

ANNUAL GOVERNANCE STATEMENT - UPDATE

SUMMARY:

This report describes the work carried out to date within the Council to ensure the achievement of the actions detailed within the Annual Governance Statement.

RECOMMENDATION:

Members are requested to:

- i. Note the work currently being carried out towards the implementation of the actions detailed within the Council's Annual Governance Statement.

1 Introduction

- 1.1 The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement. Reporting publicly on the extent to which we comply with our own local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in the year and on any planned changes to our governance arrangements in the coming year. The AGS was reported to this Committee on the 6th June 2019.

The review of the effectiveness of the Council's governance framework in 2018/19 identified actions that needed to be addressed during 2019/20, which included the carried forward actions from 2017/18. The progress against these actions are detailed within this report.

2 Progress towards actions within the Annual Governance Statement (AGS)

- 2.1 Members considered the Annual Governance Statement report (AUD1906) which included a number of actions to be completed during 2019/20 in response to Governance issues identified in the AGS. Given the complex nature of some of the actions, particularly around the review of the constitution and financial regulations, a number of deadlines have not been met. Progress has been made on the actions contained in the report but have not been fully completed. Target dates have been amended to provide members with a more realistic view of when actions will have been completed. A further update will be provided to the Committee in March 2020.

2.2 The table below details the progress to date.

Action	Target date for implementation	Update on progress
<p>EU General Data Protection Regulation (b/f from previous year): Ensure that the necessary resulting changes for the GDPR are finalised and embedded within a broader information governance framework following the review of the effectiveness of the current arrangements the Council has implemented.</p>	<p>October 2019 <i>Revised date:</i> February 2020</p>	<p>Completion of this action has been delayed pending recruitment to a new post of Information Governance Officer. An Information Governance Group has been set up and the Information Governance Framework will be rolled out over the next 3 months.</p>
<p>Risk Management (b/f from previous year): Formal adoption of the risk management process and work carried out to embed risk management within all Council activities. Development and adoption of an information risk policy.</p>	<p>September 2019 <i>Revised date:</i> December 2019</p>	<p>The Corporate Risk Management Group (CRMG) has agreed a common risk reporting format and a revised Risk Management Strategy.</p> <p>The Council's Corporate Risk Register will be finalised during November 2019.</p>
<p>Workforce/ people strategy: Develop and adopt a longer-term workforce/ people strategy</p>	<p>December 2019 <i>Revised date:</i> March 2020</p>	<p>The newly appointed Corporate Manager – People is currently looking at a workforce strategy in line with the people, culture and organisation workstream of the Council's ICE programme. However, as the position has only recently been appointed to, the target date for the workforce strategy has been pushed back to March 2020, as detailed within the ICE programme sequence presented to Cabinet in October.</p>
<p>Relationship Management and economic engagement plan: Develop relationship management approach and processes and economic engagement plan.</p>	<p>September 2019</p>	<p>A review of options was considered by the Corporate Leadership Team and an approach agreed. The Council previously did not hold data on companies within the Borough in a systematic way. The new system holds key details on the company, the contacts at the company, the relationship manager within the Council and records of interactions. Several elements of the data require the company's permission to hold and these can only be populated after contact with them. So, data is being populated into the system as a programme of visits to companies is undertaken or through other contacts. The second phase is to train the wider organisation on how they can support the relationship management with companies and also how to feed information back.</p>

		The implementation of the approach and process has been achieved by the target date. However, a second phase is required to ensure this is embedded within the Council.
Procurement Strategy: Revision and adoption of the procurement strategy	July 2019 <i>Revised date:</i> February 2020	An update on the development of the Council's Procurement Strategy was provided to the Policy and Project Advisory Board in November 2019. It is expected that the strategy will be considered by Cabinet in February 2020.
Financial Regulations: Revision and adoption of the financial regulations	October 2019 <i>Revised date:</i> February 2020	The Council's Financial Procedure rules will be included in the wider review of the Council's Constitution and will be presented to LAGP in January 2020 and Council in February 2020.
Review of the entire constitution: The entire constitution will be reviewed and updated to ensure that it remains relevant.	October 2019 <i>Revised date:</i> February 2020	<p>A review has been carried out, with extensive revisions made to the presentation of the Responsibility for Functions together with updates to Codes and Protocols. The draft updated Constitution is to be considered at the LAGP Committee on 27th January, and Council Meeting on 20th February 2020.</p> <p>The Council's Governance Group have been actively reviewing updates to the Constitution during the year and it is anticipated that a draft copy of all the updated constitution documents will be available in early January 2020</p> <p>Members of the Constitution Review Working Group have been updated on progress during the year.</p>
Housing Company Governance: The governance arrangements in place around the Housing Company needs to be formally agreed.	August 2019 <i>Revised date:</i> January 2020	A report on the housing company is due to go to Cabinet in January 2020 for agreement. The Corporate Governance Group have reviewed the housing company governance arrangements and provided comment.
Implementing a Capital Strategy to comply with the revised Prudential Code and the Treasury Management Code of Practice (b/f from previous year): Capital Strategy was approved by Council in February 2019 and will be reviewed on an annual basis.	February 2020	The Council's Capital Strategy is being reviewed alongside the Treasury Management Strategy and will be considered by LA&GP in January 2020 and Council in February 2020.

<p>Finalise development of the Asset Management Strategy which supports the approved annual Capital Strategy</p> <p>Development of formalised reporting criteria (financial and non-financial measures) in relation to the Council's Investment Property portfolio</p>	<p>October 2019</p> <p>September 2019</p> <p><i>Revised date:</i> March 2020</p>	<p>The asset management plan was approved by Council in October 2019. Currently work is underway with the Executive Head of Finance to profile the spend on assets required in order to support the income generation. Actions within the asset management plan are currently on hold until the appropriate staff structure is in place to support the plan.</p> <p>An external provider LSH, have carried out a review of investments within the Council. A workshop is being carried out with Members to review the proposals for consideration from LSH, including the set up of a property investment board. LSH will be formalising a framework and criteria for investments based on the Council's current portfolio.</p> <p>Progress has been made towards the implementation of this. However, further work is still ongoing and therefore the target date has been put back to March 2020.</p>
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References: *Annual Governance Statement (within the statement of accounts)*
<https://www.rushmoor.gov.uk/statementofaccounts>