

ANNUAL GOVERNANCE STATEMENT 2019/20

Introduction - Covid19 Pandemic

Towards the end of 2019/20 the Covid19 Pandemic set an unprecedented challenge for all Councils. They were required to maintain business critical services, reconfigure service delivery models to support the health and safety of staff and customers and to determine and deliver support to communities, vulnerable residents and businesses during the pandemic.

It was accepted that the production of the Annual Governance Statement (AGS) would be affected by the crisis. The usual reporting timescale for the 2019/20 AGS would be publication of the draft by 31 May and agreement of the Final AGS with the Final Accounts by 31 July. For the 2019/20 AGS the timetable changed and English authorities needed to sign off their draft accounts by 31 August, and the date for final publication of the accounts and AGS was put back to 30 November.

Throughout the AGS the review of governance arrangements considers the impact of the pandemic within the Council in the context of the 2019/20 AGS. It is anticipated that the full impacts of Covid19 will be considered in the 2020/21 AGS, however, where appropriate the 2019/20 AGS includes the unusually extended period of time for final approval.

1. Corporate Governance

Harrogate Borough 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. It 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.

Corporate 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. The governance arrangements in place at Harrogate Borough Council comprise of the following:

- a) The Code of Corporate Governance
- b) The Governance Framework

This statement explains how the authority has complied with the governance arrangements for 2019/20 and also meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6(b), which requires all relevant bodies to prepare an Annual Governance Statement. The statement is presented to the Audit and Governance Committee in conjunction with the Statement of Accounts and is signed by the Leader and Chief Executive.

a) Code of Corporate Governance

The Council is committed to the principles of effective corporate governance and has adopted a Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government (2016). It is made up of seven core principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D. Determining the interventions necessary to optimize the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The Council's [Code of Corporate Governance](#) is reviewed and agreed regularly. Due to the Covid19 pandemic this review will be undertaken again in 2020/21.

b) The Governance Framework

The governance framework explains how the Council complies with the Local Code of Corporate Governance (LCCG) that has been in place at Harrogate Borough Council for the year ended 31st March 2020 and up to the date of approval of the annual Statement of Accounts. It comprises the systems, processes, culture and values, by which the Council is directed and controlled. It includes the activities through which it accounts to, engages with and leads the community and enables the Council to monitor the achievement of its strategic objectives and to consider whether they have led to the delivery of appropriate, cost-effective services.

A significant part of the framework is the system of internal control. This is designed to manage risk to an acceptable level as it cannot eliminate all risk of failure to achieve policies, aims and objectives. The system of internal control is based on an agreed risk management framework designed to identify, assess, prioritise and manage risks to the achievement of the Council's policies, aims and objectives.

The Council's [Governance Framework](#) is reviewed and agreed regularly. Due to the Covid19 pandemic this review will be undertaken again in 2020/21.

1. Review of Effectiveness

The Council must conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Officers/Service Managers who have responsibility for the development and maintenance of the governance environment, reports from a number of individual officers with specific responsibilities, including the Section 151/Chief Financial Officer (Head of Finance), the Monitoring Officer, the Head of Internal Audit, and by the Council's external auditors.

This statement assesses compliance with the arrangements detailed in the Governance Framework to meet the principles set out in our LCCG. Any improvement actions are summarised in the Governance Improvement Action Plan 2019/20 (at the end of this document).

Significant Governance Issues

The review of the governance framework reflected in the Annual Governance Statement will report any significant governance issues identified. There is no definition for these issues and they include those that would seriously prejudice or prevent achievement of a principal objective of the authority or something that has attracted public interest. The Council has taken the view that significant governance issues should also include those potential issues that could impact the following year for example where there is impending new legislation or something that is being established. The Annual Governance Statement will also set out how any significant issues from the previous years' statement have been resolved.

Principle A:

Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

Sub-Principles

- (I). Behaving with Integrity
- (II). Demonstrating Strong Commitment to Ethical Value

REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE

1. **Member Code of Conduct** – A report from the Head of Legal and Governance summarising Standards Complaints and Investigations 2019/20 was considered by [General Purposes Committee 18 June 2020 \(Item 12\)](#) 19 complaints were received 11 related to Harrogate Borough Councillors with

the other 8 being complaints against Parish Councillors. The Committee noted the complaints and the outcomes of the investigations. The number of complaints was higher than in 2018/19 where there were 8 complaints in total (4 related to Harrogate Borough Councillors with the other 4 being complaints against Parish Councillors).

2. **Independent Person** - A report from the Head of Legal and Governance seeking approval to extend the term of office of the existing Independent Person for Standards for a further year was considered by [General Purposes Committee 18 June 2020 \(Item 8\)](#). The Council has to appoint at least one Independent Person whose views are to be sought and taken into account by the Monitoring Officer on standards issues. The current appointment was due to end on 14 July 2020 however due to the difficulties in recruiting during the Covid-19 pandemic the Committee agreed that the appointment be extended until 21 July 2021.
3. **Customer Complaints** – There were 237 formal complaints in 2019/20 compared to 144 in 2018/19, an increase of 39%. The introduction of the new waste management system accounted for the majority of the increase in complaints.
 - 125 of the formal complaints were in Parks and Environmental Services.
 - The target for responding to stage one complaints within 10 working days was 80% - 54% of stage one complaints received were responded to within 10 working days, down from 64% in 2018/19
 - There were a total of 58 stage 2 complaints received. The target for responding to stage two complaints within 25 working days was 80% - 48% of stage 2 complaints received were responded to within 25 working days, down from 53% in 2018/19
4. **Local Government and Social Care Ombudsman (LG&SCO) and Housing Ombudsman**– A report from the Head of Legal and Governance summarising LG&SCO Complaints and Investigations 2019/20 (including complaints to the Housing Ombudsman) was considered by [General Purposes Committee 18 June 2020 \(Item 13\)](#). There were 26 complaints received from 1 April 2019 the Committee noted the complaints made and their outcome.
5. **Member Training Awareness** – A report from the Head of Legal and Governance summarising Year 2 of the Member Learning and Development Strategy was considered by [General Purposes Committee 18 June 2020 \(Item 9\)](#). The Covid-19 pandemic had led to some of the training activities being delayed, however all 40 Members had been trained on Microsoft Teams which enabled remote meetings and training sessions to be held. Training was provided for all members of Council Committees in accordance with the Constitution/ Committee requirements. The Committee noted the information and approved year three of the Member Learning and Development Strategy (2020/21).
6. **Officer Training Awareness** - For the provision of officer Induction/other training see **Principle E - Developing the Entity's Capacity, Including the Capability of its Leadership and the Individuals Within It**

- 7. *The Member Code of Practice for Acceptance of Gifts/hospitality*** – At its meeting on [14 November 2019 General Purposes Committee \(Item 26\)](#) agreed revised Guidance for Members on the Acceptance of Gifts and Hospitality and that the value at which gifts or hospitality must be declared be increased from £25 to £50.
- 8. *Members Declaration of Interests*** – Member declarations of interest were reported and recorded at all Committee meetings in 2019/20 including Council where Members were reminded to update the register at every meeting. Following the publication of a report by the Committee on Standards in Public Life, the Monitoring Officer held a training session for Members to update them on the proposals. The training session was also an opportunity for Members to ensure that their register of interests was up to date.
- 9. *Partnerships*** – Stage 1 of the internal partnership audit was completed in January 2020. Stage 2, the partnership significance assessments was not initiated due to officers dealing with the Covid19 response

Sub-Principles

(III). Respecting the Rule of Law

REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE

- 10. *The Constitution*** - The Constitution was reviewed and updated as appropriate in 2019/20. Changes/Updates to the Officer scheme of delegation responsibilities were confirmed by April 2020.
- 11. *Cabinet Member/Committee membership and responsibilities*** - were reviewed and agreed at the [Council meeting on 20 May 2019 \(Item 6\)](#).
- 12. *Contract Procedure Rules*** were updated in January 2020 to reflect the new EU thresholds which were put in place on 1 January 2020. Currently the Council are in an 11 month transition period as we are no longer part of the EU, further updates will follow to reflect any updates that need to happen as a result of these changes.
- 13. *Public Sector Equality Duty*** - An annual report was considered by Management Board in January 2020 to demonstrate compliance against the Public Sector Equality Duty. The report provides case studies against the protected characteristics and actions that have been carried out throughout the year corporately and at a service level and was accepted by Management Board. The refreshed [4 year strategy and objectives for 2020-2024](#) were agreed by Management Board, Cabinet and finally Council on the 4th March 2020.
- 14. *Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)/Anti-Fraud and Corruption strategy*** – Audit

work has confirmed that managers across the Council have a better awareness of the impact of fraud on their service. The Scrutiny Governance and Risk Manager has commenced the work to assess fraud risks through specific questionnaires and in the annual governance discussions with senior managers. This work will continue with the Audit Services and Fraud Manager in 2020/21.

15. Service fraud risks are being actively considered and the process for documenting them has commenced although not been formally documented, this work has been delayed due to the Covid19 pandemic. The Council now has access to a qualified Fraud investigator (the Audit Services and Fraud Manager). Fraud investigation resources are also currently being reviewed with the potential to train another member of staff.

16. Whistleblowing Policy – The Council has a [Whistleblowing policy](#). In 2019/20 there was one Whistleblowing incident investigated by the Internal Audit and fraud team and the results were presented to Management.

17. The Anti- Money Laundering Policy has been reviewed.

18. Disciplinary Policy and Procedure - In 2019/20 the following cases were dealt with through the Disciplinary Policy and Procedures:

Grievances – 10 in total

- 2 resulted in no further action taken, one dealt with informally and one after investigation
- 3 went to stage 1 and were partially upheld , 1 other was partially upheld and would have progressed to Stage 2, but employee resigned
- 3 went to stage 1 and were not upheld
- 1 was not upheld appealed and went to Stage 2, the grievance was then partially upheld the employee then intended to progress to Stage 3, however then left the organisation

Disciplinary Cases – 14 in total

- In 3 cases Management Instructions issued
- In 1 case First Written Warning issued
- In 2 cases Final Written Warnings issued
- In 5 cases No further action taken
- In 3 cases Informal Warnings issued

19. Reports for Decision – In 2019/20 all reports for decision (by Management Board and Cabinet) were checked for equalities compliance on a fortnightly basis. There were no decision reports held and revisited as part of this process as all reports, which had equality implications, were sent to the Engagement Officer to review before being submitted. Equality Impact Assessments (EIA's) were published alongside the related decision reports, 22 EIAs were completed and checked.

20. Provision of staff awareness training for relevant legislation see **Principle E - Developing the Entity's Capacity, Including the Capability of its Leadership and the Individuals within It.**

21. The arrangements for a Housing Development Company to be established from 1 April 2019 were agreed by [Cabinet on 2 January 2019 \(Minute 91/18\)](#). A business plan was agreed and formal financial and governance arrangements set out. The company is called Bracewell Homes Ltd. A further report was considered by [Council on 20 May 2019 \(Item 7\)](#) to agree a revised Business Plan, a loan from the Council for initial working capital and the reduced frequency for Shareholder Committee meetings to a minimum of two per year.

- **Bracewell Homes** was incorporated on 15 March 2019 and has been operational in 2019/20. The nature of its business is the buying and selling of own real estate, the renting and operation of Housing Association real estate and other letting and operation of own or leased real estate.
- **Four Board meetings** were held in 2019/20 (up to August 2020). One Director resigned in March 2020 with the appointment of a replacement Director on 6 April 2020. There are currently 3 Directors with Legal, Finance and Housing representation at each Board meeting. There is a Shareholder Committee consisting of nominated Councillors that met on 30 July 2020 to review 2019/20 performance and ratified the appointment of the new Director.

22. Significant Governance Issue - As Bracewell Homes was in its first year of operation in 2019/20 the detailed governance arrangements needed to continue to be developed. It therefore considered that this was a significant governance issue that required inclusion in the Annual Governance Statement 2018/19. Work has been undertaken in 2019/20 to create separate structures and processes for the storage and use of company information including servers and e-mail accounts for staff working on behalf of Bracewell. A new website has also been created and a separate financial management system introduced with appropriate governance arrangements. It is considered that due to the work undertaken in 2019/20 this is not a significant governance issue to be included in the Annual Governance Statement. Further governance improvement actions will be undertaken in 2020/21 to continue the work on the detailed arrangements. There will also be a section included in the AGS 2020/21 for Bracewell Homes summarising arrangements and overall performance.

23. The arrangements for the creation of a company to run the Council's sport and leisure facilities and services - In 2018 the Council commissioned SLL to carry out four separate, but linked leisure studies and an Appraisal of Alternative Delivery Models. SLL's final report was presented to [Cabinet on 16 December 2019](#) and as a result Cabinet agreed in principle to progress the creation of a Company to run its sport and leisure facilities and services. Cabinet also agreed in principle to the investment phasing proposed within the SLL report and to receive a future report detailing the impacts and

timescales. In 2020/21 the company's governance arrangements will be established so that it can be created and an implementation plan agreed for full operation including the transfer of assets and employees to the Company during the summer of 2021. This is a significant undertaking for the Council in preparation for the operation of the company and it is considered that this is a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20

Senior Managers Assurance

All managers (including statutory officers) confirmed that they were able to fulfil their responsibilities and that arrangements were in place to meet **Principle A** within their service areas. There were some continuous improvement actions identified regarding the performance for dealing with customer complaints, Bracewell Homes and embedding/reporting fraud risks.

Overall Assessment	<p><i>The arrangements for the creation of a company to run the Council's sport and leisure facilities and services was identified as a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20</i></p> <p><i>There are some continuous improvement actions.</i></p>
Improvement Actions	3,4,5,6
<p>Principle B:</p> <p>Ensuring Openness and Comprehensive Stakeholder Engagement</p>	
<p>Sub-Principles</p> <p>(I). Openness</p> <p>(II). Effectively Engaging with Institutional Stakeholders, Including Individual Citizens and Service Users</p>	
<p>REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE</p>	
<p>24. <u>The Corporate Plan</u> was published and the Corporate Delivery Plan for 2019-2022 was available on the website</p> <p>25. <u>Full Council</u> met seven times in 2019/20 including the Annual Meeting, one scheduled meeting was cancelled due to the Coronavirus pandemic. It considered and approved the non-delegated minutes of Cabinet, the Audit and Governance Committee, General Purposes Committee, Human Resources Committee and the Licensing Committee. It approved the Local Plan (<u>4 March 2020</u>) that has now been adopted and also considered key reports on</p>	

Harrogate Convention Centre (Business Strategy and Performance) and the Publication of the Local Pay Policy 2020/21.

26. There were 11 Cabinet meetings held in 2019/20, two scheduled meetings were cancelled due to the Coronavirus pandemic. All decision records were publicly available and the Forward Plan of Key Decisions was updated and published on the Council website

27. Remote Meetings - One immediate impact of the Covid19 pandemic was the implementation of lockdown and social distancing arrangements. This meant that local authorities could not hold committee meetings that met legal requirements and the Council had to cancel all meetings from 23 March 2020. The Government then introduced legislation to facilitate remote meetings and decision making in accordance with normal governance structures and delegations. This unique situation required new technology solutions, procedure rules and protocols including the following:

- The development and agreement of changes to the Constitution, Standing Orders, etc.
- The development of procedure rules and protocols in accordance with appropriate guidance such as that produced by the Association of Democratic Services Officers (ADSO) and Lawyers in Local Government (LLG)
- The identification of technical remote meeting and streaming solutions with rigorous testing and piloting resulting in the adoption of MS Teams for Committee meetings
- Training and support provided to all Councillors to enable them to access the hardware/software required and participate in remote meetings
- The development of a live streaming capability to YouTube for all public meetings

28. Harrogate Borough Council Approach - Although Councils were able to develop arrangements for remote meetings and decision making not all have seen this as a priority. Harrogate were one of the few Councils to implement remote arrangements for all Council meetings as soon as possible with some others only implementing them for selected committees. In addition Harrogate enabled public participation arrangements not available at all other Councils. The first remote meeting held was Cabinet on 6 May and since then there have been successful meetings of all Committees

29. Freedom of Information (FOI) Requests - There were 941 Freedom of Information Requests in 2019-20, of which 197 were requests under Environmental Information Regulations (EIR) 2004. This is a reduction from 2018/19 where there were 1030 FOI requests of which 131 were EIR. There were 148 requests that were dealt with outside the 20 working day deadline or have no recorded response against them (one request with no response date recorded). There were 19 requests for internal reviews (of requests received in 19/20). The Council did not meet the Information Commissioner's Office (ICO) target for compliance within the 20 working day deadline of 90% (actual – 86%)

- 30. Internal Reviews** - There were 25 requests for internal reviews, 15 FOI reviews and 10 EIR. In all internal reviews it was found that the FOI/EIR had been dealt with appropriately
- 31. Subject Access Requests** – There were 125 Subject Access Requests (SAR) received. The nature and complexity of these requests is changing, we are increasingly receiving “All service area” requests which means that the volume of data returned by service areas can be considerable, all of which has to be checked and unless consent is given by any third parties for the data to be released, it must be redacted before it can be released. The process can be very time consuming and labour intensive. There is a response time of one month from receipt of the request, this can be extended by an additional 2 months if the request is complex.
- 32. Data Governance** – In 2020/21 the team will be looking at the ICO’s new [self-assessment toolkit](#) to assess current FOI performance and provide indicators of where efforts should be focused in order to improve. Work will also be undertaken to identify patterns/reasons for responses to FOI’s outside the 20 working days guidance.
- 33. The Public Service Leadership Board (PSLB)** - A revised [plan on a page](#) and supporting action plan was agreed August 2019. The outcomes of the PSLB work are measured against the targets, outlined in the PSLB Action Plan and highlight reports provided to the Board by lead officers on a quarterly basis. Due to the pandemic the Board did not meet for its March 2020 meeting.
- 34. The ‘My Neighbourhood’**- Project activity is included in the PSLB Annual report. There are 138 partners involved. 12 meetings per year and 2 Steering group meetings. In 2019/20 Monthly e-newsletters were sent to partners and 4 monthly highlight reports provided to the Neighbourhood Management Steering Group. The evidence base and action plans for all project areas were reviewed to ensure activity and resources were focused. A number of events have been undertaken throughout the year at Ripon, Woodfield, Nidderdale, Pateley Bridge and Masham.
- 35. THE LOCAL LOTTO** - For the Harrogate District was launched in 2018/19 as a fundraising opportunity for local voluntary and community sector groups across the Harrogate District which also enables lottery players to support local good causes. Governance arrangements have been established and Gatherwell Limited was appointed to manage the back office function of THE LOCAL LOTTO for the Harrogate District. An annual report was provided to [Cabinet on the 16th October 2019 \(Item 53\)](#) and a Member briefing was held on the 7th October 2019 to present the current performance. On a monthly basis Councillors are informed of current performance via an update bulletin. Supporters of THE LOCAL LOTTO also receive regular updates on performance and information about when [THE LOCAL FUND](#) small grants scheme goes live for applications. Case studies and performance information are provided on the [news page](#) of the LOTTO website so supporters can see how their money is being used.

- 36. THE LOCAL FUND** - For the Harrogate District. It was [agreed](#) that the Council's small grant fund pot of £30k would be transferred into THE LOCAL FUND again in 2019/20 to ensure fair distribution of grants across the district to meet agreed local priorities. The [governance arrangements](#) have been established and the Council entered into a [funding agreement](#) with Two Ridings Community Foundation (the funding administrator) on the transfer of any funding as would any other potential donors. The [2019 awards](#) have been published of which the Council's £30k small grants contribution formed part of the allocations.
- 37. *Three year VCS Strategic funding*** - Arrangements were introduced from 1 April 2019. An agreed process was undertaken in 2018/19 so that organisations could plan financially in advance of any changes and arrangements were agreed by Cabinet. A six month review is conducted as well as an annual review prior to the funding being released for the new financial year.
- 38. *Consultation/Engagement*** - In 2019/20 there were 27 external consultation projects and 17 internal consultations supported by the Partnerships and Engagement Team, the District Panel was surveyed formally twice. All reports and associated decisions were reported on the [Have Your Say](#) area of the website with links to associated Equality Impact Assessments
- 39. *The District Panel*** - Currently has 684 members from across the Harrogate District. Work has been done to review existing panel member's demographic detail, to review their willingness to participate and to see who could receive surveys online instead of hardcopy. Representation across the district reviewed in terms of profile and geography in order to kick start a recruitment campaign in the future.
- 40. *Public participation*** – Across all Committees (excluding Planning) 15 questions were put forward by members of the public, 1 was rejected and no petitions were submitted to Council. Most of the questions were at Council (8) and for the Overview and Scrutiny Commission (5). The Overview and Scrutiny Commission also commenced a review of bus services in the district as a result of issues raised by members of the public. This has subsequently been put on hold due to Covid19.
- 41. *Exempt Meetings*** - In 2019/20 there were a number of committee meetings held in exempt/part exempt session to deal with items where members of the public were excluded. It is acknowledged across all Committees that there will be consideration of items that contain exempt information however, although the report/information may be exempt the consideration and debate is held in open session as much as possible. There were 40 exempt items that could have been dealt with in exempt session however 32 (80%) were considered in public.

Committee	Number of exempt items	Number held In open session
Council	1	0
Cabinet	29	27
Overview and Scrutiny	8	3
Audit and Governance	1	1
General Purposes	1	1
Total	40	32

42. Call-In of Key Decisions - There was one decision taken in 2019/20 where the Call-In procedures did not apply. This was the proposed disposal of Council offices and land at Crescent Gardens, Harrogate. It was, however, considered as an urgent item at the [Overview and Scrutiny Commission on 9 December 2019](#) and it was agreed that the Chair could agree that the decision be exempt from the call-in procedure in line with urgency procedures.

43. Covid19 implications – In 2019/20 there were two urgent decisions taken which were outside the Council’s policy framework or contrary to or not wholly in accordance with the budget approved by full Council. These were taken in accordance with Paragraph 5 of the Budget and Policy Framework Procedure Rules and reported to Council on 8 July. At the time of the decisions the regulations were not in place to enable remote meetings to take place therefore neither the Leader nor relevant Cabinet Member could refer the matter to Urgency Committee or Council. These related to:

- COVID19 HBC business support
- Non-Domestic Rates – Support for businesses

There were also two urgent decisions made under Access to information Procedure Rules - para 14, these were:

- Procurement of Refuse Vehicle – Cabinet – 22 May 2019 – Excluded from Forward Plan
- Operation of Green Garden Waste – Cabinet Member Environment Waste Reduction and Recycling – 7 April 2020 – Excluded from Forward Plan

Senior Managers Assurance

All managers confirmed that they were able to fulfil their responsibilities and that arrangements were in place to meet **Principle B** within their service areas. There were some continuous improvement actions identified for FOI/EIR response times and the Partnership Audit

Overall Assessment	<p>There are no significant governance issues and it is considered that the Council is undertaking the arrangements to meet this principle satisfactorily as set out in the Local Code of Corporate Governance.</p> <p>There are some continuous improvement actions</p>
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Improvement Actions	7,8
<p>Principle C:</p> <p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p> <p>Principle D:</p> <p>Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes</p>	
<p>Sub-Principles</p> <ul style="list-style-type: none"> (I). Defining outcomes (II). Sustainable economic, social and environmental benefits (III). Determining Interventions (IV). Planning Interventions (V). Optimising Achievement of Intended Outcomes 	
<p>REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE</p>	
<p>44. <i>The 2019/2020 Corporate Delivery Plan</i> - Year-end performance report was considered by Cabinet on 1 July 2020. Progress against the plan was also reported quarterly to Management Board, the Overview and Scrutiny Commission and Cabinet.</p> <p>45. <i>The 2019/20 Year end Finance and Performance Report</i> was considered by Cabinet on 15 July 2020. The outturn position on General Fund revenue spending was also reported together with relevant 2019/20 Service Plan performance and the funding of the deficit.</p> <p>46. <u><i>The Overview and Scrutiny Commission</i></u> - considered General Fund Revenue Monitoring and quarterly Delivery Plan Performance throughout the year, due to the Covid19 Pandemic it did not consider the final year-end overview report. The Medium Term Financial Strategy 2020/21 to 2024/25 was also considered by the Overview and Scrutiny Commission in September 2019 and agreed at <u>Council on 2 October 2019</u>.</p> <p>47. <i>Service Budgets and the 2020/21 Draft Budget and 2021/22 Indicative Budget</i> – These were considered by the Overview and Scrutiny Commission on 13 January 2020 (Informal Meeting) and 20 January 2020, Cabinet on 2 January 2020 and 5 February 2020 with agreement by <u>Council on 12 February 2020 (Item 71)</u>.</p> <p>48. <u><i>The 2024 Programme</i></u> covers four key streams of work continue to be monitored by the Place Board and the Transformation Board. Both boards include senior council officer and councillors and are chaired by the Chief</p>	

Executive. Progress of the projects is monitored against pre-agreed plans for each project and the benefits monitored. Deviations from the agreed project plan needs to be explained to the Board and any revisions to the project plans agreed

49. The Performance Management Improvement Framework continues as approved by Management Board 17 December 2018, incorporating both Business Process Improvement and Value for Money. The Framework defined the consideration of Value for Money as:

- **Economy** – spending less
- **Efficiency** – spending well
- **Effectiveness** – spending wisely
- **Engagement** – spending to reflect priorities

50. Value for Money - Benchmarking data has been further embedded into performance clinics. LG Inform reports are used to provide comparisons to CIPFA and district Council neighbours.

51. Service plans/service improvement plans were developed by Heads of Service with support from representatives from Business Intelligence and Performance, Organisational and People Development, and Finance. The support from these services helped to identify any risks linked to performance, people or finance. Identified risks were considered by Management Board at performance clinics and discussed with the Scrutiny, Governance and Risk Manager

52. In 2019/20 the Emergency Planning Team updated Business Continuity Plans in accordance with their update schedule. Command and control training exercises were undertaken in preparation for the Tour De Yorkshire and UCI. Training sessions were delivered to Management Board. The lessons learned from the loss of the Civic Centre exercise were reviewed and action taken to improve resilience. Other work included:

- Supporting ICT through a Business Continuity review
- Created the Harrogate Town Mass Evacuation Plan
- Supporting local emergency committees, reviewing plans and guiding them through adverse events
- Working independently and with NYLRF partners
- Responded to Storms Ciara, Dennis and Jorge to protect the Harrogate District
- Supporting back-up generator and server activities.

53. Regional Response to Covid19 – As the Covid19 incident developed management at a regional level was coordinated through the North Yorkshire Local Resilience Forum (NYLRF), the partnership of local agencies working together to manage emergencies. Within the NYLRF the Response to Major and Critical Incidents (RMCI) procedure was activated for the multi-agency strategic/tactical response. As one of the partners Harrogate Borough Council supported the multi-agency response with representation at the Strategic Coordination group (Chief Executive or Director of Corporate Affairs) and the

Tactical Coordination Groups (Head of Safer Communities and Head of Culture Tourism and Sport). Key staff have also previously attended Local Resilience Forum Strategic and Tactical training packages to develop the Council’s ability to integrate within a multi-agency environment. Both the Strategic and Tactical groups were supported by Emergency Planning Staff

54. Social Value is integrated into working practices and not recorded separately however it is now included within the corporate annual report. An example in 2019/20 is the scoping of social value outcomes for the new Ripon pool with the commissioned project manager. Ongoing discussions to consider the possibility of a skills village on the Clothholme development site that will provide social value in terms of opportunities for individuals and to the local area. The Council Project Initiation Document includes a social value element with links to the Social Value Charter and there is ongoing work with Project Leads to identify and quantify social value within projects.

Senior Managers Assurance

All managers confirmed that they were able to fulfil their responsibilities and that arrangements were in place to meet **Principles C and D** within their service areas. There was one continuous improvement action identified to review business continuity arrangements after Covid 19

Overall Assessment	<p>There are no significant governance issues and it is considered that the Council is undertaking the arrangements to meet these principles satisfactorily as set out in the Local Code of Corporate Governance.</p> <p>There was one continuous improvement action.</p>
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Improvement Actions

9

Principle E:

Developing the Entity’s Capacity, Including the Capability of its Leadership and the Individuals Within It

Sub-Principles

- (I). Developing the Entity’s Capacity**
- (II). Developing the Capability of the Entity’s Leadership and Other Individuals**

REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE

55. Member Training -_In 2019/20 Member training was delivered to support the Planning and Licensing Committees. All other Committee memberships were assessed to ensure that Committee members had appropriate experience/training to undertake their roles. There were 21 separate types of

training event offered across 29 dates, 19 training events were delivered internally. 'Suicide Prevention and Treasury Management training was delivered externally. The only mandatory training related to committee specific training. There were 337 Members in total that attended training events (416 in 2018/19). The second year feedback from the Member Learning and Development Strategy was reported later than usual, to the General Purposes Committee in June 2020, this was due to the Coronavirus pandemic. The programme for year three of the Strategy was also approved.

56. *The Learning and Development programme* for 2020/21 has only been provisional due to the on-going uncertainty around the impact of Covid-19. The pandemic had led to the postponement of some Member Learning and Development training sessions. This meant that certain training events had to be carried over into the 2021/22 municipal year depending on lockdown restrictions. Some training had however taken place during the pandemic, most notably Microsoft Teams training. All 40 Members of the Council had access to Microsoft Teams and had been contacted by a Democratic Services Officer regarding training. The Democratic Services team also conducted remote training on conduct at remote meetings and how to chair a remote meeting. This enabled the democratic processes of the Council to resume and a number of public Committees had been successfully held via Microsoft Teams as a result. Microsoft Teams training has also enabled remote briefings for Members to go ahead as well as many of the postponed Member Learning and Development training events

57. *Employee Appraisals* – The appraisal cycle runs from December to the end March each year with a target of 90% of employees receiving an annual appraisal within those timescales. Due to the pandemic the deadline for completion of appraisals was extended to 30 June 2020 and at 10 July 2020 54% of appraisals were completed. In 2018/19 84% of employees received an annual appraisal.

58. *The appraisal form* for operational areas has been introduced. As part of performance reviews employees continue to receive regular 1-2-1 with their managers and a 1-2-1 template has been introduced for all managers to use during the coronavirus outbreak

59. *Employee training (Corporate)* – The following training/training programmes have been provided in 2019/20:

- a. **Corporate induction for new starters** – There were 120 new starters (including 26 seasonal workers) in 2019/20 reporting period and 52 of these attended the induction, totalling 43%. Two corporate inductions have been cancelled due to the coronavirus outbreak – this includes the induction for seasonal workers. We are reviewing how this will be delivered in the future to meet government guidelines in relation to social distancing.
- b. **Coaching & Mentoring** – There were 3 Coaching CPD sessions for the internal coaching pool.

- c. **Apprenticeships** – we had 8 employees starting apprenticeship in the reporting period. A further 3 were expected to start however due to the coronavirus their start date was delayed
- d. **Other Corporate training programme** – There were 55 courses delivered (19 different courses).

60. Coaching/Mentoring - Two coaching and mentoring schemes were provided, one internally and one through partnership working with Yorkshire Accord. There were 39 registered coaches in the internal coaching scheme and 8 with Yorkshire Accord, 38 coaching relationships were supported through the internal scheme and 4 under Yorkshire Accord

61. Mandatory E-Learning – The Council has identified a number of courses that staff who have access to Mylo must complete on-line in order to undertake their role. The following completion rates were established, It should be noted that for the purpose of this report completion rates are calculated on the number of staff who logged in to the council’s network within the last 12 months (active users)

- **Data protection essentials** - 786 staff have completed the course - 81% (82% 2018/19)
- **Introduction to Freedom of information** - 521 have completed the course - 54% (65% 2018/19)
- **Health and Safety Induction** - 524 have completed the course - 54% (56% 2018/19)
- **ICT user policy** - 541 staff have completed the course - 56% (48% 2018/19)
- **Introduction to local government and Harrogate Borough Council** - 473 staff have completed the course - 49%. This course is predominantly aimed at new starters. (54% 2018/19)

62. Significant Governance Issue 2018/19– It was reported in the AGS 2018/19 that the completion rates for mandatory courses appeared to be low and that there were some issues with the way that the Council managed and reported mandatory training courses including the identification of corporate mandatory courses for all staff. It was noted that this did not necessarily indicate that training was not being undertaken but it was recognised that further work was required. As a result of this it was considered that mandatory staff training was a significant governance issue that should be included in the Annual Governance Statement 2018/19. In 2019/20 the following work has been undertaken:

- I. A review of the monitoring of completion rates for mandatory courses for new starters with access to MYLO
- II. A quarterly report was introduced for all new starters with access to MYLO to look at completion rates of the mandatory modules
- III. Reminder emails are sent to all new starters with access to MYLO and their managers, for action for incomplete modules

- IV. A quarterly report is shared with Organisational People and Development Business Partners during Organisational & People Development Team meetings to ensure an increase in completion rate
- V. Where necessary an email to Head of Service is issued for action
- VI. Work has also commenced on creating a list of all courses/modules which are mandatory to all staff for Management Board to approve

63. Significant Governance Issue 2019/20 – There has been a significant amount of work undertaken in 2019/20 to address the completion of mandatory courses. In 2019/20 the completion rates have not improved and, with the exception of the ICT User policy, are lower than reported last year (the ICT User Policy course still only achieved a 56% completion rate). It is noted that the pandemic has had an impact on the completion of courses towards the end of the year and delayed measures to address the completion rates. It is considered, however that the completion of mandatory training is important particularly when considering Health and Safety and Information Governance matters. *It is therefore considered that mandatory staff training is a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20.*

64. Accelerate management excellence programme – In 2019/2020, 28 staff went through the Accelerate management programme. The latest cohort is due to complete their final workshop and coaching session later in the year, this has been delayed due to Covid19.

65. Health and Well Being – in 2019/20 a range of schemes/support/advice were provided. These included:

- a. A Health and wellbeing communications programme promoting the following: On your feet Britain (physical activity), Mental health (reducing stigma about mental health problems), Macmillan Coffee Morning and cancer awareness;
- b. We continued delivering (Pilates) classes at the civic centre and running a Fit4Life programme. We also ran a 6 weeks Mindfulness programme.
- c. We introduced the health & wellbeing champions within the organisation to support the health and wellbeing agenda and provide sign posting for our employees. There is further promotional work planned
- d. Development work is progressing on a new health and wellbeing policy, guidance and toolkit.

66. Monthly Policy Briefings were presented to Management Board and shared with employees via the Corporate Evidence Base ('Keeping Current') in 2019/20 Management Board approved the Annual Policy Briefing. Quarterly briefings were also provided for Councillors and MPs

Senior Managers Assurance

All managers confirmed that they were able to fulfil their responsibilities and that arrangements were in place to meet **Principle E** within their service areas. There

were was one continuous improvement action identified regarding the completion of appraisals	
Overall Assessment	<p>The Council acknowledges that mandatory training is a significant governance issue that requires inclusion in the Annual Governance Statement 2020/21. Work will be undertaken to ensure that arrangements meet this principle satisfactorily as set out in the Local Code of Corporate Governance.</p> <p>There was one continuous improvement action.</p>
Improvement Actions	10
<p>Principle F:</p> <p>Managing risks and performance through robust internal control and strong public financial management</p>	
<p>Sub-Principle</p> <p>(I). Managing Risk</p>	
<p>REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE</p>	
<p>67. Risk Registers - All decision reports to Management Board and Cabinet/Cabinet Members included the consideration of risks. The Strategic Risk Register was considered by Management Board In August and November 2019 and by Risk Owners In March 2020 and throughout the Covid19 Pandemic. It was considered by the Audit and Governance Committee on 18 November 2019. The Scrutiny, Governance and Risk Manager also developed risk registers for 2024 projects in 2019/2020 and was part of the Covid19 response team to develop a risk register for the ongoing management of pandemic risks.</p> <p>68. Response to Covid19 – The regional response is detailed in Paragraph 48. At a local level the Council activated its Incident Management Plan. This utilised Text alerts, emails groups, physical meetings, conference calling and remote meetings. Key members of staff worked within a small Incident Management Team (IMT) to coordinate the councils response both internally (using existing Business Continuity Plans) and externally in support of the Multi-agency response. During the initial response the IMT met 3 times a week in the morning and this was then scaled back as required. Senior Management Team meetings also followed the IMT meetings so information and additional work could be discussed and passed on for action.</p> <p>69. Covid19 Risk Management - All risks were identified assessed and managed as part of the incident management process, these were reviewed at every meeting with remedial actions implemented and escalation undertaken where appropriate.</p>	

70. Risk Management Framework/Policy – This was due to be reviewed in 2020 however due to the pandemic has been delayed until 2021.

71. Covid19 Significant Governance Issue 2019/20 – Throughout the AGS 2019/20 the impacts of the Covid19 pandemic have been identified where applicable for the timescale covered. It should be noted that the full extent of these issues will only be considered through the AGS 2020/21 as this will cover the full year when the pandemic first occurred. The impacts of the pandemic are significant and will affect all parts of the Council, residents and businesses for a number of years. It is therefore considered that the Council's response to and recovery from are a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20.

72. Devolution and Re-Organisation – In 2020/21 Local Authorities within North Yorkshire and York will be engaged in discussions with Government around a possible Devolution deal for the area involving the transfer of power and funding from national to local government and potentially the creation of a directly elected Mayor. The view from Government's is that every area within England should be part of a devolution deal to provide more funding in the area and it is expected that the Devolution White Paper which will be published later in 2020 will endorse this view to unlock regional potential. On 13 February 2020 the Leaders of all the councils in York and North Yorkshire wrote to Government to open up a dialogue to be able to negotiate a devolution deal for the region.

- The negotiation process requires councils to develop a series of 'Asks' from Government concerning greater funding and powers to be devolved to the local area
- Alongside the series of 'Asks' a robust governance structure for the region will be required. It is understood that the Government consider the strongest governance model to be a combined authority with a Mayor and that such a structure would attract the greatest level of funding and powers to the region
- The Government have also indicated that they wish to see local government reorganisation in North Yorkshire and York and that they want to align devolution to the implementation of new unitary council structures. No decision has been taken yet about how those new unitary structures should look. It is anticipated that the Minister will write to leaders to outline the timetable and that submissions will be sought in September 2020 with a new authority or authorities coming in to being in April 2022. The area to be covered by the proposals are across both North Yorkshire County and the City of York. The Government has also explained that it is open minded about receiving a single bid or multiple bids

1. **Devolution** - At the time of the preparation of the Annual Governance Statement 2019/20 The 'Asks' to Government have been developed with the intention that they are approved by all

constituent authorities. The Devolution proposal contains the proposition that there will be a combined authority for York and North Yorkshire and a directly elected Mayor. If approval is obtained from all constituent authorities regarding the devolution proposal, it will be sent to Government for their consideration. Once they have had an opportunity to consider the proposals they will respond with their proposed devolution deal. At that stage each constituent council will be presented with the Government's offer and each authority will then be formally requested to consider whether it wishes to formally trigger a governance review to start the legal process of establishing a Combined Authority and a Mayor.

2. **Re-Organisation** - Given the Government's stated position the Council is working with the district and borough councils in North Yorkshire to put forward proposals that work best for the people and businesses. Work has been commissioned to develop joint proposals to submit to Government. There could be different options, although it is likely that this will be guided by the 'optimum' size expressed by the Government. It is possible that reorganisation could be completed first in 2022 to allow the creation of the new unitary authority or authorities, followed by the establishment of the Mayoral Combined Authority in 2023. This would enable the new unitary authorities to join the new Combined Authority as constituent members.

73. Significant Governance Issue 2019/20 – Due to the work required, potential changes to governance arrangements and other significant implications to the Council (as detailed above) it is considered that devolution and re-organisation are significant governance issues that require inclusion in the Annual Governance Statement 2019/20.

Sub-Principle

- (II). **Managing Performance**
- (III). **Robust Internal Control**

REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE

74. Service delivery and progress are detailed in **Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes**

75. [The Overview and Scrutiny Commission](#) met 13 times in 2019/20 and considered issues/items that met its full Terms of Reference including, Statutory Crime and Disorder Responsibilities, Holding the Executive to Account, Budget and Policy Framework, Pre-Decision, Scrutiny of Council Performance and Public Requests. Two meetings were cancelled in April and May 2020 due to Coronavirus pandemic, the Commission has since met remotely. It is intended that an annual report detailing work undertaken will be produced in 2021 covering the previous two year period

76. The Forward Plan was considered at nine Overview and Scrutiny Commission meetings and items agreed for Pre-Decision Scrutiny with Cabinet. Requests from members of the public were also considered at each meeting. There were no Call-Ins.

77. Internal Audit - Undertook the full range of roles/responsibilities for Internal Audit in Local Government. In summary for 2019/20:

- I. Regular meetings were held with the Chief Executive, the Head of Finance (the Council's S151 officer), Management Board and the Audit and Governance Committee and the Council's external auditors, Mazars LLP
- II. Use of the integrated Audit and Risk Management System (MK Insight) was further developed
- III. Joint work/training with the Scrutiny, Governance and Risk Manager was undertaken to support the development of Risk-Based Auditing, MK Insight and the identification of key risks COVID
- IV. Risk-based audit plans were developed and agreed in consultation with senior management
- V. The Audit Plan 2019/20 was delivered and progress reported to Management Board and at each [Audit and Governance Committee Meeting](#). The Audit Plan 2020/21 Was presented to the Audit and Governance Committee in July 2020

78. Health and Safety – There were no amendments to the Corporate Health and Safety policy in 2019/20. The Occupational Health and Health Surveillance Policy was kept up to date and compliance continually monitored. The COSHH Policy was updated to include HAZARD phrases with new training introduced. Further checks were introduced on staff driving licenses as part of the Driving at Work/Use of mobile Phones while driving policy. New risk assessment guidance was issued to the public for Open Water Safety and a planned review of all open water sites on/through HBC land was postponed due to the Coronavirus pandemic.

79. Lone working - New guidance was published on what is "High Hazard" lone working and a safe system of work that must be followed. Procurement of a "Lone Worker Solution" (safety devices to assist staff) was undertaken. This will be trialled and rolled-out in 2020/21.

80. The number of Health and Safety incidents reported on Trent was 517

- **The reported time lost for accidents/incidents** was 199.5 days at a cost of £14,949 with 102 separate incidents reported (employees only) which is a significant reduction in lost time and cost
- **There were 0 reports of Verbal Abuse and Violent behaviour** from customers (no injuries)

- **Occupational health and counselling support** – Health surveillance was postponed due to COVID-19 isolation guidance for Occupational Health Nurses. 42 individuals contacted Insight for support (3.7% of workforce). This is a slight decrease on last year but still within expected results for any organisation, and of those contacts only 4 (10%) were work related issues, which is a decrease again, the majority (33) were personal issues and one was for legal or financial advice

81. The Audit and Governance Committee met 5 times in 2019/20 and considered reports/issues that covered its full Terms of Reference. One meeting was scheduled at the time of the pandemic outbreak and reports were considered by Committee members via e-mail. A formal review of the effectiveness of the Committee will be considered as part of the Annual Report this report has been delayed due to the pandemic and may form part of a two year annual report later in 2020/21. Mazars LLP are the external auditor for the Council and attended/reported at every Audit and Governance Committee meeting in 2019/20. Appropriate training and support was provided to the Committee in 2019/20.

82. CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government 2010 - In 2019/20 the Council met the requirements set out in the CIPFA Statement on the Role of the CFO in Local Government (2010) and no officer or member raised any case where financial matters had been compromised as a result of the CFO's other management responsibilities (Principal 1 of 5). Arrangements are in place for the Head of Finance to report directly to the Chief Executive as required

Review of the Effectiveness of Internal Audit and Compliance with the Public Sector Internal Audit Standards

83. Review of Internal Audit - Under the Accounts and Audit (England) Regulations 2015, a local authority is required at least once a year to carry out a review of the effectiveness of its internal audit. The 'Public Sector Internal Audit Standards' (PSIAS) require the Council to comply with the 2015 regulations. CIPFA have provided guidance on the PSIAS in the form of an Application Note: when combined the two documents constitute 'proper practice' as set out in the 2015 regulations

84. The PSIAS and Application Note require that every local government internal audit service be subject to an external assessment of its work against the standards at least once every five years and this external review was undertaken by the Council's external auditor in 2019/20. The final report was received after the extended deadline for the AGS 2019/20 in December 2020 however this statement should take into account information up to the date of final agreement. At the date of approval of the AGS 2019/20 it is known that there is one significant weakness resulting from this review as it was concluded that due to the lack of a formal quality assurance and improvement programme (QAIP), the Internal Audit service did not fully comply with the PSIAS QAIP standard. There was room for improvement in compliance with

other standards, but no other significant weaknesses. It was noted that the review covered a period where there was a limited Audit Services Fraud Manager (ASFM) presence for part of the year, which was also the case in 2018/19. It was reported that this will have been a difficult time for the service and the lack of a full-time ASFM was a reason for some of the issues arising. In 2019/20 the permanent role of Audit Services and Fraud Manager was filled. At the time of agreement of the AGS 2019/20 the outcome of the review has still to be reported to Management Board and will be reported to the Audit and Governance Committee in March 2021.

85. Significant Governance Issue 2019/20 – The external review of the Council’s Internal Audit service by the Council’s external auditor was received in December 2020 that was outside the extended timescale for the AGS 2019/20. At the date of approval of the AGS 2019/20 however it is known that the review found one significant weakness in that there was a lack of a formal quality assurance and improvement programme (QAIP) and therefore the Internal Audit service did not fully comply with the PSIAS QAIP standard. The outcomes of the review have not been considered by Management Board or the Audit and Governance Committee however it is a significant Governance issue that requires it to be included in the Annual Governance Statement 2019/20. It is noted that due to the date of the review and reporting of the outcomes after the date of approval of the statement it will be identified in the AGS 2019/20 and included as a significant governance issue in the AGS 2020/21

86. Annual Internal Audit Opinion - The PSIAS requires the “chief audit executive” or equivalent to submit an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion/report must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control and incorporate the opinion, a summary of the work that supports the opinion; and a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme. The overall Internal Audit opinion is reported in **Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability (Paragraph 94)**

Sub-Principle

(IV). Managing Data

REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE

87. Data Breaches - There were 87 data breaches recorded in 2019/20 one of which was reported to the ICO. The Council encourages the reporting of all potential data breaches and they are all investigated to meet ICO reporting timescales. Any Officer can report a breach and advice is immediately available if there is any uncertainty. The majority of data breaches can be attributed to human error and any learning points from breach investigations are cascaded back to the services. Pre-Covid19 a meeting of representatives

from all service areas attended an Information Governance forum every 6 weeks whereby Data Protection and Governance issues were highlighted and discussed.

88. Data Protection - Information audits across the Council have been reviewed and will be reviewed again in 2020/21. The Council has a Data Protection Policy and Data Breach Policy and Procedure and these will both be reviewed in 2021. All Officers that have not completed relevant Data protection training in the last 12 months will required to take the training again.

89. The Covid19 Pandemic – Due to the changing working arrangements as a result of the pandemic it was recognised that there was an increased risk from data breaches. Appropriate guidance was developed and additional advice and support provided for all staff. A number of privacy statements across the Council were also reviewed to take in to account the sharing of data with various organisations.

Senior Managers Assurance

All managers confirmed that they were able to fulfil their responsibilities and that arrangements were in place to meet **Principle F** within their service areas. There were some continuous improvement actions identified regarding risk management.

Overall Assessment	<p><i>There were two significant governance issues identified:</i></p> <ul style="list-style-type: none"> • <i>The Council's response to and recovery from COVID19</i> • <i>Devolution and re-organisation</i> <p><i>These are significant governance issues that require inclusion in the Annual Governance Statement 2019/20. This is due to the fact that they are on-going and will be considered through the AGS 2020/21</i></p> <p>There is also one significant governance issue to be highlighted:</p> <ul style="list-style-type: none"> • Internal Audit compliance with the PSIAS QAIP standard <p>This is a significant governance issue to be highlighted in the Annual Governance Statement 2019/20 and included as a significant governance issue in the AGS 2020/21.</p> <p>There are some continuous improvement actions</p>
Improvement Actions	11,12,13

Principle G:

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

Sub-Principle

- (I). **Implementing good practice in transparency**
- (II). **Implementing good practice in reporting**

REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE

90. *The Senior Managers Pay Scales* and the Annual Pay Policy statement were published. See also **Principle B – *Ensuring openness and comprehensive stakeholder engagement***

91. *See also Principle D – Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes*

92. *Compliance with Principles* - The assessment of the extent to which the Council has complied with the principles contained in the Framework in 2019/20 is contained in this statement and reported to Management Board, Cabinet and the Audit and Governance Committee.

Sub-Principle

- (III) **Assurance and effective accountability**

REVIEW OF EVIDENCE TO DEMONSTRATE COMPLIANCE

93. *See also Principle F - Managing risks and performance through robust internal control and strong public financial management*

94. *Internal Audit Overall Opinion* - The Internal Audit opinion is that, based on audit work undertaken in 2019/20, the Council's overall framework of governance, risk management and internal control is satisfactory and operating effectively in practice

95. *Code of Practice on Managing the Risk of Fraud and Corruption* - Where an organisation is making a statement in an Annual Governance Statement about adherence to the Code of Practice on Managing the Risk of Fraud and Corruption they should assess their level of conformance with it. A statement has therefore been agreed for approval in Section 3 of this Statement

96. Governance Assurance by Management Board/Heads of Service:

- (I). All Directors (Management Board) and Heads of Service were interviewed and signed Assurance Statements to confirm arrangements to comply with the Code of Corporate Governance, this included all

Statutory Officers. Reference has been made to these assurance arrangements in the Annual Governance Statement for each Principle. It was confirmed that in 2019/20 regular management meetings were held to review key elements of the governance arrangements within their services including integrated service improvement planning, financial management, performance management, risk management and health and safety

(II). Assurance was confirmed by all Directors/Heads of Service about arrangements in the following areas:

- **Controls to ensure compliance**- legal/the Council's constitution/corporate objectives/policies
- **Reporting Arrangements** - Members/senior management
- **Decisions made with due regard to** - Finance/legal/insurance/health and safety/other risk implications
- **Effective Service Management/Business Planning**- Stakeholder involvement/customer feedback with resources devoted to Council/service-related objectives and priorities
- **Customer Service Standards**
- **Performance management processes/ Financial Planning/ Budgetary Control**
- **Fraud awareness**
- **Management/staffing structures** – Defined/adequate competence and number to deliver the service
- **Standards of Conduct** – Standards in place to deter, prevent, detect, and therefore reduce the risk, of fraud, financial impropriety and corruption and sanctions applied
- **Financial and Contract Procedure Rules** – Staff familiarity
- **Value for Money** - Demonstration in the use of resources
- **Partnership Arrangements**- Clearly defined and adequately monitored
- **ICT Systems Used** - Security/Fitness for purpose/Business continuity
- **Inspection/other/audit reports** - Timely consideration/ Recommendations implemented
- **Risk management/Business continuity planning** – Processes, Maintenance of risk registers and business continuity plans
- **Data protection/Information Governance/Freedom of Information management**
- **Due consideration of risks/Financial controls** when proposing savings e.g. restructuring, efficiency reviews, etc.

97. Assurance Framework – The Scrutiny, Governance and Risk Manager and Audit Services Manager will be developing a corporate assurance framework in 2020/21 this work commenced in 2019/20 however due to the Covid19 pandemic progress has been delayed.

98. Governance Improvement Action Plan – As part of the annual review of the Council's governance arrangements a Governance Improvement Action

Plan is developed and reviewed. Progress on the 2018/19 plan was reported to Management Board as well as the Improvement Plan for 2019/20 on 30 May 2019.	
Overall Assessment	<p>There are no significant governance issues and it is considered that the Council is undertaking the arrangements to meet this principle satisfactorily as set out in the Local Code of Corporate Governance.</p> <p>There is one continuous improvement action</p>
Improvement Actions	14

2. Significant Issues Brought Forward from the Annual Governance Statement 2018/2019

99. There were two significant governance issues identified from the AGS 2018/19 for action and monitoring in 2019/2020 these were:

- (I). **Bracewell Homes** – As Bracewell Homes will be in its first year of operation in 2019/20 and the detailed arrangements will need to continue to develop it is considered that this is a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20.

Under Principle A (Paragraphs 21-22) It is considered that due to the work undertaken in 2019/20 this is not a significant governance issue to be included in the Annual Governance Statement 2019/20. Further governance improvement actions will be undertaken in 2020/21 to continue the work on the detailed arrangements. There will also be a section included in the AGS 2020/21 for Bracewell Homes summarising arrangements and overall performance.

- (II). **Mandatory Staff Training** - The Council is unable to provide consistent evidence regarding staff mandatory training, this is particularly important when considering Health and Safety and Information Governance matters. It is therefore considered that mandatory staff training is a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20

Under Principle E (Paragraphs 61-63) - There has been a significant amount of work undertaken in 2019/20 to address the completion of mandatory courses. In 2019/20 the completion rates have not improved and, with the exception of the ICT User policy, are lower than reported last year (the ICT User Policy course still only achieved a 56% completion rate). It is noted that the pandemic has had an impact on the completion of courses towards the end of the year and delayed measures to address the completion rates. It is considered, however that the completion of mandatory training is important particularly when considering Health and Safety and Information Governance matters. It is therefore considered that mandatory staff training is a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20.

3. Significant Governance Issues 2019/20

100. As a result of the review of the effectiveness of the governance framework there are four significant governance issues that have been identified for action and monitoring in 2020/2021:
- (I). ***The arrangements for the creation of a company to run the Council's sport and leisure facilities and services (Paragraph 23)*** - In 2020/21 the company's governance arrangements will be established so that it can be created and an implementation plan agreed for full operation including the transfer of assets and employees to the Company during the summer of 2021. This is a significant undertaking for the Council in preparation for the operation of the company and it is considered that this is a significant governance issue that requires inclusion in the Annual Governance Statement 2019/20
 - (II). ***Mandatory Staff Training*** see paragraph 99 above
 - (III). ***Covid19 Significant Governance Issue 2019/20 (Paragraphs 68-71)***
Throughout the AGS 2019/20 the impacts of the Covid19 pandemic have been identified where applicable for the timescale covered. It should be noted that the full extent of these issues will only be considered through the AGS 2020/21 as this will cover the full year when the pandemic first occurred. The impacts of the pandemic are significant and will affect all parts of the Council, residents and businesses for a number of years. It is therefore considered that the Council's response to and recovery from Covid19 are significant governance issues that require inclusion in the Annual Governance Statement 2019/20.
 - (IV). ***Devolution and Re-Organisation*** - Due to the work required, potential changes to governance arrangements and other significant implications to the Council (***detailed in paragraphs 72-73***) it is considered that devolution and re-organisation are significant governance issues that require inclusion in the Annual Governance Statement 2019/20.
101. There is also one Significant Governance issue to be highlighted that is the ***Internal Audit compliance with the PSIAS QAIP standard (paragraphs 84-85)***. The external review of the Internal Audit service by the Council's external auditor was received in December 2020 that was outside the extended timescale for the Annual Governance Statement 2019/20. At the date of approval of the AGS 2019/20 however it is known that the review found one significant weakness in that there was a lack of a formal quality assurance and improvement programme (QAIP) and therefore the Internal Audit service did not fully comply with the PSIAS QAIP standard. The outcomes of the review have not been considered by Management Board or the Audit and Governance Committee however it is a significant Governance issue that requires it to be included in the Annual Governance Statement 2019/20. It is noted that due to the date of the review and reporting of the outcomes after the date of approval of the statement it will be identified in the AGS 2019/20 and included as a significant governance issue in the AGS 2020/21.

4. APPROVAL

1. Statement for the adherence to the Code of Practice on Managing the Risk of Fraud and Corruption

Having considered all the principles the Audit and Governance Committee is satisfied that, subject to the actions identified in **paragraphs 14-15** the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

2. Governance Statement

The Audit and Governance Committee has overseen production of the Annual Governance Statement 2019/2020 and agreed that it is consistent with their view of the Council's governance arrangements based on reports made to it and the Committee therefore recommends it for approval by the Leader of the Council and the Chief Executive.

Chair of the Audit and Governance Committee

Date

Councillor Steven Jackson

I have been advised on the implications of the result of the review of the effectiveness of the governance framework as overseen by the Audit and Governance Committee. A plan to ensure continuous improvement of the systems is in place and we propose over the forthcoming year to take steps to further enhance our governance arrangements.

Leader of the Council

Date

Chief Executive

Date

Councillor Richard Cooper

Mr W Sampson

Annual Governance Statement 2019/20 - Governance Improvement Action Plan

Number	Improvement Action	Principle	Responsible Officer	Comment/Update
1	Review and agreed Code of Corporate Governance	AGS	Head of legal and Governance	
2	Review and agree Governance Framework	AGS	Head of legal and Governance	
3	Performance for dealing with customer complaints	A	Head of Finance	
4	Embedding/reporting fraud risks including the development of a Council wide approach to fraud	A	Head of Finance/Head of Legal and Governance	
5	Bracewell Homes – Further develop detailed governance arrangements	A	Head of Housing and Property	
6	End of year summary of Bracewell arrangements and overall performance	A	Head of Housing and Property	
7	Review FOI /EIR response times	B	Head of legal and Governance	
8	Undertake Stage 2 of the partnership audit	B	Head of legal and Governance	
9	Business Continuity arrangements to be reviewed after Covid19	C/D	Head of Safer Communities	
10	Improve/review the completion of appraisals	E	Head of Organisational Development and Improvement	
11	Continue to develop risk registers for 2024 projects including the ongoing consideration of the risks associated with Brexit	F	Head of legal and Governance/All Heads of Service	
12	Review Risk Management Framework/Policy	F	Head of legal and Governance	
13	Action Plan from the external assessment of Internal Audit work against PSIAS standards	F	Head of Finance	
14	Development of a corporate assurance framework	G	Head of legal and Governance/ Head of Finance	