

Hambleton District Council

Report To: Audit, Governance and Standards Committee

Date: 20 October 2020

From: Director of Finance and Commercial (s151 Officer)

Subject: **Annual Governance Statement 2019/20**

Portfolio Holder: Governance
Councillor Mrs I Sanderson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 Good governance is important to all involved in Local Government, however, it is a key responsibility of the Leader of the Council, Chief Executive and Director of Finance and Commercial (s151 Officer).
- 1.2 The preparation and publication of an Annual Governance Statement (AGS) in accordance with the CIPFA / SOLACE Framework is necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.
- 1.3 The Annual Governance Statement attached at Annex A refers to the year 2019/20 and has therefore been written to reflect the processes, management and committee structure at that time.

2.0 The System of Internal Control

- 2.1 The internal control system encompasses the policies, processes, tasks, behaviours and other aspects of the Council, taken together:-
 - Facilitate its effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Council's objectives. This includes the safeguarding of assets from inappropriate use or from loss and fraud.
 - Help ensure the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the organisation.
 - Help ensure compliance with applicable laws and regulations, and also with internal policies with respect to the conduct of business.

- 2.2 The scope of internal control accordingly spans the whole range of the Council's activities and includes those controls designed to ensure:
- The Council's policies are put into practice;
 - The Council's values are met;
 - Laws and regulations are complied with;
 - Required processes are adhered to;
 - Financial statements and other published information are accurate and reliable;
 - Human, financial and other resources are managed efficiently and effectively, and
 - High quality services are delivered economically, efficiently and effectively.

3.0 The Review Process

- 3.1 The Cipfa/SOLACE Framework defines proper practices from the form and content of a Governance Statement that meets the requirement to prepare and publish a statement on internal control. The Annual Governance Statement is attached at Annex A and is also included within the Annual Financial Report - Statement of Accounts - 2019/20 for publication. There is no requirement to prepare and publish a separate statement on internal control.
- 3.2 Subsequent to the CIPFA "Statement on the Role of the Chief Financial Officer in Local Government", which was issued in 2010, it is now expected that the Annual Governance Statement will include a specific statement on whether the Council's financial management arrangements conform to the governance requirements of the statement - this is included in the 'Summary' section of the document. Furthermore where they do not, it is necessary to explain why and how the Council's arrangements deliver the same impact.
- 3.3 At Hambleton there is full compliance as the Director of Finance & Commercial (s151 Officer) has unfettered access to Senior Management Team and reports directly to the Chief Executive.
- 3.4 The External Auditor considers the Annual Governance Statement as part of their review of the Annual Financial Report - Statement of Accounts - 2019/20. The Auditor is required to issue their opinion on the accounts as to whether they present a 'true and fair view' of the financial position of the Council at the balance sheet date.
- 3.5 The Annual Governance Statement provides public assurance that the Council has a sound system of internal control, designed to help manage and control risks that will impede the achievement of its objectives. The Annual Governance Statement should not be seen as a purely financial requirement, but as an important public expression of what the Council has done, how it sets out priorities, monitors performance and has put in place good business practice. It is also about the process for ensuring high standards of conduct and is a means of demonstrating sound governance.

- 3.6 In common with most Local Authorities, the Council has a well established system of internal control in place. However, the Annual Governance Statement process requires the Council to formally demonstrate what these controls are and how they safeguard against the most significant risks to the organisation and to gain assurance, based on evidence, that these controls are operating effectively, or where they are not, to identify areas for improvement.
- 3.7 Assurance can be provided by evidence from a number of sources including: inspection records, external audit reports, internal audit reports and direct assurance from managers. It is the responsibility of both Members and Chief Officers to obtain and provide such assurance. The production and publication of an Annual Governance Statement is therefore not an isolated act, but the final stage in a continuing review of internal control processes and procedures.

4.0 Conclusion

- 4.1 Having taken evidence from a number of sources that could potentially identify whether there are any significant weaknesses in the Council's system of internal control as detailed in the Annual Governance Statement, none have identified any such weaknesses in the system. Members can take assurance from this that the Council's system of internal control is adequate and effective.

5.0 Risk Analysis

- 5.1 There are no risks associated with the recommendations in the report.

6.0 Financial Implications

- 6.1 There are no financial implications associated with the recommendations in the report.

7.0 Legal Implications

- 7.1 The Council is under a statutory duty to undertake a review of the systems of internal control operating within the Council during 2019/20 and to approve an Annual Governance Statement. Failure to undertake the review or present an Annual Governance Statement would be a breach of this statutory requirement.

8.0 Recommendations

- 8.1 It is recommended that Members:-

(1) agree with the conclusion of the review of the system of internal control, and;

(2) approve the content of the Annual Governance Statement attached at Annex A which is published within the Annual Financial Report - Statement of Accounts - 2019/20.

Louise Branford-White
Director of Finance and Commercial (s151 officer)

Background papers: CIPFA/SOLACE: Delivering Good Governance in Local Government: Framework 2016 Edition
CIPFA Finance Advisory Network 'AGS 'Rough Guide' for practitioners.

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ANNUAL GOVERNANCE STATEMENT 2019/2020

HAMBLETON DISTRICT COUNCIL

Scope of Responsibility

Hambleton District 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, and used economically, efficiently and effectively. Hambleton District 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, Hambleton District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk. The Authority's financial management arrangements confirm with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

Hambleton District Council has approved and adopted a code of corporate governance. The Council's governance arrangements are consistent with the seven 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 (2016). The Annual Governance Statement sets out how the Authority has complied with the Code and also meets with regulation 4(2) of the Accounts and Audit Regulation, in relation to the publication of this statement – the Annual Governance Statement - on its governance and internal control arrangements.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority 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 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 ongoing process designed to identify and prioritise the risks to the achievement of Hambleton District Council's policies, aims and 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.

Core Principles of Good Governance

The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2016) (the 'International Framework'), which is also included in the CIPFA/SOLACE Framework, illustrates the seven principles of good governance in the public sector and how they relate to each other. Principles A and B permeate implementation of principles C to G illustrating that good governance is dynamic. In line with this the Council's Annual Governance Statement demonstrates the Council is committed to

improving its arrangements on a continuing basis through a process of evaluation and review, whilst achieving its objectives and acting in the best interest of the public.

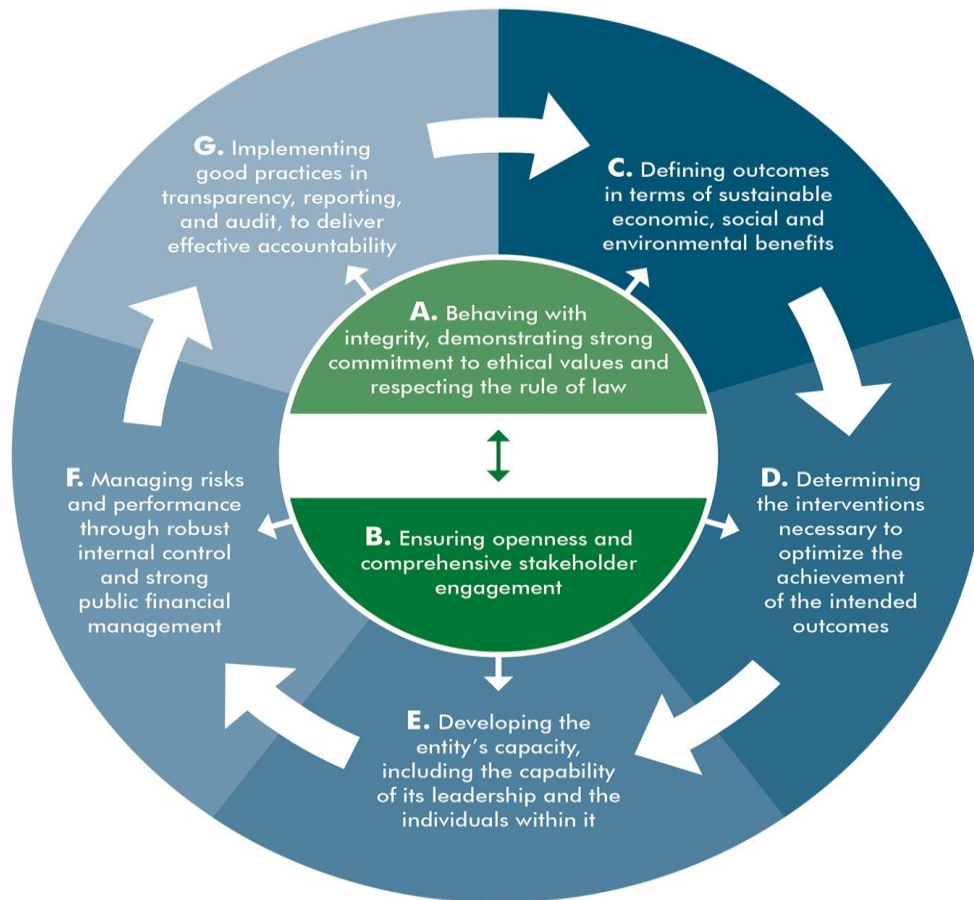


Diagram 1: the seven principles of good governance in the public sector

The Governance Framework – Key Elements

The Council is made up of 28 Councillors who are democratically accountable to residents of the District. The full Council appoints the Leader and the Leader appoints the Cabinet and Deputy Leader. The Cabinet is responsible for most strategic day to day decisions. The Council holds the Cabinet to account by appointing scrutiny committees to question decisions and to propose policy changes where appropriate.

The key elements of the Authority's governance framework are detailed against each principle in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government and the following information demonstrates the Council's assessment of compliance with 'the framework' along with the Governance Issues Action Plan.

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

Assessment of Compliance	It is considered that the Council’s arrangements meet Principle A of ‘the framework’.
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Values and Integrity	<p>Values and Integrity - Good Governance flows from a shared ethos or culture as well as from systems and structures. The spirit of good governance can be expressed as values which become part of the Council’s culture and underpin policy and behaviour through the Council from the governing body to the staff; this is in addition to compliance with legal requirements.</p>
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The Council’s Values accord with the requirements of good governance and are key to the Council Plan:
 - open, responsible, customer focused, fair and respectful

Respecting the rule of law	<p>Respecting the rule of law - Ongoing monitoring and review of the Council’s activities is undertaken to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. This gives assurance as to the soundness of the system of internal controls that is in place for respecting the rule of law. Hambleton District Council achieves this through a number of mechanisms:-</p>
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| Officers / Members of the Council | <ul style="list-style-type: none"> • The Director of Law & Governance (Monitoring Officer) has access to all draft Cabinet and Council reports and approves the minutes; • The Legal Section monitors legal developments and notifies relevant Senior Officers; • The Constitution sets out how the Council operate, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose. • A protocol for the Monitoring Officer is in place; • Senior Officers and Members are aware of the availability of the advice on propriety which is available from both the Monitoring Officer and Veritau North Yorkshire Limited (who provided internal audit services in 2019/20); • The Monitoring Officer, the Director of Finance and Commercial (S151 Officer) and Veritau North Yorkshire Limited have good working relations and often cross-refer matters; • The CFO has unfettered access to information, to the Chief Executive and to Members of the Council. Therefore there are processes and procedures in place which provide assurance that the role of the CFO at Hambleton District Council meets the Statement’s expectations. • The Council’s Audit Governance and Standards Committee is responsible for promoting and maintaining high standards of conduct within the Council. • The Council has Codes of Conduct for both Members and Officers which set out the standards of conduct and personal behaviour expected. • The Council has additional protocols which govern the conduct of work between members and officers. • The Council has arrangements in place to provide induction training to all newly elected councillors on the requirements of the code of conduct and other relevant codes, protocols, policies and procedures, and to ensure councillors meet their obligations to notify disclosable pecuniary interests |
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<p>Parish / Town Councils</p>	<p>(DPIs).</p> <ul style="list-style-type: none"> • The Council has arrangements in place to consider complaints submitted in accordance with the Council's procedure for dealing with complaints against councillors under the code of conduct. • The Council has a pool of three Independent Persons in place. An Independent Person is consulted during the assessment stage on any code of conduct complaints received. An Independent Person attends any Standards Hearings Panel which is convened to consider any code of conduct complaint referred to it. • The Council has clear arrangements in place for the declaration of interests and for the registration of gifts and hospitality. • The Council has arrangements in place to consider code of conduct complaints submitted against parish / town councillors. • The Council provides advice to Parish / Town Councils on Code of Conduct matters.
<p>Link to Governance Issue Action Plan</p>	<p>None significant</p>

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

Assessment of Compliance	It is considered that the Council's arrangements meet Principle C of 'the framework' with clarification provided in the Governance Issues Action Plan.
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Council Plan Outcomes	<p>The outcomes of the Council, to provide quality services, as determined in the Council Plan 2019-2023 under the four priority headings:</p> <ul style="list-style-type: none"> • Driving Economic Vitality • Enhancing Health and Wellbeing • Caring for the Environment • Providing a Special Place to Live <p>which details Hambleton District Council's purpose towards achieving social, environmental and sustainable benefits for the vision 'a place to grow'. The Council Plan is located at: https://www.hambleton.gov.uk/downloads/file/1276/hdc_council_plan_2015-19.</p>
Sustainable economic, social, environmental benefits	<p>In setting the priorities, national, regional and the public's priorities were taken into account, which results in the setting of the Council's Key Performance indicators. These are monitored on a quarterly basis by the operational business through Service Plans, reported to Management Team and then also to Members at Scrutiny Committee.</p> <p>To ensure that project management and future plans deliver value for money the sustainability of the Financial Strategy is key, so it is forecast for 10 years every year, along with the 10 year Capital Programme; this allows the statement on the position of reserves and annual budget to remain affordable, sustainable and prudent. The Treasury Management Strategy, in its relationship with the Capital programme, also enables an affordable and prudent approach to the Council's plans and projects. Finally, the annual accounts support stewardship responsibilities subject to external audit opinion.</p>

Link to Governance Issue Action Plan	<p>1 – Key Council Projects 2019/20</p> <p>1 – Impact of Brexit 2020/21</p>
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Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

Assessment of Compliance	It is considered that the Council’s arrangements meet Principle D of ‘the framework’ with clarification provided in the Governance Issues Action Plan.
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Relationships	<p>Member and Officer relationships - It is necessary that Members and Officers perform effectively in clearly defined roles to achieve the intended outcomes with the required level of intervention.</p> <p>Excellent relationships between Officers and Members exist which are based on mutual trust enabling decisions to be made in a productive and transparent way. Trust is maintained through the involvement of all relevant parties at the right level of responsibility ensuring strategic decisions are led by Members and implementation of operational matters are at officer level directed by Management team.</p>
Roles and Responsibilities	Roles and responsibilities are defined in The Constitution for the executive, scrutiny and officer functions with clear delegation arrangements. The Constitution includes the Code of Member Conduct, a Code for Planning Conduct and an Officer and Member Protocol, as well as the financial regulations.
Forward Planning	Democratic Services Forward Plan - All meetings of the Cabinet and key Committees are included in the Council’s Forward Plan, which is published and available to the public. Delegated decisions are also recorded.
Financial Sustainability	<p>Financial sustainability - In order to achieve the long term financial targets the Authority has a 10 year financial strategy, supported by the annual budget which sets the required income and savings targets. All the expected risks to the Authority were considered in the budget report approved by Council prior to the beginning of each financial year and the position of reserves underpins the long term financial resilience of the Council.</p> <p>http://democracy.hambleton.gov.uk/documents/s18685/Financial%20Strategy.pdf</p> <p>The Authority agreed an efficiency plan during 2016/17 with central government which is incorporated into the 10 Year Financial Strategy, 2019/20 is the fourth and final year of the Government settlement. This has given certainty of funding for the past four years and highlights the need to continue to identify efficiency savings and generate income. The council awaits future steps from Government in relation to future funding from the Business Rate Retention scheme and Fair Funding Review where confirmation has been provided it will not go ahead on 1 April 2021.</p>
Governance Committee	<p>Audit, Governance and Standards Committee - This Committee is an essential part of good governance. Internal and External Audit both have direct access to and support the Committee including the ability to have direct contact, without Officers of the Authority being present.</p> <p>The detailed matters reviewed by the Audit, Governance and Standards Committee can be viewed at the quarterly meetings located at: http://democracy.hambleton.gov.uk/ieListMeetings.aspx?CId=149&Year=0</p>

Link to Governance Issue Action Plan	2 - Financial Sustainability 2019/20 2 - Financial Sustainability 2020/21
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Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it.

Assessment of Compliance	It is considered that the Council’s arrangements meet Principle E of ‘the framework’.
Senior Management Structure	Senior Management Structure - The Chief Executive restructured the Senior Management Team during 2018/19 to continue the pursuit of providing additional capacity to the organisation. There are now five Directors which have increased the operational Directorates to three - Economy & Planning, Leisure & Communities and Environment - with support and oversight from the Deputy Chief Executive appointed in December 2017 replacing the Executive Director role. The Deputy Chief Executive and both Statutory Directors (Monitoring Officer and S151 officer) report directly to the Chief Executive. The new structure introduced in March 2019 has started to operate with increasing effectiveness and is set to deliver both service improvement and the corporate projects. In addition there is a Head of Service to support Economy and Planning and a Head of Service for Commercial & Programme Management to support income generation and project management across the Council.
Performance Coaching	Performance Coaching - In 2017 the Council embarked on a programme of individual performance management coaching for the whole organisation. The purpose of this is to achieve a balance between achieving organisational performance goals and personal development. The aim is that by encouraging individuals to take responsibility for their areas of work and own development, capacity will be released within the organisation, whilst empowering decision making and ownership. This approach is ‘High Challenge, High Support’ and further work in 2020 is being undertaken to embed this approach across the authority.
Staff Development	Staff Development - The Council has designed a bespoke Masters/MBA qualification with Teesside University aimed at middle and senior managers in the organisation. It is hoped that by equipping the organisation’s management with the requisite skills and training to manage effectively – by better understanding the requirements of coaching and leadership skills - the organisation will become more effective. The Council also supports individuals to review their own training requirement in the area at work where both the individual and the organisation will benefit. There are numerous graduates supported across the Council as well as apprenticeships.
Training Requirements	Training Requirements – The HR Strategy supports a variety of training techniques including the Induction training, Member training, Individual Performance Management coaching, Learning & Development training calendar, online learning, and bespoke courses, presentations to employees and Members alike.
Link to Governance Issue Action Plan	None significant

Principle F – Managing risks and performance through robust internal control and strong public management

Assessment of Compliance	It is considered that the Council’s arrangements meet Principle F of ‘the framework’ with clarification provided in the Governance Issues Action Plan.
Public Scrutiny of Risk Management	The Audit, Governance and Standards Committee have responsibility for overseeing the Risk Management Strategy and has delegated to the Scrutiny Committee to oversee the strategic risk register on a quarterly basis. Significant changes to the risk management process are reported to both Committees.
Risk Register	Risk Management is a standard element of all officer reports to Cabinet and other Member Committees etc. All senior officers are required to implement the strategy and to further embed risk management within the Council. Risks are reported to Management Team on a quarterly basis with a full review occurring annually.
Risk Training	The Risk Register incorporates corporate, project and service risks associated with delivery of the Council's corporate objectives under each Council Plan priority and key projects. During 2019/20 the changes to the process of managing risk have been finalised with Strategic Risk Management Group championing risk across the Council to ensure consistency and appropriate challenge. Detailed information is available in the quarterly reports: http://democracy.hambleton.gov.uk/ieListMeetings.aspx?CId=149&Year=0
Development of Risk Management	Members of the Cabinet, the Audit, Governance and Standards Committee, Members, Risk Owners and other selected staff received specialist training in Spring 2019, which can be refreshed when required. The Risk Management Guidance Manual is revised annually and was approved by Audit Governance and Standards Committee in October 2019; the revised version is also available to all employees on the intranet.
Partnership Risks	With the measures mentioned above in place the Council is able to identify, assess and manage the risks to the Council’s corporate objectives. Development of the risk management process across the Council was finalised in 2019/20 and has enabled the Council to understand the exposure to risk that the Council faces. Enhancement of the risk process continues with the Council reviewing an improved reporting system in 2020/21 and a corporate performance dashboard.
Partnership Risks	The Council recognises the need to ensure that good governance arrangements and robust controls exist within all partners and other group working. It also recognises the need for comprehensive agreements to be in place for all significant partnerships and that these agreements should clearly identify how the risks of the partnership or working group arrangements will be managed. All Council projects and working relationships have a risk register to ensure projects are managed effectively and the required outcome results.
Link to Governance Issue Action Plan	3 – Risk Management 3 – Loss of ICT Systems or Data

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

Assessment of Compliance	It is considered that the Council's arrangements meet Principle G of 'the framework' - with clarification provided in the Government Issues Action Plan
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Effective Accountability	The Cabinet and Council - There is a hierarchy of decision making at Hambleton District Council to ensure reporting delivers effective accountability. Any new draft policies or strategies are developed and then submitted to the Senior Management Team. Once any amendments have been made, the policy/strategy moves on to Cabinet and then on to the full Council for approval. Local Government Ethical Standards produced in January 2019 highlights the need to report on 'separate bodies' that have been set up. This occurs on a quarterly basis at cabinet and Council
Effective Corporate Governance	The Audit, Governance and Standards Committee - The Audit, Governance and Standards Committee has specific responsibility for monitoring the effectiveness of the Council's Code of Corporate Governance and to ensure that the Council undertakes its duties in an appropriate manner and maintains a high standard of Corporate Governance.
Scrutiny	Scrutiny Committee - Part of the function of the Council's Scrutiny Committee is to scrutinise Council policies. It does not have a specific role in dealing with Governance, although it reviews the Council's strategic risks on a quarterly basis.
Assurance Services	Internal Audit and Fraud - The Council also operates internal audit and fraud investigation functions which comply with the Accounts and Audit Regulations and the Public Sector Internal Audit Standards. The service in 2017/18 was provided by Veritau North Yorkshire Limited. Veritau's internal audit and counter fraud teams undertake an annual programme of review covering financial and operational systems and including systems, regularity, and probity audits designed to give assurance to members and managers on the effectiveness of the governance, risk management and control environment operating within the Council. Through its work Veritau also provides assurance to the Section 151 Officer in discharging that statutory review and reporting responsibilities. In addition the team: <ul style="list-style-type: none"> • provides advice and assistance to managers in the design, implementation and operation of controls • helps to maintain the council's counter fraud arrangements including policy framework • supports managers in the prevention and detection of fraud, corruption and other irregularities.

Link to Governance Issue Action Plan	4 – Business Continuity Planning 4 – Business Continuity Planning
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Review of Effectiveness

Self-assessment and review

Hambleton District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control and this is documented in this Annual Governance Statement. The Council recognises an ongoing need to review its governance arrangements and to respond to external reports and changes in legislation to ensure it continues to learn, improve systems and ensure compliance with relevant regulations.

The review of effectiveness is informed by the work of the senior officers and managers within the Council who have responsibility for the development and maintenance of the governance environment, Veritau North Yorkshire Limited's Internal Audit Annual Report and also by comments made by the external auditors and other review agencies and inspectorates.

Assurances from Internal and External Audit

In 2019/20, the overall opinion of the Head of Internal Audit from Veritau North Yorkshire Limited on the governance, risk management and control framework operating in the Council is that it provides Substantial Assurance.

The Council's external auditor, Ernst & Young LLP, provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing economy, efficiency and effectiveness. The most recent Audit Letter, issued in August 2019, confirmed that they had been able to give an unqualified audit opinion in respect of the Council's 2018/19 Statement of Accounts, and concluded that proper arrangements were in place to secure value for money in the use of resources.

Key Governance Issues Action Plan 2019/20:

Last year's Annual Governance Report highlighted four key areas for improvement. The table below sets out action taken to address these issues during 2019/20:

Issue	Principle	Action taken during 2019/20
Key Council Projects not delivered could result in reputational damage to the Council or increased financial pressure in the future	C	<ul style="list-style-type: none">• Key dates on projects are reported quarterly to Management Team. Programme Management Board and Management Team receive regular update reports. The risks of council projects are reflected in the 10 year Financial Strategy.• In 2019/20 the Council's Project Management process was reviewed in line with the new Agile methodology at Management Team where focus is on continuous update on key objectives or ICT software releases and incorporating customer feedback with every iteration. This is to be further pursued in 2020/21.
Financial Sustainability - Significant reductions in government funding leading to the inability to sustain the Council's services at the current level. - the ability to income generate does not	D	<ul style="list-style-type: none">• Income to be generated to support the financial strategy is ongoing with the main contribution being from the development of the crematorium.• Funding information provided from Central Government around the Business Rates Retention review and the Fair Finding Review is that they will not go ahead from April 2021. Further information is waited in due course.

occur in line with the projection included in the financial strategy.		
Inability to identify strategic risks leaves the Council exposed	F	<ul style="list-style-type: none"> • Strategic Risk Management Group provided continual challenge across the Council to maintain high standards and consistent approach • Training to raise the awareness of managing risk was provided in the spring of 2019
Ineffective business continuity plans leading to loss of service	G	<ul style="list-style-type: none"> • Training and advice on business continuity plans was provided during 2019/20 on an individual basis to support all Service Managers. • Corporate business continuity plan across the council finalised in 2019/20 including ICT implications • Exercise occurred in Autumn 2019 to test the robust nature of the plans

Currently the key issue in 2020/21 is COVID-19:

The Council is working to support businesses and residents across the District as follows:

- Supporting businesses - Rate relief coupled with grants for small businesses, businesses in the retail, hospitality or leisure sector and Discretionary business grants have to date helped around 3,000 businesses.
- Supporting residents – the Council has made contact with vulnerable residents in need and liaised with delivery partners to proactively support them. This encompasses providing for the homeless and also there is a process in place to support those that are in the highly vulnerable group at this time. In addition the Council has provided funds for community grants to support those who apply for these.
- Re-opening High Streets – Local Businesses have been supported by the council with consideration being given to signage, social distancing, and closure of market town roads in order to attract people back to the 5 market towns in the district.
- Pavement licences – The Bill temporarily provides for a new streamlined process for premises selling hot or cold food for takeaway or consumption on the premises including cafes, snackbars, bars, pubs and restaurants to be able to put tables and chairs and associated restaurant furniture on the highway, via an application to the local council.

Virtual Council meetings are taking place from July 2020 to maintain open and transparent decision making whilst observing social distancing. COVID-19 pages on the Council website are updated on a regular basis and provide further information:

The Action Plan below identifies the following governance issues and major risks for the Authority for 2020/21.

Issue	Principle	Action / proposal during 2020/21
Impact of Brexit on council services and local communities	C	<ul style="list-style-type: none"> • Business continuity plans and contingencies are in place to provide assurance and minimise any potential disruption • There is ongoing liaison with other local authorities to provide joint solutions for any problems caused by Brexit.
Financial Sustainability - Significant reductions in government funding leading to the inability to sustain the Council's services at the current level. - the ability to income generate does not occur in line with the projection included in the financial strategy.	D	<ul style="list-style-type: none"> • Income to be generated to support the financial strategy is ongoing with the main contribution being from the development of the crematorium. The income to be generated to support the financial strategy has reduced in 2020/21 and in future years. • Funding information provided from Central Government around the Business Rates Retention and the Fair Finding Review is that they will not go ahead from April 2021. Further information is waited in due course.
Loss of ICT Systems or data	F	<ul style="list-style-type: none"> • Cyber Security Incident Management Plan in place with compulsory annual Cyber Security training for all users • Annual review Information Security Policy and Annual IT Health Check and remedial work PSN (Public Services Network) compliance. Regularly testing of Disaster Recovery Plan.
Ineffective business continuity plans leading to loss of service e.g. Covid-19	G	<ul style="list-style-type: none"> • Plans are in place to safeguard business continuity and respond to major incidents. • Learning outcomes from previous major incidents will be used to inform future plans

Summary

The Council is satisfied with the level of assurance with regards to its governance arrangements which enables stakeholders to recognise that proper arrangements are in place to govern spending and safeguarding of assets. The governance issues raised in the 'action plan' will be addressed on an ongoing basis to further enhance the governance arrangements. The evaluation on the effectiveness of arrangements provides assurance that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Annual Governance Statement signed by:

Signed: ----- **Date: 30 June 2020**
Councillor Mark Robson
Leader of the Council

Signed: ----- **Date: 30 June 2020**
Justin Ives BA, MA, DBA, FCMI, FCCA
Chief Executive