

## **Annual Governance Statement 2020-2021**

### **Introduction**

As Leader and Chief Executive, we are acutely aware that everything the Council does relies upon a foundation of solid governance. The COVID-19 pandemic has meant that 2020-21 was a particularly challenging year for the Council though proactive leadership and a dedicated workforce we successfully adapted our working processes admirably and delivered:

We are charged by government to run the Council efficiently, effectively and economically. As a resident, you will want reassurance that proper systems are in place and running properly to deliver the vital services on which you depend and we are pleased to present this Annual Governance Statement to explain how we deliver on these expectations, to outline what has been achieved over the last year and tell you about the improvements we are currently working on.

In November 2020 we were the first Council to undergo a virtual Local Government Association Corporate Peer Review focused on Finance. This contained a number of positive comments on the Council's financial controls and its response to the pandemic.

A Peer Review Action Plan has been prepared to track all 26 recommendations which the Council has accepted, ensuring that these are progressed with planned regular updates provided to both the Corporate Policy & Resources Committee and the Audit Committee.

2020-21 was the last full municipal year that the Cabinet Strong Leader governance model operated. As from the Annual Council Meeting on 27<sup>th</sup> May 2021 the Council is moving to a new Committee governance system exercising functions delegated to a series of Committees by the Council

We hope that in reading this Statement you will be encouraged to explore further the work of your Council. You can read all the documents to which we refer on our website and view Council meetings online to see how we do business. You can also discuss any of these matters with your local Councillor.

### **COVID-19**

The overwhelming challenge for us in the past year has been responding to the Covid-19 pandemic. We adapted well to the change of working and ensured a high level of services was maintained.

Some headlines from the COVID-19 response:

- 17,114 welfare calls, visits and checks for vulnerable residents
- 31,538 tonnes of waste and recycling collected
- 2,062 fly-tips cleared
- 39,184 meals on wheels delivered
- 26 rough sleepers have been placed in settled accommodation
- 180,000 Bulletin magazines delivered, and 5,161 social media posts made.

### **The Council's vision for the Borough**

The Council had a Corporate Plan for the period 2016-2019 and a new one for 20210-2023 is currently being developed. The initial work undertaken on the new Plan has resulted in the previous Cabinet putting forward four new corporate priorities: i.e.

- Community – ensuring that we put our communities at the heart of everything we do, helping them to develop and thrive, and supporting those most in need.
- Affordable housing – delivering the affordable housing the Borough's residents need
- Recovery – supporting our communities and businesses recovery from the impact of COVID-19
- Environment – with a particular focus on tackling climate change

Once a new Corporate Plan has been fully developed this will then feed into the service plans of the different Council Services, so that the organisation can pull together and focus its resources on delivering these key objectives.

The Corporate Plan will take account of the following types of issues for the residents of Spelthorne:

- **COVID-19** – ensuring that the Council delivers an effective recovery plan to help its communities, businesses and the Council itself recover from the impacts of the COVID-19 pandemic. It is going to take a few years for a full recovery to be made
- **Housing.** The Council has an ambitious plan to address the issue of affordable house in our borough, particularly for key workers. We have started to address this issue by building affordable rental homes and by setting up a housing company, Knowle Green Estates Ltd. In February 2021 the Cabinet agreed the transfer (which was reviewed by the Overview and Scrutiny Committee) of Benwell House phase 1 (a mixed affordable rental, key worker and private rental scheme) and West Wing Knowle Green (25 affordable rental units including 1 fully adapted for disability living) from the Council to Knowle Green Estates, and for this to take place in early 2021.
- **The Local Plan.** This is currently being reviewed and we encourage you to find out more about the changes this could bring. The Government is asking us to house more people and build more properties than ever before (now 606 each and every year). This is a huge challenge in an urban area with a lot of Green Belt. We have to consider if we build higher density developments in our town centres or give up some of our Green Belt.

The Council is currently consulting on the Staines Development Framework to get an initial view from all residents who live, work and visit the borough on how they wish the town centre to be developed in future. Those responses will feed this summer into and help shape the Framework which will sit alongside the new revised Local Plan.

- **Town Centre Regeneration.** It is clear that there are changes in the way people shop and spend their time in town centres, which have been accelerated as a result of COVID-19. We are determined that none of our town centres will suffer, and have appointed a Town Centres Manager to help support Ashford, Sunbury and Shepperton in their recovery. A vibrant town centre is one where people live (to support the day time and night time economy), as well as one providing a mix of uses such as leisure, community, residential and offices to encourage people to visit and stay in the town centre. We recognise that there is an inevitable tension between the need to regenerate and re-invigorate and concerns about the level, density and height of development. This will be dealt with and resolved via the Staines Development Framework and the Local Plan. We will take steps to plan for the

vibrant places you will want to visit. As part of our regeneration aspirations, we bought back, in February 2020, the long leasehold of the Elmsleigh Centre in Staines-upon-Thames, to give us the ability to directly control a key piece of land within the town. This will enable us to proactively invest in this centre and to consider options for future redevelopment and regeneration.

In January 2020 the Cabinet voted to approve a moratorium on Council residential development schemes in Staines-Upon-Thames should take place until such time as three things take place, with the intention that these were to be completed prior to the Annual Council meeting in May 2021;

1. That the Strategic Planning team undertake an Issues and Options consultation exercise for the Staines Development Framework.
  2. That a sub-committee, which was agreed at Extraordinary Council on 21 January 2021, is included in the recommendations of the Committee System Working Group to be reported to Extraordinary Council, scheduled for 25 March 2021.
  3. That the viability of all the developments are reviewed by the Council's assets team.
- **Sustainability.** In October 2020 the Council declared a Climate Change Emergency and a climate change task group comprising of members started to explore the issues and actions needed to address the climate emergency. Further actions on climate change will be taken forward by the Environment and Sustainability Committee. We have installed Photo Voltaic (solar) panels on our West Wing affordable housing development at the Council offices site in Knowle Green and at the Depot. As part of a Surrey wide renewables assessment, we hope to identify further viable sites for installation of renewable energy technologies, including heat pumps. We have also provided further EV charging points at Knowle Green and purchased two electric cars for pool use, an electric van and bikes plus are replacing a Spelride bus at end of life with an electric one. We are actively seeking opportunities for further funding to roll out charging infrastructure across the Borough including working with Surrey County Council to supply on-street charging points. We continue to support residents in Fuel Poverty through the utilisation of the Green Jump funding and a small capital fund (£30,000). The funding enables households in fuel poverty to cut their bills and reduce carbon emissions through installing energy efficiency measures. We have designed the first Passivhaus (reducing energy usage) leisure centre which will be built to replace the current aging centre. We have undertaken a study of the Council's carbon production and a carbon trajectory study which enables us to focus on areas within the Council where emissions are highest so we can target future actions to most effectively reduce our carbon footprint. Actions to mitigate and adapt to climate change are being incorporated into all our services.

## How we run the Council

The Council is governed by democratically elected councillors and managed by professional staff. There is a clear demarcation of roles and numerous systems and processes in place to make sure that things get done properly:

- **Constitution.** This document remains a modern and effective document. (<https://democracy.spelthorne.gov.uk/ieListMeetings.aspx?CId=209&Info=1&MD=constitution>) This has been reviewed as part of the Council's move to a committee system of governance and will be reviewed again during the course of the next year as amendments need to be made in the light of development of the committee system, recent events and changes in legislation.
- **Policy Framework.** We have a number of important policies which are approved by a majority of all councillors. These are reviewed regularly. The most important policy is the Local Plan and this is being reviewed at the present time.
- **Governance Framework.** We adhere to standards jointly published by the Society of Local Authority Chief Executives (SOLACE) and the Chartered Institute of Public Finance and Accountancy (CIPFA). We ensure that these are kept under review.
- **Scrutiny of decisions.** During the period to which this Annual Governance Statement covers, the majority of decisions are made by the Cabinet or delegated to staff, there are structures and processes in place to hold these to account. We had an Overview and Scrutiny Committee and an Audit Committee which have cross party representation to review our performance, influence policy and review our decisions. Although we continue to have an Audit Committee, under the new Constitution we will no longer have an Overview and Scrutiny Committee with the service committees undertaking the scrutiny function including the areas of statutory scrutiny. As a result of our strategic property investment that generates funds to support our regeneration, housing and green initiatives, there continues to be a focus on how these decisions are made and the risks around property management. A new sub-committee of Cabinet was set up to deal with certain decisions relating to the investment portfolio, to enable timely decision making. This will be carried forward into the committee system.
- **Knowle Green Estates Ltd (KGE).** As our wholly owned company becomes more important in the delivery of our housing targets, we have ensured that it has independent auditors and that such audits feed into the Council's overall Statement of Accounts. In December 2020 two experienced Non-Executive Directors were appointed, following a competitive recruitment process. This summer Knowle Green Estates will publish its first Annual Report. The Knowle Green Estates accounts are independently audited, as well as being reviewed by the Council's external auditors when they audit the Council's consolidated Group Accounts
- **Spelthorne Direct Services Ltd (SDS):** During 2020-21 the Council set up a company to provide new local commercial waste services to businesses in the Borough and to help them more effectively recycle and minimise waste. SDS accounts will be independently audited.

### How we manage the finances

Nothing can happen in the Borough unless there is the money there to provide it. We have successfully delivered a programme of financial change. Our previous, *Towards a Sustainable Future* programme, delivered the sound basis on which we now proceed.

- **COVID-19.** COVID-19 resulted in significant additional expenditure supporting vulnerable residents, supporting homeless residents, shifting the Council's workforce to home working, which went very smoothly, enforcing COVID-19 regulations etc.

Additionally many of the Council's income streams were hit, particularly car parking. In response the Council undertook a worst, medium and best case scenario exercise which informed the setting of a COVID-19 supplementary Revenue Budget at an Extraordinary Council meeting in May 2020. This approved use of up to an additional £2.2m funds from reserves. In the event the additional funding from the Government for Councils, when it eventually came through proved greater than initially anticipated and the Council did not need to use any of its reserves.

- **Commercial Property Investments.** Thirty percent of the money we need to run the Council and provide services for residents now comes from our investment property investments. It is essential that these investments work for us and that we protect those investments for the long-term. We have a range of measures in hand to ensure that this happens. We have already strengthened our staff resources and implemented changes to our governance systems to ensure that we are proactively and professionally managing this £1 billion portfolio. We will continue to do this. We have been open and transparent with residents' associations about what we are doing, why and how they are protected. We will continue this dialogue. In response to the challenges of COVID-19 the Council put in place weekly review meetings, involving both senior councillors and senior officers, to assess performance collecting commercial rent. The Council's portfolio performed very well with more than 98% of the commercial rent invoiced for 2020-21 collected and most of the balance covered by rent deferral agreements. The Council has continued its strategy of mitigating future risk by setting aside a proportion of rental income into sinking funds to ensure that if required the Council has funds to offset short term dips in rental income. At the end of 2020-21 the Sinking Funds Reserves balances had increased to £26m.
- **Capital Strategy.** In February 2021 the Council approved its updated Capital Strategy which is a plain English document explaining council borrowing and spending. It sets out the current priorities which focus on housing and homelessness, regeneration and economic development, and green initiatives and climate change. Affordable housing is a particular issue, and delivery by the private sector is less than 6%. The Council has committed to ensuring that Council schemes deliver at least 50% affordable units. The Strategy also has a plain English Executive Summary to make it even more accessible for residents and it is backed up with technical appendices which explain the detail behind the strategy. We encourage you to read it <http://www.spelthorne.gov.uk/capitalstrategy>. We will keep this document up to date so that it always explains what we are doing and how we are doing it.
- **Systems of internal control.** Apart from the specific overview of the Council's investments and housing schemes, we have adequate systems in place to effectively manage risks, ensuring the day-to-day running of the business and the sound management of cash-flow. Managers are responsible and accountable for operating adequate systems of internal control to effectively manage risks within their Services, giving due consideration to fraud risks. We have a Chief Finance Officer (CFO), also known as the s151 Officer, who oversees these systems and they are regularly audited proportionate to the level of risk. Internal Audit findings are raised with management, and recommendations reported to the Audit Committee. There is regular budget monitoring by the Cabinet and Overview and Scrutiny (moving forward this will be by the Corporate Policy and Resources Committee) and these papers are published on our website for you to read. We have a Medium Term Financial Plan and we review our finances against this. The CFO is a member of the Council's senior Management Team.

- Improving the usefulness and readability of financial reporting. In November 2020 invited experienced local government officers and a Leader from another Council to come in as an independent Local Government Association Peer review team to act as critical friends and review our financial and property management arrangements. This recognised our strengths and areas for improvement with 26 recommendations made. An Action Plan (<http://www.spelthorne.gov.uk/peerreview>) (addressing these recommendations has been approved by Cabinet.
- During 2020-21 we took to Audit Committee (12<sup>th</sup> November 2020) a self-assessment against the new Chartered Institute of Public Finance and Accountancy (CIPFA)'s Financial Management Code (<https://democracy.spelthorne.gov.uk/documents/g3389/Agenda%20frontsheet%20Thursday%2012-Nov-2020%2018.00%20Audit%20Committee.pdf?T=0>). Councils are expected to implement the Code in 2022-23 which consider how all aspects of governance contribute towards effective financial management. The Council will keep the self-assessment under review and will provide regular updates to Audit Committee.

### How we ensure we are listening to you

- **Consultation with residents.** Regular consultations are undertaken by Spelthorne Borough Council relating to a variety of subjects. Between the period of April 2020 and current time we have consulted on nine issues with residents, ranging from leisure requirements in the Borough, to public space protection orders and COVID-19 funding for businesses. Many policy changes require formal consultation with residents and in other cases we consult informally to understand residents' priorities and service requirements. All open consultations can be found on a dedicated web page [www.spelthorne.gov.uk/currentconsultations](http://www.spelthorne.gov.uk/currentconsultations) and these are communicated to residents and stakeholders across our variety of communication channels. We ensure that residents who are not digitally connected also receive news and have an opportunity to respond on Council consultations - whether through direct mailing, noticeboards, local press and our Borough Bulletin magazine. Our four week consultation at the end of 2020 consulted the public on the proposed change of governance model for the Council and the responses received helped inform the Committee system which have now been put in place. You can read more about our consultation policies and results at [www.spelthorne.gov.uk/consultations](http://www.spelthorne.gov.uk/consultations)
- Given the additional challenges arising as a result of COVID-19 in balancing future years' budgets, planning is underway to undertake a budget consultation exercise with residents in the summer of 2021 to feed into the Budget setting process for 2022-23 and 2023-24. Panel discussions, a public online survey and a targeted approach to relevant stakeholders will allow a full engagement with the consultation process as well as using our standard approach to reach residents and the wider audience. We have also utilised this process and strategy recently to target businesses in the Borough to identify how best to use the Government's 'Welcome back fund' and additional business grants which support the reopening of high streets, hospitality and leisure and for the recovery of our Town centres.  
**Channels of communication.** The Council has a number of ways it engages and communicates with residents and businesses in the Borough. We are always reviewing the most appropriate ways to communicate, from formal statutory

consultations through to the Council's use of social media and digital tools, including a subscriptions service for My Alerts [www.spelthorne.gov.uk/my-alerts](http://www.spelthorne.gov.uk/my-alerts) and a monthly E-newsletter <https://www.spelthorne.gov.uk/enews>. We have also recently launched a new easy to use accessibility tool on our website. The website can now change language, size or colour dependant on the users need and personal requirements. Using a range of different communication channels has been key during the pandemic, particularly when looking to reach our most vulnerable residents. Through our COVID-19 Champions scheme which was established as the first of its kind in Surrey, weekly webinars have been broadcast to ensure factorial information and advice has been communicated and delivered to the community and those groups harder to reach. The Council has also invested in digital screens which regularly communicate a number of events and key COVID-19 messages to residents when visiting The Elmsleigh shopping centre in Staines-Upon-Thames. By live-streaming Council meetings on our own You Tube channel – Spelthorne TV [www.youtube.com/user/Spelthornecouncil/videos](http://www.youtube.com/user/Spelthornecouncil/videos), we have opened the doors to democracy for many residents and on some occasions, meetings received over 800 views. We have also been able to capture and share many celebrations in the last year, which have been restricted because of the pandemic, by using this platform, including VE Day celebrations and promotional Town 'shop local' videos.

The Leader and Deputy Leaders during 2020-21 initiated a regular Residents Forum meeting as a new channel of communication with Residents Associations to discuss issues of local concern.

### **How we are accountable**

The Council is a democratic body and the powers which we exercise are derived from the electors. There are numerous systems in place to allow members of the public to get information, ask questions, challenge the Council and get involved. Ultimately the entire organisation is governed by residents just like you. This gives the Council tremendous strength in deciding what needs to be done in the Borough and how we prioritise scarce resources for best effect. You can consider some of the many ways to get involved:

- Speak to your ward councillor or the Chair or Vice-Chair of the Committee responsible for the issue
- Complain about services you think are not performing, or equally provide positive feedback when you think we are doing well
- Request information under the Freedom of Information Act and the Environmental Information Regulations.
- Ask questions at the Council and the Spelthorne Joint Committee (which covers issues relevant to both Spelthorne and Surrey County Council)
- Present petitions
- Speak at Planning Committee about applications in your neighbourhood
- Join your local Residents' Association

Almost all of the information you need can be found on our website ([www.spelthorne.gov.uk](http://www.spelthorne.gov.uk)) and we only restrict the publication of a very limited quantity of material where there is good reason, such as the need to respect the data protection rights of individuals or commercial confidentiality.

## **How we promote high standards in public office**

The Council has a dedicated Members' Code of Conduct Committee, which after the change to the committee system will be known as the Standards Committee. This Committee is guided by an Independent Chairman and Vice-Chairman. A Panel of Independent Persons is in place. They are consulted on any complaints against councillors to say whether they should be investigated.

We have numerous policies and procedures in the Constitution to back up a strong ethical approach to local government. In the last year we received twenty seven complaints about councillors. This is a considerable increase from the five during the previous year. A number of these are to be considered by the Assessment Hearings Panel to decide what action should be taken. A number have been rejected by the Monitoring Officer as being politically motivated, the Independent Persons were approached for comments on these.

The Council has in place a policy (<http://www.spelthorne.gov.uk/article/18641/Gifts-and-hospitality-policy>) on Gifts, Hospitality and Sponsorship which applies to both staff and councillors. The policy was reviewed in 2019. There are also policies dealing with Anti-Fraud and Corruption and Whistleblowing.

## **How we learn and improve**

The Financial Peer review (<https://www.spelthorne.gov.uk/peerreview>), which we would encourage you to read, illustrates the positive work of the Council. There are recommendations within the report which we are actively taking forward.

The Council has an ongoing Continuous Improvement Programme (CIP) where the CIP team work with services to identify improvements and efficiencies in processes, systems and working practices, for example makes improvements to make it easier for people to pay the Council on line. This has resulted in efficiency savings both in terms of time and money.

## **Internal audit**

The Council has an internal audit team which provides independent assurance to management and the Audit Committee on the adequacy of Council Services, systems and processes. This team has an annual internal audit plan which is discussed and agreed each year by the Audit Committee. The internal team operates to the Public Sector Internal Audit Standards. The effectiveness of internal audit is reviewed annually and an external quality assessment undertaken once every five years, with the last external review being undertaken in 2018.

The internal audit team works closely with the Council's external auditors.

Every year, the Internal Audit Manager issues an independent opinion in an annual report concluding on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control. This comments on the risks facing the Council and the adequacy of the Council's arrangements to manage those risks. It represents one of the key assurance statements the Council receives.

The Internal Audit Manager has reported on seven assurance reviews relating to the 2020/21 audit plan, of which two were deemed 'effective', four were assessed as requiring 'some improvement' and one was identified as 'major improvement needed'. Actions were put in place to address these quickly. Assignments currently underway will be reported in the annual audit report for 2020/21 presented to Audit Committee, and any key matters arising so far have been considered for the annual audit opinion. Other relevant sources of

assurance such as audit advisory work, the Council's Corporate Risk Register and Covid-19 Risk Assessment have been reviewed for the purpose of producing the overall audit opinion.

### **Annual Internal Audit Opinion 2020/21**

The unprecedented challenges of the global pandemic throughout 2020/21 and the wide reaching risk considerations for Spelthorne Borough Council have been significant considerations in determining audit work and producing the annual opinion.

The opinion of the Internal Audit Manager on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control is that reasonable assurance can be provided across these areas. The Council has many established control processes to effectively manage risks. However, it is recognised that improvements were recommended to address control weaknesses across some areas of operation, representing medium to high priority risks.

The Covid-19 pandemic and associated challenges/pressures also impacted on some aspects of the control environment and this will continue to be monitored during 2021/2022.

Internal Audit have consulted Managers to agree and monitor the implementation of recommendations or discuss improvement actions to address risks and enhance the robustness of the authority's control environment and governance arrangements. Where actions have been taken to address issues arising from audit work performed, this is acknowledged.

Punita Talwar, Internal Audit Manager - Chartered Internal Auditor (CMIIA)

May 2021

The internal audit team has carried out a number of audits in accordance with the agreed (revised) annual plan. Full details of these findings and the management response to them, as well as any key themes and issues arising from Internal Audits work for 2020/21 are to be found on the Audit Committee pages on our website

<https://democracy.spelthorne.gov.uk/ieListMeetings.aspx?CId=131&Year=0> (Annual Audit report 2020/21).

During a challenging year internal audit resource has been partially diverted to new and emerging priorities, such as, Covid-19 workstreams, audit support and advice, as well as participation in operational activities (first line of defence) as part of the Council's emergency response to the pandemic.

### **Corporate Risk Management**

The Council maintains a Corporate Risk Register, which is coordinated by the Internal Audit Manager and reported regularly to Management Team and Audit Committee. The Corporate Risk Register identifies and evaluates the key corporate risks facing the Council, the mitigating measures in place, and tracks outstanding issues to address risks. As part of refreshing the Council's approach to Risk Management, the format and structure of the Corporate Risk Register has been further reviewed and the proposed changes were presented to the Audit Committee in March 2021. The revised register is more aesthetically appealing and digestible in terms of content, supplemented with a high- level summary document. It focuses on a smaller number of corporate risks relating directly to effective delivery of the Corporate Plan Priorities/Objectives. It also aligns to methodology set out in the revised and fully refreshed Corporate Risk Management Policy. The subsidiary

companies are also producing risk registers. As part of ongoing development work on risk management, a summarised policy guide has also been prepared to assist staff in managing risk. An awareness raising session is being arranged during 2021/22.

### **External audit**

KMPG have still not delivered a Value for Money opinion on the 2017/18 accounts and this matter is overdue. The Council has repeatedly pressed KMPG for this matter to be resolved and are discussing the matter with the Public Sector Auditor Appointments body. We have continued to provide all the additional information requested by the auditors. In the meantime, the Council continues with its regeneration and reinvestment strategy for our residents and the borough. BDO has now been appointed for the Council by the independent Public Sector Audit Appointments body. BDO took over the audit of the Council's accounts for 2018/19 and 2019/20 and we look forward to concluding all outstanding matters. The Council is aiming to publish its draft statement of accounts for 2020/21 at beginning of June nearly two months ahead of the statutory deadline.

### **Audit Committee**

Terms of reference are set out in Constitution. There are regular meetings and work plan is published. Under the new Constitution there will continue to be an Audit Committee which will be expanded to have an independent lay member join the Committee.

### **How we learn from complaints and feedback**

The Council is always keen to hear from residents and staff about how it can deliver better services to residents. We also have feedback questionnaires for some services. We have a number of procedures in place:

- Our complaints procedure is working well after a review in recent years. However, we are always looking at ways to improve it.
- We have a staff whistleblowing procedure in place, this is highlighted as part of the staff induction process.

### **FOI/GDPR**

Our long term project to ensure compliance with the General Data Protection Regulations and improve the Council's information governance arrangements continues. This project has already delivered, and will continue to deliver, significant improvements in the Council's information governance arrangements.

The Group Head of Commissioning and Transformation is the Council's Senior Information Risk Owner who has responsibility for managing information risk across the council.

The Council's full time Data Protection Officer is responsible for overseeing data protection strategy and implementation. During the year we added an additional staffing resource to support this team.

The Council has clear processes for managing Freedom of Information Act, Environmental Information Regulations, and Data Protection Act requests. The aim of the process is to promote transparency across the organisation and deliver an efficient approach to handling requests.

Staff continue to ensure compliance with the Freedom of Information Act / Environmental Information Regulations, Data Protection Act, and Privacy and Electronic Communication Regulations. An audit of GDPR has been undertaken.

Monitoring includes reports to Management Team, internal and external audits and Information Commissioner reviews as appropriate.

COVID-19 has brought unprecedented challenges due to the need to share information quickly and adapt the way the Council's essential services work. Data protection staff are assisting colleagues to ensure that the Council only collects as much personal data as is strictly necessary for the relevant purposes and to continue to comply with Data Protection legislation.

### **How we will deal with significant governance issues**

Review of significant governance issues:

- **Financial reporting:** Looking to improve clarity of our financial reporting, addressing the LGA Peer Review on Finance, with our ambitious housing delivery programme making our Capital Programme larger with many more multi-year projects we are looking to make it easier for councillors and residents to see how capital spend against projects' budget are doing. The Capital Monitoring reports have been refined and simplified to make it easier to monitor progress of multi-year projects. Officers will be working with Councillors to focus on how budget monitoring reports can be improved.
- **Investment Assets portfolio management.** We have a £1bn property portfolio and we have put in place staff capacity skills and resource to manage it, reduce risk and deliver the benefits from it. We will continue to invest in the team and internal expertise (and look at the balance between internal expertise and external advisers) and review our governance arrangements. We have continued to build up our cash backed Sinking Funds reserves (now £26m) to mitigate against potential dips in rental income. There was also a framework involving councillors: reports to Property Investment sub-committee, Cabinet, Full Council and Overview and Scrutiny Committee, as appropriate. A framework will be taken forward into the new committee structure. Under the new Committee Structure, there will be a dedicated Sub-Committee of the Corporate Policy and Resources Committee which will, amongst other things, be responsible for actively scrutinising and monitoring the performance of our Investment and Strategic Portfolio.
- **Building the homes residents need.** We have strengthened all aspects of procurement and project management to ensure that we can deliver the projects which are envisaged by the Capital Strategy. We have ensured there is appropriate oversight and scrutiny of these projects, as they are delivered either by the Council directly, Knowle Green Estates or other third party developers. The new Sub-Committee of the Corporate Policy and Resources Committee, mentioned in the paragraph above, will have oversight of the programme management of the Council's key residential development and asset projects. The Sub-committee will sign off progress against project gateway stages.
- **Delivery of local government.** Given the cuts made by Surrey County Council and the financial position of our key partner, we have monitored their cuts on delivery of services to our residents. We will continue to speak up for Spelthorne.

### **Significant issues for the year 2020/21:**

- **COVID-19 implications:** An Extraordinary Full Council meeting held on 21 May 2020 received a detailed report setting out the Council's response to date on the COVID-

19 pandemic. There is no doubt there is a significant impact on the delivery of council services as well as financial costs and anticipated income shortfall. Further reporting was undertaken to Cabinet, Overview and Scrutiny Committee and Audit Committee. This will move to reporting to the Corporate Policy and Resources and Audit Committees as we hope to move further into recovery. Risks and opportunities which continue to emerge out of the pandemic (and beyond recovery phase) will be identified, prioritised, managed and monitored. If there are any wider lessons learnt these will be considered to ensure continuous improvement of crisis management, emergency and business continuity planning and organisational resilience. The Council has undertaken a comprehensive analysis of the risks facing the Council arising from the Covid-19 pandemic. The opportunities may include an emphasis on climate change and sustainability issues.

**Property portfolio:** The Council will continue to actively manage its property portfolio. A new Asset Management Plan has been adopted setting out how this is to be done. Councillors sitting on the Sub Committee of the Corporate Policy and Resources Committee will ensure active councillor oversight.

- **Implementing the new Constitution:** the constitution will be kept under review during the implementation of the new Constitution, this will be overseen by the Monitoring officer and the Standards Committee.
- **Role of KGE in delivering housing:** the delivery of housing in the Borough will be kept under constant review, and oversight of the development of the properties before they are transferred to KGE will sit with the Sub Committee of the Corporate Policy and Resources.
- **Role of SDS Ltd:** the work of this company will be overseen by the Environmental and Sustainability Committee.

## Conclusion

As we deal with the challenges of the next few years in the light of the impact of Covid-19 on our economy, health and safety and well-being, you can be assured that we are doing so from a solid foundation with proper systems of internal control.

.....  
Cllr Lawrence Nichols  
Leader of the Council

.....  
Daniel Charles Mouawad  
Chief Executive