

**EXECUTIVE**

**TUESDAY, 23RD JUNE, 2020**

**SUPPLEMENTARY INFORMATION SHEET**

**Supplementary Information Sheet (Pages 1 - 6)**

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## EXECUTIVE

23 JUNE 2020

### SUPPLEMENTARY INFORMATION

#### Procedure for the discharge of business at this meeting

The Leader of the Council, as chairman of the Executive, welcomes the attendance of members of the public and non-Executive councillors at this meeting of the Executive.

The procedure for dealing with each item of business shall be as follows:

1. Lead Councillor to introduce report on the matter
2. Non-Executive councillors invited to ask a question or comment, for which they will have a maximum of **five** minutes each
3. Lead councillor to respond to comments and questions
4. Executive debates the matter
5. Chairman to invite Executive to make decision on the matter

#### **AGENDA ITEM 5: ANNUAL GOVERNANCE STATEMENT 2019-20**

Lead Councillor: Joss Bigmore, Deputy Leader of the Council & Lead Cllr for Service Delivery

Lead Officer: John Armstrong: Democratic Services and Elections Manager

#### Corrections:

1. The comment in the table on page 14 should read:

*“Corporate Governance Task Group has reviewed the Councillors’ Code of Conduct (including policy on acceptance and registration of gifts and hospitality) with a view to report to Council in ~~July~~ **October** 2020.”*

2. The comment in the table on page 16 should read:

*“The Executive agreed on 21 January 2020 to hold a public consultation on new draft corporate priorities for the Council and has set up a working group to support the development of the new corporate plan, which is expected to be adopted by the Council in ~~July 2020~~ **2021**.”*

#### Updates

1. In the tables in paragraph 5.1 of the Annual Governance Statement (Appendix 1) on page 22, and in paragraph 2.2 of the Head of Internal Audit’s Annual Opinion (Appendix 2) on page 38, details of the number of audits carried out in 2019-20 are as follows:

Assurance Rating	Number of Audits	
Significant Assurance	0	0%
Significant Assurance with minor improvement opportunities	21	62%
Partial assurance with improvements required	3	9%

Assurance Rating	Number of Audits	
No Assurance	1	2%
No Opinion (one-off projects) Value for Money	6	18%
In progress (Inc. fundamental service reviews)	3	9%

2. In paragraph 2.9 of the Head of Internal Audit's Annual Opinion (Appendix 2) on page 39, point 4. should read:

*“a transformation programme Future Guildford which has delivered savings of £1.2m in the first phase”.*

3. In the Annex to the Annual Governance Statement setting out details of progress with follow up reviews from 2018-19, which were revisited in 2019-20, there are a number of updates which are set out in the table below:

Agenda Page	Issue	Officer Update
27	Licensing – Performance Monitoring Implementation of Performance Monitoring Procedure  Was due by 30 December 2019	This is part of the Phase B Future Guildford programme and has been included in the new service planning programme introduced in Phase A. We are also currently re-instigating corporate performance monitoring and reporting at both strategic and service level as part of this programme.
28	Licensing – HMO Inspections Include checklist for inspections in policy  Was due by 30 December 2019	This is now in place and will be included in the revised policy
28	Licensing – Record Keeping Monthly monitoring to be included in policy and introduce spot checks  Was due by 30 November 2019	Licensing is part of Phase B of the Future Guildford programme and the monitoring will be picked up through the new service planning and performance framework that is currently being rolled out. We are also looking at the potential functionality of the Tascomi software and how this can be used to improve performance.
30	Parking – Enacting Regulation 10 Penalty Charge Notices: Address software issues  Was due by 31 December 2019	This is part of the Future Guildford Phase B technology programme work and we are currently identifying the full potential of the system to assess what the issues are.
32/33	Payroll – Policies and Procedures  Is due by 30 June 2020	This forms part of the Enterprise Resource Planning (ERP) platform which is due to go live in July
33/34	Payroll – Timely authorisation of payroll	This forms part of the new ERP platform

Agenda Page	Issue	Officer Update
	amendments The requirement to await formal authorisation before implementing amendments to be formalised in policy.  Is due by 30 June 2020	which is due to go live in July
35	Creditors - Review of Supplier Amendments Provision of proper verification of amendments in suppliers' bank details.  Was due by 30 December 2019	This was implemented at the beginning of January 2020
35	Creditors - Maintaining Policies and Procedures: Creation of policies and procedures  Was due by 1 April 2020	This forms part of the new ERP platform which is due to go live in July

The Annual Governance Statement was considered by the Corporate Governance and Standards Committee at its meeting on 18 June 2020. The Committee commended the Annual Governance Statement to the Executive for approval.

#### Additions

Add the following to Section 6 of the Annual Governance Statement (Significant Governance Issues):

#### **“Impact of COVID-19 pandemic**

- 6.9 Although the lockdown due to the coronavirus outbreak started in the last week of the 2019-20 financial year, the subsequent impact on the Council's services and governance arrangements has been considerable, occurring as it did at a time of organisational transformation, and ongoing financial uncertainties regarding the future funding of services and major projects. The impact will continue into 2020-21 and the medium-term.
- 6.10 The Council is adhering and responding at pace to government guidance in response to the pandemic. Priorities have necessarily been changed to focus on the need to support our most vulnerable residents and to support essential services. Business as usual has changed to accommodate this but key processes and functions have been maintained. The impact of the pandemic will inform the review of our key priorities in the Council's Corporate Plan, which commenced in 2019, and our Medium-Term Financial Plan.
- 6.11 The Council's response to the pandemic was discussed, at length, at the meeting of the Overview and Scrutiny Committee on 2 June 2020, at which the Managing Director outlined the impact of the crisis on local residents and businesses, and the help and support provided by the Council. The meeting was reminded of timelines and governance relating to COVID-19 and advised of the Council services that had been maintained and suspended in the crisis. In addition, the Managing Director informed the meeting of the

new and extended services delivered by the Council during the emergency. The Director of Resources reported at that meeting on the financial impact of the crisis on the Council. It was noted that the Council had received £1.5 million emergency funding from central government, with no further government funding expected in the immediate future. Based on a four-month lockdown period, the Council's expenditure on the crisis was forecast to be £1.9 million by July 2020, with an additional £9.6 million projected as lost income. It was anticipated that the Council could need to call on reserves of £8 million in the current financial year. The Council would need to rebuild its reserves by approximately £5 million in the next few years and that significant decisions about service provision would be required.

- 6.12 In early April 2020, the government introduced changes to the Accounts and Audit Regulations 2015 as a consequence of the pandemic to extend the statutory audit deadline for 2019/20 for all local authorities, apart from health service bodies. The publication date for audited accounts will move from 31 July to 30 November 2020 for all local authority bodies.
- 6.13 The government also made regulations under The Coronavirus Act 2020 to allow councils to conduct meetings and take decisions in ways other than face to face so that decisions can still be made to maintain good governance, principles of openness and accountability. The Council initially adapted its approach by assessing which decisions could be delayed and re-scheduled and which decisions needed to be made to deal with the pandemic. Remotely held meetings have now been instigated to ensure that transparency and good governance prevails and allows access to the public and press.
- 6.14 Demands on IT systems and staff will be considerable as most office-based staff will continue to work remotely and emergency deployment will remain in place for the immediate future, but procedures are in place to deal with a phased and safe return to work as lockdown restrictions are eased.
- 6.15 The continued financial uncertainty regarding government funding of local government beyond 2020-21 has, to a large extent, been over-ridden by the financial challenges associated with funding the effects of the COVID-19 pandemic, which creates a significant challenge in terms of budget setting and medium-term financial planning.
- 6.16 An ongoing assessment of the impact of the COVID-19 pandemic on the Council's services and systems will be needed to ensure good governance".

Amended Recommendation:

In view of the updates reported to the Corporate Governance and Standards Committee and as there is a general requirement that an authority's Annual Governance Statement should be kept updated up to the date of publication of the Statement, and given the relaxation of the deadline for publication of the audited accounts for 2019-20 to which the Statement will be attached, officers suggest that the recommendation be amended as follows:

- “(1) That, subject to paragraph (2) below, the Council's Annual Governance Statement for 2019-20, as set out in Appendix 1 to the report submitted to the Executive, be approved subject to the corrections and updates reported to the Corporate Governance and Standards Committee at its meeting on 18 June 2020, and set out in the Executive's Supplementary Information Sheet.
- (2) That the Democratic Services and Elections Manager be authorised, in consultation with the Lead Councillor with responsibility for governance and the Director of Resources, to update and amend the Annual Governance Statement for 2019-20 prior to the date of publication of the audited accounts for 2019-20 to reflect the ongoing assessment of the impact of the COVID-19 pandemic on the Council.”

**AGENDA ITEM 6: Corporate Programmes - COVID19 Projects Review**

This item has been deferred to allow for discussion with partner organisations to take place and will be resubmitted when there is a clearer picture of future funding.

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