

Introduction

The Leader of the Council (Councillor Michael Wilson) and Chief Executive (Gill Kneller) both recognise the importance of having good systems in place to manage and deliver services to the residents of Havant Borough. Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements have been working. This AGS is in respect of 2019-20.

The Council also publishes an Annual Statement of Accounts which provides further information on the opportunities and challenges faced by the Council.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves. The framework brings together an underlying set of legislative requirements, good practice principles and management processes and enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

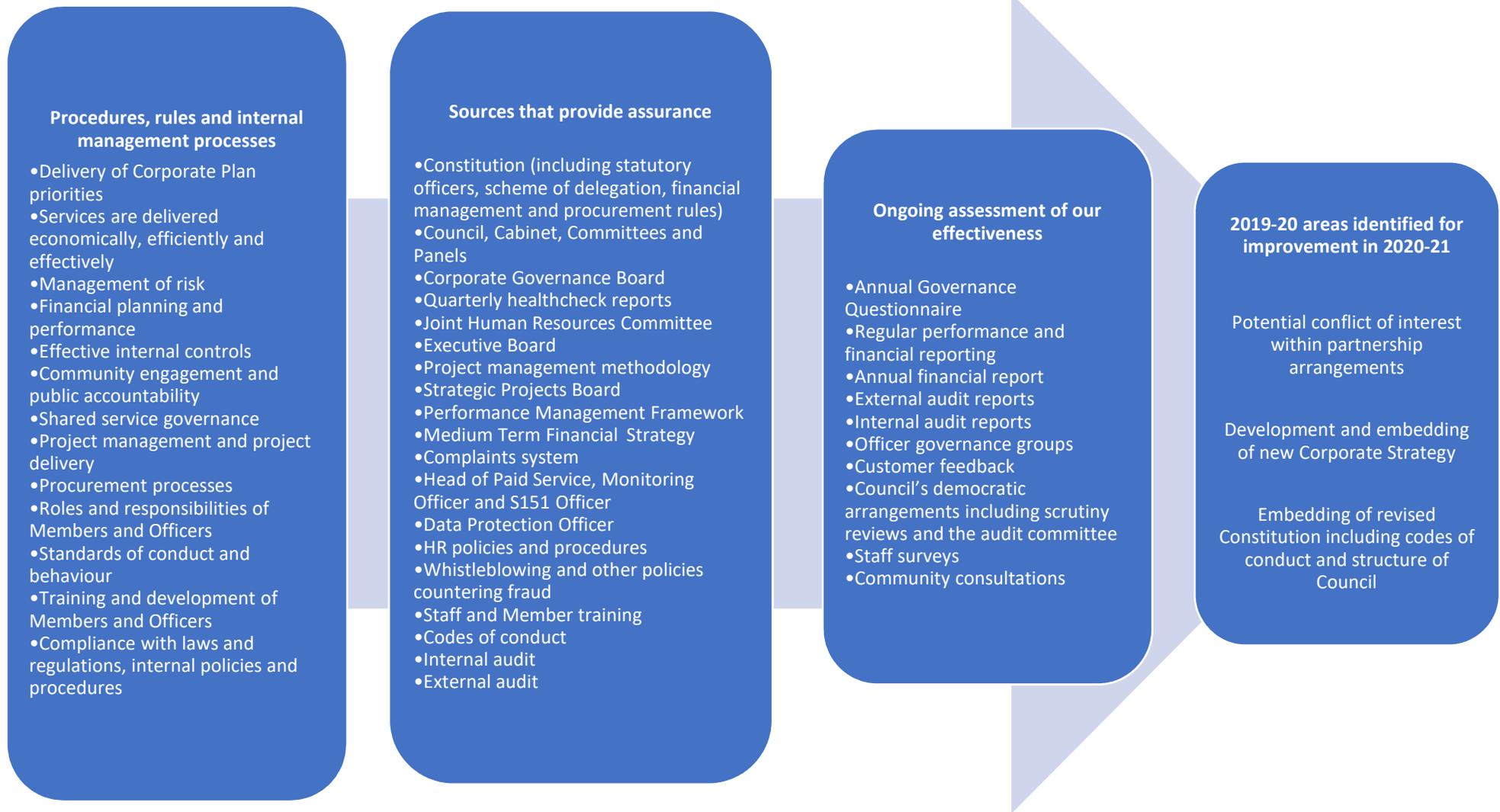
The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve the Council's aims and objectives, and seeks to provide reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks to the achievement of the Council's aims and objectives.

The governance framework addresses the way the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The framework recognises that the Council's business is focused upon its corporate priorities and seeks to facilitate delivery to our local communities.

The risk management processes and other internal control systems such as standards of conduct and audit form part of this framework. Members and senior Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This task is managed by the Executive Board which comprises the Chief Executive, Executive Directors and Chief Finance Officer (Section 151 Officer) with advice and guidance provided by the Monitoring Officer. The Executive Board is provided with assurance by the Corporate Governance Board.

How do we know it is working?

The annual process that we use to maintain and review effectiveness of our governance arrangements includes a wide input.



How we apply the governance framework to the Local Code of Corporate Governance

The Council aims to achieve effective corporate governance through the Local Code of Corporate Governance. The table below highlights examples of how the Council has adhered to its governance commitments as set out in the Code and includes hyperlinks to sources of further information which include more detail about how the Council has implemented its commitments.

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF LAW	
How the Council meets these principles	Where you can see Governance in action
<p>There are codes of conduct in place for all Councillors and Officers which can be found in Part 4 of the Constitution. The Council has appointed independent persons to investigate any allegations of misconduct, and the Governance, Audit and Finance Board receives regular reports from the Monitoring Officer on any complaints regarding Councillors.</p> <p>The Council’s Constitution contains the standing orders, scheme of delegation, financial regulations and contracts procedure rules. The Constitution also contains the policies for anti-fraud and corruption, anti-bribery and whistleblowing.</p> <p>All Council employees have clear conditions of employment, and roles and responsibilities are set out in job descriptions. Mandatory performance objectives are set for all staff which ensure compliance with data protection law, Health and Safety regulations, and the Council’s Safeguarding Policy.</p> <p>There is a requirement for Councillors to make a Declaration of Disclosable Pecuniary Interests within 28 days of taking office and to notify the Council of any changes to the interests made in this declaration within a specified time period. Councillors must also disclose interests which are not registered but which are relevant to matters to be discussed at a meeting of the authority. Councillors are barred from participating in any discussion on, or voting on, the matter in relation to which the Member has a disclosable pecuniary interest. There is an up-to-date register of gifts and hospitality, and an annual register of declarations. Any declarations of interest made during meetings are recorded in the minutes.</p> <p>The Council has in place a complaints procedure including weekly reminders to relevant managers responsible.</p>	<p>Councillor Code of Conduct Staff Code of Conduct Governance, Audit and Finance Board</p> <p>Constitution Anti Fraud & Corruption Policy including Fraud Response Plan Whistleblowing Policy</p> <p>Declarations of interest</p> <p>Complaints procedure</p>

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<p>The Council has a shared Monitoring Officer with East Hampshire District Council and as a member of the Executive Board they are kept apprised on the Council’s projects and actions and are ultimately responsible for legal compliance.</p> <p>Statutory officer roles are the Head of Paid Service who is the Chief Executive, the Chief Financial (S151) Officer, who carries overall responsibility for the Council’s financial administration, and the Monitoring Officer, who ensures the Council acts lawfully. The Data Protection Officer is also a statutory role under the new GDPR legislation. All of these roles are shared with East Hampshire District Council.</p>	<p>Management structure</p>
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<p>B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT</p>	
<p>How the Council meets these principles</p>	<p>Where you can see Governance in action</p>
<p>The Council has laid out its purpose, direction, vision and objectives in its Corporate Strategy which can be obtained either on the Council’s website or from the Council’s offices. The Council Corporate Strategy is comprehensively reviewed on a regular basis.</p>	<p>Corporate Strategy</p>
<p>The Council is committed to transparency and an open culture and publicises information in line with the publication scheme under the Freedom of Information Act. In addition, we subscribe to the Government’s transparency agenda and publish information such as remuneration for senior management and information on items of expenditure over £500.</p>	<p>Freedom of Information</p>
<p>The Council’s democratic function is responsible for ensuring agendas and key decisions are published in line with the statutory legal requirements. They are also responsible for supporting the scrutiny function of the Council and publishing a corporate calendar of dates annually.</p>	<p>Committees and Papers</p>
<p>The Council carries out the Residents’ Survey every two years, the results of which are shared with Heads of Service to inform their decision making. The next Residents’ Survey is due to take place in summer 2020.</p>	<p>Residents’ Survey</p>
<p>In addition to the publication of the residents’ magazine, called ‘Serving You’, which is translated into accessible formats, the Council has a Facebook page and Twitter feed which is actively promoted and used. To promote transparency and</p>	<p>Serving You magazine HBC Facebook Twitter</p>

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<p>wider engagement with Council decisions, residents can use social media such as Facebook, Twitter, LinkedIn and Instagram to get updates from and interact with the Council.</p> <p>The Council’s website is set out in a clear and easily accessible way, using infographics and plain language. The information which residents use most, such as Council Tax and Waste and Recycling, can be accessed quickly and easily from the homepage. Accessibility improvements have been made to the website in 2019-20 including changing the colour saturation to assist the visually impaired.</p> <p>The Statement of Accounts provides a clear summary of the Council’s activity over the previous year, so that residents can see where money has been spent and what this has achieved.</p> <p>The Council has a joint venture partnership (Norse South East) for waste collection which is governed by the Norse South East Board. There are members from Norse Commercial Services and the Council on the Board. Norse South East is responsible for the procurement and efficient management of waste and recycling collections, street cleaning, public convenience cleansing, grounds maintenance and associated service facilities for the treatment and disposal of residual waste.</p>	<p>Instagram http://www.havant.gov.uk/</p> <p>http://www.havant.gov.uk/accounts</p> <p>http://norsesoutheast.co.uk/</p>
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C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS	
How the Council meets these principles	Where you can see Governance in action
<p>The five themes in the Council’s Corporate Strategy (Financial Sustainability, Economic Growth, Environmental Sustainability, Public Service Excellence and Creativity & Innovation) are used to guide its corporate planning and decision making. A refreshed Corporate Strategy has been developed in 2019 and this will be published in 2020.</p> <p>The Council takes an annual approach to business planning, allowing a close link between business and financial planning. The Medium Term Financial Strategy is reviewed annually and forms the basis of the annual budgeting process.</p> <p>A Corporate Action Plan is prepared each year to support the delivery of the vision laid out in the Corporate Strategy, and progress against the objectives in the Corporate Action Plan is reported quarterly. Each service’s Key Performance Indicators are monitored corporately and reported to the Executive Board on a quarterly basis to ensure that the</p>	<p>Corporate Strategy</p>

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<p>objectives in the Corporate Action Plan are on target. Monthly financial forecasts are submitted to the Executive Board and quarterly to Councillors alongside the Healthcheck report.</p> <p>The Council’s budget report contains a summary of the budget and business plans that has been set for Havant Borough Council for 2019-20, as approved by the Council on the 27th February 2019. It shows on what service areas money is spent, and how this expenditure is funded. Also within this document is information showing the forecast financial position over the next five years, taking into account changes in government funding, other income and spending.</p> <p>The Council uses evidence based insight to inform decision making and uses the data available to understand residents and local businesses better. The Council is committed to consulting with and engaging with residents and local businesses in the planning and delivery of services to meet the needs of the community.</p>	<p>Council Budget</p>
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<p>D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES</p>	
<p>How the Council meets these principles</p>	<p>Where you can see Governance in action</p>
<p>The Council has a Medium Term Financial Strategy (available on the Council’s website as part of the budget for the forthcoming year) which is used to align resources to key priorities.</p> <p>The Council has report templates to ensure authors cover all the requirements to enable a decision to be made; they include options appraisal (if required), cost and risk analysis in addition to key signatories such as legal and finance and must include the portfolio holder.</p> <p>All decision-making meetings are held in public and decisions made by Cabinet members and Officers are published in line with the statutory legal requirements, although some items are considered as exempt. Minutes of all Council meetings are made available to the public, and members of the public have the opportunity to contribute to Council meetings.</p> <p>The Council has a complaints and feedback system, which records and monitors customer comments, complaints and requests for information.</p>	<p>Medium Term Financial Strategy</p> <p>Council Decisions</p> <p>Complaints procedure</p>

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<p>The Council has an internal audit service sourced through the Southern Internal Audit Partnership. The internal audit service has an annual audit plan based on a risk analysis carried out by the auditors each spring. Audit recommendations are monitored to ensure that they are completed by the service within a reasonable timeframe, and any actions which are not completed are reported to Executive Board.</p> <p>The scrutiny function as specified by section 9F of the Local Government Act 2000 is carried out by three boards: Governance, Audit and Finance Board, Business and Commercial Services Board, and Operations and Place Shaping Board. Meetings of these boards are generally held in public though some items are considered exempt. Members of these boards must not also be members of the Cabinet. Decisions made by Cabinet may be ‘called in’ for scrutiny both before and after being put into effect.</p>	<p>Internal audit</p> <p>Governance, Audit and Finance Board</p> <p>Business and Commercial Services Board</p> <p>Operations and Place Shaping Board</p>
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<p>E. DEVELOPING THE COUNCIL’S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT</p>	
<p>How the Council meets these principles</p>	<p>Where you can see Governance in action</p>
<p>The Council has a joint management team with East Hampshire District Council. This management team is made up of the Chief Executive, Chief Finance Officer (S151 Officer), two Executive Directors and the Heads of Service, most of which are shared with East Hampshire District Council. The costs of all shared management posts are shared between the Councils.</p> <p>A number of the Council’s corporate services are delivered through the 5 Councils Partnership with Capita which is monitored via a shared Client Team.</p> <p>The Council has a performance management framework which includes a comprehensive induction programme for new starters. Performance appraisal processes for all employees include regular 1:1 meetings with line managers and assessment against the Staff Competency Framework. In 2019-20, e-learning courses on data protection and cybersecurity were undertaken by staff, alongside the ongoing leadership development programme, business continuity and emergency planning training, and specialist professional training for frontline services.</p>	<p>Management structure</p>

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<p>Following the Borough Council elections, all Councillors are required to undertake a comprehensive training programme which ensures that they have an understanding of the procedures and protocols of the Council. This may include training on planning and licensing matters and Councillors are not allowed to sit on the Planning or Licensing Committees until such training has been undertaken.</p> <p>In addition to the compulsory training, a series of other courses and events are also offered. Under the Councillor Development Programme and accompanying Competency Framework, during the course of a Councillor’s four year term of office, regular skills audits are undertaken to identify any new skills requirements or refresher training requirements.</p>	<p>Councillor Competency Framework</p>
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<p>F. MANAGING THE RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</p>	
<p>How the Council meets these principles</p>	<p>Where you can see Governance in action</p>
<p>The Council ensures that the roles and responsibilities for decision making and governance arrangements are defined and allocated, so that there is clear accountability for decisions made and actions taken. The Council does this by appointing a Leader and a Cabinet, which allocates specific executive responsibilities.</p> <p>There are also a number of committees appointed to discharge regulatory and scrutiny functions. Each committee has clear terms of reference setting out roles and responsibilities. All leadership roles, the roles of key Officers and the Council’s Scheme of Delegation are set out within the Council Constitution.</p> <p>The Cabinet operates within the policy framework set by Full Council, and makes key decisions. All Cabinet meetings are held in public, with the exception of exempt items. All decision records are publicly available, and the Forward Plan and Key Decision notice is published on the Council website. Decisions made by Cabinet can be called in for review by the Governance, Audit and Finance Board. Decisions can also be made by Officers under delegated powers and reported to Councillors in line with the Council Constitution. Authority to make decisions is given in the Scheme of Delegation and by specific delegation by Cabinet or Council.</p> <p>Risk is considered and recorded as part of the business planning process, and monitored throughout the year as part of the quarterly review of performance and financial management (quarterly Healthcheck report). The Council has a wide range of performance indicators, which are used to measure progress against the Council’s priorities. Performance</p>	<p>Council structure</p> <p>Committee structure</p> <p>Forward Plan</p>

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<p>indicators are reported quarterly to the Executive Board and informally to Cabinet. Performance indicators clearly link individual services to the corporate objectives and include details of national and local performance indicators and risk. Performance indicators are reviewed annually as part of the business planning process to ensure they continue to be relevant and stretching.</p> <p>A Corporate Governance Board has been established with an objective of providing a pragmatic layer of assurance to the business. Specifically, the Corporate Governance Board ensures that the organisation develops and implements an effective approach to corporate governance which enables the business and affairs of the Council to be carried out, directed and managed with the objective of enhancing value to the public. This will be underpinned by the Local Code of Corporate Governance. In addition, the Corporate Governance Board is responsible for ensuring that an adequate risk management framework and associated control environment exists within the Council, and for monitoring the arrangements in place for the identification, monitoring and management of risks.</p> <p>The Council has in place a number of policies and procedures to ensure decisions made are robust. These include the Finance and Contracts Procedure rules in the Constitution. Compliance with these policies is the responsibility of all Officers.</p>	<p>Corporate Governance Policy</p> <p>Local Code of Corporate Governance</p> <p>Policy Hub</p>
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<p>G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY</p>	
<p>How the Council meets these principles</p>	<p>Where you can see Governance in action</p>
<p>The Council publishes the Statement of Accounts annually within the statutory timescales. Accounting statements incorporate the full requirements of best practice guidance.</p> <p>The Council has a Governance, Audit and Finance Board to provide assurance to the Council on the effectiveness of internal audit and the robustness of the Council’s Annual Accounts. Risk management is controlled through the Corporate Governance Board and reported to Executive Board through the quarterly Healthcheck report. Risks rated as above the risk threshold are reported as part of the quarterly Healthcheck to Councillors.</p>	<p>Statement of Accounts</p> <p>GAF Board</p> <p>Full Council</p>

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Full Council is responsible for agreeing new policies and amendments to existing policies. It also sets out the policy and budget framework, and approves the annual budget. Governance, Audit and Finance Board approves the Statement of Accounts.

The Council is subject to independent external audit currently by Ernst & Young. The external audit plan outlines the work undertaken and the timing of external audit reports.

The Council supplements this work with an internal audit service sourced through the Southern Internal Audit Partnership. The internal audit service has an annual audit plan based on a risk analysis carried out by the auditors each spring. This minimises the risk of fraud and error, and provides management with assurance that policies and procedures are robust. The Chief Internal Auditor is required to provide a written status report to the Executive Board, summarising the assurance opinions arising from the internal audit reviews carried out during the year.

The Governance, Audit and Finance Board undertake the core functions of an audit committee.

The Council has appointed the Chief Finance Officer as the Section 151 Officer with the statutory responsibility for the proper administration of the Council's financial affairs.

[Internal audit](#)

Review of effectiveness

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 following areas:

Area	Review of effectiveness
Political leadership	<ul style="list-style-type: none"> • The Council’s Governance, Audit and Finance Board is responsible for monitoring, scrutinising and holding the decision makers to account. It meets five times per year as the Council’s official audit committee. The committee ensures that the internal and external audit reports it receives are robust. The Board’s role has been reviewed by the Monitoring Officer as part of the Constitution review. • Another role of the Governance, Audit and Finance Board is to monitor standards of conduct of Members and advise the Council on probity issues. The Member/Officer relations protocol is being developed further with additional training for Councillors to be rolled out in 2020. • Following the expiration of the previous Corporate Strategy in 2019, a revised Strategy covering the period from 2020 to 2024 has been developed and will be subject to consultation with residents and other stakeholders during 2020 to ensure that it best reflects the Council’s ambitions for the borough in the coming years. The Corporate Strategy is a key strategic document that articulates the vision, values and priorities of the organisation and provides a framework for putting the Council’s resources to best use.
Officer leadership	<ul style="list-style-type: none"> • The Council’s Constitution underwent a comprehensive review in 2019-20 to ensure that it remains an effective and up-to-date document. • The Council’s Monitoring Officer has a legal responsibility to report on matters of unlawfulness within the Council. In 2019-20 the Monitoring Officer continued his review of the efficiency and effectiveness of all arrangements relating to Council and Committee meetings, working groups, and the required officer support and will be reporting on this to Full Council. • The Corporate Governance Board report to the Executive Board on a quarterly basis on governance matters covering risk, health and safety, business continuity, emergency planning, information governance and financial risk. Updates are provided to Members through the quarterly Healthcheck report.
Internal assessment and monitoring	<ul style="list-style-type: none"> • There are regular reporting arrangements in place regarding the financial affairs of the Council. The budget for 2019-20 was agreed by Full Council on 27th February 2019 and financial performance is reported on a quarterly basis to Members.

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	<ul style="list-style-type: none"> • Effective operation of the Performance Management Framework throughout the year. Monitoring information on key areas of performance has been provided by the Governance Hub for review and action. • As part of the process of identifying any areas where governance needs to be strengthened across the organisation, the Annual Governance Questionnaire was extended to all staff in 2019-20. Staff were asked to complete an online questionnaire indicating whether their services comply with each of the criteria in the Code of Corporate Governance. The questionnaire highlighted the following: <ul style="list-style-type: none"> ○ 90% of responses said there was evidence of meeting the criteria ○ Areas of strength: <ul style="list-style-type: none"> ▪ Implementation of audit recommendations ▪ Performance appraisals and other people management policies ▪ Compliance with FOI procedure ○ Areas for improvement: <ul style="list-style-type: none"> ▪ Awareness of structure and operation of Committees ▪ Awareness of staff Code of Conduct ▪ Using evidence-based insight in decision making <p>Areas that scored poorly in the questionnaire will be targeted with a programme of improvements throughout 2020-21.</p>
<p>Responsibilities of Chief Finance Officer (s151)</p>	<ul style="list-style-type: none"> • The Chief Finance Officer is the Responsible Financial Officer and is a member of the Executive Board, reporting directly to the Chief Executive. They are responsible for delivering and overseeing the financial management arrangements of the Council. Havant Borough Council shares a Chief Finance Officer with East Hampshire District Council. • They are also responsible for ensuring alignment with the Code of Practice on Local Authority Accounting for 2019-20. Havant Borough Council’s financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government (2016).
<p>Internal audit</p>	<ul style="list-style-type: none"> • The Council’s internal audit programme is provided by the Southern Internal Audit Partnership which is hosted by Hampshire County Council. An audit plan, based on a full risk evaluation, is approved annually. • Progress against the audit plan is reported quarterly to the Governance, Audit & Finance Board. Any outstanding high risk actions are addressed as a matter of priority. • Internal audit attend Corporate Governance Board every quarter to provide an update on progress of management actions. Any outstanding actions are reported to Executive Board to ensure that these are escalated where necessary and completed within a reasonable timescale. • The Southern Internal Audit Partnership delivered 25 review areas over the course of the year ending 31 March 2020 including all carry forward reviews. The Chief Internal Auditor’s opinion of Havant Borough Council’s framework of

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	governance, risk management and management control is 'adequate' and audit testing has demonstrated controls to be working in practice.
External audit	<ul style="list-style-type: none">• The Council's external audit requirement is provided by Ernst & Young LLP.• The role of external audit is to ensure that the Council's Accounts are free from material error, to provide a value for money conclusion and to certify key grant claims.

Last year’s key improvement areas

In the 2018-19 Annual Governance Statement, three key issues were identified for improvement. Below are the issues and actions taken during 2019-20.

Improvement area	Issue of concern	Action taken
<p>Management of major contracts:</p> <ul style="list-style-type: none"> • 5-Councils Contract/6-Councils Partnership • Norse South East 	<p>5-Councils Contract/6-Councils Partnership Continued issues with the service provider’s business model have required significant resource to ensure that the contract performs to required standards. It was therefore decided to bring Finance and HR services back inhouse and this was completed during 2019-20. Payroll in particular was a high risk transfer so this was prioritised and was successfully brought back with no issues.</p> <p>Norse South East The Council has a joint venture with Norse Commercial Services (Norse South East) for waste collection and environmental services (including street cleansing and grounds maintenance). Following the agreement to supply services to East Hampshire District Council, there was an opportunity to renegotiate the contract to ensure that it continued to represent value for money as well as ensuring that the service level for Havant Borough Council was not compromised by the mobilisation of services for EHDC.</p>	<p>5-Councils Contract/6-Councils Partnership</p> <ul style="list-style-type: none"> • Finance and HR services were brought back inhouse with a staged process to minimise risks (HR advisory returned during September 2019 and Finance and HR admin and payroll returned from 1st April 2020). • Transition was managed by a dedicated project team and there was minimal disruption to the services provided during the return of these functions. • Management of the services still provided through the contract continues through regular review of performance via Client Team. <p>Norse South East</p> <ul style="list-style-type: none"> • Regular reporting was made to the Strategic Project Board throughout the mobilisation of the new contract. • Transition to the provision of East Hampshire’s services was smooth with no impact on the services provided in Havant borough. • The new contract is being monitored through KPIs measuring financial savings and quality of service. Health and Safety statistics from Norse South East are also being reported to both Councils. • The mobilisation of the new contract received a ‘substantial’ assurance rating from internal audit in 2019-20.

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<p>Review of the functioning of the scrutiny committee</p>	<p>Amend the current committee structure to articulate clear separation of Executive and Non-Executive functions.</p>	<p>During the review of the Constitution and committee structure by the Monitoring Officer, it was decided that the current scrutiny function was adequate and that the Constitution review subcommittee would instead conduct a review of the committee structure as a whole in 2020-21 as part of the continued overhaul of the Constitution.</p>
<p>Services need to ensure that they have clearly communicated and embedded effective governance arrangements, policy management and performance management</p>	<p>Continued improvement of governance and communication of policies and associated guidance, including embedding new ways of working. This includes strong messages around compliance and accountability and a planned programme of work to identify and tackle areas of non-compliance.</p> <p>Review of the Performance Management Framework covering both corporate performance and personal performance.</p>	<p>Service risk registers were reintroduced during 2019-20 to ensure that services were following effective risk management practices. Risks can be escalated to the corporate risk register if necessary.</p> <p>The Annual Governance Questionnaire was expanded to include all staff to emphasise that good governance is everyone's responsibility. Results indicated that the general understanding of governance framework is good, but there are still areas for improvement. These will be addressed in 2020-21.</p> <p>Mandatory information governance e-learning courses were introduced for all staff in 2019-20.</p> <p>The Performance Management Framework will be comprehensively reviewed in 2020-21 to tie in with the planned overhaul of the corporate training and professional development offer.</p>

Identified key improvement areas

The Council is generally satisfied with the effectiveness of corporate governance arrangements and internal control. As part of its continuing efforts to improve governance arrangements the following issues, as highlighted in this Statement, have been identified for improvement in 2020-21.

Issue of concern	Key improvement	Lead officer	Action required
Potential conflict of interest within partnership arrangements	Havant Borough Council and East Hampshire District Council have had a shared Chief Executive and management team for several years which has allowed both Councils to benefit from salary savings and the sharing of skills and experience. During 2019-20 a number of opportunities to renegotiate contracts have highlighted the importance of acknowledging potential conflict of interest when working across two Councils. The current conflict of interest arrangements cover conflict between corporate and personal interests, but there is no formal policy in place for managing potential conflict of interest for the shared management of the two organisations. As the partnership arrangement with East Hampshire District Council continues to develop and change in the coming years, it is imperative that the individual priorities and needs of both Councils are considered as part of decision making processes, especially in contract negotiations.	Gill Kneller	<p>Develop conflict of interest policy relating to shared management of the two Councils, particularly regarding contract negotiations.</p> <p>Review all shared service, shared workforce and shared values options for future direction of the partnership with this in mind.</p> <p>Ensure that shared staff understand the importance of considering potential conflict of interests between the two organisations.</p>
Development and embedding of new Corporate Strategy	<p>Following the expiration of the previous Corporate Strategy in 2019, a revised Strategy covering the period from 2020 to 2024 has been developed and will be subject to consultation with residents and other stakeholders during 2020 to ensure that it best reflects the Council's ambitions for the borough in the coming years.</p> <p>As one of the key strategic documents for the Council, the Corporate Strategy articulates the vision, values and</p>	David Brown	<p>In consultation with residents and other stakeholders, finalise and publish the Corporate Strategy.</p> <p>Ensure that the new Corporate Strategy is embedded and that there are strong links between the strategy and the daily work of officers and councillors, particularly</p>

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	priorities of the organisation and provides a framework for putting the Council’s resources to best use.		within the Performance Management Framework.
Embedding of revised Constitution including codes of conduct and structure of Council	The Constitution review subcommittee will continue their work to ensure that the Constitution is modernised and streamlined in 2020-21. This will be followed by work to ensure that the revised Constitution is understood by all councillors and staff. This will be key to ensuring that the proper procedures are followed and that the framework of corporate governance remains strong.	David Brown	Finish review of Constitution and produce revised version which is fit for purpose and able to be understood and used to guide decision making by all. Embed an improved understanding of the Constitution and its role in the Council’s functioning, taking the opportunity to improve awareness of the governance framework.

Opinion

It is our opinion that corporate governance, along with supporting controls and procedures, is strong. We propose over the coming year to take steps to address the above matters to further enhance our corporate governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and we will monitor their implementation and operation as part of our next annual review.

Signed

CEO

Leader

Glossary

Annual Governance Statement (AGS)	The Annual Governance Statement is a document produced each year which assesses how corporate governance arrangements have been working for the period of time indicated
Budget	The estimate of income and expenditure for a set period of time. For the Council this covers the financial year (1 April until 31 March each year) and includes all the financial resources allocated to different services and projects.
Code of conduct	The codes of conduct for Members and Officers set the standards and behaviour expected of Councillors and staff.
Constitution	The Council's Constitution contains the standing orders, scheme of delegation, financial regulations and contracts procedure rules. The Constitution also contains the policies for anti-fraud and corruption, anti-bribery and whistleblowing.
Corporate Strategy	A key document detailing the purpose, direction, vision and objectives of the organisation over the forthcoming years.
Corporate Governance Board	The Corporate Governance Board meets quarterly to provide assurance to the business on matters of corporate governance. Specifically, the Corporate Governance Board ensures that the organisation develops and implements an effective approach to corporate governance which enables the business and affairs of the Council to be carried out, directed and managed with the objective of enhancing value to the public.
Data Protection Officer	A Data Protection Officer (DPO) is a role required by GDPR. Data Protection Officers are responsible for overseeing data protection strategy and implementation to ensure compliance with GDPR requirements.
Executive Board	The meeting of chief Officers comprised of the Chief Executive, Executive Directors and Chief Finance Officer (Section 151 Officer) with advice and guidance provided by the Monitoring Officer.
Executive Management Team	Comprises the Chief Executive, Executive Directors, Chief Finance Officer and Heads of Service.
Data Protection Act 2018	The Data Protection Act 2019 and associated General Data Protection Regulations which came into force in May 2018. This strengthens the regulatory environment for data owners, controller and processors and aligns legislation with other European countries.
Governance, Audit & Finance Board	The Governance, Audit & Finance Board considers the Council's governance arrangements and ensures that the financial affairs of the Council are properly conducted.
Head of Paid Service	The most senior Officer with overall responsibility for the management and operation of the Council. Also known as the Chief Executive.
Healthcheck	A quarterly review of Council performance covering financial and business plan progression for that quarter.
Key Performance Indicators	A measurable value that demonstrates how effectively the organisation is achieving against its key objectives.

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Licensing Committee	The Committee of Councillors that undertakes all licensing and gambling functions, powers and duties conferred on the Council under the Licensing Act 2003 and the Gambling Act 2005.
Local Plan	A Local Plan sets out the local planning policies and identifies how land is used, determining what will be built where. Once a Local Plan becomes adopted it provides the framework for development within an area.
Local Code of Corporate Governance	The Local Code of Corporate Governance describes the arrangements in place to ensure that the Council conducts its business in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
Medium Term Financial Strategy	The Council's key financial planning document. It aims to provide the Council with an assurance that the spending plans are affordable over the medium term (five years). The MTFS includes a five year budget forecast that is reviewed annually as part of the budget setting process.
Monitoring Officer	The Officer charged with ensuring that everything that the Council does is fair and lawful.
Planning Committee	The Committee of Councillors that sits as the local planning authority to determine planning applications (not delegated to Officers).
Policy Framework	The plans and strategies which have been adopted by the Full Council in accordance with which the Leader of the Council, Cabinet, Committees and Officers must operate.
Residents' Survey	A survey held approximately every two years to gather residents' views of the borough and services offered by the Council.
Section 151 Officer	The Officer responsible for the administration of the financial affairs of the Council (under section 151 of the Local Government Act 1972). Also known as the Chief Finance Officer.
Statement of Accounts	The Statement of Accounts shows, in financial terms, the performance of the Council for the year indicated. It is a statutory publication produced in accordance with legislative requirements and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom.