

Appendix A – Annual Governance Statement Action Plan Update

Corporate Governance Area	Lead Officer	Update
New Process for part II items embedded and officers trained	Director of Strategy, Insight and Governance	A training session was given by the Monitoring Officer and Director of Strategy, Insight and Governance on the new stage II process and approach. The session has been recorded and made available to all staff. The new process is working well and the Director provides advice as needed.
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Data Protection Officer	Progress on the plan was reported in November 2022, progress has been made with outstanding actions planned for implementation. Updates will continue to be given to Audit, Governance and Standards Committee
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> <li>• Develop and embed a policy on Social Value</li> <li>• Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal'</li> <li>• Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate.</li> </ul>	Director of Finance and Business Improvement	<p>Social Value and Sustainability procurement policies have been agreed by the Executive (December 22) and will be implemented in the next 6 months. This will involve the communication of the new policies to staff and training and support on how to apply the policy in the procurement process.</p> <p>These principles are already being applied as part of the business cases being approved by the relevant MBC governance. The principles form part of the Financial Management code produced by CIPFA. We follow the code and ensure it is complied with.</p> <p>Budget monitoring reports will be reviewed. The aim is for the Head of Finance operate the current reports for the rest of the year to assess the</p>

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		effectiveness of them in supporting decision making during the in year monitoring and also the budget process. Recommendation on changes will be made for implementation in 23/24.
Learning from governance failings at other Local Authorities	Chief Executive	The Chief Executive continues to hold regular governance meetings, the Corporate Governance Group also considers external issues as part of their quarterly meeting to identify any lessons.
Community Governance Review: Following the Boundary Review at a district level a community governance review is proposed for 2022/23, this will be undertaken by the Democracy and General Purposes (D&GP) Committee	Democratic and Electoral Services Manager	The Community Governance Review is on track in accordance with the timetable agreed by D&GP Committee. Terms of Reference have been adopted and the first stage consultation is underway. It closes on 29 January with the proposals for 2 <sup>nd</sup> stage consultation due to be agreed by D&GP Committee in March 2023.
Ensure effective decision making and a workable constitution. Review of constitution planned for December 2022 with the Democracy and General Purposes (D&GP) Committee	Director of Strategy, Insight and Governance and Monitoring Officer	D&GP have set up a working group to review the constitution including decision making. A member survey has been commissioned to identify any particular concerns or issues with the constitution. The group will consider each part of the constitution reporting to D&GP in March 2023.
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	The Local Plan Review continues to be led by the interim Local Plan Director, and progress monitored by the Planning & Infrastructure PAC. The garden community is overseen by the Director of Regeneration & Place, and progress reported to the Finance and Corporate PAC when new decisions are required. Now that the role of

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		Homes England as co-promotor is more established and the Local Plan Review Hearings are underway, there is clarity in the public domain in respect of the two separate roles of the council in this project, with most key documents, other than those that are commercially sensitive, in the public domain
Corporate Risk: General and localised economic pressure leads to <b>contraction in retail sector</b> , limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.	Director of Regeneration and Place	<p>Actions were reported on this in November 2022.</p> <ul style="list-style-type: none"> <li>• Taking advantage of opportunities to support infrastructure investment</li> <li>• A targeted programme of place promotion campaign activities</li> <li>• Development of a Town Centre strategy to guide the reallocation of land uses within the Town Centre (including retail) This is now out to tender, with the successful firm expected to commence work in Jan 23, with a c 12-month commission.</li> <li>• A programme of town centre events and activities is now in place funded through covid response monies. UKSPF Local Government Plan intends to continue and expand this (subject to release of funding)</li> <li>• Covid related Business Support grants will continue to be focussed upon this sector in part.</li> <li>• The Council has now received a circa £1.2m Shared Prosperity Fund allocation for the next three years, and officers are in the process of preparing a draft investment</li> </ul>

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		<p>plan for the monies for consideration by Members.</p> <ul style="list-style-type: none"> <li>• The Leader has agreed the LIP and it has been submitted; we are awaiting the outcome; we need to add reference to our successful bid to the safer Streets Fund which has secured £565k investment for community safety in the town centre.</li> <li>• The Council has submitted an EOI for the town centre / opportunity to become an Investment Zone under the previous government prospectus, the results are awaited.</li> </ul>
<p>Corporate Risk: General <b>financial uncertainty</b>, unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims.</p>	<p>Director of Finance and Business Improvement</p>	<p>Actions were reported on this in November 2022.</p> <ul style="list-style-type: none"> <li>• The MTFS has been updated to reflect impact of inflation and working with the CLT and Executive to ensure we have a set of savings options and agreed priorities to deliver a balanced budget for 23/24.</li> <li>• Lobbying to avoid unfavourable financial changes to government funding</li> <li>• Cost recovery through bidding for additional government support for one-off costs and strategic investments</li> <li>• Identifying measures to address future budget gaps</li> <li>• Maximise Council Tax to referendum limit</li> </ul>
<p>Corporate Risk: Inflation continues to rise and a significant economic event (e.g. further pandemic impacts, BREXIT, supply</p>	<p>Director of Regeneration and Place</p>	<p>Actions were reported in November 2022.</p>

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<p>chain issues) causes <b>significant changes in construction costs which may also result in a contractor insolvency, as they are generally locked into delivering schemes at a fixed price, and so need to manage their exposure to rising costs in their supply chain.</b> For the Council, this leads to a narrowing gap between build price and end of property values, increased costs to the Council and a possible time lag in delivery of 1000 affordable new homes, owing to a lack of capacity in the construction sector.</p>		<ul style="list-style-type: none"> <li>• Exploration of suitable contractor frameworks to access.</li> <li>• Managing exposure levels to different contractors as the programme gathers momentum.</li> <li>• Delaying the letting of key contracts if tendering does not yield VFM proposals that are financially robust.</li> <li>• Careful scheme design evolution to enhance the “buildability” of new projects.</li> <li>• The internal team is also being strengthened by the creation of three new roles, which are currently being recruited to</li> </ul>