

Appendix 1



Folkestone & Hythe District Council Annual Governance Statement 2020/21



Annual Governance Statement 2020/21

1. SCOPE OF RESPONSIBILITY

- 1.1 Folkestone and Hythe 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. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.
- 1.3 The Council has a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE framework “Delivering Good Governance in Local Government.” A copy of the code is on our website or a copy can be obtained from the Council offices. This statement explains how the Council has complied with the code and also meets the requirements under the Accounts and Audit Regulations 2015 (SI 2015/184).

2. THE PRINCIPLES OF GOOD GOVERNANCE

- 2.1 The CIPFA/SOLACE Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector. The document sets out seven core principles that underpin the governance framework and these are set out below:

A. Behave with integrity

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 optimise 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

3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 3.1 The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled. It also comprises the activities through which the Council accounts to, engages with and leads the community. The governance framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 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. It 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 risks to the achievement of the Council’s aims and objectives.
 - Evaluate the likelihood and impact of those risks.
 - Manage those risks efficiently, effectively and economically.
- 3.3 The information provided in the governance framework includes matters to the year ending 31 March 2021, and up to the date of approval of the annual report and statement of accounts.

Table 1: Overview of the Council’s governance framework

<p><u>Cabinet</u></p> <p>Responsible for:</p> <ul style="list-style-type: none"> • Discharging executive functions in accordance with the policy framework and budget • Approving the authority’s risk management policy statement and strategy, and for reviewing the effectiveness of risk management • Approving the Anti-Fraud and Corruption Framework • Receiving regular performance updates to monitor achievement of key priorities, customer charter standards, performance indicators and spend against the planned budget. 		
<p style="text-align: center;"><u>Overview & Scrutiny</u></p> <p>Responsible for:</p> <ul style="list-style-type: none"> • Reviewing the work and decisions of the Cabinet, and all areas of the Council’s work. • Carrying out specific projects and investigations and considering matters or services provided by an outside organisation that could affect local residents. • Exercise the power to call in a decision of the cabinet or a cabinet member. <p style="text-align: center;">Finance and Performance Sub Committee</p>	<p style="text-align: center;"><u>Council</u></p> <p>Responsible for:</p> <ul style="list-style-type: none"> • Adopting the authority’s Constitution, including codes of conduct and approving the budget and policy framework. • Setting the budget and determining the level of Council Tax • All the authority’s non-executive functions. Functions which have not been delegated, remain the sole responsibility of the whole or full Council. 	<p style="text-align: center;"><u>Audit and Governance</u></p> <p>Responsible for:</p> <ul style="list-style-type: none"> • Promoting and maintaining the highest standards of conduct by Councillors. • Monitoring the operation of the Councillors’ Code of Conduct. • Advising, training or arranging to train Councillors on matters relating to the Code where necessary. • Considering and recommending to Council, when necessary, changes to the financial procedure rules and contract standing orders. • Providing independent assurance on the adequacy of the risk management framework.

<p>Responsible for:</p> <ul style="list-style-type: none"> To scrutinise the Council's performance against KPIs and make recommendations as appropriate, to the Cabinet and / or Overview and Scrutiny Committee. To scrutinise the Council's financial monitoring data against budget and make recommendations as appropriate, to the Cabinet and / or Overview and Scrutiny Committee. 		
<p style="text-align: center;"><u>Decision Making</u></p> <ul style="list-style-type: none"> All decisions are made in line with legislation and rules set out in Council's Constitution. Reports, decisions and minutes of committee meetings published on the Council's website. All committee meetings are held in public and webcast. Webcast recordings of previous meetings are available to the public for six months. 	<p style="text-align: center;"><u>Risk Management</u></p> <ul style="list-style-type: none"> The Councils' Risk management Strategy ensures proper management of risks Risk registers identify both strategic and operational risks Regular updates on the management of risk are provided to the Corporate Leadership Team, Audit and Governance Committee and Cabinet. 	
<p style="text-align: center;"><u>Statutory Chief Officers</u></p> <ul style="list-style-type: none"> Head of Paid Service: This role has a duty to monitor and review the operations of the Constitution to ensure its aims and principles are given full effect. The Authority keeps the appropriateness of the Constitution under review. Chief Finance Officer (Section 151): The Director for Corporate Services holds the role of Chief Finance Offer, a fundamental building block of good corporate governance. The two critical aspects of the role are stewardship and probity in the use of resources; and performance, extracting the most value from the use of those resources. Monitoring Officer: The Assistant Director for Governance & Law holds the role of Monitoring Officer and is responsible for: <ul style="list-style-type: none"> Maintaining and interpreting the Councils constitution, ensuring lawfulness and fairness of decision-making. Providing advice to all councillors, on the scope of powers and authority to take decisions; maladministration; financial impropriety; probity; and Budget and Policy Framework issues. Conducting investigations, or arrange for investigations to be conducted, into complaints concerning alleged breaches of the councillor's Code of Conduct. 		

Following a full council motion work was undertaken during 2019/20 on reviewing the governance structure of the Council. This work, which remains ongoing, made in-year recommendations to improve the functioning of the Overview & Scrutiny Committee. During the year assistance from external expertise was given from Bevan Brittan, the Local Government Association and from the Centre for Governance and Scrutiny. In October 2021, the following changes were introduced to provide more robust scrutiny and greater Member involvement earlier in decision making:

- Reduction in number of meetings of the Overview and Scrutiny Committee from 11 to 5 or 6 per year.
- Creation of a finance and performance sub-group to meet quarterly.
- A committee work plan to include about 12 clearly scoped topics by OSC Members, allowing for detailed consideration of two topics per meeting, in general.
- Work plan topics to have clear lines of enquiry, questions, and to draw on external expertise as necessary.
- Members to lead the items at Scrutiny meetings.
- Introduction of an established Cabinet and Overview and Scrutiny Protocol to clarify relationships between the two and help ensure the smooth conduct of Scrutiny work, which was adopted by both groups in October 2020.

In addition to the changes implemented to the Overview & Scrutiny Committee, it should be noted that:

- In December 2019, members of Full Council approved a recommendation made by the Audit and Governance committee to appoint an independent member to that committee in line with the updated 2018 CIPFA Practical Guidance for Local Authorities and Police (Report ref: A/19/20). The guidance recognises that the recruitment of independent members is undertaken to bring additional knowledge and expertise to the committee, reinforce political neutrality as well as maintain continuity of committee membership where it is affected by the electoral cycle. The position for an independent member of the Audit and Governance committee was advertised during the year and was successfully appointed at a Special meeting of the Audit and Governance Committee held on the 24 November 2020.
- Since 1st February 2020 changes have also been made to the membership of Cabinet which now includes a Councillor from the Green party and a Councillor from the Liberal Democrat party. They joined two councillors from the Independent party, and five conservative members to form the executive under the leadership of the Conservative party.

Strategic Planning
















- 3.4 The Council identifies and communicates its aims and ambitions for the district through its Corporate Plan. The latest plan covers the period 2021 to 2030, and was agreed by both Cabinet and Council in February 2021. Within this period in the short term there is a focus on COVID recovery, and the Plan will be reviewed in 2024.

The Corporate Plan sets out the Council's vision for improving the lives for all those who live and work in the district for the next nine years.

The vision for Folkestone & Hythe is ‘**Creating Tomorrow Together**’.

To help achieve the vision for the district, the Council has four service ambitions and six guiding principles set out below:

Creating Tomorrow Together: Corporate Plan 2021-30

<p>Service ambition 1: Positive community leadership Priorities in the next three years</p> <ul style="list-style-type: none">  Improve physical and mental health & wellbeing  Safer communities  Supporting & empowering our communities 	<p>Service ambition 2: A thriving environment Priorities in the next three years</p> <ul style="list-style-type: none">  Ensure an excellent environment for everyone  Grow the circular economy & reduce waste  Increase our resilience to climate change 	<p>Service ambition 3: A vibrant economy Priorities in the next three years</p> <ul style="list-style-type: none">  Reinvigorate the high streets  Support a vibrant & diverse business community  Help people access jobs & opportunity  Grow the skills we need for the future 	<p>Service ambition 4: Quality homes and infrastructure Priorities in the next three years</p> <ul style="list-style-type: none">  Improve outcomes & support for homeless people  Deliver sustainable, affordable housing  Deliver a safe, accountable housing service  Digital inclusion & connectivity  Deliver a sustainable new development at Otterpool Park 		
<p>In everything we do we will follow these guiding principles:</p>					
<p>Sustainable recovery We will do all we can to ensure a strong recovery for the district from the effects of COVID.</p>	<p>Locally distinctive We will protect the special distinctive and diverse nature of our district - working with our key partners to enhance it.</p>	<p>Greener Folkestone & Hythe We will encourage and create a more sustainable district consuming fewer natural resources.</p>	<p>Transparent, stable, accountable and accessible We will be financially sustainable and communicate effectively with our communities in an accessible way.</p>	<p>Working effectively with partners We will engage with partners to understand the vital role they play and work collaboratively with them to ensure the best outcomes for our residents.</p>	<p>Continuous improvement We will embed a culture of continuous improvement, seeking feedback and being innovative and creative to find new ways to deliver services.</p>



- 3.5 For each service ambition set out above, the Council has committed to a number of priorities within the Corporate Plan that will be delivered over the next three years. The priorities are monitored regularly to ensure they are being delivered effectively.
- 3.6 Elected Members of the council are ultimately responsible for the delivery of the council’s corporate objectives. The council has strong communication channels between Members and officers. Meetings are regularly held between officers and Cabinet Members to discuss specific issues relating to their individual portfolios and the progression towards defined corporate objectives.
- 3.7 Effective communication, both within departments and across the council is continually supported through the Wider Management Team, consisting of the Chief Executive, Directors, Chief Officers and Service Managers to help ensure consistent delivery of corporate priorities and messages.
- 3.8 On an annual basis, managers are required to develop a departmental service plan setting out the priorities and key outcomes for the coming year. Service plans form an integral part of the overall corporate planning process, linking the Council’s strategic aspiration (Corporate Plan) to team performance (service

plans) and individual performance (performance reviews), in order to effectively manage resources and deliver high quality services for our residents.

Transparency

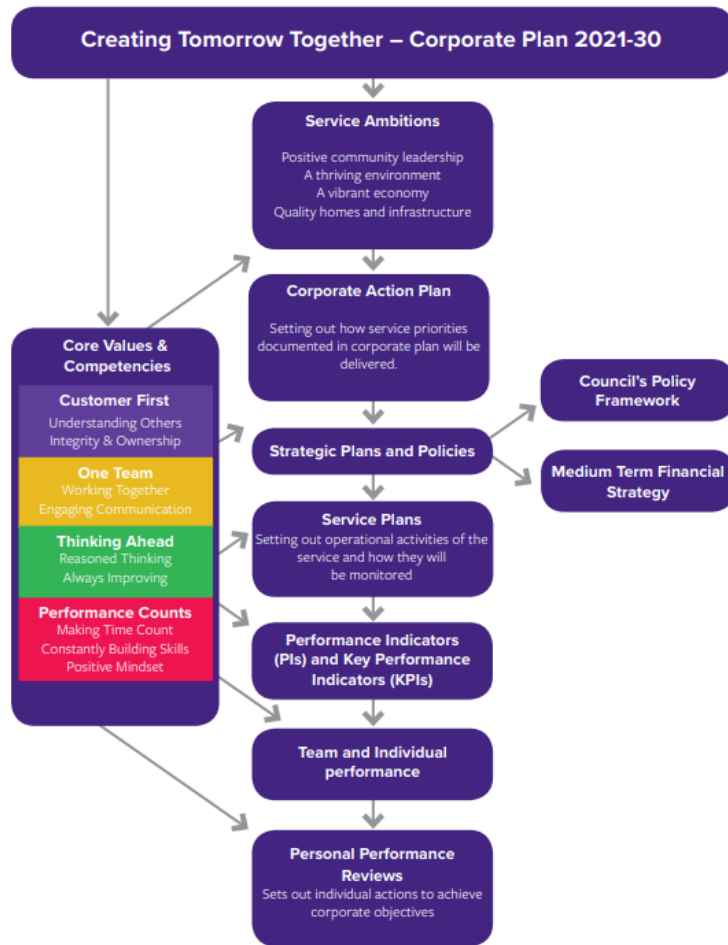
- 3.9 In 2015, the Government introduced the Local Government Transparency Code. The Code is designed to ensure data is made more readily available by local authorities to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.
- 3.10 Folkestone and Hythe District Council as public funded organisation is fully committed to principles of openness and accountability. In line with the Transparency Code, the Council continues to publish a series of data sets including;
- Senior Staff Salaries
 - Organisational Structure Chart
 - Payment to suppliers (over the value £250)
 - Purchase Orders (£5,000 and over)
 - Pay Multiples - The ratio between the earnings of the highest paid employee and the median earnings figure of our employees.
 - Grants to Voluntary, Community and Social Enterprise Organisations
 - Parking Accounts
 - Local Authority Land Assets

Performance Management

- 3.11 The Council has an established Performance Management Framework (PMF) in place to keep the Council on track and focused on delivery of its key priorities, by providing elected members, managers and staff with the information and tools they need to deliver high-quality and high-performing services which help to achieve good outcomes for residents.
- 3.12 The Performance Management Framework demonstrates how the Council's corporate vision and objectives are cascaded down through the organisation in what is known as the 'Golden Thread' (See diagram 1). The objectives defined with the corporate plan and our core values help drive the development of strategic policy, operational service plans and the performance of both teams and individual members of staff. A revised version of framework was considered by the Overview & Scrutiny Committee in June 2021.

Diagram 1: FHDC Golden Thread of Performance Management:

FHDC Performance Management Framework – Golden Thread



3.13 The Council has recently enhanced its performance reporting procedures to Members. The new Finance & Performance Sub Committee and Cabinet receive Quarterly Performance Reports enabling them, along with other Members of the Council and the public to scrutinise the performance of the Council against strategic deliverables and key indicators in accordance with the approved Corporate Plan. All performance reports presented are made publically available through the Council's website.

3.14 A key component of performance management for the Council is the overall quality of the service provided to the customer. The Customer Access Strategy takes into consideration customers' feedback to develop and implement plans to improve the way in which the Council delivers and receives day to day information about the services it provides. The strategy also sets out the council's principles in delivering customer service for its residents.

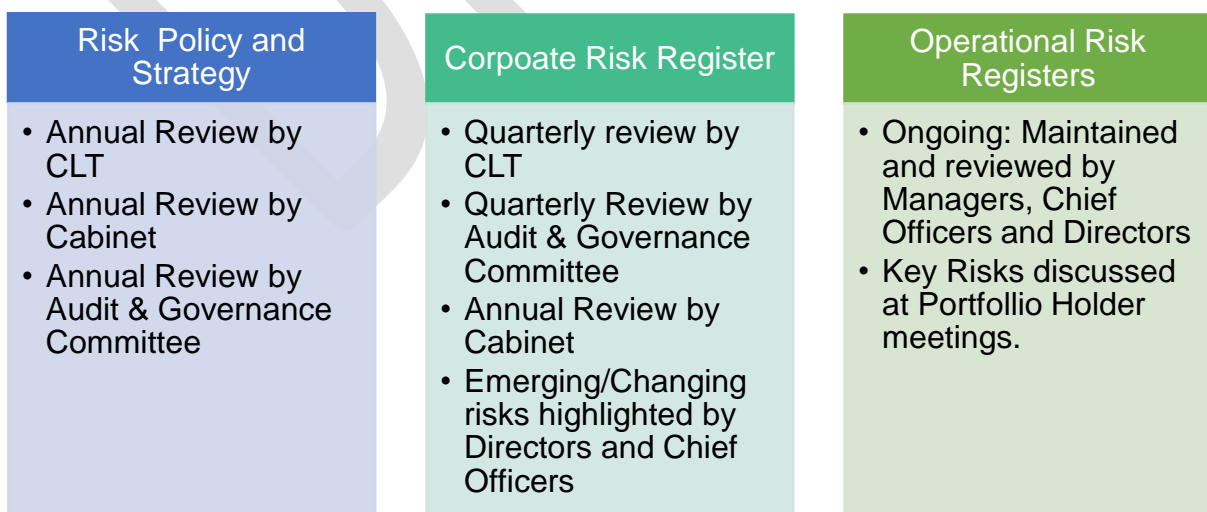
In September 2020, the Council successfully retained its Customer Service Excellence (CSE) accreditation. The accreditation is a Government standard developed to offer a practical tool for driving customer-focused change within organisations. The independent assessor was so impressed by the Council's ongoing commitment to customer service he awarded a further 3 compliance

plusses as part of his latest inspection bringing the overall number awarded to 15.

Risk

- 3.15 The Council’s Risk Management Strategy (Adopted by Cabinet in December 2019) is reviewed on annual basis to reflect any changes in the council’s assessment of risk management matters. The strategy sets out the approach that has been adopted for identifying, evaluating, managing and recording risks to which the council is exposed.
- 3.16 In preparing the Council’s Corporate Risk Register a detailed review of the risks is undertaken by Directors and Chief Officers, with consideration given to the emergence of potential new risks alongside those previously identified as part of the business planning process. Progress made against any required action in relation to the risks is reported to the council’s Corporate Leadership Team on a regular basis.
- 3.17 The Audit and Governance Committee are responsible for considering the effectiveness of the authority’s risk management arrangements, and to seek assurance that action is being taken to mitigate those risks identified. The Corporate Risk Register is presented regularly to the Audit and Governance Committee. In addition the committee reviews the council’s Risk Policy and Strategy and Corporate Risk Register annually, ahead of these documents being presented to Cabinet for adoption.
- 3.18 Diagram 2 below provides an overview of the revised governance and reporting arrangements in place for both the Risk Management Policy and Strategy and the Corporate Risk Register to ensure risk remains at the forefront of the Council’s operations:

Diagram 2: Reporting Arrangements for Risk Management



Finance

- 3.19 Section 151 of the Local Government Act 1972 requires a council to ensure that one of their officers has responsibility for the proper administration of its financial affairs. During 2020-21 this responsibility was held by the Director of Corporate Services. Directors, Chief Officers and Service Managers are responsible for the financial management of service areas within the council, which includes accurate forecasting and the effective monitoring of financial performance against budget.
- 3.20 The council's financial management arrangements conform to the governance requirements of CIPFA's Statement on the Role of the Chief Financial Officer in Local Government as set out in '*Delivering Good Governance in Local Government*'.
- 3.21 The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document which puts the financial perspective on the council's Corporate Plan priorities. The MTFS was updated and approved by Council in November 2020 and expresses the aims and objectives of various plans and strategies in financial terms over a four year period ending 31st March 2025. The MTFS is a key element of sound corporate governance and financial management which is reviewed on a regular basis.
- 3.22 In addition, the Overview & Scrutiny Committee recommended to Cabinet the adoption of the Treasury Management Strategy for the 2020-21 financial year at its meeting in February 2020; Cabinet endorsed this at its subsequent meeting. A mid-year Treasury Management monitoring report was then presented to the Finance & Performance Sub Committee at its meeting in January 2021 which provided an update on the council's treasury management activities that had taken place during the year against the agreed strategy and an update on the treasury management indicators.
- 3.23 Full Council consider annually the Investment Strategy and Capital Strategy by 31 March for the financial year ahead. These strategies consider the Council's service and commercial investments and capital expenditure, financing & treasury management, as well as Prudential Indicators. In 2020 due to the pandemic the Director for Corporate Services took an officer decision on behalf of Council to adopt these strategies for 2020/21 on 27 March 2020. Full Council adopted the relevant strategies for 2021/22 on 24 February 2021.
- 3.24 Regular budget monitoring took place in 2020-21 in order to manage the council's net revenue budget. Regular meetings were held virtually between officers and the Cabinet Portfolio Holders to discuss any specific budget issues and budget monitoring reports were presented to the Overview & Scrutiny Committee or Finance & Performance Sub Committee and Cabinet on a quarterly basis. It was appropriate to have an additional focus on the council's revenue budget monitoring during 2020/21 due to the unprecedented impacts of the pandemic on council finances. Therefore in addition to the regular monitoring that was undertaken papers were also tabled in November to Cabinet (in addition to the Finance & Performance Sub-Committee) noting the

action required in year, the current reserves position and potential call upon reserves required in year.

- 3.25 The level of reserve balances is reviewed annually in line with the budget setting process and is reported to Finance & Performance Sub Committee and Cabinet as part of the quarterly budget monitoring reports.

Partnership and Joint-working

- 3.26 The Council is continuously looking at innovative solutions to deliver its range of services, including the processes associated with service delivery, the ongoing requirements for the scale of services and any associated income opportunities. This approach to service design ensures consideration is given to partnership working with public bodies and local agencies, including identification of shared service opportunities where appropriate.
- 3.27 The Partnership Policy sets out the Council's vision and scope for partnership working; providing clarity of the types of partnership the Council is involved with and guidance to assist in making decisions regarding setting up or joining partnerships. All partnerships entered into by the Council over the value of £5,000 are recorded within the Grants & Partnerships Register and published on the Council's website for public transparency. The Partnership Policy will undergo review during the 2021/22 year.

Internal and External Audit

Internal Audit

- 3.28 The Internal Audit function is performed by the East Kent Audit Partnership (EKAP) and aims to provide management with a level of assurance on the adequacy of internal controls and of risks to the Council's functions and systems.
- 3.29 The Head of Internal Audit plays a critical role in delivering the organisation's strategic objectives by: championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.
- 3.30 As at 31st March 2021 the Internal Auditors completed 327 days of review equating to 95% of planned completion, the remaining audits being carried over as work in progress at the year end. The East Kent Audit Partnership (EKAP) undertake a regular schedule of follow up audits to ensure that management have implemented the action plans arising from each audit. Members can see full details within the Internal Audit Annual Report that will be presented to the Audit and Governance Committee in July 2021.

External Audit

- 3.31 The external audit work of the Council is undertaken by Grant Thornton UK LLP. The main duties are governed by section 15 of the Local Government Finance Act 1982, and the Local Audit and Accountability Act 2015 section 4.
- 3.32 Each year the Council receives a report from its external auditor on the quality of its financial and management administrative arrangements. This is considered both by Cabinet and the Audit and Governance Committee.
- 3.33 The 2019/20 Audit Findings Report gave an unqualified opinion on the Council's financial statements. The 2019/20 Annual Audit Letter from Grant Thornton UK LLP remains pending, the outstanding objection to the 2018/19 accounts has now been considered and resolved and we await the Annual Audit letters for 2018/19 and 2019/20 from Grant Thornton in due course. The auditors were also able to certify the pooling of housing capital receipts return without amendment or qualification, and the Housing Benefits Subsidy return was certified by the auditor and submitted to Department of Work & Pensions.

Counter Fraud Arrangements

- 3.34 The Council is firmly opposed to any form of fraud and corruption and will take prompt and decisive action to deal equally with perpetrators from inside and outside the Council. To ensure the highest standards of conduct are upheld, the Council has an established Anti-Fraud and Anti-Corruption Framework in place that is designed to:
- encourage fraud deterrence and prevention
 - raise awareness of fraud and corruption and promote their detection
 - perform investigations and facilitate recovery in a prompt, thorough and professional manner
 - invoke disciplinary proceedings and further action as appropriate.
- 3.35 The Anti-Fraud & Anti-Corruption Framework is formed of five documents, including the Anti-Fraud & Anti-Corruption Strategy, the Fraud Response Plan, the Whistle Blowing Protocol, the Anti-Money Laundering Policy and the Anti Bribery Policy. This framework is currently in the process of being reviewed by the Section 151 Officer and Monitoring Officer.
- 3.36 The responsibility for the prevention of fraud and corruption lies with management, who ensure that adequate controls, including policies and procedures, are in place to prevent and detect fraud and corruption. The Council has developed systems and procedures that incorporate effective and efficient internal controls, and management ensure that controls minimise risk to an appropriate level. Controls are regularly reviewed to ensure they remain appropriate and effective. The internal and external auditors independently monitor the existence, effectiveness and appropriateness of these controls.
- 3.36 The Chief Finance Officer (Section 151 Officer) is responsible for the proper

administration of the authority's financial affairs. Under Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer is required to report to the full Council, Cabinet and the external auditor if the Council or one of its officers:

- has made, or about to make, a decision which involves incurring unlawful expenditure
- has taken, or about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- is about to make an unlawful entry in the authority's accounts

3.37 The Assistant Director for Governance & Law is the 'Monitoring Officer' for the Council. Under 5(2) of the Local Government and Housing Act 1989, the Monitoring Officer is required to report to Cabinet and Council where it appears to him/her that the Cabinet or Council and/or officers appointed by them:

- has made or is about to make a decision which contravenes any enactment, or rule of law
- has made or is about to make a decision that would give rise to maladministration or injustice as referred to in Part III of the Local Government Act 1974.

4. REVIEW OF EFFECTIVENESS

4.1 The Council has responsibility for conducting, at least annually, a review of effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of East Kent Audit Partnership's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 In maintaining and reviewing the effectiveness of the governance framework, the key elements are as follows:

- The Audit and Governance Committee, which has responsibility to provide independent assurance on the adequacy of the risk management framework and the associated control environment. The committee provides independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk. It also oversees the financial reporting process and oversees the work of the East Kent Audit Partnership.
- The council's internal management processes, such as performance monitoring and reporting; budget monitoring and reporting; the staff performance appraisal framework and monitoring of policies, such as the corporate complaints and health and safety policies.

- The opinion on the overall adequacy and effectiveness of the council's overall control environment from the Head of Internal Audit.
 - An annual self-assessment and management assurance statement signed by Directors and senior managers, confirming that the Code of Conduct, Financial Regulations and other corporate governance processes have operated as intended within their directorates throughout the year.
 - Reviews carried out by Internal Audit, External Audit and other review bodies which generate reports commenting on the effectiveness of the systems of internal control employed by the council.
 - The Council continues to seek external advice when appropriate on some of our large projects, including Otterpool Park and Princes Parade by working closely with the Local Government Association and the Centre for Governance and Scrutiny.
- 4.3 The Council received notification in May 2021 from the Information Commissioners Office of a decision notice issued on 30 March 2021 with regards to their concerns about the council's engagement to an investigation undertaken by their office. The ICO seeks to work with the Council on an informal basis. The Council, in response, has initiated its own internal review of the case and related arrangements. This review will be concluded by August when the Council needs to respond to the Commissioner and will consider the facts of the case. The review will include a self-assessment of the council's FOI processes utilising the Commissioner's toolkit; the identification of actions to be taken following the self-assessment including target dates for implementation; the identification of training needs and changes to processes and any further steps required to facilitate effective engagement with future investigations and correspondence with the Commissioner.

5. GOVERNANCE ARRANGEMENTS IN RESPONSE TO COVID-19 PANDEMIC

- 5.1 In response to the Coronavirus pandemic Folkestone and Hythe District Council, like all other local authorities across the UK, has had to adjust to a virtual way of way delivering the majority of its essential services to residents over the past year.
- 5.2 To help meet the needs of those most vulnerable within the District, the Council has continued to support three established community hubs serving Folkestone, Hythe and the Romney Marsh with Cabinet approving an additional £35,000 in July 2020 to support the hub model throughout 2020/21. At the start of the pandemic and thorough the first two lockdowns, charity, volunteer groups, town and parish councils and council staff provided essential support to the day to day operations of these hubs which have included the collection and delivery of essential food and medicines. By the third lockdown staff were stood down

and the hubs were operating self-sufficiently using volunteers and stakeholder contacts and networks of support services. Fortnightly updates on the operational progress and activities of the community hubs are provided at check in calls with the portfolio holder and weekly data updates provided to Corporate Leadership Team and others. The Health Wellbeing and Partnerships Senior Specialist acts as the Council's operational lead for the hubs, reporting to the Vulnerable People and Communities Cell of the Kent Resilience Forum leading on Covid response and recovery work in relation to national support and guidance.

- 5.3 In order to ensure the Council remains effective in managing and delivering its 'business continuity' obligations in response to the pandemic, virtual meetings have continued to be undertaken with a senior team of staff, including those leading on a number of themes relating to service delivery and managing responses to requests from both Central Government and the Kent Resilience Forum.
- 5.4 Legislative changes introduced as part of the Coronavirus Act 2020 have ensured that virtual committee meetings could take place until May 2021. The Committee Services team in light of the legislation change implemented a programme of committee meetings to take place throughout the year via the Zoom conferencing platform to ensure essential decision making and the democratic processes of the Council have continued to operate throughout the pandemic.
- 5.5 As part of the wider emergency response to the Coronavirus pandemic, the Council is an active member of Kent Resilience Forum (KRF) formed of emergency responders and supporting agencies that are required to plan for emergencies. The Council has continued to ensure key staff have been actively contributing to the strategic and tactical planning group meetings of the KRF as well as participating in the work of established recovery cells that focus on a range of themes including the economy, district/community and finance. The KRF response was wound down in May 2021.

6. HOUSING SERVICE

- 6.1 The Council commenced the direct management of its housing stock on 1st October 2020, with the termination of the East Kent Housing ALMO. As part of this legacy the Council remains in a voluntary undertaking and is working with the Regulator of Social Housing to demonstrate it is fully compliant with the Home Standard. With regard to the Landlord Gas Safety regulations (LGSR) the service received a 'substantial' assurance rating (the highest possible) from its external auditor in December 2020.

Since the service has been brought back in house transparent and detailed performance monitoring has been introduced which includes a monthly review

of performance with all relevant managers. The data is shared information with the Corporate Leadership Team and Members. Performance is also published quarterly on the Council's web site, shared with the tenant board and published in the bi annual tenants' newsletter. A direction of travel audit was completed by East Kent Audit Partnership in December 2020 providing an overall assurance rating of 'limited', which was not unexpected given the infancy of the new in-house service. The audit has provided guidance which has enabled significant improvement to be made since December. A follow up review was completed in April 2021 and the results are currently being awaited from the auditor. Staff have also been trained in areas of routine landlord compliance and have gained qualification in the inspection of fire doors.

7. OTTERPOOL PARK LLP

7.1 The LLP was established on 27 May 2020. The LLP will act as master developer for Otterpool Park. As such, it is envisaged that the LLP will secure planning permissions and put in place infrastructure in order that parcels of land can be sold to housebuilders. This will be the main focus of activity and generator of value, i.e. income to the LLP. The main documents and mechanisms governing the relationship between the Council and the LLP will be:

- The Members' (or Owners') Agreement approved on 27 May 2020;
- A single, overarching Strategic Land Agreement
- Related agreements governing the transfer of land from the Council to the LLP (or other parties) pursuant to the Strategic Land Agreement;
- Legal instruments in relation to loans / members' equity;
- Loan agreements in relation to funds provided to the LLP by the Council as debt; and
- The Business Plan agreed with the Council (it is a requirement of the Members' (or Owners') Agreement that every 5 years, the LLP submits its proposed business plan to the Council for approval)

7.2 Regular meetings (at least quarterly) between the Council and the LLP Board are held and provide opportunity for dialogue and assessment of progress against the approved Business Plan, including detailed consideration of financial matters and project risks. Attendees at these meetings are the nominated representatives, which include elected Members and the statutory officers of the Council as agreed by Cabinet (see Minute 6 of Cabinet meeting 27 May 2020).

7.3 Cabinet considered the first Business Plan of the LLP on 20 January 2021. The Business Plan includes a draft vision document which sets out the

aspirations of the LLP for the development and which captures the essence of the scheme. The vision document draws on a range of Council documents, primarily the Charter for Otterpool Park. In November 2019, Full Council determined to *“To make available an additional one hundred million pounds to be drawn down over a period of up to five years to enable the Otterpool Park project to proceed.”*

7.4 The Business Plan was considered by the Overview and Scrutiny committee in July and December 2020 before being considered at Cabinet in January 2021.

7.5 Officers continue to work on the Assurance Framework as well as progress the work with professional advisors and the LLP on the key agreements and legal instruments outlined in 7.1, as delegated to them by Cabinet in January 2021.

8. CONCLUSION

8.1 In line with the council’s responsibilities for its internal control and overall governance environment (paragraph 1.1), the conclusion to the annual review process for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts is that the arrangements in place are considered to be fit for purpose and in accordance with the council’s governance framework, with no significant areas requiring attention.

8.2 Set out in Appendix 1 is the action plan outlining the steps the Council proposes to take over the coming year to further enhance our governance arrangements.

8.3 The findings of the annual review of the governance framework will be reported to Members of the Audit and Governance Committee on 29th July 2021.

Signed

Signed

Signature here

Signature here

Cllr David Monk
Leader of the Council

Dr Susan Priest
Chief Executive

Date: Month/Year

APPENDIX 1: Action plan for improvement following review of effectiveness of governance arrangements 2021-22

	Action	Who	Date
1	<p>Annual Review of Corporate Governance</p> <p>At the end of the year, the Council will produce its statement on governance, which includes end of year assurance statements by Assistant Directors/Chief Officers and internal audit's opinion report</p>	Monitoring Officer	May 2022
2	<p>Governance Arrangements</p> <p>To keep under review, the Council's governance arrangements. As part of this review the Governance Working Group will continue to examine this topic.</p>	Monitoring Officer	March 2022
3	<p>Data Retention Policy and General Data Protection Regulation</p> <p>To keep under review, the Data retention policy and the new General Data Protection Policy.</p>	Monitoring Officer	March 2022
4	<p>Review of the Overview & Scrutiny Committee function</p> <p>To keep under review the governance and working arrangements of the committee.</p>	Monitoring Officer	Ongoing
5	<p>Review of Corporate Risk Policy for the Council:</p> <p>Encourage all services to have up to date Departmental / Project Risk Registers that comply with the Corporate Policy.</p> <p>Undertake the annual review of the Policy alongside the Audit & Governance Committee and make recommendations to Cabinet.</p>	Director of Corporate Services	March 2022
6	<p>Financial Management Code</p> <p>Review and assess conformity with the CIPFA Statement of Principles of Good Financial Management, raise awareness in the organisation and make appropriate changes to processes to ensure compliance with the Financial Management Code for 2021/22.</p>	Lead Accountant & Monitoring Officer	October 2021

7	<p>Folkestone & Hythe Accelerated Delivery Board:</p> <p>Existing governance arrangements for the board will be reviewed in light of the council's approach to COVID-19 recovery and the new Corporate Plan (with due consideration of key strategic projects such as Otterpool Park and Folkestone Town Centre Place Plan).</p>	Corporate Director of Place	March 2022
8	<p>Otterpool Park LLP Assurance Framework</p> <p>Conclude the work being undertaken on the assurance framework and governance arrangements between FHDC and Otterpool Park LLP</p>	S151/ Monitoring Officer	Autumn 2021

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