

Annual Governance Statement 2019/20

Scope of responsibility

Rushmoor Borough Council (RBC) is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

RBC has approved and adopted a local code of corporate governance, which is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering good governance in Local Government'. A copy of RBC's adopted Code is on the Council's website

<https://www.rushmoor.gov.uk/CHttpHandler.ashx?id=18384&p=0>

The Annual Governance Statement (AGS) 2019/20 states how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6 (1b), which requires all relevant authorities to prepare an Annual Governance Statement. It is subject to detailed review by the Licensing, Audit and General Purposes Committee and approval in advance of them agreeing the Statement of Accounts, in which the AGS is referred to.

What is Governance

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- leadership and management;
- performance and risk management;
- stewardship of public money; and
- public engagement and outcomes for our citizens and service users.

The purpose of the Governance Framework

The Governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled. 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 and 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 policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process, designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

What is the Annual Governance Statement (AGS)?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, to report 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 year and on any planned changes to our governance arrangements in the coming year. In this document the Council:

- acknowledges its responsibility for ensuring that there is a sound system of governance;
- summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- provides details of how the Council has responded to any issue(s) identified in last year's governance statement; and
- reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Council's Governance Assurance Framework, which underpins the AGS, has been in place at the Council for the year ended 31 March 2020 and up to the date of approval of the AGS and Statement of Accounts.

What is the Council's Governance Assurance Framework?

Leader & Chief Executive sign AGS on behalf of the Council.

Full Council

Licensing, Audit & General Purposes Committee (Delegated authority to approve AGS on behalf of Full Council) – Provide independent assurance on the adequacy and effectiveness of the Council's governance arrangements, including the effectiveness of the risk management and the associated control environment. They report to Full Council on their work.

AGS

Internal Corporate Governance group – This group consists of officers with statutory roles within the Council, e.g. Monitoring Officers. The group provides assurance over the governance arrangements within the Council.

Key sources of assurance

Internal Audit

Independent opinion on:

- Compliance with key internal control processes
- The effectiveness of the process for gaining assurance on internal control and risk management
- The effectiveness of controls to manage significant areas of risk

Annual audit opinion on the effectiveness of the Council's risk management, control and governance processes.

Corporate Leadership Team (CLT)

Assurance Statements are provided from Senior Management for the governance arrangements within their services. These statements inform the AGS.

External Inspections

Outcomes from reviews of services by external inspectors.

Risk Management

The Risk Management Group identify and review risks on the Corporate risk register.

Overview and Scrutiny Committee

Pre and post decisions made are subject to scrutiny/ call in for review by the Committee.

Executive Leadership (ELT)

Identifies and addresses cross cutting and strategic issues that may impact on the Council's control environment and risk.

External Audit

- Independent overview of the effectiveness of the financial control environment including financial reporting, internal control and risk management and VFM conclusion.
- Control improvements highlighted in Annual Governance Report and Annual Audit Letter.

How does the Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance arrangements. The key sources of assurance that informs this review are:

- The work of the Licensing, Audit and General Purposes Committee Members and Senior Officers of the Council who have responsibility for good governance.
- A statement of assurance is obtained from Heads of Service to confirm the governance arrangements in place within their service.
- The Audit Manager's update reports on the internal audit activity, which provides an independent assurance that key risks are being adequately controlled and provides an opinion on the effectiveness of these arrangements.
- Half yearly updates to the Licensing, Audit and General Purposes Committee monitoring the work carried out towards the Governance actions identified in the previous year's AGS.
- Any comments made by External Audit or other external reviews.
- Internal Corporate Governance Group provides assurance over the governance arrangements within the Council.

What are the key elements of RBC's Governance Framework?

The Council aims to achieve good standards of governance by adhering to the seven core principles, detailed below, which form the basis of the Council's code of Corporate Governance.



The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

Covid-19 Pandemic

In March 2020, following the declaration of a major incident by the Local Resilience Forum, the Council activated its emergency structure, where emergency management protocols were initiated, to coordinate a response and ensure that resources were prioritised.

- Gold (Strategic decisions),
- Silver (Operational issues), and
- Bronze (Community welfare response)

There has been a significant impact on Council services, due to the Covid-19 pandemic, but despite the challenges, the Council has maintained consistent essential services, whilst adapting to provide alternative virtual services wherever possible.

Impact of Covid-19 pandemic on the Council

Priorities

The Council has adhered and responded at pace to government guidance in response to the pandemic. Priorities have been changed to focus on the need to distribute emergency funding and to support essential services. Business as usual has changed to accommodate this, but key processes and functions have been maintained, with demand led services under the most pressure.

Covid-19 does present a number of risks to the delivery of the Council's Business Plan, Regeneration Programme and key procurement activity. Inevitably, there will be a requirement to review priorities and work programmes to ensure adequate risk mitigation is in place, with the Council's Corporate Risk Register being reviewed by Heads of Service.

Move to home working

The Council brought forward its mobile working project from the ICE Programme to enable a substantial move from a small number of home workers to majority of the Council's workforce. There was a significant impact on the IT department in order to acquire, build and distribute extra laptops within a short period of time.

Furthermore, there was a significant shift for technology required to enable secure virtual meetings to be carried out. A review of the risks and mitigations required was carried out in order to identify the most appropriate platform solution for the Council to use. The platform determined was Microsoft teams which has been deployed across the Council.

The risk around information security increased with this move and required effective arrangements to be in place to ensure the security of data and processes and the need to raise awareness of the potential increase in phishing emails to obtain log on credentials.

The move to home working was challenging for many people and as such the Council, through its HR team, put in place a range of initiatives to support individuals and teams.

A new way of working has been established and should be built on so that a new norm can be established leading to more modern and efficient ways of working that embraces new technologies. Different approaches to leadership and management will be required and the Council's new Workforce Strategy will reflect this going forward.

Committee meetings

The Local Authorities & Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, allows authorities to conduct meetings and take decisions in ways other than face to face, so that decisions can still be made. As a result, virtual council and committee meetings have now been instigated to ensure transparency, maintain good governance and maintain principles of openness and accountability. Furthermore, this also allows access to the public and press via live streaming. The Council has developed a set of standard protocols for virtual meetings, in order to facilitate full Member engagement and public participation where appropriate. These protocols have been communicated to all Members.

Temporary delegation arrangements for decision making

To enable executive decisions to be taken during this challenging period, Cabinet agreed to authorise the Chief Executive, in consultation with the Leader of the Council, to make Cabinet decisions in accordance with the following conditions.

- The provision of new and amended services as a result of Covid-19
- Changes in services which could have financial implication of up to the threshold that would make the decision 'key'
- Changes in existing service provision that would have an impact on the Borough and are not currently delegated to an individual portfolio holder or officer
- Those items set out in the powers and duties of the Cabinet
- The list of the decisions taken will be submitted to a formal meeting of the Cabinet in due course.

The process that will be followed for these decisions are as follows:

- A Head of Service, in conjunction with the appropriate portfolio holder, will develop proposals requiring an executive decision on which they will consult the Monitoring Officer and the Head of Finance (Section 151 Officer)
- The proposals are circulated to other Members of the Cabinet and the Council for comment (the period of comment is likely to be short, probably 1-2 days)

- The Chief Executive, in consultation with the Leader of the Council, will make a decision on the proposal, taking account of any comments made by other Members
- A short form decision sheet will be prepared and distributed to all Members of the Council and placed on the Council's website within a table established to include all decisions taken under this process.

These delegations will be used sparingly and wherever possible, reports will be held over until a formal meeting can take place, but given the rapidly changing situation, it is essential that a process to make decisions is in place.

Financial implications

Covid-19 does pose a significant risk to the Council's finances. Over the immediate short-term, the Council has seen a reduction in income from Council Tax, Business Rates and Fees and Charges. Additional expenditure has been incurred, particularly around the Council's role in supporting the welfare of vulnerable individuals and IT costs associated with enabling Council staff to work remotely.

At this stage it is difficult to quantify the longer-term impact on the Council's finances. Initial work has focussed on high-risk income and expenditure budgets, Council Tax and Business Rates, and cash flow forecasting. The Council has provided financial management information to the Ministry of Housing, Communities and Local Government (MHCLG) and will continue to do so as required. Further work will be undertaken on these areas to provide an evidence-based financial position to support on-going dialogue with Government and future decision making.

It is worth noting that the Council does have balances and reserves available to help mitigate some of the financial risks and pressures outlined. However, it is expected the Council will need to review the 2020/21 budget and Medium-Term Financial Strategy over the coming weeks and months to ensure the Council remains financially resilient.

Councils are required by law to have balanced budgets. If a way in which to finance expenditure cannot be identified then it is the statutory responsibility of the Section 151 officer to, as a last resort, issue a section 114 notice. This notice prohibits all new expenditure, with the exception of safeguarding vulnerable people and statutory services. Due to the current financial challenges, as a result of the Covid-19 pandemic, CIPFA have proposed temporary modifications to the existing guidance around issuing section 114 notices, in order to create an opportunity, within existing statutory limits, to enable an exploration of what further options and/or financial assistance may be available.

Therefore, should this be considered by the Council's Section 151 Officer, the following process would be carried out in line with CIPFA's current guidelines:

- At the earliest opportunity the Head of Finance (Section 151 Officer) will make informal confidential contact with MHCLG to advise of financial concerns and a possible forthcoming section 114 notice.
- The Head of Finance (Section 151 Officer) will communicate the potential unbalanced budget position, due to Covid-19, to MHCLG at the same time as providing a potential Section 114 report to Cabinet and the Council's external auditors (Ernst and Young).

Where employees' salaries are largely funded by the generation of sales, fees and charges, and there has been a significant reduction in these revenue streams and the employees cannot be redeployed across the Council, then the furlough scheme has been utilised.

Key contractors/ suppliers for the Council, predominately from sectors which have been required to close (e.g. Leisure contractors), may look for variations to the contract terms and financial support from the Council.

Procurement Policy Notes have been issued by the Cabinet Office and provide guidance on best practice for public sector procurement, with a focus on Covid-19 issues. These notes covered a number of issues including:

- Public procurement regulations
- Guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current coronavirus, COVID-19, outbreak
- Use of procurement cards to support cash flow for suppliers
- Guidance for public bodies on viability and sustainability of contracts including working in partnership to plan an eventual exit from any relief and transition to a new, sustainable, operating model taking into account strategic and reprioritisation needs.

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, have changed the accounting timetable, extending the deadline for the draft accounts to 31 August 2020 and the final audited accounts to 30 November 2020.

Service reviews

Since the lockdown the Council has had to take urgent decisions related to its way of working and direct service provision. Most facilities that provide the opportunity for public gatherings or encourage non-essential travel have been closed, either by direction from the Government or because the Council has interpreted that it is the right thing to do, in accordance with the Government's guidelines. The key changes are:

- Farnborough and Aldershot Leisure Centres and associated facilities have been closed

- Preparatory work necessary to enable the Aldershot Lido to start its season at the end of May has not been possible. An extended period of lockdown or social distancing will most likely mean that the Lido will not open this Summer.
- Princes Hall Theatre has been closed
- Refuse, recycling, bulky waste and garden waste collection arrangements have all been changed. Refuse and recycling collections have been moved to an alternating cycle with residents receiving a refuse collection one week and a recycling collection the next. Flats have remained with weekly refuse collections. Garden and Bulky waste collections were suspended for a period but have now resumed.
- Playgrounds have been closed
- Council run car parks have been left open, but cash machines have been emptied and no charges are being levied
- The Council Offices have been closed to the public and are attended each day by a skeleton staff carrying out essential work that cannot be delivered from home
- Council run public conveniences have been closed
- The Crematorium is open for services, however, restrictions to the number of mourners to facilitate social distancing have been introduced. Access to the grounds was prevented for a period of time but they have now re-opened with social distancing measures being put in place.

The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020, deals with the closure of certain premises and venues. The proper designations are in force for environmental officers to enforce and the Secretary of State has designated councils as prosecuting authorities for offences arising. So far, the Council is working to support businesses in explaining the restrictions and there have been no breaches to date.

During the crisis the Council worked hard in its community response and was able to facilitate support to the community and voluntary sectors. The Council was very successful with partners on developing its community interventions to support vulnerable people. This support is continuing and is likely to do so for the foreseeable future.

Restore, Release and Rejuvenate

In order to begin to address the recovery phase the Council has adopted a structure based on 'Restore, Release and Rejuvenate' and identifying eight strategic objectives covering the main priority areas for the Council:

- To facilitate improved capacity in the voluntary sector and support the most vulnerable
- To support the local economy and housing market in achieving restoration and growth and support new businesses

- To communicate, engage with and reassure the public whilst supporting Members in their community leadership role
- To restore existing services and review resources to redirect to priority areas
- To put in place a Covid secure working environment in council buildings and through the ICE programme establish a new and modern way of working that will enhance provision, reduce costs and offer a choice of working arrangements and patterns
- To ensure a sustainable financial position with particular emphasis on commercial income levels, the delivery of planned savings and the reduction of operational costs
- To engage Members in the 3R's to establish policy direction and a set of priority objectives
- To establish an enhanced and appropriately resourced policy, risk and response function

The Council will have an important role in the recovery effort and will need to provide support and resources in a number of areas. To assist with the recovery, specific workstreams have been established, led by a designated member of Senior Management. The focus will be to carry out an impact assessment along with an associated plan, which will be reviewed by the cross-party Task and Finish Group and Cabinet. The recovery workstreams are:

- Community protection and assistance
- Economy, regeneration and housing
- Communication and engagement
- Recovery and review of services
- New ways of working
- Finance and commercial
- Democracy and governance
- Policy, risk and response

The recovery effort is likely to last longer than typical for emergencies of this nature being unlike anything experienced before. This focus could take up to 2 years and will require a new mind set and a review of priorities and actions that could see some delayed, parked or cancelled. This will be made more difficult by an environment that will likely see reduced income (from fees, charges, commercial sources and the impact of a recession albeit potentially short), increased expenditure and increased demands and expectations from the local community.

In order to provide better alignment of resources to priorities over this period a number of key areas require further attention and consideration as far as council services are concerned:

- Executive Leadership Team
- Policy, Risk & Communications
- Financial & Cost Management

- ICE Programme – the New Norm

Therefore, in order to support the above areas of concern a new role of Assistant Chief Executive will be created. This role will provide further support at a senior level in relation to the areas of:

- Policy
- Strategy
- Risk (*Becoming the Senior Risk Officer (SRO)*)
- Emergency Planning and Business Continuity
- Covid-19 Recovery
- Performance

Summary

The Council's strong collaborative approach has been effective at achieving a unified response, working with key partners in the voluntary and community sectors.

The Council will need to work with its key partners to develop and support the local economic and community infrastructure in the future. All of the challenges will require a new way of working and thinking. The pandemic has created a step change in how businesses and public bodies operate.

The Council will look to learn the lessons of Covid-19, build on the successes and ensure that it is fit for purpose for what may be a very different landscape in the future.

The response to the crisis has added assurance to the effectiveness of the Council's business continuity plans and governance arrangements. The Council also faces a number of significant changes that will require ongoing consideration and action as appropriate in 20/21 and the medium term, to ensure good governance is maintained.

PRINCIPLE A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sub principles	Demonstrated by
Behaving with integrity	<ul style="list-style-type: none"> • A code of conduct is in place for both Councillors and staff, both are contained within the Council's constitution. The codes outline the ethical standards and behaviours to be adopted and observed by elected Members and officers to ensure that Council business is conducted with fairness and integrity. There are processes in place to ensure that Members and Officers are adequately trained in matters relating to the Constitution. • A Member Constitution review group are in place to assist with the bedding in of the Constitution. • The Council also has in place various policies, procedures and guidance including HR policies, Anti-fraud, Acceptable Use of IT, Declarations of Interest, and Gifts and Hospitality, which are regularly reviewed. All colleagues are made aware of any new policies or changes and training is provided as necessary. • Specific legal and regulatory requirements and/or Standards and Codes of Practice are maintained by staff for Membership of relevant professional bodies, including continuing professional development. • Where necessary the Council collaborates with other professionals for advice and guidance. For example, the Council has recently enlisted the assistance of Freeths for legal advice in establishing a Housing Company. • A register of Member interests is published on the Council's website to ensure that any conflicts of interests are open and transparent. Furthermore, these are reviewed by the Corporate Governance Group on an ad hoc basis. • The Corporate Leadership Team has responsibility to ensure that decisions are made properly and that these are monitored by the Governance Group and Deputy Monitoring Officers.
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • The Council has established a Governance Group, which includes the Monitoring Officer, Deputy Monitoring Officers, the Chief Financial Officer and the Audit Manager, to ensure that the Council works within its rules and that the necessary governance provisions are followed, and associated guidance, advice and training is provided. • The Council has adopted a Behaviours Framework which sets out the attitudes and behaviours expected from staff. The framework sets out seven behaviours; Customer First, excellence in service delivery, productive and efficient, commercial, modernisation, leadership and invest in people. • Rigorous procurement processes are followed to ensure high quality suppliers are selected and value for money is obtained. • The Member Development Group maintains a programme for Member training and development and the Council has secured the Charter for Member Development, managed by South East Employers. Re-accreditation was achieved in March 2020. Furthermore, specific training has been provided by South East Employers to the Overview and Scrutiny Committee on effective scrutiny.
Respecting the rule of law	<ul style="list-style-type: none"> • The Constitution sets out responsibilities within the Council. This is maintained by the Head of Democracy, Strategy and Partnerships in conjunction with the Governance Group, to ensure that the Council's legal requirements are met, and the provisions are up to date. A full review of the Constitution was carried out in 2019/20 with support from a cross party Member Constitution Review Group. • The Council has appointed the following officers as required: <ul style="list-style-type: none"> - The Head of Paid Service (Chief Executive) – Overall accountability for the governance arrangements operating within the Council - The Monitoring Officer – Ensures decisions taken are within the law and the Council complies with the provisions of its Constitution. - The Chief Financial Officer – Principal finance adviser to the Council and is responsible for the proper administration of the Council's financial affairs and internal control environment. • The Council's in-house legal service identifies and advises the Council on key elements of the law and their application.

- The Council ensures compliance with the mandatory elements of the Local Government Transparency Code.
- The Corporate Health and Safety team collate breaches and liaise with appropriate partner organisations and authorities e.g. HSE

PRINCIPLE B
Ensuring openness and comprehensive stakeholder engagement

Sub principles	Demonstrated by
Openness	<ul style="list-style-type: none"> • The Council's policies and governance framework are published on the Council's website – this includes: <ul style="list-style-type: none"> – The Constitution – Agenda and reports for all meetings within the Council's decision-making framework – Cabinet work programme – Annual budget – Pay Policy and Gender Pay Gap Statements – Record of Executive Decisions – Information required under the Transparency Code • The Council regularly carry out consultations on major policy initiatives which is conducted in an open way with all consultations available on the Council's website. • Equality position statement reinforces how we will publish information to demonstrate compliance with the equality duty. • The Council has an up to date Freedom of Information Act 2000 publication scheme in place on its website with links to information and guidance for stakeholders. • The Council's 3-year business plan is published on the council's website along with the monitoring of the actions towards the plan. • During 2019/20 the Council published four 'arena' magazines, to inform the community of the work and services carried out by the Council. • Contracts are managed with a partnership approach and decisions are made in an open and transparent way, including open book accounting processes.
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> • The Rushmoor Strategic Partnership has been reviewed and a Rushmoor Partners Network established, which in future will focus on projects and consider multi-agency issues. • A statement of community involvement is published on the Council's website. • Formal and informal consultation is carried out with Members (e.g. Budget Strategy Working Group) • As part of delivering regeneration projects and better use of assets there are regular interactions with organisations such as Homes England, Hampshire County Council etc.

	<ul style="list-style-type: none"> • The Council has recently adopted the Local Plan 2014-2032, which involved participation from numerous stakeholders. Details are published on the Council's website. • Local Enterprise Partnership (LEP) (Enterprise M3) – The Council has established good relationships and partnership arrangements as part of the involvement with the LEP. • We have in place a relationship management approach and system. Social media is used to communicate and receive comments and increase levels of engagement through visits, meetings and working through partners. • The Council supports the Prospect Estate Big Local (PEBL)
<p>Engaging with individual citizens and service users effectively</p>	<ul style="list-style-type: none"> • The Council has invested in a range of traditional, digital and social media channels to enable regular contact, engagement and consultation with its key stakeholder groups, including customer feedback surveys, workshops, consultation items on the Council's website and regular citizen consultation on both Borough-wide and place specific issues. • We have effective arrangements in place to communicate and consult with relevant key stakeholders where appropriate and to fully consider/ use their feedback and/or complaints to help inform decisions. Furthermore, following a Peer Review the Council has established a process for undertaking regular citizen consultation on both Borough-wide and place specific issues. • The Council has a corporate modernisation programme (ICE) (Rushmoor 2020) in place and consultation with Members, Officers, Key stakeholders and the public is ongoing to assist and shape this programme delivery and underpin the principle of a 'one-Council' approach. • Examples of significant consultation exercises carried out during 2019/20 included: <ul style="list-style-type: none"> – Regeneration and highways functions, this included direct mailshots, public exhibitions, group meetings and presentations. – Local Council Tax Scheme – annual consultation process • A scheme is in place within the Council's Constitution to have public participation at Member meetings. Therefore, meetings of the Council and its Committees are open to members of the public to attend, with agendas and minutes being publically available on the Council's website.

Sub principles	Demonstrated by
<p>Defining outcomes</p>	<ul style="list-style-type: none"> • The Council’s plan has been developed with a 10 year ‘vision’ and a 3-year rolling business plan with objectives to assist with the achievement of the vision. The plan is shown on the council’s website along with the monitoring of the actions towards the plan. • A People Strategy is being developed for the organisation which identifies the objectives and priorities linked to the priorities within the Council plan. • Following comprehensive resident and stakeholder consultation, the Council developed its priorities and measures of success with Members in a range of ways including discussions with individual portfolio holders, the Cabinet and the Policy and Project Advisory Board. • The size of the Council’s workbook may need to be reviewed over the coming year in order to review priorities, due to the impact of Covid-19 pandemic, which has resulted in the Council spending an amount of time carrying out work which had not been planned. • Service business plans have been developed and cover: <ul style="list-style-type: none"> - Linking actions to priorities - Identification of outcomes - Performance indicators - Risks and expected service changes

PRINCIPLE C

Defining outcomes in terms of sustainable economic, social, and environmental benefits

<p>Sustainable economic, social and environmental benefits</p>	<p>financial and Equalities impact of the decisions being made. All reports requiring executive decisions (except those exempt) are accessible via the Council's website. (https://www.rushmoor.gov.uk/article/1701/Records-of-executive-decisions)</p> <ul style="list-style-type: none"> • A PESTLE analysis was carried out in order to contribute to the 10-year Council vision and rolling 3-year plan. This looks at how external moves will impact on the Council's plans and objectives. The Council's Strategy and Performance team monitors place and organisational data to support the work. • Risk registers are regularly updated with links to the Corporate Risk Register. • The Council has adopted and implemented the Local Plan 2014-2032. Details are published on the Council's website. Consultation was undertaken, and a proactive role was undertaken to engage as many residents and stakeholders as possible. Feedback from the consultation informed the submission of the Local Plan. Social, environmental and economic evidence was obtained to inform the development of the Local plan.
---	--

PRINCIPLE D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub principles	Demonstrated by
<p>Determining interventions</p>	<ul style="list-style-type: none"> • Arrangements are in place to ensure all options are considered before decisions are taken and service changes implemented. External / independent expertise is often used if the decision is of a complex technical nature. An example of this being the use of external experts when making a decision on establishing a housing company. • Consideration of alternative courses of action for all decision making. • The Corporate Governance Group has been established to consider legal/constitutional issues associated with decision making.
<p>Planning interventions</p>	<ul style="list-style-type: none"> • At service level, priorities and objectives are encouraged to be SMART and these are underpinned by plans and, for major projects, there is significant emphasis on effective project management. The Council is investing in additional project management resources to ensure this.

Optimising achievement of intended outcomes	<ul style="list-style-type: none"> • Arrangements are in place to monitor operational and financial plans, priorities, KPI's, quality and targets and to report on progress, e.g. quarterly monitoring, budget monitoring. • The Council has several key partnerships with other local authorities and stakeholders in order to optimise the achievement of the Council's corporate plan. • The Council has in place more significant arrangements for project development, both internally and through the Member decision making structure. This has been achieved through the revised Member structure to include the following: <ul style="list-style-type: none"> - Licensing, Audit and General Purposes Committee, with specific roles to ensure effective governance - The Policy Investment Advisory Group (PIAG), provides early consideration of projects prior to submission to the Cabinet. For example, Establishment of the Housing Company, re-letting of the leisure contract and the Council's 2020 transformation programme. This group is supported by LSHIM who provide detailed assessments of acquisition, disposal, and asset performance. - The Overview and Scrutiny Committee is undertaking both pre- and post-decision scrutiny on a range of issues and projects.
--	--

PRINCIPLE E
Developing the entity's capacity, including the capability of its leadership and the individuals within it

Sub principles	Demonstrated by
Developing the entity's capacity	<ul style="list-style-type: none"> • The Council participated in an independent peer review during 2017/18. Recommendations from this review have been accepted and work is underway to implement the recommendations made. A follow up on the recommendations made is being prepared for during 2019/20. • The Council, where possible, collaborates with other authorities to share information and best practice, e.g. Hampshire & Isle of Wight Chief Executive group and subsequent groups. • Service reviews are being carried out by the newly constituted corporate leadership team, to ensure that services are best placed to meet the overall objectives of the Council.
Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> • Arrangements are in place to ensure staff have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and are able to update their knowledge on a continuing basis e.g. CPD through attendance at seminars/conferences, training courses etc. • Development reviews are carried out annually. Within these reviews, training needs are identified and communicated to HR in order to ensure individuals are provided with the training they require for their role and identify any Council wide training which may be required.

	<ul style="list-style-type: none"> • The Council has engaged in ‘learning at work week’, which has been carried out virtually during the Covid-19 pandemic and will be carried out again later in the year. • The Council has adopted a Behaviours Framework, which sets out the attitudes and behaviours expected from staff. The framework sets out seven behaviours; Customer First, excellence in service delivery, productive and efficient, commercial, modernisation, leadership and invest in people. • The Council is providing leadership programmes and apprenticeship leadership programmes to support the continued professional development of staff. • The Council has introduced an Employee Assistance Programme to support health and wellbeing. Training courses are also offered for example a recent mental health awareness course through the Council’s Occupational Health provider. Wellbeing weeks have also been introduced encouraging staff to participate. This has also been carried out ‘virtually’ during the current Covid-19 pandemic. • Yammer has been introduced to promote staff working and includes learning and development elements. • The Council’s constitution defines the statutory and distinctive roles of the Leader and other Councillors and sets out to who decision making powers are delegated to. • The Member Development Group maintains a programme for Member training and development and the Council has secured the Charter for Member Development, managed by South East Employers. Re-accreditation was achieved in March 2020. Furthermore, specific training has been provided by South East Employers to the Overview and Scrutiny Committee on effective scrutiny.
--	--

Sub principles	Demonstrated by
Managing risk	<ul style="list-style-type: none"> • Risk management arrangements were reviewed in 2019/20 with a new process being put in place. The Corporate Risk Management Group meets quarterly to formally review risks and risk is included on the CLT agenda. Service risk registers feed into the Corporate risk register. Furthermore, risks are considered within activities and decision-making reports taken to Cabinet. • Internal audit provides a risk-based audit plan and reports on the effectiveness of risk management to the Licensing, Audit & General Purposes Committee. • In recent years pressure has been placed on the County Council, and some of this pressure has flowed through to Districts. This poses some risks at a social level and within the budgets for the Council.
Managing performance	<ul style="list-style-type: none"> • Effective performance, financial and risk management arrangements are an integral part of all business activities, examples include: <ul style="list-style-type: none"> – Option appraisals/ risk assessment – Day to day business / performance / service business planning arrangements/ quarterly reporting – Projects and programme management – Contractual and third-party arrangements (including shared risks) – Business continuity plans are in place, tested and communicated to staff as necessary

PRINCIPLE F

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

monitoring of the

- The Council has in place an Overview and Scrutiny Committee to encourage debate on policies, objectives and outcomes before, during and after decisions are made. They also review the quarterly monitoring of the Council plan.

Robust internal control

- Internal Audit provide an annual opinion on the effectiveness of the Council internal control environment. This is based on the outcome from audit reviews carried out within the year. Details of this are reported to the Licensing, Audit & General Purposes Committee for review.
- The Council has a Corporate Investigations Team who investigate potential fraud, corruption and maladministration and provide effective counter fraud arrangements within the Council.

Managing data

- Effective arrangements are in place for the safe collection, storage, use and sharing of data with other bodies, including processes to safeguard personal data in line with GDPR requirements.
- An information Governance Officer is in place and has recently introduced an Information Security policy.
- Effective arrangements are in place for the disposal, storage of legacy IT equipment: All hard disk-based systems are erased to HMG Infosec Standard 5 prior to disposal using accredited partners. IT equipment is stored in a locked storeroom when not in use\awaiting disposal.
- IT Security: IT follows End User Device (EUD) guidance issued by National Cyber Security Centre when implementing security solutions and endpoint operating systems. Council IT infrastructure is audited annually, and results passed to NCSC for review and further guidance on actions to take to maintain compliance (including annual Public Services Network assessment). A bid is currently being made to NCSC for funding to support user training relating to cyber security.

Strong public financial management

- There are effective mechanisms in place for financial planning, budgetary control and reporting, including the management of financial risk
- External Audit review and report on the Council's financial statements providing an opinion on the accounts.

PRINCIPLE G

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

Sub principles	Demonstrated by
Implementing good practice in transparency	<ul style="list-style-type: none"> • Agendas and minutes of Committee meetings are publicly available on the Council's website. • An Overview and Scrutiny Committee is in place to monitor and review performance, review and/or scrutinise decisions proposed to be made, review policy and strategy with a view to securing continuous improvement. • The Council ensures compliance with the mandatory elements of the Local Government Transparency Code • On the Council's website there is a Freedom of Information Act page to enable members of the public to have access to all recorded information held by the Council. • Committee meetings are, where possible, are open to the public for contribution and attendance. • Decisions are recorded and published on the Council's website.
Implementing good practices in reporting	<ul style="list-style-type: none"> • The Annual Statement of Accounts is published on the Council's website to give clear information on the income and expenditure of the Council. • The Council publishes an Annual Governance Statement in order to report how we have monitored the effectiveness of our governance arrangements in the year and any planned changes in the coming year. • The Licensing, Audit and General Purposes Committee review and approve the Annual Statement of Accounts and the Annual Governance Statement. • Performance is reported quarterly on a range of indicators, comparing some items with other Local Authorities and public sector bodies. A new performance management framework has been established for use by both Members and Officers. Performance progress is regularly reported on and communicated at Cabinet • Reporting arrangements for RDP/Hosing Company have been put in place. Regular update seminar through the Policy and Projects Advisory Board, formal presentation to all Members at the point of submission of a planning application. Formal monitoring reports will be provided every six months to the Council's shareholder and the Chief Executive. The Chief Executive will enable consideration of these reports by the Council's Overview and Scrutiny Committee on progress and the Licencing Audit and General Purposes Committee on any governance matters.
Assurance and effective accountability	<ul style="list-style-type: none"> • The terms of reference and working arrangements of the Licensing, Audit and General Purposes Committee have been revised to ensure greater focus on ensuring transparency and effective audit of processes. • There are arrangements in place for ensuring all agreed actions from peer reviews, internal audit, external audit, or other inspectorate work are implemented by Management. Actions from the Peer Review were embedded into business as usual and monitored by the Executive Leadership Team and the Head of Democracy, Strategy and Partnerships. • Risk based internal auditing provides ongoing assurance that the key risks are being managed. • A fundamental review and update of the Constitution has been carried out in 19/20 and recently formally adopted by Council.

How has the Council addressed the governance improvement actions from 2018/19?

The Annual Governance Statement 2018/19 contained the following key improvement actions. Updates have been provided throughout the year to LA&GP Committee. Details of the latest update on these actions are detailed below. However, it should be

noted that due to the Covid-19 pandemic the implementation dates may be further extended. Where actions are ongoing these will be carried forward into the 2019/20 Action plan.

Governance Issue	Action	Current status
<p>EU General Data Protection Regulation (<i>b/f from previous year</i>)</p>	<p>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>The new Information Governance officer is now in post. The Information Governance Group (IGG) have met several times and an Information Governance Working Group (IGWG) is now in place and has also met several times.</p> <p>The Information Governance Framework (IGF) has been written and published on the staff Intranet. Programmes of work are being undertaken to ensure adherence to the framework and the key policies that underpin it.</p> <p>Due to Brexit there may be some changes to GDPR, so implementation of this cannot be finalised until the guidance comes out from the ICO. Revised implementation date: June 2020</p>
<p>Implementing a Capital Strategy to comply with the revised Prudential Code and the Treasury Management Code of Practice (<i>b/f from previous year</i>)</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>Council approved the 2020/21 Capital Strategy at their meeting in February 2020. The Capital Strategy will be reviewed during the Autumn. (Implemented)</p> <p>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. Revised implementation date: December 2020</p> <p>The first review of the commercial investment assets has been reported to PIAG with this now programmed quarterly. Revised implementation date: December 2020</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>The Corporate Risk Management Group (CRMG) finalised the risk register in December 2019. It is available to be viewed and edited by Senior Managers on the Council's SharePoint pages.</p> <p>The CRMG will be meeting in March 2020 to formally review the risk register, so that it can be reported alongside the Council's wider Q4 Performance Management Framework.</p> <p>The Risk Register is a live document and is updated by Managers on an on-going basis. Revised implementation date: May 2020</p>
Workforce/ people strategy	Develop and adopt a longer-term workforce/ people strategy	Work is currently underway for the development of the workforce strategy and it is on target to be in place by March 2020.
Relationship Management and economic engagement plan	Develop relationship management approach and processes and economic engagement plan.	<p>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. Revised implementation date: July 2021</p>
Procurement Strategy	Revision and adoption of the procurement strategy	<p>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. Revised implementation date: June 2020</p>
Financial Regulations	Revision and adoption of the financial regulations	The updated Financial Regulations will be considered alongside the Constitution at the LA&GP Committee

		<p>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>
Review of the entire constitution	The entire constitution will be reviewed and updated to ensure that it remains relevant.	<p>A progress report was presented to the LA&GP Committee on 27th January 2020. The full draft updated Constitution is to be considered at the LA&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>
Housing Company Governance	The governance arrangements in place around the Housing Company needs to be formally agreed.	<p>The governance around the housing company has been written into the updated Constitution.</p> <p>A report on the housing company went to Cabinet on the 4th February which detailed the governance arrangements in place. The report has been forwarded to Council and will be considered on 20 Feb 20. (Implemented)</p>

Governance issues identified for 2019/20

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2020/21, excluding the actions carried forward from 2018/19 as detailed above. The progress against these actions will be reviewed by the Corporate Governance Group and regularly reported to the Licensing, Audit & General Purposes Committee.

Governance Issue	Action	Target date	Lead Officer
Due to the Covid-19 pandemic the number of staff working from home remotely has substantially increased therefore increasing the information risk exposure this creates for the Council.	The increase in information risk exposure due to home working will be reviewed by the Information Governance Group.	Dec 2020	David Stanley, Executive Head of Finance
	The information governance policy has been implemented and mandatory online training will be put in place.	Dec 2020	Catriona Herbert, Corporate Manager – Legal Services
Concerns have been raised regarding the Council's systems and procedures for recording and monitoring commercial property (rental) income.	Timetable for implementation of Property System and review of the Finance system processes (Sales Ledger) will need to be agreed.	Dec 2020	Paul Brooks, Executive Head of Regeneration and Property & David Stanley, Executive Head of Finance
The Council faces a number of significant changes that will require consideration and action as appropriate in 20/21. Covid -19	An ongoing assessment of the impact of the Covid-19 pandemic on council services and council systems will be needed to ensure good governance. This is being approached by the following workstreams, which are led by a member of Senior Management: The streams will assess the risks and develop tactical plans. Updates on the work being carried out by these workstreams will be regularly provided to the Member Task and Finish group and ELT/Gold group.	Ongoing (<i>due to the nature of this issue a target date cannot be assigned</i>)	Recovery workstream leads
	Furthermore, Cabinet has approved the creation of the Assistant Chief Executive role to provide support at a senior level in relation to: <ul style="list-style-type: none"> • Policy • Strategy • Risk (<i>Becoming the Senior Risk Officer (SRO)</i>) • Emergency Planning and Business Continuity • Covid-19 Recovery • Performance 	Recruitment July/ Aug 2020	ELT

Continue to act commercially in a more uncertain economic environment which will require revised assessment analysis appraisal to be carried out for the risk and return.	Consideration will be given by the Finance and Commercial Recovery workstream to ensure there is synergy between the commercial way forward and the objectives of the recovery workstream.	Dec 2020	David Stanley, Executive Head of Finance
External Audit have yet to provide an opinion for the 2018/19 accounts.	The Executive Head of Finance will ensure that the necessary information is provided to the external auditors to enable them to finalise their opinion on the 18/19 accounts.	July 2020	David Stanley, Executive Head of Finance

Certification

To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas highlighted on page 19 above. We propose over the coming year to take steps to address the above matters identified above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Signed:

David Clifford

Paul Shackley

Leader of the Council

Chief Executive

Date: July 2020

July 2020