

Annual Governance Statement 2020/21

Executive Summary

The Annual Governance Statement (AGS) provides an account of the processes and systems which give assurance for the effectiveness of the Council's discharge of its responsibilities. It covers the period 1 April 2020 to 31 March 2021.

A summary of assurance is given for each of the seven principles on which the Statement is based.

An update on the 2020/21 Annual Governance Statement Actions is included as **(Appendix A)**

Work underway or planned to address any governance issues for 2021/22 is set out in an Action Plan **(Appendix B)**

1 Scope of Responsibility

- 1.1 Bracknell Forest Borough Council ("The Council") is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, 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 and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This Statement explains how the Council has complied with the code and also meets the requirements of regulation 6 (1)) of the Accounts and Audit Regulations 2015 in relation to the preparation of a statement on internal control

2 The Council's Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled. It underpins 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 appropriate delivery of services and value for money.

Diagram 1 Overview of Bracknell Forest Council Governance Framework



3. The CIPFA Governance Assurance Framework Principles

The CIPFA/SOLACE Framework 2016- Delivering Good Governance in Local Government suggests that this Annual Governance Statement should include a brief description of the key elements of the governance framework that the Council has in place.

- 3.1 There are seven principles and sub-principles of Corporate Governance incorporated within the CIPFA/SOLACE framework and as set out in Diagram 2 below.

Diagram 2. -The seven CIPFA Principles of Good Governance



3.2 Each element of the governance framework is considered in this Statement within the context of the seven CIPFA Principles of Good Governance. An opinion is provided below against each principle on the level of assurance that the governance arrangements can generate.

A. Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Assured ✓

The Council has adopted structures, systems and processes which reflect consistency with high ethical expectations of those in its service, including Members, Officers and outside Partners. A culture of compliance is also embedded with Code breaches, disciplinary issues, data protection infringements and whistleblowing referrals being reviewed, investigated and determined in accordance with defined processes. Over the year there have been 7 Complaints against Members of which 2 have been deemed serious enough to warrant investigation. No findings have been made against any Borough Councillors though a Code of Conduct Panel held against a Parish Councillor in one instance led to the imposition of sanctions. Awareness amongst Members of the rules relating to disclosure of interests remains high with Members consistently seeking the views of the Monitoring Officer when in doubt.

Equalities issues also gained prominence in the Corporate agenda with CMT leading an initiative to help staff explore their understanding of discrimination in the workplace with particular emphasis on the existence of unconscious bias. The theme of bullying and respect for others has also been flagged up at Member level through the emergence of a Member working Group exploring the subject.

Examples of corresponding framework

- Councillor Code of Conduct
- Whistleblowing procedure
- Member/Officer protocol
- HR Procedures
- Protocol for Members in dealing with Planning matters
- Information management strategy

B. Ensuring openness and comprehensive stakeholder engagement

Assured ✓

The Council exists to serve its residents and works effectively in partnership with a wide range of stakeholders It has transparent decision-making processes in place. The Covid crisis has led to the provision of remote meetings using MS Teams over the course of the year which enabled democratic decision making to continue in several instances increasing the rate of public access to meetings.

Overview and Scrutiny has established a structure that allows activity to better align with the themes of the Council Plan. The function has established and delivered against a work programme that supports the council objectives. The Commission has carried out research and made recommendations to support the Council's climate change targets and has scrutinised the budget and monitored the performance of all Council departments through the Council Plan Overview Report.

A number of significant consultations were undertaken via the Council's portal most notably relating to the budget, Joint Minerals Waste Plan, pre submission local plan and School admission arrangements for 2022/23.

Examples of corresponding framework

- Transparent decision making in line with statutory and constitutional provisions
- Executive Decisions on Forward Plan
- Exempt status of reports subject to Monitoring Officer scrutiny
- Public participation scheme
- Pay policy statement
- Contracts over £5000 on Data share

C Defining outcomes in terms of sustainable economic, social and environmental benefits

Assured ✓

The Council has in place clear arrangements to define outcomes and monitor performance. In setting policies and strategies, it has adopted a long-term view about outcomes. The Council Plan was adopted in February 2020 for the - period from - 2019-2023 and has strategic themes underpinned by social, economic and environmental objectives. During 2020/21 the Council developed a Covid renewal strategy to respond to pressures on service delivery triggered by the effects of the global pandemic.

The Council's creation of the Bracknell Forest Cambium Partnership as a joint venture with Countryside Properties is intended to help it fulfil its objective of ensuring Bracknell town centre remains a sustainable and popular retail and leisure destination as well as a home to increasing numbers of people. The planned re-development of the Coopers' Hill site has prompted strong engagement with current users and local residents as well as provided the impetus for the re-purposing of Time Square as a community hub. The Council's close working relationship with the Bracknell Regeneration Partnership, most notably in relation to progressing development of the Deck, shares these aims.

Heathlands Dementia Care Home Project (a partnership project between Bracknell Forest Council and the East Berkshire Clinical Commissioning Group (CCG)) has continued to progress and the facility when opened will provide 66 beds offering a mix of long-term elderly mentally infirm (EMI) and short-term nursing and rehabilitation care.

A new youth facility was opened in Braccan Walk providing a much needed resource for young people in the Borough

The introduction of weekly food waste collections in the Borough have resulted in immediate environmental benefits with significant reductions in tonnage of such waste being diverted to landfill as well as the opportunity to create electricity for the National Grid through the use of anaerobic digester.

Following an Intrusive ground investigation activity commissioned by Homes England at the London Road Landfill site the Corporate Management Team concluded that remediation and development activity for modular housing would no longer be financially viable and that the way forward should be to invest in gas management and maintaining

the site in a safe condition whilst also identifying a safe option for generating some revenue from the land.

Work continued throughout the year around the development of the Local Plan for public consultation and Examination by the Secretary of State

Examples of corresponding framework

- Council Plan
- Service Plans
- Quarterly Service reports and Quarterly Council Plan Overview reports
- Partnership working (eg Community Safety partnership, Cambium Partnership, Joint Waste Board, Public Protection Partnership)

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Assured ✓

The Council takes decisions on interventions based on its published Council Plan setting outcomes for services and defining actions and targets for achieving them. Proposed interventions are recorded through Directorate Business Plans for ensuring the achievement of intended outcomes within set timescales. More significant interventions through service or organisational transformation are considered and overseen by the Transformation Board chaired by the Chief Executive.

During the pandemic the Council has maintained its schedule of meetings and fulfilled its emergent responsibilities, statutory and otherwise in relation to enforcement, community support for the vulnerable and partnership working in the development of the Outbreak Control Plan and associated governance. Grant funding via central government has enabled it to ensure the continuing viability of the Borough's principal Leisure facilities, most notably the Leisure Centre, Coral reef and Downshire Golf Course

Following the Executive's approval in March 2019, work with colleagues in Health (the CCG and Frimley Heath Foundation Trust) continued, to ensure the re-development of the former Heathlands care home into a combined Health facility and EMI nursing home. Construction is progressing within time and to budget and a tender process has been undertaken for a provider. The facility is expected to open around Christmas 2021

The establishment of the Cambium Partnership reflects the Council's place shaping agenda in relation to the further development of the Town Centre

The disposal of Winkfield Manor and Unit C Waterside Park has brought in substantial capital receipts for the Council whilst its property investment portfolio continues to provide revenue yields.

Establishment of the Council's Climate Change Action Plan contributing to the delivery of the Council's target to be zero carbon by 2050

Examples of corresponding framework

- Council Plan
- Service Plans
- Quarterly Service reports and Quarterly Council Plan Overview reports
- Outbreak Control Plan

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Assured ✓

Member development continues to be an embedded part of the Council's culture and courses and seminars continue to be well attended. A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by e-learning opportunities and also less formal learning such as mentoring and work shadowing schemes. Compliance with Continuing Professional Development requirements of staff is monitored by individual officers. The Council provides sufficient resources to fund this. As part of the performance appraisal process, each officer is required to identify their learning and development objectives

The Council has responded extremely well during the Covid pandemic in terms of its service resilience, although there has inevitably been a change in focus towards immediate priorities rather than preparing for the future.

With the departure of the Executive Head of People mid year it became necessary for three Assistant Directors to act up for several months to cover both the Childrens and Adult Social Care statutory roles until the arrival of the new Executive Director. Transformation activity continued with a change in governance arrangements evidenced by the Corporate Management Team taking over the role of the Transformation Board.

It will be important over the next few months and beyond to ensure that competing demands for organisational capacity do not hinder delivery of important change programmes which are key to securing a financially sustainable organisation into the future. However, the Council is well positioned financially to be able to invest in temporary additional capacity to support change.

Examples of corresponding framework

- Induction programmes for Officers & Members
- Member Development Programme
- Behaviours
- Role profiles

F. Managing risks and performance through robust internal control and strong public financial Management

Assured^v

The Council has continued to closely manage its financial position over the past year, adapting its normal budget monitoring approach to reflect the increased uncertainty around the level of costs and income which have been significantly affected by the Covid pandemic. While additional costs were approved in the early part of the year without there being funding in place to support them, this was done knowingly and in the expectation that Government would offer compensation for some or all of these, which proved to be the case.

Bracknell Forest has a culture of financial prudence across the organisation, meaning that cautious worst-case scenario projections were identified, which fortunately did not materialise. Whilst this caution has helped lead to a situation where the 2020/21 out-turn will be well below the level of resources available, it is important that it is balanced by a realistic assessment of the likelihood of such worst-case events materialising, in order to assist future financial planning and avoid unnecessary spending reductions to be sought.

The level of reserves held by the Council is strong, meaning that there is time to fully develop and deliver a medium-term financial plan, which can offer choice around the pace at which change needs to be delivered. It is important that this does not become confused with a view that spending controls can be relaxed since there is a healthy level of reserves.

The Head of Audit and Risk Management is required to conclude and report on the effectiveness of the internal control environment in her annual report. Her assessment of the control environment for 2020/21 was as follows:

*Based on internal audit work undertaken, the Head of Audit and Risk management is able to conclude there are **adequate** arrangements in place at the Council for risk management and corporate governance.*

*The Head of Audit and Risk Management gave limited assurance on the control environment in 2018/19 and also in 2019/20 when it was acknowledged that the direction of travel was positive and if this was sustained, a more favourable opinion was anticipated for 2020/21. Since then additional progress has been made but inevitably due to the impact of COVID 19 the speed of improvement has slowed over the last 12 months. The Head of Audit and Risk Management is now able to give **partial** assurance on the internal control environment for 2020/21 acknowledging improvement made but with further action needed to secure an adequate control environment.*

The Head of Audit and Risk Management's Audit Opinion however must exclude schools as there is insufficient assurance available to be able to offer reasonable assurance. This limitation of scope has arisen because Internal Audit were unable to carry out audit work due to pressures in schools arising from COVID and difficulties for schools of having external parties on site. To avoid similar limitations in future the Head of Audit and Risk Management has piloted remote auditing at one school which has been largely successful although it has confirmed that some on site time cannot be avoided. We are currently re-scheduling the school audits that have been deferred from 2020/21.

Examples of corresponding framework

- Financial Regulations
- Annual Budget setting process
- S151 Officer role
- 2020/21 Audit programme
- Head of Audit and Risk Management's annual opinion
- The Strategic Risk Management Group (SRMG)
- Risk Management Strategy
- Strategic Risk register

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

Assured ✓

The Council has transparent processes in place through publication of the Forward Plan of key decisions, of agendas and reports of its meetings and those of its committees and of its key decision reports on the website. It publicises its pay policy statement in line with legislation as well as expenditure on contracts in excess of £5000 in value and all other expenditure in excess of £500. The Council has robust audit arrangements in place and there is regular audit reporting to the Council's Governance and Audit Committee.

Internal Audit provides an independent and objective annual appraisal of key financial systems through routine compliance testing and by undertaking a number of audit reviews within service departments in accordance with the Internal Audit Plan. The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by an external contractor and by Royal Borough of Windsor and Maidenhead and Wokingham joint internal audit team under an agreement made under Section 113 of the Local Government Act 1972.

The Head of Audit and Risk Management reports outcomes for all audits to the Corporate Management Team and the Governance and Audit Committee in quarterly progress reports. For audits where an inadequate or partial assurance opinion has been concluded, the Head of Audit and Risk Management reports details of the significant findings to the Corporate Management Team and the Governance and Audit Committee and follow-up audits should be carried out within 12 months to ensure that actions have been taken to address the areas of concern. For other audits, the Head of Audit and Risk Management obtains management updates on the progress on implementation of agreed recommendations and this information is also reported to the Corporate Management Team and the Governance and Audit Committee

The Governance and Audit Committee is responsible for reinforcing effective governance, particularly through reviewing the activities of the internal auditors and the Council's risk management arrangements. During 2020/21, the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work. The Internal Audit Plan for 2020/21 was approved by the Committee on 25th March 2020 although given the impact of the COVID-19 pandemic the scheduling of the audits is under review. Internal Audit identified areas for improvement and common areas of weakness

during the 2018/19 and 2019/21 audits. During 2019/20 progress was made to start to address these areas of weakness. This has been ongoing during 2020/21 but was limited by the impact of other pressures on teams arising from the pandemic which delayed further audit work originally planned to establish if these weaknesses have been addressed.

The judgements issued by the external auditor in relation to the year end statutory accounts and the linked value for money assessment have always been very positive about the Council's work. However, the formal accounts sign off for 2019/20 was significantly delayed due to the on-going process of finalising the audit of the pension fund accounts managed by RBWM. This is a process over which neither the Council nor its external auditors have significant influence. Members have been kept up to speed with progress on this matter as well as receiving regular reports from the Head of Audit and Risk Management on internal audit work. The open approach to reporting the outcomes of audits to the Governance and Audit Committee has received positive feedback from Members and facilitated detailed Member scrutiny of the internal control environment and clear accountability.

During 2020/21 the Strategic Risk Register was updated and considered by SRMG on a quarterly basis and reviewed and approved three times by the Corporate Management Team which owns the Register. It was also reviewed twice by the Governance and Audit Committee with feedback provided. Deep dive reviews on individual risks in the Strategic Risk Register were also considered at the Governance and Audit Committee on two risks in September 2020 and March 2021. Actions to address strategic risks were updated and monitored during 2020/21 and key changes to strategic risks were summarised in the quarterly Corporate Performance Overview Report. The overarching risk register for COVID-19 and the actions being taken to respond and mitigate this continued to be monitored and updated by the Corporate Management Team.

In May 2020 the Corporate Management Team agreed to fund a counter fraud pilot which was to be outsourced. Progress on this has been delayed by the pandemic which has restricted counter fraud activity generally although in quarter 4 the Council was able to appoint Oxford City Council's counter fraud team to undertake a data checking exercise on the housing waiting list to identify bogus applications. In addition, a review of the counter fraud policies commenced and the Anti Money laundering policy was approved by the Governance and audit committee in March 2021.

The Council has made significant strides over the year in consolidating its information Governance (IG) Framework resulting in a positive ICO audit in May 2020. It has subsequently worked on implementing a number of follow up recommendations intended to de-risk the overarching framework and create a corporate culture of compliance. This activity has included the development of Privacy Notices across the range of Council services, creation of a Record of Processing Activity and the redrafting of IG Procedures. A communications strategy will be rolled out over the summer to increase awareness of the emergent Corporate IG Framework across the Council.

Examples of corresponding framework

- Council Scheme of Delegation, Procedural rules, Standing Orders and Financial Regulations as set out in constitution

- Governance and Audit Committee terms of reference
- Executive Forward Plan
- Council Plan overview reports
- Scrutiny arrangements
- Information Governance Framework

APPENDIX A

2020/21 Annual Governance Statement Action Plan Update

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
1.	Follow up work has indicated that in 63% of cases significant weaknesses reported in 2018/19 audits, the issues are still being addressed. Address common areas of weakness in internal control and ensure major weaknesses identified in audit reports are addressed.	Monitoring of actions to address common Areas of weakness. Monitoring of all limited assurance audit reports.	Corporate Management Team DMTs	Ongoing	The COVID pandemic has limited progress on addressing significant weaknesses. Follow up work and re-audit in 2020/21 of areas with significant weaknesses identified in 67% of cases these issues are still being addressed.
2.	ICO Information Governance Audit	Adopt and implement recommendations arising from the May 2020 ICO Audit	IMG	Prior to re-audit	Follow up actions close to completion. Re-audit scheduled for 31.5.21.
3.	Review Emergency Planning arrangements	Update Corporate Business Continuity Plan in	CMT	September 2020	The Corporate Business Continuity Plan has been going

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
		light of Covid 19 experience			through a complete refresh following the lessons in the early part of the COVID19 experience. In order to complete these plans all Services needed to undertake some work. This has taken longer to complete, in part due to the second COVID wave. As a result there is now a draft Corporate Business Continuity Plan which will be completed by the end of June 2021 ready for testing and roll out.
4.	Implement Covid 19 recovery Plan	Facilitate return to office-based working where necessary and safe for staff across various Council locations	CMT	From July 2020 onwards	Deferred until Summer 2021 due to pandemic
5.	Dissolution of Downshire Homes Ltd	Undertake all necessary shareholder actions to assist Downshire Homes Limited facilitate dissolution of company and ensure transfer of property assets to BFC. All Companies	Executive	31 March 2021	Ongoing. Transferring tenancies without creating security of tenure upon transfer.

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
		Act and HMRC obligations to be discharged.			
6.	Councillor Code of Conduct	Review Code of Conduct in light of publication of new Model Code by LGA	Code of Conduct Working Group	By 31 March 2021	Deferred due to delay in LGA publication of code (23 December 2020)

APPENDIX B-
2021/22 Annual Governance Statement Action Plan

	Item	Proposed action	Owner	Implementation deadline
1.	Implement Covid 19 Recovery Plan (c/f from 2019/20)	Facilitate return to office based working where necessary and appropriate with emergent plans for Time Square	Corporate Management Team	1 September 2021
2.	Dissolve Downshire Homes Limited (c/f from 2019/20)	Undertake all necessary shareholder actions to assist Downshire Homes Limited facilitate dissolution of company and ensure transfer of property assets to BFC. All Companies Act and HMRC obligations to be discharged	Executive	31 December 2021
3.	Councillor Code of Conduct	Review Code of Conduct in light of publication of new Model Code by LGA	Code of Conduct Working Group	By 30 September 2021
4.	Whistleblowing Policy	Review /Redraft to improve awareness & accessibility	Borough Solicitor	30 September 2021
5.	Information Governance	Develop and implement Communication plan to ensure council wide awareness and ownership of Information Governance Framework emerging from recent activity	Executive Director Delivery & Information Governance Consultant	30 September 2021

6.	Contract Monitoring	Development of Corporate Contracts Register	Strategic Procurement Board	30 September 2021
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Signed:

Paul Bettison

Timothy Wheadon

**Leader of the Council
June 2021**

**Chief Executive
June 2021**