

**Huntingdonshire District Council**  
**Annual Governance Statement 2020/21**

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**Scope of Responsibilities**

Huntingdonshire District 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 and properly accounted for and provides value for money. 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. That duty has grown in importance with the reduction in resources being made available for Local Authorities as part of the Government's on-going austerity programme.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which include the arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

The Council has established governance arrangements which are consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework – Delivering Good Governance in Local Government. It has adopted a Local Code of Corporate Governance. The Annual Governance Statement sets out how the Council has complied with the Code and also meets with the regulation 4(2) of the Accounts and Audit Regulations 2015.

The Council meets the requirements of Regulation 6(1) b of the Accounts and Audit (England) Regulations 2015 in relation to the preparation and publication of an annual governance statement. It is subject to review by the Audit Committee when they consider both the draft and final Statements of Account and is approved by the Audit Committee in advance of them agreeing the Statement of Accounts.

The Council's financial management arrangements are largely consistent with the governance requirements of the Statement on the Role of the Chief Financial Officer in Local Government (2010). The principles being that the Chief Financial Officer:

- Is actively involved and is able to bring influence on the Authority's financial strategy;
- Leads the whole Council in the delivery of good financial management;
- Directs a fit for purpose finance function;
- Is professionally qualified and suitably experienced;

The issues identified as a governance issue and the progress made by management throughout the future financial year 2021/22 to address these issues will be reported regularly to the Audit Committee with an assessment made in reducing the risk as part of their governance role within the Council.

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**The Purpose of the Governance Framework**

The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. 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 services and value for money. It also enables the Council to demonstrate to the public that it has effective stewardship of the public funds it is entrusted to spend.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level consistent with the risk appetite of the Council. 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 Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

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

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**The Governance Framework**

The Council's strategic vision and corporate priorities are set out in the Corporate Plan 2018 - 2022. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes, and behaviours required to deliver good governance to all.

## What is Governance?

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Governance generally refers to the arrangements put in place to ensure that the intended outcomes are defined and achieved.

The Council approved a new local Code of Corporate Governance in July 2016. It is consistent with the seven principles set out in 'proper practice' for the public sector, namely 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE<sup>1</sup>.

The Council aims to achieve good standards of governance by:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing its capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The overall aim of the local Code of Corporate Governance is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities.
- there is sound and inclusive decision making.
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

Underpinning the Code is the Council's commitment to equality of opportunity in its approach to policymaking, service delivery and employment.

## How do we know our arrangements are working?

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This statement builds upon those of previous years. Many of the key governance mechanisms remain in place and are referred to in previous statements which are available on the Council's website. The local Code of Corporate Governance (as at May 2018) is also available on the website and describes in more detail the governance processes in place.

The review of effectiveness was informed by the work of the Senior Management Team, who are responsibility for the development and maintenance of the governance environment, the Internal Audit & Risk Manager's annual report and comments made by the external auditors.

### *Governance Framework*

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Assurance required upon	Sources of Assurance	Assurances received
<ul style="list-style-type: none"><li>• Delivery of Corporate Plan priorities</li><li>• Services are delivered economically, efficiently &amp; effectively</li><li>• Management of risk</li><li>• Financial planning and performance</li><li>• Effectiveness of internal controls</li><li>• Community engagement &amp; public accountability</li><li>• Shared service governance</li><li>• Project management &amp; project delivery</li><li>• Procurement processes</li><li>• Roles &amp; responsibilities of Members &amp; Officers</li><li>• Standards of conduct &amp; behaviour</li><li>• Training and development of Members &amp; Officers</li><li>• Compliance with laws &amp; regulations, internal policies &amp; procedures</li></ul>	<ul style="list-style-type: none"><li>• Constitution (incl. statutory officers, scheme of delegation, financial management and procurement rules)</li><li>• Council, Cabinet, Committees and Panels</li><li>• Corporate and service plans</li><li>• Shared service joint committee</li><li>• Policy framework</li><li>• Risk management framework</li><li>• Project management methodology</li><li>• Financial Performance Monitoring Suite</li><li>• Medium Term Financial Strategy</li><li>• Customer Service Strategy</li><li>• Consultation and Engagement Strategy</li><li>• Complaints system</li><li>• Head of Paid Service, Monitoring Officer and S151 Officer</li><li>• HR policies &amp; procedures</li><li>• Whistleblowing &amp; other countering fraud arrangements</li><li>• Staff and Member training</li><li>• Codes of conduct</li></ul>	<ul style="list-style-type: none"><li>• Regular performance and financial reporting</li><li>• Annual financial report</li><li>• External audit reports</li><li>• Internal audit reports</li><li>• Officer management groups</li><li>• On-going review of governance</li><li>• External reviews and inspectorate reports</li><li>• Customer feedback</li><li>• Peer reviews</li><li>• Council's democratic arrangements incl. scrutiny reviews and the 'audit' committee</li><li>• Corporate Governance Committee annual report</li><li>• Staff surveys</li><li>• Community consultations</li></ul>

<sup>1</sup> The Chartered Institute of Public Finance & Accountancy (CIPFA) & Society of Local Authority Chief Executives & Senior Managers (SOLACE).

- Corporate/Senior Management Team
- Independent external sources
- Regular monitoring of outcome measures
- Monitoring of economic indicators & associated financial receipts
- Effective joint working arrangements

## **Governance impacts**

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Whilst traditionally this Statement has contained issues for which the Council is wholly responsible. It became clear that there were also a number of overarching external issues that were regularly informing and influencing the budget, performance and service delivery discussions the control and direct influence over which at both Member and Officer level lay outside of the Council. Consequently, an inward only looking Statement did not feel adequate to address all the risks that are faced by the Council which may have the potential impact to the authority and the achievement of its objectives.

Six themes were identified as part of this review to reflect a more strategic outlook. These Six themes have been chosen as representing our best view of the risks that challenge our financial stability and ability to deliver on our objectives. As the needs of our communities and decisions of our partners directly impact on our resource and demand profiles. However, they have been joined by a sixth issue, that of the environment and our collective responsibility to ensure that our actions and behaviours do not cause irreversible harm.

Progress made across the themes in 2020/21 is outlined in the Statement in **Appendix 1**. The impacts of Covid-19 experienced in 2020/21 onwards have accentuated the significance of the themes in this AGS, presenting the consequences of some of the previous identified system risks, and additional activity has been undertaken to further meet these challenges and mitigate the long term impacts on our communities, Huntingdonshire as a place and its economy.

## **Review of Effectiveness**

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The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Directors and Heads of Service within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Internal Audit Opinion, and also by comments Huntingdonshire District Council's Statement of Accounts 2020/21 made by the external auditors and other review agencies and inspectorates. During 2020/21, the works undertaken by the Internal Audit team was reduced but sufficient to be able to form the view for the Annual Internal Audit Opinion that the Council's governance, internal control environment and systems of internal control provides **adequate** assurance over key business processes and financial systems. However, a limitation of scope was placed on the aspect of risk management, which is excluded from the opinion as there is insufficient assurance available to offer reasonable assurance for this area.

The Council's Constitution details Directors' responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of the service is informed by the Council's risk register, with the allocation of audit resources controlled through an annual risk-based operational plan, which is agreed by Corporate Governance Committee.

In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms.

An External Audit of the account's year ended 31 March 2020 undertaken by Ernst and Young was reported to the Audit Committee which concluded the accounts and working papers for the 2019/20 closure process were of high quality. The Council assures it financial controls through an internal audit team and a programme of internal audit activity. Extended periods of absence within the team has limited the delivery of the audit programme, the table below provides a summary of audit activity undertaken last year. An additional resource was agreed to give confidence to the audit plan for 2020/21. However, the overall resources/number of days was much decreased for the year. The effect of the pandemic last year meant that internal audit resource was redeployed to more urgent financial business and, as such, internal audit activity was suspended temporarily for the first half of the year.

## Arrangements and Governance during Covid

For the first part of the year, The Council's Business Continuity Plan was invoked in March 20, enhanced management arrangements were put in place with a structure based on Gold (strategic), Silver (tactical) and Bronze (operational) groups including key system partners, to facilitate rapid responses to the evolving position, support appropriate decision making (including the use of emergency powers as allowed for in the Councils Constitution), clear communication and inter-agency cooperation. Although this structure remains in place, from December 2020, the frequency of meeting reduced and some of the individual groups were amalgamated as the intensity of the response lessened and practices had become well established.

The Council was able to take advantage of its recent 'Council Anywhere' IT programme which facilitated Services and officers to immediately commence working from home. Most services were able to continue their provision with some practical adjustments. A few services were paused and their officers redeployed to alternative Covid work streams such as emergency food parcels, business support grants, working with local parish councils and community groups. Leisure facilities were closed and staff were assessed for redeployment or furloughed. Staff welfare was paramount and staff with medical or other factors were highlighted where 'vulnerable' and furloughed where they could not work from home or be redeployed. Risk assessments were prepared for all necessary working areas/processes to ensure not only the safety of staff but also the customers with whom they may come into contact.

Committee meetings were postponed initially in lockdown, until legislation was amended allowing councils to hold meetings in a virtual environment. Teams and Zoom were used to facilitate these meetings, enabling the decision-making process to be recorded and documented as before.

COVID led to pressures in relation to the collection of both Council Tax and Business Rates as residents livelihoods were affected and businesses struggled under lockdown arrangements. The Council relaxed compliance measures in relation to Council Tax and Business Rates collection and allowed Council Taxpayers and businesses to defer payments for the first three months of 2020/21 with revised payment plans over July to March 2021. It is clear that Collection Fund (Council Tax and Business Rates) debt has increased and the limited opportunities to pursue recovery at the Magistrates Court proved problematic. The Council received £0.827m from the Government in the form of a Hardship Fund to provide £150 Council Tax relief for Council Taxpayers of working age in receipt of Council Tax Reduction.

A lessons-learnt log has been maintained and assessed for future needs and will be fed into the risk register. The Business Continuity Plan is planned to be refreshed in light of emerging issues. An exercise has been carried out to re-prioritise all business systems and processes on a time-critical basis to support the BCP.

Initial engagement with the leader/deputy leader was on a daily basis with the Corporate Leadership Team and on a weekly basis with the wider cabinet members in escalating issues/decision

## Internal Assurance Activity

Audit reports issued are listed in the table below - grouped by assurance opinion and showing action type and number of actions.

Audit area	Audit Actions	
	Red	Amber
<b>Substantial</b>		
Budget Monitoring & Forecasting 20.21	0	1
<b>Adequate</b>		
ICT Maintenance Schedule Planning 20.21	0	3
Treasury Management 20.21	0	2
Budgets and MTFs 20.21	0	2
Digital Services Management 20.21	0	9
CA - Council Tax & Non-Domestic Rates (quarterly review)		1
CA - Housing Benefits – Creditors (quarterly review)		-
CA - Housing Benefits – Debtors (quarterly review)		-
CA - Main accounting system (quarterly review)		5
CA - Accounts payable (Creditors) (quarterly review)		4
<b>Limited</b>		
'My Dashboard' / Sickness Monitoring 19.20 **	0	2
ICT - Cyber Security 20.21	4	3
ICT - Cloud Services 20.21 *	2	2
Estates Contractors Review 20.21	3	2
CA - Accounts receivable (Debtors)		1

Audit area		Audit Actions	
		Red	Amber
<b>No opinion given</b>			
	Disabled Facilities Grants District Certification 19.20	-	-
<p>* Draft report status (as at 30/06/2021).</p> <p>** Relates to Plan 19.20 but report issued in 20.21</p> <p>CA = a continuous audit, quarterly reviewed.</p>			

\* As the Internal Audit Service was redeployed for most of the year, these reviews were only carried out for quarters 3 & 4. However, Q3's reviews included a 'catch-up' whereby quarters 1 & 2 were encompassed within the review. A quarter 4 /end of year review has been undertaken in all areas and an audit opinion and agreed audit actions to redress any recurring/outstanding issues were provided.

### Significant Governance Issues 2020/21

There are no reported significant governance issues.

### Other Governance Issues We Have Identified 2020/21

The Annual Governance Statement identifies governance issues and risks for the Council to address.

Area of Assurance	Issue/Gap	Action Plan Proposal
Contractor Management	An internal audit identified weaknesses in the following areas: <ul style="list-style-type: none"> <li>IR35 compliance</li> <li>Contract management (incl. inconsistent and non-compliant with procurement rules)</li> <li>Contractor management</li> <li>Contractor selection</li> <li>Governance</li> <li>Time management</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment &amp; Procurement officers will oversee each consultant appointment</li> <li>Procurement to provide oversight and guidance on all contract matters; Sponsors to be accountable for their contracts</li> <li>All Contractor Sponsors, Procurement, HR to ensure compliance with PCR2015, IR35 and good commercial practice.</li> <li>PMs / Procurement to ensure proper evaluation of need in line with PCR2015</li> <li>PMO, Procurement, Works SLT will ensure that clear and evidenced decision making is done and recorded through the governance framework.</li> </ul>
ICT - Cyber security (4 red actions)	<p>Staff not provided with adequate cyber-security risk training and awareness.</p> <p>Endpoints with outdated Anti-Virus definitions.</p> <p>Unsupported operating systems in use on the Council's network.</p> <p>Excessive number of Domain Administrator privileged accounts.</p>	<ul style="list-style-type: none"> <li>Review to assess content, delivery method and quality of user education programmes for Council's cyber/IT security</li> <li>Harmonise education packages</li> <li>Awareness training focussed on phishing and social engineering</li> <li>Education to users on annual basis and bi-annual refresher sessions</li> <li>Mandatory for new starters</li> <li>Training completion monitored and record maintained.</li> </ul> <p>Procedure in place to apply anti-malware signature updates to devices that do not connect to the Councils' IT network on a routine basis. Includes a process to restrict any non-complying devices connecting to the Councils' IT network.</p> <ul style="list-style-type: none"> <li>migration plans of unsupported Windows systems is recorded and tracked to completion.</li> <li>included within the Council's ICT Risk Register and take steps to decommission these devices as soon as possible.</li> <li>Track ongoing reduction of domain administrator accounts</li> <li>Privileged network accounts reviewed on regular basis to ensure no of accounts controlled.</li> </ul>

Finance	Critical over-dependency on one key officer Only one professionally qualified officer No deputy S.151	New Finance Business Partner recruited will be professionally qualified (CIPFA).  Finance Business Partner job role will include Deputy S.151 designation.
Role of Chief Finance Officer	CFO position – not sitting at CLT / not part of key decision making	S.151 Officer is now part of the Works Program Board, Corporate Senior Leadership Team monthly meeting and Operations Board (the governance structure).
ICT - Cloud Services (2 red audit actions)	No documented information held about each applications' dependencies which could be used to assess the applications' feasibility for projected migration plans.	<ul style="list-style-type: none"> <li>• Determining agree criteria for assessing migration to cloud</li> <li>• Defined framework to ensure all potential scenarios factored into the criteria</li> <li>• Corporate Applications Roadmap drafted to ensure which applications the councils would migrate to the cloud as well as which must be migrated to the cloud.</li> <li>• Management will assess possible dependencies of each system.</li> </ul>
	Once applications have been hosted, there is no further risk assessment made to review effectiveness of the hosted landscape. Additionally, there is no plan to further assess applications where it is currently not appropriate to migrate them.	
Towns Programme	Loss of resourcing – the two interim officers are planned to leave in the short term (July & September). First recruitment campaign was unsuccessful; this is being tried again but there is a risk of being unfulfilled and a further risk of no time for a handover period. Capacity & capability risks and issues need to be resolved to continue the programme.	Action plan being formulated.
Accounts Receivable /Debtors Service	This area continues to receive a limited assurance opinion.	Systems, processes and resources needs will be reviewed across the whole Debtors function. An action plan will be established, in conjunction with the team, to support delivery of improvements and address the control filings identified during the quarterly reviews.
Project Management	Number of key projects that pre-date new project management processes that are highlighted as failing.  The Work Programme spreadsheet shows that some projects are flagging red or amber/red. There are reported issues with governance; non-compliance and cultural issues.	Work Programmes Board to provide updates on actions decided to be taken.  All actions to be recorded by Board and monitored for compliance progression.
	The post is recently vacant due to postholder leaving. The DPO is a statutory role. It also covers the other 3Cs authorities under contractual obligation. The Deputy post is also vacant with an Acting postholder, who is not cannot fulfil the DPO role. A recent recruitment exercise was unsuccessful for the DPO role. Another is planned but, if successful, is unlikely to result in an immediate starter leaving the notice period of x months without a DPO.	<ul style="list-style-type: none"> <li>• Recruiting to Recruiting to longer term permanent role and short-term temporary cover</li> <li>• Offer of assistance for critical incidents from Peterborough and Cambridgeshire DPO</li> <li>• ICO helpline if needed</li> <li>• Third party legal providers can provide short term cover on an hourly basis if needed.</li> </ul>
Payment Cards Industry compliance	Risk of non-compliance with some of the PCI requirements.	<ul style="list-style-type: none"> <li>• Self-assessment to be undertaken to understand any areas of non-compliance and action plan prepared to progress</li> <li>• Training of relevant handling staff</li> </ul>

Other Governance Issues We Have Identified 2019/20 - updated

Area of Assurance	Issue/Gap	Action Plan Proposal	Progress @ May 2021
<b>Risk Management</b>	RM is not fully embedded and functional within the Council in an effective way. The risk register requires revision and update otherwise it is at risk of being unreliable/unusable.	<ul style="list-style-type: none"> <li>• Service Plans will be redesigned to incorporate risk management.</li> <li>• The risk register will be reinvigorated and redesigned before roll out to Services</li> <li>• Internal audit reviews of top risks highlighted by management</li> <li>• Longer term – potential audit review of RM</li> </ul>	<p>The risk register has been restructured to reflect the changes in organisational structure at the Council, and to rationalise the current risks listed.</p> <p>All entries have been 'reviewed' and re-dispositioned so to then validate with assigned owners.</p> <p>The next stage will be to engage with Services to allow them to identify and assess their risks and repopulate/rebuild the risk register.</p>
<b>Lone working</b> (red action in an audit report):	The Council lacks a corporate lone working procedure that is robust and effective. H&S legislation requires us to protect our employees at work. A lack of protocol over lone workers could risk employees' safety and a breach of legislation.	<ul style="list-style-type: none"> <li>• Ownership to be appointed.</li> <li>• To investigate lone worker systems that can operate within its 24 hour CCTV function.</li> <li>• A suitable system/procedure to be implemented to protect all officers who lone work off site.</li> <li>• Internal Audit to carry out a follow up review to ensure operation and compliance once installed.</li> </ul>	<p>Through the new Services collaboration forum, advice recommends that Services with LW issues should conduct a risk assessment and a holistic view of the need understood.</p> <p>Services have been asked to identify and categorise their lone worker posts in order to assess the extent of the provision needed.</p>
<b>Head of Internal Audit</b>	The resignation of the Internal Audit Manager affects the resourcing of the statutory Internal Audit service. This impacts on the provision of an annual Audit Opinion.	<ul style="list-style-type: none"> <li>• An Acting Internal Audit Manager has been appointed. This employee is an existing internal auditor at the Council and is MIIA qualified.</li> <li>• Restructuring of the function to take place to ensure adequate resourcing levels.</li> </ul>	<p>Internal Audit Manager now in post (April 2021).</p> <p>Recruitment efforts are ongoing to backfill the now-vacant Internal Auditor post.</p>
<b>GDPR</b>	Progressive action towards GDPR compliance and monitoring has not been sufficiently robust since the Regulations' effective date. This puts the council at a greater risk of a potential non-compliance with GDPR legislation, a data breach, penalty fine and reputational damage.	<ul style="list-style-type: none"> <li>• Information Governance team has carried out a gap analysis review across the Council.</li> <li>• Work to be done to ensure data protection training and awareness.</li> <li>• A planned Internal audit [follow up] review to assess compliance.</li> </ul>	<p>Work is progressing on areas identified.</p> <p>Updates are provided to the Information Governance Committee each quarter.</p> <p>Key areas that have progressed in the last quarter include the circulation of the Information Asset Templates in order to develop a central register.</p>
<b>Network Access Management Control</b> (red action in an audit report):	The audit found that user accounts may not be regularly reviewed and monitored (by HR or systems owners) leading to leaver, inactive or dormant accounts.	<ul style="list-style-type: none"> <li>• Agreed that HR management would assign ownership to line managers to review the network accounts that do not match to payroll listing.</li> <li>• Agreed that line managers/Heads of Service would perform a regular review of all staff in their service as going forwards.</li> <li>• Progress to be monitored by Internal Audit.</li> </ul>	<p>HR have investigated the users and informed ICT. IA have asked ICT to confirm that corrective action has been taken and user accounts closed where applicable.</p> <p>ICT also need to set up a regular review process whereby HoS confirm their users are still current and legitimate to prevent this from happening again. This is also supported by a leaver's notification process to ICT.</p>

<b>Procurement function</b>	Resignation of the Procurement Officer in March 2020 leaves the council with no Procurement support function. Absence of a procurement function for advice has meant Services had to procure without assistance and put compliance more at risk.	<ul style="list-style-type: none"> <li>• The AD for Corporate Services has forged a good relationship with the Procurement Officer of a neighbouring authority which was used for support and advice where needed in the interim and going forward.</li> <li>• The recruitment of a Procurement Officer was agreed.</li> <li>• Subsequent appointment of an experienced procurement officer took place in September 2020.</li> </ul>	The appointed Procurement Officer left the post due to personal reasons before the end of the probation period.  The post was advertised and an offer has been made to a candidate from local public sector organisation, to take up the vacant position.  Role now filled (5 Jul 21)  <b>Issue completed.</b>
<b>Delivery of capital schemes</b>	An audit review found that there several issues relating to governance, capability, capacity and delivery, and commissioning.	<ul style="list-style-type: none"> <li>• Appointment of a Programme Delivery Manager took place in 2020 to establish a PMO delivery process</li> <li>• Many programmes and projects are already underway</li> <li>• Internal Audit to carry out a follow up review.</li> </ul>	PMD continues to evolve into a flexible and responsive function to add appropriate level of oversight and governance to programmes and projects based on risk, value and complexity.  <ul style="list-style-type: none"> <li>• Formal governance structure has been established, comprising the Work Programme Board, the PM Steering Group and the Gateway model (applied to each programme / project)</li> <li>• Capital schemes will follow the same process from project inception and business case to lessons learned.</li> <li>• Finance is represented on both the Work Programme Board and Steering Group to ensure robust challenge and oversight throughout the project.</li> </ul>
			Internal Audit to undertake a further review when processes have had time to embed, and when capital schemes are following these new procedures.
<b>Audit reports outstanding</b>	There has been difficulty in obtaining replies by Services to draft audit reports. These reports highlight weaknesses and risks found in a system and if they remain not responded to and no actions are implemented to address the risks, then the risks potentially remain and assurance cannot be given.	<ul style="list-style-type: none"> <li>• Audit Manager has advised senior management of such outstanding reports.</li> <li>• A new Risk &amp; Controls Board has been developed which now formally reports these issues to Corporate SLT for action.</li> </ul>	A list of outstanding reports has been formally reported by the R&C Board to Corporate SLT for action.  Progress has been made to finalise and close outstanding reports; a recent surge effort by IA has via escalation to Corporate Leadership level has improved response.
<b>Information Governance Training</b>	The ability to monitor which staff have completed which training courses needs improvement. Decisions on mandatory training and frequency of courses needs to be decided. There is a risk that employees may not have sufficient training or awareness.	<ul style="list-style-type: none"> <li>• New Information Governance Manager in post</li> <li>• IT and IG policies are being reviewed</li> <li>• IG training modules are being reviewed</li> <li>• Ownership of training attendance to be assigned</li> <li>• A system for monitoring all training</li> </ul>	The IG Training Needs has been developed and communicated to the IG Group.  The LMS System is now live;  The IG team are currently working with the Transformation team and HR on reporting.  An update on the outcome of this was reported to the Information Governance Committee in May.  Now part of mandatory training for new starters.  Info Security training sessions offered to all Members.



<p><b>Covid-19 risks, levels of debt, loss of income etc</b></p>	<p>Since mid-March 2020, the Council has diverted its resources to focus on providing active support across Huntingdonshire as part of its response to Covid-19.</p> <p>There is a risk that costs incurred outweigh the levels of funds received from Central Government. Emergency procedures put in place need to be reviewed to ensure that effective governance is in place to protect Council / users etc</p>	<ul style="list-style-type: none"> <li>• Assess 2020/21 budget and income streams for non-deliverable items and link to overall 2020/21 Financial monitoring and the 2021/22 MTFS requirements.</li> <li>• Robust risk management processes followed to ensure effective monitoring of key risks whether relating to response to Covid-19 or return to business as usual.</li> <li>• Gold, Silver and Bronze command were stood up to manage critical responses/issues in response to the pandemic.</li> </ul>	<p>Continuing as per last update: At present, Gold command is still active to help respond and provide resources for continued support within the community in relation to the Covid 19 pandemic.</p> <p>A separate cost centre was set up to capture costs associated with responding to Covid 19 pandemic.</p> <p>During 20/21, central government has provided significant support in terms of the one-off costs associated with responding to the pandemic, this support will continue in 21/22.</p> <p>Recognition has also been provided by central government in support loss of income for services affected by the closure of leisure and retail activities. The Income Compensation Scheme has provided Local Authorities affected by this to claim back 75p in the £1, after deducting 5% of the total expected budgeted income for that activity.</p> <p>NNDR and CTAX will continue to be a concern going into 21/22 with ongoing pressure around collections. Central Government have provided mechanisms to spread 20/21 deficits over 3 years and will also allow Local Authorities to claim compensation for irrecoverable losses.</p> <p>Balanced budget has been approved (Feb 21).</p>
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**Opinion**

After conducting a review of the governance arrangements across the Council and overall compliance with the Council's Code of Corporate Governance, we are satisfied that the arrangements are effective.

We are also satisfied that this statement allows the Council to meet the requirements of the Accounts & Audit (England) Regulations 2015, to prepare an annual governance statement to accompany the 2020/21 Annual Financial Report.

### Certification

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As Leader and Chief Executive, we have been advised on the implications of the results of the review of effectiveness of the Council's governance framework, by the Audit Committee and Cabinet.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within Huntingdonshire District Council to ensure effective internal control is maintained. We are also satisfied that there are appropriate plans in place to address any significant governance issues and will monitor their implementation and operations as part of our next annual review.

Signature	Councillor Ryan Fuller Executive Leader	Signature	Joanne Lancaster Managing Director
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16<sup>th</sup> July 2021

Signed on behalf of Huntingdonshire District Council

Xx April 2022

Amended and reapproved

## Appendix 1

### Annual Governance Statement 2020/21

#### Themes

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##### **Housing Affordability**

*Leading to homelessness and constraining growth.*

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This issue is one which impacts on the Council's ability to deliver the Corporate Plan primarily through the escalating financial consequences of homelessness. Furthermore it also has a bearing on the mobility of the local labour market, on inward investment and business growth opportunities. For the Council as an employer it also hampers our ability to recruit and retain suitably experienced and qualified staff.

##### **2019/20 actions**

##### **2020/21 actions**

- |    |  |    |
|----|--|----|
| -- | Adopt a housing strategy which establishes the formal basis for housing delivery across the district.  | ✓  |
| ✓  | Complete a formal review of homelessness within the District to inform the development of an updated Homelessness Strategy.  | -- |
| ✓  | Continue to work with other agencies to enable earlier risk-based interventions for those individuals whose circumstances mean that they are vulnerable to homelessness.   | ✓  |
| ✓  | Developing new delivery options to secure affordable homes within the District, using Council assets to provide alternatives to the market delivery homes where necessary. | ✓  |
| ✓  | To bring forward formal Scrutiny recommendations for the acceleration of supply of new affordable and accessible housing stock across the district.                        | -- |
|    | Working with third parties to explore partnership models to bring forward new solutions to the delivery of all types of housing to meet local needs.                       | ✓  |

##### **2020/21 achievements**

The focus of our work is on earlier intervention where possible to help achieve successful homelessness preventions. This has been aided by multi agency pathways and protocols across a range of other partners to help identify earlier intervention opportunities. This has been a key part of our Covid-19 response to ensure that those most at risk to the threat of rough sleeping have been assisted during the pandemic.

Maximised spend on Discretionary Hardship Fund to help people with their housing costs - £287k awarded. Continued to award Hardship Fund payments to working aged people claiming Council Tax Support - £632k awarded

Although use of hotels and B&Bs increased for single rough sleepers as part of the 'Everyone In' pandemic response, this accommodation is not used for families with children. A further 22 short term lets provided by Chorus will come online in April 2021 as the conversion of an outdated Sheltered scheme to this use is completed.

New Housing Strategy adopted October 2020. Also the sale of 13 parcels of land held by the Council for the delivery of affordable homes was approved by Cabinet in October 2020.

## Morbidity/Growing number of years of ill health

*Impacting on people's ability to be self-reliant and generating additional cost through support needs.*

Increasing pressures are being felt by many parts of the public service system, primarily through the growing demand on support costs, a rise in complex individual cases which cuts across many service providers, through such things as disabled facilities grants and personal care costs. This is not something that any single agency has total responsibility for, and it requires joint working to deliver effective solutions focussing on wellbeing and life choices as well as housing, open spaces, transport infrastructure and the design of place.

The costs of dealing with ill health and the increased risk of other complications caused by ill health, constitutes a major financial challenge to all public sector agencies. Decisions made to support these needs, often impact HDC as we see these decisions create direct and indirect financial challenges for the Council, including disabled facilities grants but also situations where those who are not able to remain economically active rely on more assistance. The increasing number of years of ill health experienced by the population, combined with Huntingdonshire's aging population make these factors areas of continued focus for HDC.

Underlying health factors such as frailty, excess weight, or other underlying health condition have been indicated as increasing the chances of poor Covid-19 outcomes.

### 2019/20 actions

### 2020/21 actions

- |    |  |    |
|----|--|----|
| ✓  | Use our leisure services to encourage healthier lifestyles through engaging people of all ages in activities to improve health.  | ✓  |
| ✓  | Pilot new ways of working within localities with local communities and other agencies to deliver tailored solutions to issues within defined communities.  | ✓  |
| ✓  | To bring forward formal Scrutiny recommendations on how the Council can support improved community health outcomes through its task and finish work. Maybe update with a focus on Health and Wellbeing strategy                                | -- |
| ✓  | Pilot new ways of working within localities with local communities to deliver improved infrastructure that promotes cycling and walking  | ✓  |
| ✓  | Adoption of a 'Healthy Open Spaces Strategy' to optimise the provision and use of the Council's green open spaces, parks and play areas to encourage healthier lifestyles through engaging people of all ages in activities to improve health. | ✓  |
| -- | Investing in our parks and green spaces to provide for open areas for leisure and activity, including in our 3 largest market towns  | ✓  |

### 2020/21 achievements

Closures of the leisure industry dictated that the service was only able to deliver face to face activity for 5 months of the year with severe restrictions around what could and could not be delivered during those months. Online services were developed but had limited uptake as customers responded to surveys stating that they valued the human interaction and therefore found alternatives during periods of closure.

Whilst recovery commenced on two occasions, subsequent decisions to shut down facilities and activities meant that by the end of the financial year only outdoor activities had resumed (for 3 days). Online services via the Training Shed App and Classes were delivered as an alternative for those that were seeking support.

The new park, named Berman Park, opened for public use on the Easter weekend.

Work with protecting and increasing the biodiversity of our open spaces was put on hold due to covid-19. Anticipated delivery is now Q2 2021/22.

## Wider economic environment

*Impact of Commercial Investment Strategy/Business rates receipts and level of need from residents.*

The Council's financial robustness is closely linked with the success of the overall local economy, driven in large part to a prosperous commercial sector. This supports the delivery of one of our key Corporate Plan strategic priorities – delivering sustainable growth across the District. The Council is making tactical investments in the property market and is determined to support the conditions for economic success to support a vibrant economy and positive community outcomes. Ultimately external economic factors do directly impact on the Council's financial plans and forecasts for new homes bonus, council tax and business rates incomes, and the level of demand for our services. We take our role on supporting the conditions for stable growth very seriously.

During Covid-19 we have, like others, administered the Government's business grants programme, using information we hold to quickly distribute funds in the most effective way, to ensure we support a quick local economic recovery.

2019/20 actions		2020/21 actions
✓	Use the Council's Commercial Investment Strategy to support the local economy.	✓
✓	Maintain and enhance the Council's existing commercial estate to provide value accommodation for local businesses.	✓
--	Use of data to target our engagement and support of local business particularly in key clusters.	✓
✓	Refocus our economic development activity to support new and emerging sectors in our economy, to create the environment within which new business can thrive.	✓
✓	Following the adoption of the Prospectuses for Growth for the four main market towns to focus on transformational interventions that make the most of opportunities unique to each town, creating new jobs, stimulating economic growth, improving productivity and raising aspirations in and around each town.	✓
✓	To work creatively with key industrial sectors to create pathways for growth and linkages to skills and training provision.	✓

## 2020/21 achievements

The Future High Streets Fund (FHSF) has been confirmed for St Neots and the individual projects are being developed, along with a communications and engagement strategy. Master planning feasibility briefs are being developed for St Ives, Huntingdon and Ramsey. In addition, the accelerated towns programme (Cambridge & Peterborough Combined Authority) is underway with a series of projects to be implemented by March 2022

This has secured £3.7m MHCLG funding for FHSF; £3.2m CPCA funding toward the FHSF. In addition, bids to the CPCA Market Towns Fund bid have been submitted, including the accelerated fund (across Huntingdon, St. Ives and Ramsey) and the longer-term fund to initiate masterplan/feasibility studies for Huntingdon, St Ives and Ramsey. In addition, A141 study continues, and St Ives study to commence.

Continued work with partners to develop the Ox-Cam growth corridor. The Ox-Cam Non-Statutory Spatial Framework is to be launched, together with a CEO to engage MHCLG on 'place shaping' opportunities within this space.

Officers continue to work with the CPCA (Market Towns, A141, St Ives study) to ensure infrastructure is enabled. In addition, working collaboratively with Highways England/Cambridgeshire County Council/South Cambridgeshire District Council on the A428 and will also work with partners on East West Rail as it moves toward Development Consent Order.

## Skills level and educational attainment

As a means by which residents are able to attract profitable work and in attracting employers to the area.

It is important that all young people can fulfil their potential and become active citizens with meaningful and valuable work. Furthermore, the workforce within the area needs to be supported to continue to gain meaningful employment and meet the demands for new skills in the labour market. This is particularly true to ensure we are able to support our residents to respond to the impacts of Covid, and to ensure the growth we see in Huntingdonshire being in high value adding sectors. In turn this will also contribute to the area's reputation for attracting inward investment and so grow and thrive. Finally, skilled and flexible workforces who possess digital skills will allow the Council to transform its current delivery models and offer new methods of service delivery. Post Covid activity will also be undertaken to ensure our working age population are able to respond to changes in local employment, and benefit from co-ordination of activity around gaining the skills needed within the local economy.

### 2019/20 actions

		2020/21 actions
--	Endorse a digital strategy for the area, to ensure that the needs of Huntingdonshire are properly understood and laid down to support the skills and economic growth agenda.	✓
--	Work with local businesses to understand and support their growth and recovery plans, and skills needs.	✓
✓	Support apprenticeships, directly as an employer, but also through our supply chain and through promotion with local businesses.	--
✓	Continue to engage with schools through local careers fairs and EDGE, but also through fostering direct links between employers and educational institutions.	✓
✓	Work to create pathways from local communities and schools to colleges and institutions such as iMet which support the development of skills required by the future economy.	✓
✓	Develop and enhance our commitment to social value, and seek to encourage other local employers to do the same.	✓

### 2020/21 achievements

A plan has been developed around the implementation of six community-based job clubs across Huntingdonshire. Social Echo located in Yaxley launch on 1st June 2021 with face to face and online courses, skills and employment support available. Brampton have received their training and will also launch on 1st June 2021. Discussions underway with St Neots partners in relation to a shared offer with Diamond Hampers. 'Payment by Results' type funding offered to the Job Clubs by Cambridgeshire Skills.

Developing Oxmoor initiative has been slowed by the pandemic but initiatives have continued, and a number of new projects have got underway. This includes the opening of a community fridge based within a primary school that since 25th March 2021 has issued 1418.43kgs of food that would have otherwise gone to landfill. The offer will expand to cover hygiene products from 25th May 2021. Funding has also been secured from the Office of the Police and Crime Commissioner to jointly fund a post within St Peters school that will work directly with male pupils at risk of becoming a victim or a perpetrator of crime, disorder or anti-social behaviour (ASB). The project will focus on keeping aspirations high.

## Partner agency operational pressures

*Financial challenges of partners impacting on demand for our services or reducing existing support.*

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There is evidence to suggest that as parts of the public sector reduce their input into communities, that the demand transfers to other agencies. In Huntingdonshire whilst partners work well together there continues to be the challenge of controlling additional demand and the corresponding budget pressures that it brings. Elsewhere financial pressures in one sector, have had significant financial and capacity impacts on the authority.

The impact of Covid has further emphasised these challenges, as the demand and income pressures generated by Covid-19 have begun to impact. Collective work on recovery to properly understand the links between cause, and financial impact will be central and driven through shared recovery activity across all public sector partners.

### 2019/209 actions

- ✓ Share budget planning activity with other public agencies to guard against unintended consequences of financial decisions.
- ✓ Continue to engage with near neighbours, particularly the County Council and health services to understand how best we can complement each other's activity
- ✓ Work closely with partners to understand the triggers and impacts of decisions on partners, and seek to proactively prevent costly crises, and deliver better outcomes.
- ✓ Use evidence to undertake targeted outbound contact with those residents that need it, and develop new ways of working which ensure that public services become more agile in responding to changing circumstances.
- ✓ Recognising that residents needs to not map neatly to organisational boundaries, establish multi-disciplinary teams (or digital services) with partners, where the evidence shows that these will better help us achieve our objectives.

### 2020/21 actions

- ✓
- ✓
- ✓
- ✓
- ✓

### 2020/21 achievements

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We have continued to work with CPCA in delivering projects into the district to enhance open space and environmental activities, as well as supporting activities because of responding to the impact of the covid-19 pandemic. The council has successfully accessed funding in the region of £1.8m

Work underway with Hunts Forum to review the definition of Recognised Organisations potentially into a tier system. This will be mean that more community and voluntary organisations will be eligible for receiving the recognition and in turn increase the opportunities for volunteering  
During this financial year the Council has continued to work with partners across the public sector to respond to and deliver much needed support to the residents and businesses of Huntingdonshire and the wider area within Cambridgeshire and Peterborough affected by the impact of covid-19.

## Environmental pressures and sustainability challenges

### Challenges to the long-term sustainability and attraction of our area.

There is growing recognition of the significant consequences of a failure to properly account for human actions, and wider climactic events which are becoming increasingly common. The national risk register includes flooding and severe weather events as risks that as a country we should prepare for. We also recognise the health impacts of pollution and poor human behaviour in terms of pollution and improper handling of waste as key challenges to the beauty and sustainability of our area.

2019/20 actions		2020/21actions
✓	To maximise the recycling rate within our district, seeking to reduce contamination, and deliver the highest possible rate of recycling and reuse of our recycled materials.	✓
✓	Develop proposals around improving the movement around the district, by way of modal shift and improved public transport. To promote sustainable transport options, including the provision of charging points for electric cars, and through encouraging walking and cycling as safe and practical alternate travel options.	✓
✓	To ensure the Digital agenda remains at the core of new infrastructure projects, allowing for flexible working where possible, minimising the need for am/pm peak travel.	✓
✓	Maximising the use of renewable energy technology in all suitable locations across the Councils assets and achievable land opportunities and pursue technologies that allow us to minimise use of utilities.	✓
✓	Ensuring new residential developments are environmentally sustainable and make best consideration of key environmental factors during both the design and build stage and ongoing liveability.	✓
✓	Maximising the impact of our green space, by investing in and expanding green spaces across the district and seeking to achieve net-gain biodiversity where possible.	✓
--	Implementing a strategy to limit single use plastics across our estate. Removing such items from our cafes.	✓
✓	Working with parish and town councils to ensure that Neighbourhood Plans reflect the growing environmental and sustainability agenda.	✓
--	Working to understand our communities' ambitions on the sustainability agenda and supporting this through the way we undertake our business.	✓
--	Work with the CPCA to frame and deliver the ambition of the Climate Change Commission and the Electric Vehicle strategy.	✓

### 2020/21 achievements

A new Waste Minimisation Strategy and a Waste Minimisation Action Plan were approved at Cabinet in December 2020. Projects are in place to support the objects set out in the strategy:

- Reduce the amount of waste that is collected from households through our kerbside collections.
- Achieve a greater than 60% diversion of waste from landfill in line with the council's manifesto pledge.
- Improve the quality of the recycling material we collect by maintaining contamination levels below 7%.

Electrical Vehicle Charging points have been installed across car parks in St Neots, St Ives and Huntingdon. The charging points are already being used and have provided the following energy to vehicles so far: April: 836kWh, May: 324kW. With EV cars travelling between 2.8 & 3.5 miles per kWh, this means that our total of 1,160 kWh supplied has enabled over 3,248 miles of cleaner travel in the 5-6 weeks they have been in operation.



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