21 in response to the ongoing public health emergency, we supported the most vulnerable residents in the borough including over 10,500 people who have been identified as Clinically Extremely Vulnerable and a significant number of families who have been financially vulnerable. For example during the first wave over 1,200 food parcels were delivered in addition to the significant support provided through foodbanks and parish councils. The spatial distribution for these food parcels reflected the pattern of deprivation in the borough. Financial Inclusion has been identified as an area of work in our actions for recovery and renewal.

In September 2020 the Communities, Housing and Environment commissioned a review of access to services which is due to be completed in 2022 at the end of the municipal year. The review includes communications, digital accessibility and buildings.

In early 2019, the Council committed to be part of the [compassionate cities](#) programme working in partnership with the Heart of Kent Hospice. We held our first [compassionate community awards](#) 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.

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 Council's risk register has been reviewed and updated with key risks included in the action plan for 2021-22

The [Council's Constitution](#) clearly defines the roles and responsibilities of Officers and Councillors. It has been kept under regular review in 2020-21 with amendments made to the planning referral process in 2020.

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 2020-21. Performance management became critical in managing our response to the COVID-19 Pandemic, with unit managers providing daily reports of issues, risks and implications for service delivery performance. This enabled Corporate Leadership Team to review needs and pressures and redistribute resources as needed; a dashboard of Key Performance Indicators for key services was also established to enable evidence based oversight. Our emergency planning arrangements were also developed so that we had a plan in place to manage any other emergency that may occur simultaneously whilst we dealt with the response to COVID-19

The Council has a Transformation Team which carries out reviews to improve the efficiency of Council services. In 2020-21 reviews were carried out covering: Corporate Support Automation, the corporate induction, Council storage project new ways of working print review, building control review and corporate property review.

A clear separation of responsibility has been established for property maintenance and health and safety compliance, regarding 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 this continued to be reported on in 2020-21.

The highest level risks on the Corporate [Risk Register](#), were reported to 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 Council in 2020 introduced a new "check-in" system to manage one to ones, performance objectives and personal development plans. Managers are encouraged to discuss objectives monthly with their team members and review personal development plans regularly rather than at six monthly intervals. In 2021 the Learning and Development Team have met with managers to identify training needs and have developed a new management programme for 2021-22 based on the feedback received.

The Council has a learning and development programme in place for officers approved by the Wider Leadership Team and a Member Development Charter in place for Councillors. There is a wide variety of training offered to staff and Councillors. During 2020-21 training was adapted to cater for remote working

with a wide variety of bite size training and webinars offered online covering resilience, remote working, growth mindset and wellbeing. The Annual One Council staff event and awards was held on-line this year to allow as many staff as possible to access the event safely. In response to the new ways of working adopted because of the pandemic we introduced monthly all staff webinars which cover progress against our priorities, briefings on projects and updates for staff; these are led by the Chief Executive.

The Strategic Plan sets out a number of priorities and outcomes to be achieved by 2045. In 2021 Policy and Resources Committee agreed new areas of focus for these priorities for the next five years and are now in the process of developing actions for recovery and renewal in response to the pandemic.

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

Assured in part

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 2021-22.

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. 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 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.

During the first 4 weeks of response to the pandemic, unit managers provided daily reports of issues, risks and implications for service delivery performance enabling CLT to review needs and pressures and redistribute resources as

needed; a dashboard of Key Performance Indicators for key services was also established to enable evidence based oversight.

As a result of the pandemic the Data Protection Officer was redeployed to lead the community hub and work was refocused in the Policy and Information Team to provide performance dashboards to manage risk and service delivery and insight and analytical support; the areas identified for data protection have not been progressed as planned in 2020-21. Critical work on data sharing agreements and data privacy impact assessments as well as complying with right requests was undertaken.

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 took action in 2020-21 to mitigate the potential impact of budget pressures as a result of COVID-19, which when combined with the increased level of government support, has resulted in the overall out-turn for the General Fund (i.e. excluding the impact of Council Tax and Business Rates collection performance) as an underspend of £1.222 million. Several actions to improve financial management ahead of the introduction of the new Financial Management Code have been identified and these have been included in the action plan for 2021-22. Actions include reviewing the effectiveness of reports and training.

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 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 regularly monitors trends in rights requests, freedom of information requests, data breaches and cyber security.

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

Assured in part

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 transparency web pages require updating

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 being 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 have been identified to improve transparency and reporting for financial information these have been included in the action plan for 2021-22.

Update on areas identified for development in 2019/20 AGS

Corporate Governance Area	Update
<p>Ensure financial risk arising from the impact of COVID-19 are managed</p>	<p>The financial impact of Covid-19 is monitored in parallel with our regular monthly financial reporting and monthly reports are submitted to MHCLG setting out the impact of Covid-19. The impact of Covid-19 is specifically addressed in our quarterly financial performance monitoring reports to members.</p>
<p>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.</p>	<p>Contract management is recognised as a specific skillset. Contract managers receive training and are familiar with the Council’s contract management toolkit. Financial variances on individual contracts are identified as part of the budget monitoring process and action taking accordingly. Supplier resilience is checked at the point of contract award and, where appropriate, during contract delivery.</p>
<p>Exit of EU on unfavourable terms results in adverse short-term Brexit impacts disrupting the Council's ability to offer services and increasing liabilities.</p>	<p>Officers with emergency planning responsibilities met regularly to plan for any short-term impacts from EU transition on 31/12/20. The Council is part of the Kent Resilience Forum and participates in its regular tactical and strategic coordination groups to plan for EU transition. Individual service area contingency plans were reviewed and updated considering potential threats arising from EU transition.</p>
<p>Data Protection Areas identified for Improvement in 2020-21:</p> <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 	<p>These actions are now included in the new Data Protection Action Plan which has been reported to Audit, Governance and Standards Committee. The Record of Processing Activity has been completed and the training has been carried out with key teams on data protection.</p>
<p>Capacity to deliver the investment and regeneration programme – (link to Corporate Risk Register).</p>	<p>Within the Council’s 5-year capital programme, around £60m has been allocated for investment in housing and regeneration type projects. The</p>

Corporate Governance Area	Update
	<p>Regeneration & Economic Development service area has been refocussed to lead on this work.</p> <p>The team has taken on additional staffing resources to assist in delivery, as well as undertaken several specialist training programmes, and is now well supported by a trusted pool of specialist external consultancy firms too, providing the likes of Employers Agent and Architects services. There is an acceptable order book of potential suitable projects to deliver, but the challenge is that of taking these to contract stage with the required financial outputs.</p> <p>Approvals have been secured for to projects at King Street and the Former Royal British Legion Club in Parkwood, which will total around 35 new homes. The viability of these two projects has been aided by successful bids to the MHCLG's Brownfield Land Release Fund. A third scheme is due to be considered by Policy & Resources Committee in</p>
<p>Property Maintenance, Health and Safety Compliance.</p>	<p>Compliance with all legal requirements is monitored and reported regularly to CLT. Where the Council is not directly responsible (e.g. responsibility lies with our tenants) we nevertheless follow up with tenants to ensure that they are compliant.</p>
<p>Ensuring we are resilient and continue to build relationships with partners.</p>	<p>Communities, Housing and Environment Committee considered a report on community resilience and how the Council can build on the activity during the Pandemic. The committee agreed that a new community compact with the voluntary and community sector be put in place and the Parish Charter be refreshed in 2021-22 to recognise the roles played by these bodies in an emergency. A monthly newsletter for Parish Councils was introduced and the Council now has a repository of Voluntary and Community Sector Organisations.</p>

Corporate Governance Area	Update
Declaration of Interests.	The process is in the process of being digitalised
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.	The Council continues to apply the public interest test to reports and information regarding the Garden Community Proposal. Regular update reports on the progress of the Garden Community are received by the Policy and Resources Committee. The Council continues to separate the roles of planning authority and developer with the appointment of a separate director to oversee the planning service and Local Plan Review, allowing the Director of Regeneration and Place to oversee the development of the Garden Community Proposal separately. Political decision making is also separated with the Policy and Resources Committee take responsibility for the Council's role as promoter of this proposition and the Strategic Planning and Infrastructure Committee for consideration of the Garden Settlement in options for the spatial development strategy 2022-2037

Corporate Governance Action Areas 2021-22

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
Actions to ensure compliance with the Financial Management Code: <ul style="list-style-type: none"> • Develop and embed a policy on Social Value 	Director of Finance and Business Improvement	Updates in November 2021 and March 2022

Corporate Governance Area	Lead Officer	By When
<ul style="list-style-type: none"> • 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 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	
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

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 to be updated

The Head of Internal Audit will present the annual report and opinion to Audit, Governance and Standards Committee on 28 July 2021. The specific extract of the covering report that includes the opinion reads:

"The Head of Audit Partnership is satisfied the Council can place assurance on the system of control in place during 2020/21. Further, he is satisfied the corporate governance framework complies in all significant respects with the best practice guidance issued by CIPFA/SOLACE. Finally, he is satisfied the Council's risk management processes are effective"

Signed:

Chief Executive:

Date:

Leader of the Council:

Date: