

Annual Governance Statement (2020/2021)

1.0 Introduction

- 1.1 This is the second Annual Governance Statement for Somerset West and Taunton Council.
- 1.2 Everything the Council does is focused around delivering our ambitious vision for Somerset West and Taunton and to ensure that we deliver the best possible services and outcomes for our Community whilst providing good value for our stakeholders.
- 1.3 This statement provides an overview of how the Council's governance arrangements operate.
- 1.4 Corporate governance refers to the processes by which organisations are directed, controlled, led and held to account. It is also about culture and values - the way that Councillors and employees think and act.
- 1.5 The Council's corporate governance arrangements aim to ensure that it does the right things in the right way for the right people in a way that is timely, inclusive, open, honest and accountable.
- 1.6 This statement describes the extent to which the Council, has, for the year ending 31st March 2021, complied with its Governance Code and the requirements of the Accounts and Audit Regulations 2015. It also describes how the effectiveness of the governance arrangements have been monitored and evaluated during the year and sets out any changes planned for the 2021/2022 period.
- 1.7 The Statement has been prepared in accordance with guidance produced in 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
- 1.8 The Statement has also been prepared taking into consideration the contents of the CIPFA Bulletin 06 – Application of the Good Governance Framework for 2020/21, which concerns the impact of the continuing Covid-19 pandemic on governance arrangements.

2.0 Key elements of governance

- 2.1 Somerset West and Taunton Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It also has a duty to continuously improve the way that it functions, having regard to effectiveness, quality, service availability, fairness, sustainability, efficiently and innovation.

- 2.2 To meet these responsibilities, the Council acknowledges that it has a duty to have in place sound and proper arrangements for the governance of its affairs, including a reliable system of internal control, and for reviewing the effectiveness of those arrangements.
- 2.3 The Governance Framework has been in place at Somerset West and Taunton Council for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts. The key elements of the Council's governance framework are highlighted in Appendix A.
- 2.4 The Governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled, and through which it is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of the strategic themes and expected outcomes as set out in our Corporate Strategy.
- 2.5 The Council's Local Code of Corporate Governance was last reviewed and approved by the Audit, Governance and Standards Committee on 8 March 2021.
- 2.6 The Local Code of Corporate Governance includes a section on actions for 2021/22 to strengthen the Council's governance arrangements. These actions have been included in the Action Plan which can be found at Appendix B.

Our commitment to good governance is made across the following core principles:

- 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

3.0 Evidence based opinion

3.1 Some of the key pillars of the Council's governance framework are:

3.2 Corporate Strategy & Business Planning

3.2.1 The Council's Corporate Strategy for 2020-24 contains the four priority strategic themes and outcomes, as follows:



3.2.2 The Corporate Strategy helps us to focus our resources and drive improvement, and sets out where we will focus our energies and our increasingly limited resources and how we will measure our success.

3.2.3 An annual plan has been produced which focuses on what the Council has delivered in the 2020/21 year and also to outline the key priorities and areas of focus for the 2021/22 financial year.

3.2.4 The Corporate Performance Report, Quarter 4 and Outturn, 2020/21, which includes a progress update for 2020/21 Annual Plan, went to the Corporate Scrutiny Committee on 7 July 2021.

3.2.5 There is a Business Plan in place for each Directorate and which links in to the Corporate Strategy. The Directorate Plans are regularly reviewed to ensure that they are living documents and pick up and new and emerging priorities. In the 2020/21 financial year this included the Coronavirus Pandemic and the Unitary Councils in Somerset debate.

3.2.6 All Directors meet regularly with their Assistant Directors, Human Resources Business Partner and Finance Business Partner to review their directorate plans.

3.3 Evaluating Performance

3.3.1 The Council has a Performance Management Framework in place.

3.3.2 There is a Corporate Performance Scorecard in place, as well as a Performance Scorecard for each Directorate.

3.3.3 The Corporate Performance Management Board has met monthly in the 2020/21 financial year and this includes the Senior Management Team and other appropriate officers. At these meetings standing items include:

- Performance Summary – Corporate Scorecard and Directorate Scorecards
- Budget Monitoring Reports
- Project Management overview
- Corporate Risk and Issues Register
- Audit Actions (not every meeting)
- HR Data (not every meeting)

3.3.4 Quarterly Performance Reports went before Members in 2020/21. These were taken to the Scrutiny Committee and Executive.

3.3.5 The only outstanding action from the 2019/20 action plan relates to the production of a Data Quality Policy. Due to the number of demands that have been placed on the Business Intelligence Team in 2020/21 (mostly due to the collation of data for the priority areas during the Coronavirus Pandemic), this action will carry forward into the 2021/22 action plan.

3.4 Managing Risk

3.4.1 The management of risk is key to achieving what is set out in the Corporate Strategy and Directorate Plans to ensure that we meet all of our responsibilities.

3.4.2 Our Risk and Opportunity Management Strategy is fundamental to the system of internal control and forms part of a sound business operating model. It involves an ongoing process to identify risks and to prioritise them according to likelihood and impact. The Risk and Opportunity Management Strategy is reviewed and updated on an annual basis and went before the Audit, Governance and Standards Committee on 1 February 2021.

3.4.3 The Key Business Risk Register is reviewed and challenged by the Senior Management Team on a monthly basis through the Corporate Performance Management Board. New and emerging risks are added to the Register.

3.4.4 All members and managers are responsible for ensuring that risk implications are considered in the decisions they take. This is especially important in meeting the Council's financial challenges.

3.4.5 In 2021/22, the Key Business register will be reviewed and challenged by Members as part of the Performance and Risk Report that will go before

Committee on a quarterly basis. This is to ensure that, as far as possible all significant risks have been identified and that the controls manage the risks efficiently, effectively and economically. A report was taken to the Corporate Scrutiny Committee and Executive in May 2021 giving an update on all risks and issues.

- 3.4.6 Whilst a number of actions relating to Risk Management were actioned during 2020/21, some are being carried forward. Quarterly reporting to Members has now started (in the out-turn report for 2020/21), and will be continued each quarter. Risk Management will continue to be embedded across the organisation (particularly through a programme of further training). These items have been carried forward into the Action Plan for 2021/22.

3.5 Financial Management

- 3.5.1 The Assistant Director for Finance is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972, and our financial management arrangements are compliant with the governance requirements set out in the Chartered Institute of Public Finance and Accountancy's 'Statement on the Role of the Chief Financial Officer in Local Government' (2016).

- 3.5.2 To fund the Corporate Strategy, the Council prepares a Medium Term Financial Plan. This sets out the Council's strategic approach to the management of its finances and outlines some of the financial issues that we will face over the next three years. This covers how we will use our reserves, our investments, the approach to Council Tax, and how we will deploy our capital. It also looks over the medium term at the cost pressures we are likely to face and how these could be financed.

- 3.5.3 The COVID-19 pandemic led to a significant increase in financial risks and uncertainty, as well as significant additional costs for the Council and its services. The Senior Management Team have adapted the financial strategy and budget control regime flexibly through the year to mitigate risk and support the Council's priorities in response. We have managed the impact and maintained the Council's financial resilience through this turbulent time.

- 3.5.4 Our Treasury Management arrangements, where the Council invests and borrows funds to meet its operating requirements, follow professional practice and are subject to regular review.

- 3.5.5 The Reserves Strategy enables the Council to meet its statutory requirements and sets out the different types of reserve, how they may be used and the monitoring arrangements.

- 3.5.6 Budget monitoring reports are made to the SMT Performance Board on a monthly basis and have been taken to Committees on a quarterly basis during 2020/21, setting out any variances.

- 3.5.7 All members and officers are responsible for ensuring that financial implications are considered in the decisions they take.

- 3.5.8 CIPFA issued a new Financial Management Code (the 'FM Code' in

December 2019. The Council has operated within the principles of the Code through last year, for example with the S151 Officer being a member of SMT from the summer of 2020. A full assessment of compliance with the Code is being undertaken in July/August 2021 and will report to SMT and the Audit and Governance Committee with a summary and action plan in September.

3.6 Climate Emergency

3.6.1 The Council declared a Climate Emergency in March 2019.

3.6.2 The Council's Corporate Strategy includes the priority strategic theme of 'Our Environment and Economy' and has the objective of:

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Work towards making our District carbon neutral by 2030 - deliver projects based on a Carbon Neutrality and Climate Resilience Plan that work toward this goal (for example installing electric vehicle charging points across the District) .

3.6.3 The Somerset Climate Strategy and Somerset West and Taunton Carbon Neutrality and Climate Resilience Plan were approved by the Council on 26 October 2020.

3.6.4 The Action Plan sets out that the focus will be on:

- District-wide retrofit
- New build and retrofit of existing Council Housing
- Renewable Energy
- Electric Vehicles
- Taunton Park & Ride and Town Centre Parking
- Active Travel
- Re-opening Wellington Station
- Working with Somerset County Council on transport projects
- Digital connectivity
- Growing a carbon neutral local economy
- Green and Blue Infrastructure
- Tree Planting
- Wildflower meadows and open space management
- Coastal change management
- Taunton Strategic Flood Alleviation Improvements Scheme
- Local Plan Review

3.6.5 Officers are now working on delivering the Plan and projects are included in the relevant Directorate Plans.

3.6.6 A report on Carbon Neutrality and Climate Resilience Finance was taken to the Community Scrutiny Committee on 3 June 21. This report set out that 24 actions in the Plan had been completed in the 2020/21 financial year.

3.6.7 All members and officers are responsible for ensuring that climate change implications are considered in the decisions they take.

3.6.8 Climate Change and Environmental Training was rolled out across the organisation in April 2021 and was offered to officers and Members. The training was designed to help individuals to understand their impact on the environment and what they can do to have a positive impact on it.

3.7 Decision Making and Responsibilities

3.7.1 The Council consists of 59 elected Members, with an Executive consisting of the Leader and nine Portfolio Holders who are supported and held to account by the Scrutiny Committees.

3.7.2 From 27 April 2020 to 4 May 2021, the Council held virtual committee meetings following the introduction of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. This enabled Council business to be conducted as scheduled.

3.7.3 During the 2020/21 financial year, the Council reviewed its governance arrangements and resolved that the Council moved to a Committee system of governance from the Council AGM on 10 May 2022, unless a decision was made to set up a Unitary Council for the area from 2023.

3.7.4 Our Constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business, and a section on responsibility for functions, which includes a list of functions which may be exercised by officers. It also contains the rules, protocols and codes of practice under which the Council, its Members and officers operate.

3.7.5 The Articles and Terms of Reference within the Council's Constitution clearly define the roles and responsibilities of:

- Full Council
- The Cabinet*
- Scrutiny Committee
- Audit, Governance and Standards Committee^
- Planning Committee
- Licensing Committee

Note * - from the start of the 2021/22 Municipal Year the Council has two Scrutiny Committees – Corporate Scrutiny Committee and Community Scrutiny Committee

Note ^ - from the start of the 2021/22 Municipal Year, the Council has split this Committee so that there is an Audit and Governance Committee and a separate Standards Committee.

3.7.6 The Constitution is updated at least annually to take account of changing circumstances. Recent updates to the Constitution have included:

- A Member Champions Protocol
- A Member Working Group Protocol
- A protocol on speaking at Planning Committee Meetings
- Planning Committee Members Code of Good Practice

- Updated Financial Procedure Rules
- Updated Committee Terms of Reference and Procedure Rules following changes to the governance structure (outlined in section 3.7.5).

3.7.7 A Member Working Group has been set up to review the Constitution and any recommendations for change will be made to the Standards Committee and then Full Council.

3.7.8 The Constitution sets out the functions of key governance officers, including the statutory posts of 'Head of Paid Service' (Chief Executive) , 'Monitoring Officer' (Governance Manager) and 'Section 151 Officer' (Strategic Financial Advisor and S151 Officer) and explains the role of these officers in ensuring that processes are in place for enabling the Council to meet its statutory obligations and also for providing advice to Members, officers and committees on staff management, financial, legal and ethical governance issues.

3.8 Openness and Transparency

3.8.1 Article three of the Council's Constitution sets out citizens' rights in respect of:

- (a) Voting and petitions;
- (b) Information;
- (c) Public Participation; and
- (d) Complaints

3.8.2 One petition was presented to the Council in 2020/21.

3.8.3 Agendas and papers for all Committee meetings are published at least five clear working days before the meeting and members of the public are able to participate in meetings through Public Question Time.

3.9 Ethical Behaviour and Conduct

3.9.1 Our Codes of Conduct for Members and for Officers set out the standards of conduct and behaviour that are required. They are regularly reviewed and updated as necessary and both groups are regularly reminded of the requirements.

3.9.2 These include the need for Members to register personal interests and the requirements for employees concerning gifts and hospitality, outside commitments and personal interests.

3.9.3 The Council also has an Audit, Governance and Standards Committee which is responsible for promoting and maintaining high standards of conduct by Councillors.

3.9.4 An Audit of ethical behaviour and conduct was carried out in 2020/21 with the Internal Auditor giving a limited assurance opinion. The recommendations arising from this report have been included in the Action Plan in Appendix B.

3.10 Member Training and Development

3.10.1 In April 2021, the Executive approved a Member Training and

Development Policy. The also resolved to set up a cross party Members Working Group to focus on Member Training and Development.

3.10.2 All Councillors have been invited to have a one to one session to talk about personal development so that any training and development needs can be identified. This information will then feed into a Training Plan which will be considered by the Member Training and Development Working Group.

3.10.3 Regular Member Briefings are held to keep them updated on matters of importance.

3.10.4 Where possible and appropriate, Members have received specific training and development for their roles and any positions of special responsibility. Due to the Coronavirus Pandemic, most of the training in 2020/21 has been held virtually.

3.11 Equality

3.11.1 The Council is committed to delivering equality and improving the quality of life for the people of the District. We have nine Corporate Equality Objectives for 2019-2023, which are:

Objective 1: Councillors and officers will fully consider the equality implications of all decisions they make.

Objective 2: Those with protected characteristics feel empowered to contribute to the democratic process and any Council activity that affects them; their input is used to inform the planning and delivery of services.

Objective 3: Communities with protected characteristics are able to access services in a reasonable and appropriate way.

Objective 4: Actions are taken to identify and reduce any inequalities faced by our staff or our potential employees.

Objective 5: Work with communities and voluntary sector groups to address inequalities experienced by low incomes families and individuals.

Objective 6: Improve the opportunities for integration and cohesion.

Objective 7: Improve understanding of mental health and access to support.

Objective 8: Work with the Gypsy and Traveller community to improve the provision of pitches.

Objective 9: Create an Equality Working Group for Staff in the Public Sector in Somerset.

3.11.2 In order to meet these objectives, the Council has a Corporate Equalities Action Plan, which sets out what we are already doing to support each objective as well as actions we will take to deliver against the equality objectives.

3.11.3 Any new Council policy, proposal or service, or any change to these that affects people must be the subject of an Equality Impact Assessment to ensure that equality issues have been consciously considered throughout the decision making processes.

3.11.4 All members and officers are responsible for ensuring that equality

implications are considered in the decisions they take.

3.12 Procurement of goods and services

3.12.1 The Council recognises the value of considering different service delivery options in delivering our Council Plan. The effective commissioning and procurement of goods, works and services is therefore of strategic importance to our operations, while robust contract management helps to provide value for money and ensure that outcomes and outputs are delivered.

3.12.2 Operational procedures for tendering, contract letting, contract management and the use of consultants are included in the Contract Procedure Rules which form part of the Council's Financial Procedure Rules.

3.13 Whistleblowing

3.13.1 People who work for or with the Council are often the first to realise that there may be something wrong within the Council. However, they may feel unable to express their concerns for various reasons, including the fear of victimisation.

3.13.2 The Council has a Whistleblowing Policy that advises staff and others who work for the Council how to raise concerns about activities in the workplace. Full details are provided on the Council's website.

3.13.3 The Whistleblowing Policy was updated in April 2021 and forms part of the Council's Anti-Fraud Framework.

3.14 Anti-Fraud Framework

3.14.1 We recognise that as well as causing financial loss, fraud and corruption also detrimentally impact service provision and morale, and undermine confidence in the Council's governance and that of public bodies generally.

3.14.2 The Council has an Anti-Fraud Framework, which adopts a zero tolerance approach to fraud and corruption. This was updated in April 2021 and includes:

- Anti-Fraud and Corruption Strategy
- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Whistleblowing Policy

3.15 Audit and Audit Assurances

3.15.1 South West Audit Partnership (SWAP) are the Council's Internal Auditors.

3.15.2 During the 2020/21 financial year, SWAP have carried out a number of Audits across the Council and given their opinion on the level of assurance as well as risk and priority in terms of taking action in terms of any recommendations, as follows:

| Internal Audit Assurance Opinions 2020/21 * | | Internal Audit Agreed Actions 2020/21* | |
|---|-----------|--|-----------|
| Substantial | 0 | Priority 1 | 1 |
| Reasonable | 4 | Priority 2 | 19 |
| Limited | 3 | Priority 3 | 24 |
| No Assurance | 0 | Total | 44 |
| Advisory / Follow Up | 15 | | |

Note * - final reports only

| Assurance Definitions | |
|-----------------------------|---|
| No | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks to the achievement of objectives in the area audited. |
| Limited | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. |
| Reasonable | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |
| Substantial | A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. |
| Non-Opinion/Advisory | In addition to our opinion-based work we will provide consultancy services. The "advice" offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. |

| Definition of Corporate Risks | |
|-------------------------------|--|
| Risk | Reporting Implications |
| High | Issues that we consider need to be brought to the attention of both senior management and the Audit Committee. |
| Medium | Issues which should be addressed by management in their areas of responsibility. |
| Low | Issues of a minor nature or best practice where some improvement can be made. |

| Categorisation of Recommendations | |
|---|---|
| In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions: | |
| Priority 1 | Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management. |
| Priority 2 | Important findings that need to be resolved by management. |
| Priority 3 | Finding that requires attention. |

3.15.3 The three limited assurance Audits related to Ethical Governance and Culture, Procurement and DLO External Work – Income. The recommendations from each of these Audits have been added to the Audit recommendation tracker and this is monitored on a regular basis by the Corporate Performance Management Board and the Audit and Governance Committee. SWAP have also scheduled follow ups to be completed for each of these Audit areas in 2021/22 to provide assurance that control measures have been improved.

3.15.4 SWAP report regularly to the Audit, Governance and Standards Committee, highlighting any areas of concern.

3.15.5 Any overdue actions are also reported to the Audit, Governance and Standards Committee.

3.15.6 During the 2020/21 financial year a number of additional audits were performed to carry out assurance work on new risks associated with the Covid-19 pandemic. These included:

- Covid-19 Business Grant Support/Advice (Grant Process Controls)
- Grant Funding Schemes Assurance for Local Authorities (Risk

Assessment)

- Local Restriction Grant Support (Grant Process Controls)
- Compliance and Enforcement Grant
- Fraud Risk – Impact of Covid-19

3.15.7 As a result of the Coronavirus Pandemic, some of the audit work scheduled for 2020/21 has had to be carried forward to 2021/22. The reasons for this are the request for additional work from SWT, and also the redeployment of some of the SWAP staff to support the Council's response to the pandemic.

3.15.8 The Annual Opinion of the Internal Auditor was *'on the balance of our 2020/21 audit work for Somerset West and Taunton Council, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.'*

3.16 Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.

3.16.1 The Council's Internal Audit function is provided by SWAP. The Assistant Director from SWAP is the equivalent of the Head of Internal Audit (HIA). The HIA role is separate and independent of other roles within the Council. The Internal Audit function is independent of the external audit function.

3.16.2 SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The Council's Internal Audit function complies with the governance requirements set out in the CIPFA 'Statement on the Role of the Head of Internal Audit in Public Service Organisations' (2010)

3.16.3 The HIA:

- Ensures that SWAPs work programme (Audit Plan) is risk-based, is aligned to the Council's strategic objectives and supports the Internal Audit Annual Opinion
- Identifies where SWAP assurance will add the most value or do most to facilitate improvement
- Produces an evidence based annual internal audit opinion on the overall adequacy and effectiveness of the Council's governance framework including risk management and internal control

3.16.4 The HIA reports to management (SMT) and the Audit, Governance and Standards Committee in his own right, and reporting includes:

- Annual Audit Plan and Charter
- Internal Audit – Progress Report (quarterly)
- Internal Audit – Outturn Report (Annually)

- 3.16.5 The HIA submits an Internal Audit Plan to Management (SMT) and the Audit, Governance and Standards Committee for approval, setting out the recommended scope of work and which will be developed with reference to current and emerging risks. The plan is reviewed on a quarterly basis to ensure it remains relevant and adequately resourced.
- 3.16.6 SWAP carry out the work as agreed, report the outcomes and findings both during and on completion of reviews, and make recommendations on action to be taken to the appropriate officers (including the relevant Director) and copied to the S151 Officer.
- 3.16.7 The HIA presents a regular summary of their work to Management (SMT) and the Audit, Governance and Standards Committee through the Internal Audit Progress Report, including assessing the organisation's implementation of previous recommendations along with any significant, persistent and outstanding issues.
- 3.16.8 Internal audit reporting comprises of a brief presentation to relevant officers and accompanied by an appropriately detailed written report, with the format tailored as necessary to the nature of the work. The detailed report is copied to the relevant Director and Section 151 Officer.
- 3.16.9 The HIA submits the Internal Audit – Outturn Report to the Audit, Governance and Standards Committee providing an overall opinion of the status of risk and internal control within the Council, based upon, and limited to, internal audit activity conducted during the previous year.
- 3.16.10 In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Directors and Assistant Directors have the unreserved right to report directly to the Leader of the Council, the Chairman of the Audit, Governance and Standards Committee, the Council's Chief Executive Officer or the External Audit Manager.
- 3.17 Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (2013)
- 3.17.1 The Council's Audit, Governance and Standards Committee undertakes the core functions as per the CIPFA guidance.
- 3.17.2 An appropriate committee structure has been selected, which excludes Executive Members. The Audit, Governance and Standards Committee consists of 11 Members. Members plus substitutes are provided with training as and when it is appropriate.
- 3.17.3 The Terms of Reference within the Constitution clearly set out the purpose of the Committee in accordance with the CIPFA position statement guidance. The Audit, Governance and Standards Committee provide independent assurance on the adequacy of the Council's governance

framework including risk management and internal control. The Committee is also responsible for reviewing and approving the Annual Governance Statement and Annual Report and Accounts. The Committee also monitor the progress implementing recommendations from auditors.

3.17.4 The Committee raise significant concerns over controls with appropriate senior managers, and they are invited to update the Committee. The Committee is able to report directly to Council.

3.18 Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations

3.18.1 The Council's Finance Team work closely with the external auditors to ensure that they provide timely support, information and responses as and when appropriate.

3.18.2 Audit findings and recommendations are incorporated into the recommendation tracker and regular progress updates go forward to the Audit, Governance and Standards Committee. Any areas of concern are raised with senior managers, and appropriate updates given to the Committee.

3.19 Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures

3.19.1 The Council ensures that there are appropriate governance arrangements in place for any partnerships and joint working arrangements. This includes partnership agreements, client/contractor arrangements and reports going through the democratic process where appropriate.

3.19.2 The Council's major contracts include; Waste (Somerset Waste Partnership), Leisure (SLM), Street Cleaning and Public Toilets (Idverde), Building Control (Somerset Building Control Partnership), Fleet (SFS), Parking Partnership (SCC) and Legal Services (SHAPE).

3.19.3 Risks relating to major contracts are included in the risk register which has been reviewed by the Corporate Performance Board on a monthly basis during 2020/21. From 2021/22 those risks scoring 15 or above will be reported to Scrutiny Committee and Executive as part of the quarterly performance report.

4.0 Reflecting on the challenges from the Coronavirus Pandemic

4.1 This section considers the impact that the Covid-19 Pandemic has had on the Council and its governance arrangements during the 2020/21 financial year.

4.2 The Council has taken action to play its part in dealing with the

Coronavirus Pandemic during the 2020/21 financial year.

- 4.3 Since the start of the Pandemic in March 2020, the Council has operated with some level of emergency response arrangements, in line with the principles laid out in the generic emergency plan, to provide an effective structure to coordinate and support the delivery of our critical services both during the initial outbreak and into the more recent phases of response and recovery. These arrangements have been scaled up or down relative to the level of local infection, response and impact of Covid-19 on the district. As a minimum this has included:
- Regular gold meetings have taken place when appropriate (at the start of the pandemic these were held twice a day and then daily) to discuss Risks, Actions, Issues and Decisions and ensure that these have been recorded.
 - Resources have been diverted to focus on delivering the priorities of:
 1. Preserve critical services;
 2. Safeguard the public; and
 3. Ensure our most vulnerable residents are supported.
 - Regular silver meetings have taken place, as and when appropriate (at the start of the pandemic these were held more frequently) to focus at more in depth service level.
 - Partnership working with other relevant organisations and community resilience cells to ensure that data was used to ensure a joined up approach in supporting the most vulnerable people in the district
- 4.4 Therefore Covid-19 has impacted on business as usual in the delivery of some services.
- 4.5 Social distancing measures have had a significant impact on the Council's governance arrangements. MHCLG laid regulations before Parliament in April 2020 to provide flexibility in relation to local authority and police and crime panel meetings held between 4 April 2020 and 6 May 2021. These regulations provide for remote access to meetings of local authorities by members of a local authority and by the press and public. The Council, therefore, put arrangements in place to hold meetings virtually, allowing Members to fully engage in taking key decisions and allow for public participation.
- 4.6 Since April 2020, all of our Committee meetings have been webcast live and then made available on our website. Overall attendance at meetings is higher via zoom which enables Members to balance their role with other responsibilities. We have also seen an increase in the number of members of the public that have watched via the webcast rather than coming into the Chamber.

- 4.7 Mobile and flexible working has now become business as usual for many of our staff. This transition was achieved relatively early on during the first lockdown where all staff who could work from home were equipped to do so within the first few weeks. This involved the roll out of Teams in a very short space of time.
- 4.8 Since March 2020, messages have been issued by the Chief Executive and/or Directors on a weekly basis. This has ensured that all members of staff have been kept up to date with pertinent information and key messages. Sessions with the Chief Executive have also taken place via Teams.
- 4.9 A weekly newsletter has been produced since March 2020, which has gone out to all District Councillors as well as Town and Parish Councils. This has kept them up to speed with the key information that they need to know. The newsletter has also included information from key partners, such as the County Council, Police and Fire and Rescue Service. It also has signposted people to sources of funding and information to assist during the Pandemic.
- 4.10 Newsletters were also produced for the Business sector and also the Community and Voluntary Sector.
- 4.11 To keep staff and residents safe, our reception area has not been reopened to the general public yet. Currently we are operating an appointment service. All key services have remained available through a variety of other channels. Where essential, home visits and business inspections are still carried out under Covid-19 secure protocols.
- 4.12 For our customers we have worked hard to ensure they feel comfortable in using the new ways of accessing our services and website. Dedicated webpages have been developed and continue to be updated with relevant information to support residents and businesses throughout the pandemic.
- 4.13 This Statement does not attempt to capture all of the additional work the council has undertaken in the past year in response to the pandemic. In many cases, the response has required setting up completely new services or processes. Among the many measures implemented since restrictions were announced SWT has:
- Distributed more than £65m of business support grants to businesses in our district by end March 21.
 - Responded to the 'Everyone In' mandate from government to identify, set up and manage safe self-contained accommodation for rough sleepers in our District. This required the establishment of accommodation at Canonsgrove in Trull and the Beach Hotel in Minehead which, at its peak, was accommodating around 70 people. This

project achieved national recognition and has undoubtedly saved and changed lives.

- We supported over 750 of our housing tenants with advice to maximise income and minimise debt, issued food parcels and vouchers toward energy costs.
- Distributed £250,000 in community chest funding to small organisations to help them respond to the pandemic.
- Invested £500,000 to help the town centres of Taunton, Minehead and Wellington with a programme of emergency measures designed to aid these vital social and economic hubs.
- Administered 508 successful awards of Test and Trace self-isolation payments, paying to low income households who were told to self-isolate.
- Implemented the Council Tax Hardship Funding received from central Government and applied payments of up to £150 to 7017 working age Council Tax Support claimants
- Reviewed and extended the awards for 285 Discretionary Housing Payment claims to provide ongoing help to people to pay their rent.
- Recalculated 1,693 Housing Benefit claims providing additional support for people to help pay their rent.
- Provided Business Rate relief to 1,300 qualifying business rate accounts and removed their liability to pay rates for this year.
- Made calls to 3,500 tenants and 600 other potentially vulnerable residents to check if they need help.
- Delivered more than 150 food boxes to people who are shielding and those facing hardship.
- Helped the NHS make Vaccination Appointments; contacting 48,000 people.

The funding and logistical consequences of delivering the local government response

- 4.14 The ongoing Covid-19 pandemic has already had a significant impact on local council finances, the effects of which will continue through the current period of lockdown and beyond. The financial impact will be due to both unforeseen but necessary expenditure and reduced income from fees and charges, Council Tax and Business Rates.
- 4.15 The impact varies by area, dependent on factors such as geography, demographics, services delivered and the nature of the local economy. However to a large extent, it will depend on if and how quickly the national and local economies return to normal levels of activity. The impact for SWTC was summarised in the Financial Outturn report to Executive 21 July 2021.

- 4.16 To offset the additional financial pressures being faced by Local Government, the Government has provided the following support:
- **Additional grant funding** emergency funding has been provided in five tranches during 2019/20, 2020/21 and 2021/22 plus additional general funding protection through the 2021/22 Finance Settlement through Lower Tier Services Grant.
 - **Sales, fees and charges scheme** - compensation for reductions in income in 2020/21 and the first three months of 2021/22
 - **Council Tax and Business Rates Losses** - to fund 75% of irrecoverable losses in council tax and business rates in 2020/21
 - **Local Council Tax Support Grant** - a new grant for 2021/22 to compensate authorities for the expected additional cost of Local Council Tax Support schemes in 2021/22
 - **National Leisure Recovery Scheme** - to support leisure facilities. It is unclear at this stage whether this funding will be sufficient to offset all of the financial pressures and Local Government continues to lobby for further funding to be made available.

Assessment of the longer term disruption and consequences arising from the coronavirus pandemic

- 4.17 It is essential that the Council focuses on the likely impact that the crisis, and its aftermath, will have on income levels both now and potentially into the future.
- 4.18 The Covid-19 crisis is likely to be long-lasting and far reaching, affecting more than one financial year. It could be difficult for councils to reduce their spending back to pre-crisis levels and income streams will not necessarily bounce back quickly, especially if the local economy is in recession.
- 4.19 This means that the assumptions underlying later years in the MTFP will almost certainly need to change, making the 'funding gap' for 2021/22 and beyond larger. Contingencies have been included in the 2021/22 budget and the Council's reserves increased to provide additional mitigation for the increased risk.
- 4.20 In terms of the impact of the Coronavirus pandemic on the Council's Corporate Strategy Annual Plan, the outturn report that went to the Corporate Scrutiny Committee on 7 July 2021, identified that out of 28 Annual Plan commitments for 2020/21, only 5 were off target and in 4 of those cases this was down to the pandemic.
- 4.21 In overall summary, the Council and its governance framework were able to be agile to deal with the Covid-19 pandemic. This is

confirmed by a recent customer survey where the public and businesses were very positive about the services provided by the Council.

5.0 Significant governance issues

- 5.1 At the current time, there are no significant governance issues but a number of recommendations for improvement are set out in Appendix B. The action plan details the governance issues that have been identified, the proposed action, the responsible officer and the target date for completion.
- 5.2 The system of Governance (including the system of Internal Control) can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period, that value for money is being secured and that significant risks impacting on the achievement of our objectives have been mitigated. The review highlighted no areas as representing a significant weakness in Governance or Internal Control during 2020/21.

6.0 Conclusion

- 6.1 Currently we can provide reasonable assurance that the Somerset West and Taunton Council's governance arrangements are fit for purpose.
- 6.2 However, addressing the issues set out in the Action Plan (Appendix B) will further improve the Council's arrangements.

Signed



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James Hassett
Chief Executive Officer
Date:

Cllr Federica Smith-Roberts
Leader of the Council
Date:

APPENDIX A - CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities

Key Documents: Annual Review/Production:

- Annual Governance Statement
- Annual Statement of Accounts
- Directorate Plans
- Committee report procedure
- Constitution
- Corporate Plan
- Performance Report
- Corporate Risk Register
- Delegations from/to Senior Management Team
- Equality Information
- Medium Term Financial Plan
- Members Allowances Scheme
- PSIAS Checklist
- Capital, Investment and Treasury Management Strategy

Key Documents: Ad-hoc Review/Production:

- Corporate Strategy 2019-2023
- Anti-Fraud Policy Framework
- Business Continuity Plans
- Community Engagement Framework
- Declarations of Independence
- Financial Procedure Rules
- Contract Procedure Rules
- Health and Safety Policies
- Information Governance Framework
- Member/Officer Relations Protocol
- Members' Code of Conduct
- Officer Employment Procedure Rules
- Officers' Code of Conduct
- Record of Decisions
- Risk & Opportunity Management Policy
- Whistleblowing Policy

Contributory Processes/ Regulatory Monitoring:

- Audit, Governance and Standards Committee
- Budget Monitoring Process
- Corporate Performance Management Board
- Corporate Health & Safety Committee and processes
- Corporate Intranet
- Council Tax leaflet
- Customer feedback process
- External Audit
- Joint Independent Remuneration Process
- Internal Audit
- Job Descriptions
- Job Evaluation Process
- Law & Governance
- Member Training Scheme
- Monitoring Officer & S151 Officer
- Partnership Arrangements
- Schedule of Council meetings
- Scrutiny Framework
- Staff Induction