

## ANNUAL GOVERNANCE STATEMENT - UPDATE

### **SUMMARY:**

This report describes the work carried out since the previous update to the Committee in November 2019 towards the implementation of the actions defined within the Annual Governance Statement.

### **RECOMMENDATION:**

Members are requested to:

- i. Note the progress 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 (AGS). 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 6<sup>th</sup> 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 18/19.
- 2.2 The table below details the progress to date.



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|   |   | The Risk Register is a live document and is updated by Managers on an on-going basis.  |
| <b>Workforce/ people strategy:</b> Develop and adopt a longer-term workforce/ people strategy   | December 2019<br><br><i>Revised date:</i><br>March 2020 | <p><b><u>November 2019</u></b><br/>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><b><u>March 2020</u></b><br/>Work is currently underway for the development of the workforce strategy and it is on target to be in place by March 2020.</p>   |
| <b>Relationship Management and economic engagement plan:</b> Develop relationship management approach and processes and economic engagement plan. | September 2019  | <p><b><u>November 2019</u></b><br/>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> <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.</p> |

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|   | <p><i>Revised date:</i><br/>July 2021</p>  | <p><b><u>March 2020</u></b><br/>Visits continue to be carried out in order to populate the data into the Relationship Management system. However, this will take time to carry out in full.</p> <p>The outline of the Economic engagement plan has been developed however it has not yet been fully developed. As part of the service changes an Economy and Growth Manager will be recruited and it will be within their remit to bring forward the plan and implement it.</p>   |
| <p><b>Procurement Strategy:</b> Revision and adoption of the procurement strategy</p>   | <p>July 2019</p> <p><i>Revised date:</i><br/>February 2020</p> <p><i>Revised date:</i><br/>June 2020</p>         | <p><b><u>November 2019</u></b><br/>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.</p> <p><b><u>March 2020</u></b><br/>The final draft of the Procurement Strategy will be considered by the Policy and Project Advisory Board (PPAB) at their meeting in March 2020.</p> <p>Following discussion at PPAB, the Procurement Strategy will be presented to Cabinet and Council in the new civic year.</p> |
| <p><b>Financial Regulations:</b> Revision and adoption of the financial regulations</p> | <p>October 2019</p> <p><i>Revised date:</i><br/>February 2020</p> <p><i>Revised date:</i><br/>New Civic Year</p> | <p><b><u>November 2019</u></b><br/>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.</p> <p><b><u>March 2020</u></b><br/>The updated Financial Regulations will be considered alongside the Constitution at the LA&amp;GP Committee on 23rd March, and Council Meeting on 23rd April 2020.</p> <p>A Members Constitution Review Group has reviewed key Constitution documents, and Executive matters considered with the Leader.</p>           |



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| <p><b>Implementing a Capital Strategy to comply with the revised Prudential Code and the Treasury Management Code of Practice (b/f from previous year):</b></p> <p>Capital Strategy was approved by Council in February 2019 and will be reviewed on an annual basis.</p> <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>February 2020</p> <p>Implemented</p> <p>October 2019</p> <p><i>Revised date:</i><br/>December 2020</p> <p>September 2019</p> <p><i>Revised date:</i><br/>March 2020</p> | <p><b><u>November 2019</u></b><br/>The Council's Capital Strategy is being reviewed alongside the Treasury Management Strategy and will be considered by LA&amp;GP in January 2020 and Council in February 2020.</p> <p><b><u>March 2020</u></b><br/>Council approved the 2020/21 Capital Strategy at their meeting in February 2020. The Capital Strategy will be reviewed during the Autumn.</p> <p><b><u>November 2019</u></b><br/>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><b><u>March 2020</u></b><br/>This has not been progressed due to other priorities regarding major projects and general management of the estate following staff changes. It will be carried out during 2020.</p> <p><b><u>November 2019</u></b><br/>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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|  | <p><i>Revised date:</i><br/>December 2020</p> | <p><b>March 2020</b><br/>The first review of the commercial investment assets has been reported to PIAG with this now programmed quarterly.</p> |
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- 2.3 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. It should be noted, however, that progress has continued to be made on actions since the last update to the Committee in November 2019.
- 2.4 The AGS for 19/20 will detail any actions from the 18/19 AGS which need to be carried forward. This will be reported to the Committee in May 2020.

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**References:**

*Annual Governance Statement (within the statement of accounts)*  
<https://www.rushmoor.gov.uk/statementofaccounts>

*Annual Governance Statement – update report to LA&GP Committee 25<sup>th</sup> November 2019.*  
<https://democracy.rushmoor.gov.uk/ieListDocuments.aspx?CId=166&MIId=664&Ver=4>