

Subject:	Formal approval of the Annual Governance Statement 2020-2021	
Date of Meeting:	29 June 2021	
Report of:	Executive Lead Officer, Strategy, Governance & Law	
Contact Officer:	Jackie Algar	Tel: 01273 291273
Ward(s) affected:	All	

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report shows the city council's governance arrangements and requests that the Committee approves the Annual Governance Statement (AGS) 2020-2021.

The responsibilities of the Audit & Standards Committee in the Council's Constitution include:

- (a) Considering the annual review of the effectiveness of the system of internal control required by regulation 3 of the Accounts and Audit Regulations 2015; and
- (b) Approving the Annual Governance Statement prepared in accordance with regulation 6 of the above Regulations.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee formally approve the Annual Governance Statement 2020 – 21 at Appendix 1 having regard to the findings of the annual review so that the AGS may be signed by the City Council's Leader and the Chief Executive before publication alongside the City Council's Accounts.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Good corporate governance in Brighton & Hove City Council is about doing the right things in the right way. It's about:
- ❖ Demonstrating accountability and transparency in our actions and decisions, and is everyone's responsibility
 - ❖ Establishing and following robust systems and processes
 - ❖ Demonstrating effective leadership and high standards of behaviour
 - ❖ Creating a culture based on openness and transparency
 - ❖ Keeping our focus on the needs of service users and the public.

- 3.2 We have used the CIPFA/SOLACE guidance refreshed in 2021¹ to comply with the Good Governance Framework² which sets our seven core principles to achieve good governance as follows:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule 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 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.

4. Summary of Annual Governance Statement

- 4.1 Overall we have received 'Reasonable assurance' for our governance arrangements in 2020/21.
In this context 'reasonable assurance' means that arrangements are in place to manage key risks and to meet good governance principles, but there are one or more areas where improvements are required.
- 4.2 The key actions we need to undertake in 2021/22 to further strengthen our governance are:
- 1. Undertake an assessment of compliance with the Financial Management Code and take forward identified improvement actions to the Policy & Resources Committee
 - 2. Co-ordinate CIPFA review of Audit & Standards Committee and enable implementation of recommended actions
 - 3. Manage the impact of Covid-19
 - 4. Continue to work to improve relationship with Trade Unions
 - 5. Implement improvements in Housing, including the Temporary Accommodation and the Housing Repairs services, in line with internal audit actions and other improvement plans.

5. **ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 5.1 Reflecting the new CIPFA guidance of 2021 we have taken the opportunity to review the content and format of our Annual Governance Statement and compare it ours to those of other authorities, including our CIPFA peer group. We consider that our approach accords with the CIPFA guidance, is backed up by

¹ cipfa-bulletin-06-application-of-the- good-governance-framework-202021

² Delivering Good Governance in Local Government Framework 2016 jointly authored by CIPFA and Solace (the Society of Chief Executives and Senior Managers (SOLACE) 2016

our embedded operating arrangements, is proportionate and evidences good governance.

6. COMMUNITY ENGAGEMENT & CONSULTATION

- 6.1 This is an internal matter to comply with legislation and as such no engagement or consultation has been undertaken in this regard.

7. CONCLUSION

- 7.1 We will act on the actions identified in AGS and have arrangements to monitor progress through regular review of Directorate Plan actions.

8. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 8.1 Sound corporate governance and proper systems of internal control are essential to the financial health and reputation of the council. The resources required to implement the actions outlined to strengthen the governance arrangements are provided for in the agreed 2021/22 budget and will inform the preparation of the 2022/23 budget. The council's response to the Covid-19 pandemic has tested the governance arrangements and the council has adapted decision making including additional committee and sub-committee meetings and the reporting of the use of urgency powers, to ensure proper oversight is maintained. The lessons learned from this ongoing experience will be used to inform recommendations for governance going forward.

Finance Officer Consulted: James Hengeveld

Date: 19/05/21

Legal Implications:

- 8.2 The Council is responsible for ensuring that it conducts its business in accordance with the Accounts and Audit Regulations 2015. The Council's Audit & Standards Committee has delegated responsibility for amongst other things reviewing the outcome of the annual review of governance arrangements and formally approving the Annual Governance Statement. In this way, the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 are met by a committee of the Council designated for this purpose.

Lawyer Consulted: Victoria Simpson

Date: 25/05/21

Equalities Implications:

- 8.3 The AGS links to the Performance Management Framework through which as an organisation we have an oversight of our progress in becoming a more fair and inclusive council.

Sustainability Implications:

8.4 The AGS links to the Performance Management Framework through which we have an oversight of our progress in becoming a more sustainable organisation.

Brexit Implications:

8.5 There are no direct Brexit implications arising from this report.

Any Other Significant Implications:

8.6 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Draft Annual Governance Statement 2020-21.

Background Documents

1. None.