

## **ANNUAL GOVERNANCE STATEMENT 2020/21**

### **1. Scope of Responsibility**

Woking Borough Council (The Authority) 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 Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk and the system of internal control.

The Authority has approved and adopted arrangements for corporate governance, which are consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The framework consists of 7 core principles each with sub principles. These are considered in more detail in section 4.

This statement explains how the Authority meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1)(a), which requires all relevant bodies to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts. This Statement is prepared in accordance with proper practices in relation to accounts.

### **2. The purpose of the governance framework**

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. To deliver good governance in the public sector, governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.

The governance framework comprises the systems and processes, culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The quality of governance arrangements underpins the levels of trust in public services and is therefore fundamental to the Authority's relationship to customers and residents. Trust in public services is also influenced by the quality of services received and also by how open and honest an Authority is about its activities.

A framework for the implementation of good governance allows the Authority to be clear about its approach to discharging its responsibilities and to promote this internally, to officers and members and externally to partners, stakeholders and residents.

The arrangements required for gathering assurances for the preparation of the Annual Governance Statement provide an opportunity for the Authority to consider the robustness of the governance arrangements in place and to consider this as a corporate issue that affects all parts of the Authority. It also helps to highlight those areas where improvement is required which are contained in the improvement plan.

The governance framework has been in place at the Authority for the year ended 31 March 2021 and up to the date of approval of the annual report and statement of accounts.

The key elements of the systems and processes that comprise the Authority's governance arrangements are documented in a detailed supporting analysis. The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework.

The review of effectiveness is informed by the work of the Corporate Leadership Team and Senior Managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report, and by comments made by the external auditors and other review agencies and inspectorates. The Corporate Leadership Team review the arrangements and provide an assurance that the Authority is operating within local and statutory frameworks and have approved this statement.

### **3. Covid-19**

The national lockdown as a result of the Coronavirus pandemic in March 2020 required the Council to review the governance framework in particular in the context of remote working.

The government enacted the Coronavirus Act 2020 and issued two regulations relevant to the Council; one to cancel elections until May 2021 and the other to change meeting arrangements to enable virtual meetings.

In April 2020 an Addendum to the Constitution was agreed by the Group Leaders. This covered the arrangements for virtual meetings including:

- Papers for meetings published electronically;
- Speaking arrangements and time limits;
- Voting;
- Timescales for Questions to Council and Answers; and
- Public Speaking at Planning Committee

As a result of the cancellation of elections, all appointments remained in place for a further year, this applied to membership and roles of the Executive, Committees, Task Groups and Working Groups, as well as all appointments to external bodies. The Mayor and Deputy Mayor also remained in office for another year.

The Borough Emergency Control Centre was set up to manage the Council's response to the pandemic and was in place throughout 2020/21.

Since May 2021 the government no longer allows virtual meetings and Council, Executive and other Committees have returned to the Council Chamber with appropriate social distancing measures in place. Task Groups and Working Groups continue to be held virtually.

#### **4. The Governance Framework**

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

There is a comprehensive staff handbook and Behaviour and Skills Framework setting out the Authority's expectations regarding behaviour and the procedures for non-compliance. Staff are made aware, through induction and the performance management framework, of the Authority's expectations in terms of standards of behaviour and compliance with agreed policies and codes of conduct.

The Council has a Code of Conduct for Employees. During the year an Officer Conflicts of Interest Protocol was introduced which brings together controls on Officers' conflicts of interest contained in the Local Government Act 1972, Officer Employment Rules and the Code of Conduct. There is also a Members' Code of Conduct which sets out the standards of behaviour to be followed by Members. Both codes take into account 'The Seven Principles of Public Life' which are included in the Localism Act 2011. The principles are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

In April 2021 the Council adopted the Local Government Association's Model Code of Conduct as revised during the year. The Code applies to all means of communications, including the use of social media. The most significant change to the Code was the extension of the disclosure of pecuniary interests to cover unpaid directorships. The change had implications for Woking Borough Council Members appointed to Council-owned companies. In order to avoid such members being prevented from participating fully in Council business, it was proposed that a dispensation would be made for those Members, the details to be recorded in the Register of Members Interests which was open for inspection.

The Authority is clear about its leadership responsibilities for services, whether provided directly, through partners or third parties. We work closely with partners and influence third parties to make sure they deliver to agreed levels of quality and are accountable for what they do.

We have a clear commitment to ensure services deliver an appropriate combination of quality, value and choice to the community.

There is a complaints procedure which provides for a response from the service manager and allows for the complainant to appeal. Complainants are advised of their right to refer the matter to the Local Government Ombudsman, Housing Ombudsman or Information Commissioner as appropriate. This is publicised in the offices and on the Council website.

Complaints submitted under the Members Code of Conduct are reported to the Standards and Audit Committee which also receives regular reports on complaints which have been referred to the Ombudsman. There is a protocol for dealing with complaints made by Members against other Members.

A report on complaints received by the Council is received by the Overview and Scrutiny Committee.

The Scheme of Delegation within the Constitution requires Members and Officers to ensure that all decisions are compliant with policies, procedures, laws and regulations. The key documents within the Governance and Policy Framework are maintained and regularly reviewed including the Constitution itself.

## **Principle B – Ensuring openness and comprehensive stakeholder engagement**

The Council's Vision and Values have been developed with the three pillars of People Place and Us to provide clarity on the role and priorities of the Authority in relation to its residents and partners/stakeholders.

In February 2021 the Council adopted a Corporate Plan for 2021/22 and will develop a 5 year Corporate Strategy for 2022-2027 following engagement with residents during 2021.

The Constitution clearly defines the purpose of community leadership, effective scrutiny, and public accountability in terms of roles and responsibilities and functions. The Authority is committed to openness and acting in the public interest.

Woking Joint Committee is a committee between Woking Borough Council and Surrey County Council and makes decisions on certain services, monitors the effectiveness of public services, partnerships and joint initiatives. Local people are encouraged to take part. Members represent the Authority working formally and informally with voluntary groups.

The Council is the ultimate decision-making body and the principal forum for political debate. The Council sets the Policies and Strategies for the Authority and appoints the Leader of the Council, who then determines the appointment of the Deputy Leader and the members of the Executive.

The Executive acts within the approved policy framework and budget and leads preparation of new policies and budget. Each member of the Executive has a portfolio of work for which they take responsibility. The Authority also has an Overview and Scrutiny Committee reviewing Executive decisions, Council Services and other services in the Borough that affect the community of Woking. The other responsibilities of the Authority are discharged through its non-executive committees and the Standards and Audit Committee.

A confidentiality protocol was adopted by the Council in October 2020. This covers occasions where the Council is involved in a transaction which would require confidentiality in order to protect the interests of the Council or the party the Council is dealing with. The protocol also introduced new arrangements for recording and reviewing any confidentiality clauses within contracts, and non-disclosure agreements.

In July 2019 the Council established the Governance Review Task Group. This group is reviewing the governance and committee structure at the Council and whether it would be beneficial to change the existing governance structure.

Formal meetings of the Council, Executive, Overview and Scrutiny, Planning, Licensing and Standards and Audit Committees are webcast and recordings are available afterwards to view through the website.

The Constitution provides for members of the public to ask questions of the Executive at the Executive meeting. Petitions may also be put to the Council with the Constitution setting out how these are considered depending on the number of signatures. Members of the public may also ask questions at the Joint Committee.

Public consultations have been undertaken on specific matters affecting the community. The Council is committed to enhancing public engagement and has launched a new residents' panel which will help shape the Borough's future, by acting as a sounding board for future initiatives. The new Community Forum technology introduced in June 2021 will facilitate engagement and a wide range of consultations during 2021.

## **Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits**

The Council adopted a Corporate Plan in February 2021 which reflects the key priorities and strategies already in place:

The Core Strategy, adopted in October 2012, sets out the vision for Woking to 2027. The strategy has been communicated widely internally to local partners and to the wider community through interest groups. It is also available on our website.

The Authority's Climate Change Strategy, Woking 2050, balances our environmental aspirations with the Borough's needs for development and economic prosperity. The aim of the strategy is to coordinate a wide range of objectives which can be used by the Council and Woking's residents, businesses, community groups and others to reduce the Borough's impact on the environment.

The Authority has also prepared Natural Woking, a biodiversity and green infrastructure strategy for the area. This seeks positive outcomes for habitats and people, by enhancing provision and accessibility to green spaces; conserving appropriate existing biodiversity and habitats; and creating opportunities for species to return to the Borough.

The Economic Development Strategy was approved by Council in April 2017 and covers the period to 2022 while considering the vision to 2050. The Strategy's objectives are to encourage business development growth and inward investment in the Borough. Additionally, the Strategy supports the creation of jobs, stimulating the economy, as well as generating income for the Council (to support service provision). A Framework for Recovery in response to the pandemic was approved and implemented in 2020 and an update against the agreed action plan reported in March 2021.

The Council approved the Homelessness and Rough Sleeping Strategy in February 2021 following consultation during the year. Consultation on the Housing Strategy has been completed during May and June 2021 and the final Strategy, reflecting direction and priorities for the future, will be adopted by Council during 2021/22.

Capital and Investment and Treasury Management Strategies are approved annually. These provide details on the overall approach to the capital programme including explaining the purpose of the Council investment.

The Council is undertaking a programme of engagement with residents and stakeholders during 2021/22 to establish the Corporate Strategy for 2022-2027.

The Authority has been able to protect services in recent years, seeking to achieve efficiencies and increase income generation where there have been budget pressures. In the post-lockdown economic environment it will be necessary to revisit this strategy and explore operational efficiencies, learning from others and embracing digital innovation wherever possible. The Corporate Strategy will identify priority areas to align resources and service focus.

The Performance Framework is owned by Members and officers. The content is communicated to a wide audience in order to ensure that these key priorities are understood and translated into operational outcomes, and it is available via the Authority's website.

## **Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes**

A Medium Term Financial Strategy (MTFS) is prepared on at least an annual basis and updated as circumstances change. It is linked to the annual budget and service strategies. During 2020/21 the focus of the Council was in supporting the community in response to the pandemic.

The MTFS was updated in March 2021 and recognised that the Covid-19 crisis has caused significant financial uncertainty. During 2021/22 there will be regular detailed reporting of the strategy to establish a sustainable future plan

Annual Service planning is closely aligned to the budgeting process and identifies service developments and the associated financial impacts. Key performance indicators are set and monitored during the year.

The Authority is proactive in working together with partners and considering the most effective way for services to be provided within the community, whether that be by the Council direct or through third parties.

## **Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Performance and Development Review process is embedded in the Authority with annual assessments completed by all officers. The process incorporates the Council's Behaviour and Skills framework and helps to determine the Learning and Development programme.

The Authority was assessed by Investors in People during 2019/20. The Authority retained an accreditation at the 'Silver' level and also received the Health and Wellbeing Good Practice Award.

A programme of management development was introduced following the 2015 Peer Review to support future leaders and succession planning. This programme continued to be extended to further staff during 2020/21.

There is a comprehensive training programme for Members. The Council's commitment to Member development was first comprehensively assessed by South East Employers in 2008. Since then Woking has successfully maintained Charter status for Elected Member Development, achieving reaccreditation every three years. The Council was assessed for reaccreditation in 2018 and was again awarded the Charter.

The Council reviews its programme for Member Development annually and has developed a comprehensive learning and Development Framework together with the Roles and Responsibilities of Elected Members. The programme includes Mandatory Member training.

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

The system of internal control is a part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to

identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Formal Risk Management arrangements provide for risk identification, analysis, ownership and mitigating actions. An annual risk report is provided to the Executive. The Corporate Leadership Team review the Strategic Risk Register. Committee reports identify and quantify risks associated with a proposal. The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures (within the Constitution), which comply with the CIPFA "Good Practice Guide for Financial Regulations in a modern English Council". Control is maintained through regular management information, management supervision, and a structure of delegation and accountability. The Council has an anti-fraud and corruption policy and whistle blowing policy which are updated and promoted internally regularly.

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

The Authority annually reviews the effectiveness of its governance framework including the system of internal control. The review is informed by the managers who have responsibility for the development and maintenance of the governance processes, Internal Audit reviews and by comments made by the external auditor and other review agencies and inspectorates.

In November 2019 the Council invited the Local Government Association (LGA) to undertake a Corporate Peer Challenge to assess progress since the 2015 review. The LGA made a series of recommendations and the Council's proposals to address these were considered by the Overview and Scrutiny Committee and the Executive in July 2020.

The Council also engaged independent external support to review the processes and actions relating to the Woking Football Club and Associated Developments project. The resulting recommendations were all accepted by the Council and their implementation is being monitored.

The Council's Internal Audit Service carries out a programme of independent reviews. Their work is based around the core risks faced by the Council and includes work on financial and non-financial systems, corporate programmes and partnerships. This includes adherence to established policies, procedures, laws and regulations.

These findings are brought together within this Annual Governance Statement and are reported annually to the Standards and Audit Committee which undertakes the functions of an audit committee, as identified in CIPFA's *Audit Committee – Practical Guidance for Local Authorities* and has responsibility for receipt of the Annual Governance Statement.

The Overview and Scrutiny function provides the scope to focus on issues that have the widest impact on the community and not just services directly provided by the Authority.

Monthly performance and financial monitoring information is published, including details on treasury management and group company activities.

Accessible data is available online where detailed information is published in accordance with transparency requirements.

## **5. Roles and Responsibilities**

The Authority has approved a Constitution which defines and documents the roles and responsibilities of the Authority, Executive, Overview and Scrutiny and officer functions, with clear delegation arrangements and protocols for decision making and communication and codes of conduct defining the standards of behaviour for Members and staff. Delegations are recorded in accordance with the relevant Regulations.

The Thamesway Group of companies has been established by the Authority to assist in the delivery of the Council's strategic objectives with a view to securing benefits for the residents of the Borough. The Council, and the Boards of the Thamesway group of companies, have approved a set of protocols designed to make the activities of the companies open and transparent in the context of the commercial environment in which the companies operate.

In July 2020 the Council adopted a Standards Protocol covering Members' access to confidential information of Council-owned companies. The protocol, which is subject to the Members' Code of Conduct, enables all Members to receive information produced by the Thamesway Group.

Independent Directors play a key role in the Governance of the Companies. Recognising the high level of activity and increasing scale of the business, the Council approved an increase in the number of Independent Directors and formalised the period of service having regard to best practice.

The Group Business Plans are approved by the Council annually. Group Company information is included in the monthly performance and financial monitoring information (Green Book).

The senior management of the Authority is structured to provide clear responsibility and accountability at both strategic (Corporate Leadership Team, CLT) and operational (Senior Manager) levels. The structure reflects the Authority's values and approach with management and services grouped by 'People', 'Place' and 'Us'.

The CLT during 2020/21 comprised the Chief Executive, Deputy Chief Executive, Director of Housing, Director of Neighbourhood Services, Director of Community Services, Finance Director (nominated in accordance with Section 151 of the Local Government Act 1972) and the Director of Democratic and Legal Services. Each had allocated responsibilities to ensure a clear chain for decision-making and actions to implement those responsibilities. The Chief Executive is the Head of Paid Service under the terms of the Local Government & Housing Act 1989. The Director of Democratic and Legal Services is the designated Monitoring Officer and is responsible for ensuring that the Authority acts in accordance with the Constitution.

The former Chief Executive and Deputy Chief Executive retired on 31 March 2021 and were replaced in April 2021 by the current Chief Executive and new Director of Planning, following an extensive recruitment exercise. The Director of Community Services role is currently vacant and being covered by other members of the CLT.

The Head of Internal Audit, provided through a framework contract with Mazars, has direct access to the Finance Director, to the Chief Executive, other CLT members and reports to Members through the Standards and Audit Committee. These arrangements are in accordance with CIPFA guidance in their publications 'Role of the Chief Financial Officer' and 'Role of the Head of Internal Audit'.



## **6. Significant Governance Issues**

In formulating this year's Governance Statement a range of evidence has been reviewed including Statements from senior managers and Internal Audit reviews. To avoid duplication such findings are not noted in this statement other than where their implications could affect the overall effectiveness of the Authority's governance procedures and require action under the Governance Plan.

The following areas have been identified as areas for improvement in the Governance Plan and need further action in order to ensure governance arrangements remain robust for the future:

- (i) Corporate Strategy  
Prepare a 5 year plan covering 2022-2027 defining the Council's core vision and informing service delivery
- (ii) Community Engagement  
Strengthen community engagement by the introduction of new online civic space and launch of a new residents' panel
- (iii) Follow up actions from external reviews  
Work on the areas of improvement identified by the November 2019 Peer Review and Independent review into the Woking Football Club and Associated Developments
- (iv) CIPFA Financial Management Code  
Ensure that the Council's governance arrangements comply with the Financial Management Code which has been published by The Chartered Institute of Public Finance Accountants (CIPFA).

## **7. Conclusion**

We are satisfied that the Authority has in place the necessary practices and procedures for a comprehensive governance framework, the governance arrangements provide assurance that intended outcomes will be achieved, and remain fit for purpose. The actions above will deliver further improvements and we will continue to monitor, evaluate and report on progress as part of our next annual review.

Leader of the Council  
Cllr A Azad  
Date

Chief Executive  
J Fisher  
Date