

FAREHAM
BOROUGH COUNCIL

**Annual Governance
Statement
2019/20**

Fareham Borough Council
Civic Offices, Civic Way, Fareham PO16 7AZ

SCOPE OF RESPONSIBILITY

Fareham Borough 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 used economically, efficiently and effectively.

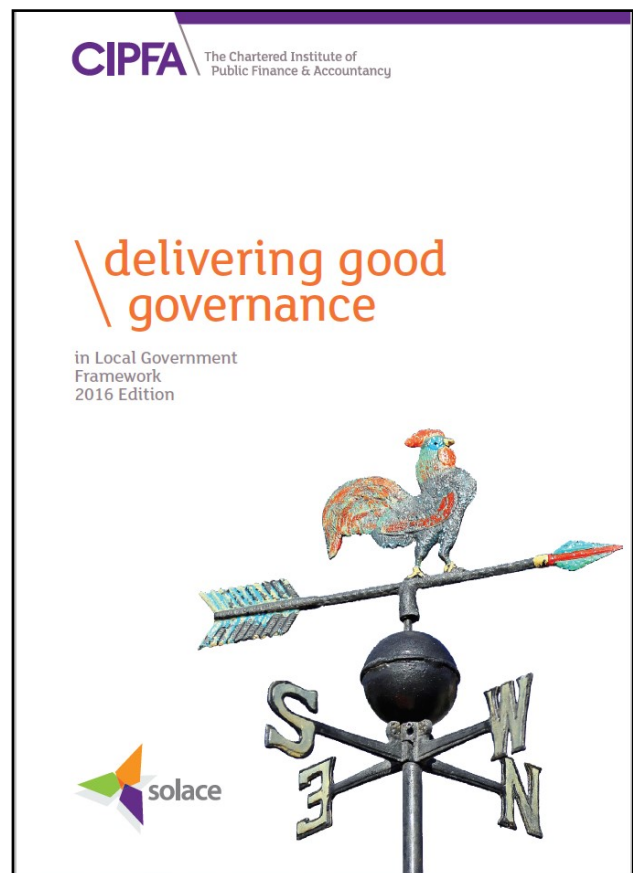
Fareham Borough Council also has a duty under the Local Government Act 1999 to make arrangements securing continuous improvements to the ways in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council is responsible for putting arrangements in place for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Fareham Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy's framework; *Delivering Good Governance in Local Government*.

A copy of our code is on our website at: <http://www.fareham.gov.uk/about-the-council/strategies/policydocs.aspx>.

code and also meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6 (1b) which requires all relevant authorities to prepare an annual governance statement.



This statement explains how Fareham Borough Council has complied with the

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and the 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.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. 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 on-going process designed to identify and prioritise the risks to the achievement of the authority'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 Fareham Borough Council for the year ended 31 March 2020 and up to the date of approval of the Statement of Accounts.

The key elements of the systems and processes that comprise Fareham Borough Council's governance arrangements are summarised in this document.

Openness

The Council seeks to be open and to act in the public's interest. The Community Action Team meetings in particular allow open debate on hot topics that come up.

During consultations we aim to be open about the data sources used and how decisions are made.

Due to the impact of the pandemic during 2020/21 we have been exploring virtual options for consultation with the public.



We have developed a Freedom of Information Publication Scheme which is published on our website along with a Transparency portal which provides financial information and other data about the way the Council is being run. This can be found on our website here:

<http://www.fareham.gov.uk/about-the-council/financial-information/intro.aspx>

We also carry out periodic reviews to ensure compliance with the latest requirements of the Transparency Code. The next review is planned for 2020/21.

On top of this we aim to respond to all Freedom of Information requests we receive. We issued 737 such responses during 2019/20.

Community Communication

The Council's approach to communication is set out in the Communications and Engagement Strategy. This covers how the council seeks to engage with different sections of the local community including those who are harder to reach. It is monitored and updated periodically. The next review is in progress, to be finalised in 2020/21. The review includes consideration of different channels and ways that we can sustain effective communication whilst social distancing.

The Council magazine "Fareham Today" is now a primarily online publication which is produced three times a year. Special editions are produced as required to focus on key topics. Households still have an option of requesting printed copies or receiving email alerts when an edition is published. Approximately 953 households have signed up to receive individual copies with a further 432 receiving email alerts.

We continue to see a consistent growth in followers on social media channels which give us ways to have informal two-way conversations with a wider range of people. We use the Council Connect stand in the Town Centre to display a range of material on targeted themes in the year. Themes this year included: Citizen of Honour awards, 999 day, Bloom day, Christmas Light Switch on, Community Gardening Challenge, Thumbs up Thursday, National Play Day and also information regarding the Coronavirus Pandemic.

The Team also work with the media to convey important messages.

The Council has a Public Relations, Marketing and Consultation Team who coordinate and undertake community consultations using a variety of methods. The

team encourages all departments to seek advice on communication methods to be used for events, information, and when our equality objectives need to be considered, to ensure our approach is consistent.

This includes use of an e-panel of over 2,000 residents. We will continue to grow the e-panel and to explore using it for wider consultation. We also now have conversations (10/10 surveys) with a sample of residents who have used a key service in the year which allows us to obtain feedback about what matters to our customers for future improvements. In 2019/20 almost 7,000 people responded to 20 consultations and events.



Alternative approaches used this year included a business breakfast for the Daedalus review at the Fareham Innovation Centre and a round table discussion at the Town Centre Community Action Team meeting. We also conducted focus groups with homeless service users and another with statutory and community partners in the preparation of the Homelessness Strategy. We conducted interviews and group discussions with tenants in Sheltered Housing as part of the service review and an online polling to vote for the Gate Guardian at Daedalus.

Meetings are held in the community when there is a need to focus on hot topics of interest to that neighbourhood such as key development of the local plan and future development in the Borough .

Council's Visions and Outcomes

The Council's governance arrangements support the realisation of the Council's mission and objectives.

Our Corporate Strategy 2017-2023 describes an overall vision for the Borough - **Fareham: a prosperous and attractive place to be**. It sets out our priorities for improvement over a six-year period. This is available on our website at: http://www.fareham.gov.uk/about_the_council/strategies/keystrategies.aspx.

During 2019/20 we conducted an annual review of the Corporate Strategy which was reported to the Policy and Resources Scrutiny Panel in October, Executive in November and the changes were approved by Council on 14th December. One significant change in 2019/20 was the addition of a new priority *to develop an action plan to mitigate and adapt to impacts of climate change in Fareham and reduce our carbon footprint*.

A project plan has been drawn up to deliver the priorities which is monitored by the Chief Executive's Management Team twice a year. A process is being developed to quantify the finances needed to deliver the Corporate Priorities set, and feed these into the Medium-Term Financial Strategy.

Notable achievements from the Strategy include :

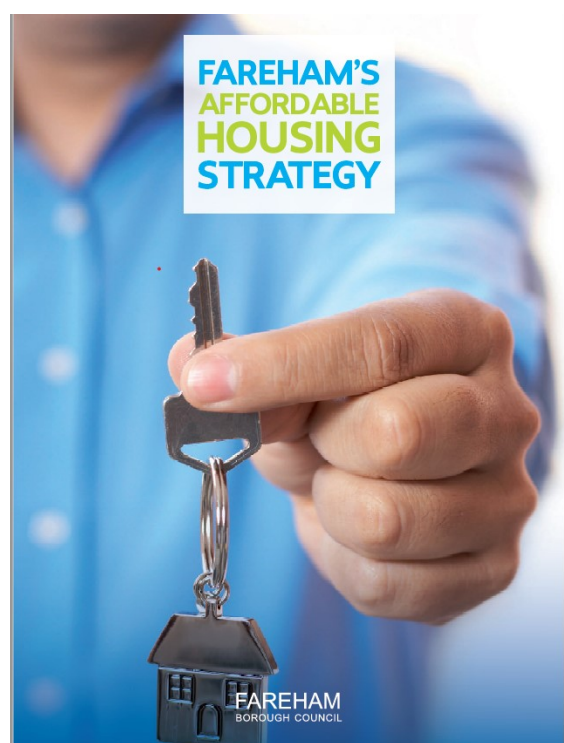
- ✓ Preparation and implementation of a new Affordable Housing Strategy, setting out how Affordable Housing will be delivered over the next five years
- ✓ Extension of Holly Hill Cemetery, providing an additional 400 burial plots

The Council's purpose and objectives are often affected by changes in legislation and government. However, we use the information from our communication channels to put these into a local context and identify local priorities.

A "Big Picture" report covering the hot topics in the Borough and what people are talking about using social media or other sources is reviewed every six months by the Chief Executive's Management Team. This includes the results of 10/10 surveys.

We also monitor any changes in demographics in the Borough which may influence what our priorities should be.

The Leader of the Council chairs discussions at the summer Community Action Team meetings around the Borough each year on the Council's vision, objectives, achievements and priorities. A new approach to holding these meetings will be looked at for 2020/21 given the need to social distance.



Service Quality and Value for Money

The Council is implementing a programme of cultural change which is leading to better quality and value for money services.

We have been reviewing our services using 'Systems Thinking' which redefines the purpose from the customer's point of view and puts them at the heart of the processes we use to deliver them. Reviews result in improved customer experiences and faster service delivery. Further training on the approach was rolled out this year for new managers and key officers.

The reviews carried out in 2019/20, included the freedom of information process, finalising the Building Control Partnership review and a small review of Tree Management. Further reviews are planned for the Communications team and StreetScene. We also need to review what impact the pandemic has had to the learning from previous reviews.

Internal audit and external inspections provide an independent layer of assurance on the services being provided.

Our Local Service Agreements (LSAs) set out how well we are doing on delivering key services in line with our corporate priorities. They are updated annually and reviewed by the Chief Executive's Management Team and the Executive. The LSAs include a list of key performance measures which are monitored during the year and over years including 10/10 survey results. These indicators are being continually revised as we determine what measures truly match the purpose of the service.

The Council has a corporate Opportunities Plan which identifies opportunities for income generation and cost reduction to support the next five year Financial Strategy. This involves the use of reserves in an 'invest to

save' programme to support delivery of the project, including the establishment of a Project Team in April 2019 on an initial two year basis.

To date £711,000 of savings from the Opportunities Plan work has been built into the Council's budgets, including £221,000 built in for 2020/21.

The Council has a dedicated procurement team in place to help achieve value for money and service quality from purchasing and letting of contracts, by providing support, guidance, advice and challenge in the procurement process.

The work of the team during 2019/20 included the successful tender for an operator for an improved community leisure and arts venue.

The Council continues to buy some goods and services jointly with other councils, and builds upon successful services delivered jointly with other local authorities. For example, in 2019/20 Hampshire councils, led by Fareham Borough Council, jointly retendered for the provision of insurance services leading to significant savings across the contract.



Other joint procurement in the year included the Lift Maintenance Contract and the Textile Recycling contracts.



Member and Officer Roles and Responsibilities

The Council's Constitution sets out:

- How the Council operates;
- The roles, responsibilities and relationships between the different Council committees;
- The roles of Executive Members, Committee Chairmen, Ward Councillors and Chief Officers;
- The functions, responsibilities and post holders of the statutory offices: Head of Paid Service, Monitoring Officer and Chief Finance Officer.

A member/officer protocol lays out how communication is effected between the two roles.

The Constitution documentation continues to be reviewed by the Democratic Services team to keep it as a single reference source that is readily available on the Council's website.

An annual report to the Audit and Governance Committee is produced which advises members on any updates made to the constitution. In 2019/20 we started to review the Constitution Procedure Rules (Part 3); any revisions arising from this review will be reported in 2020/21.

Towards the end of 2019/20 work was carried out to identify how emergency powers and changes to the deputation scheme can be used in response to and during the pandemic.

There is a designated post which covers the Monitoring officer responsibilities; and in 2019/20 we had clear arrangements in place to cover the role during a period when the Monitoring Officer was absent. The Monitoring Officer keeps apprised of changes in requirements by attending appropriate courses and the Council subscribes to a national service to obtain advice as necessary.

Decision Making

The Constitution, including the Schemes of Delegation, sets out how different types of decisions are made, including who has the responsibility for making them and what procedures should be followed. In 2020/21 the temporary measures under the urgency provisions are being invoked in response to the Covid pandemic.

The Monitoring Officer and Chief Finance Officer maintain their legal responsibilities to ensure that the Council acts legally and within its financial means.

Meetings are held in public except where personal or confidential matters are being discussed. During 2019/20 we piloted the use

of a paperless agenda: however, during 2020/21 we have had to move to the use of virtual meetings in response to the pandemic which is being further developed as a priority.

The Notice of Key Decisions highlights any 'key decisions' due to be made and these are published 28 days before the decision is made, to enable wider transparency and opportunities for representation to the decision makers. These are discussed in advance by the Chief Executive's Management Team.

Where partnerships have been developed with other agencies, decision making powers and delegated powers are documented and presented to members.

Scrutiny

Our committee structure follows the Executive Leader and cabinet model, which requires us to have a scrutiny function.

The Council uses a Scrutiny Panel for each of its six portfolio areas. Each Panel is made up of seven non-executive councillors and reflects the political balance of the elected members. The Panels meet a minimum of four times a year with extra meetings called when needed.

Each Scrutiny Panel has a Priority Plan which identifies the objectives from the Corporate Strategy and areas of the executive function that require their scrutiny; for example budget setting fall under the Policy and Resources Scrutiny Panel. Part of the panels' focus is to be engaged in pre-scrutiny work and to have an input in the decision making process by making recommendations to the Executive. In some cases specific member working groups are in place to assist in the development of service visions and strategies.

For example, in 2019/20, Scrutiny Panels looked at:

- Fareham & Gosport Clinical Commissioning Group provision of mental health services in the Borough;
- Two Saints' provision of support for rough sleepers in Fareham following the introduction of the new contractual arrangements with Hampshire County Council in August 2019;
- Waste Composition Analysis for Fareham and Project Integra Work Review.

Examples of reports that went to the Scrutiny Panels for pre-scrutiny prior to going to the Executive Committee included:

- The Affordable Housing Strategy;
- The Design Costs for the remodelling of Ferneham Hall;
- The Interim Nitrogen Mitigation Solutions; and
- The Capital Programme Outturn 2018/19.

A review of how the new Scrutiny Panels are performing has commenced and will be completed during 2020/21, to confirm that the new arrangements are being consistently applied across the Council.

There were no decisions called in during 2019/20.



Codes of Conduct

In accordance with the Localism Act 2011 we have a Code of Conduct which sets out the behaviours expected from our members, and we have arrangements in place to deal with matters of ethics, honesty and member conduct. New members receive an induction session on the content of the Code. Specific training on communication with the media is planned for 2020/21. A national review of the code is being conducted by the LGA and we will update ours accordingly to reflect the review.

A report is presented annually to the Audit and Governance Committee setting out the number of complaints received about member conduct and the trends. A standards sub-committee is set up when a significant breach by a member requires investigation and the conclusion is reported at the next meeting of the Audit and Governance Committee and Full Council. The standards sub-committee was not convened in 2019/20.

The Council's Code of Conduct and Disciplinary Rules and Procedure aims to maintain appropriate standards of conduct at

work by employees. It ensures that employees are treated fairly and supports an appropriate culture and working environment, through fair and effective management of disciplinary matters. A review of the code started in 2016/17 to update and simplify it for users and this will be finalised in 2020/21. Other arrangements, such as the register for employee interests, help everyone keep aware of the code.

A revised policy on employee gifts and hospitality and interests has been drafted to meet the needs of the Bribery Act and will be finalised in 2021/22. A new platform for the Register of interests will also be developed in 2020/21. An internal audit of "ethics" was carried out in 2015/16 which included an employee survey. This gave positive assurance that appropriate arrangements are in place to manage behaviours. Follow up survey questions and focus group discussions were carried out in 2017 and 2018. These have fed into the work streams on Whistleblowing, Employee Registers of Gifts and Hospitality and the Procurement and Contract Procedure Rules.

Whistleblowing

The Council's Whistleblowing Policy is reviewed by the Audit and Governance Committee as required. The Policy is available to all employees via the intranet where periodic updates are also displayed.

Designated channels including electronic reporting methods are available for employees and members of the public.

Focus groups were used in 2017/18 to challenge the effectiveness of the policy which led to a rebranding in 2018/19 as the "Raise a Concern Policy". During 2020/21 we

will be rolling out further training for managers and employees, on raising concerns, using the Skillgate platform.

Records are kept of incidents of whistleblowing and the results of investigations arising. Statistics are reported to the Audit and Governance Committee annually.

During 2019/20 there were two investigations resulting from internal whistleblowing.

Member and Officer Development

A modular induction and training programme is in place for members. The induction modules for new members are completed within a few months of being elected. These modules are reviewed individually with new members appointed in the year and any additional training needs identified. A central library is also maintained to allow members to access briefing information outside of training events.

The programme is supplemented by specific topic briefings for members. Twelve member training/briefing events took place in 2019/20, including sessions on the functions of PfSH, Safeguarding, and a number of Welbourne briefings.

Officer training and development is based around a simplified individual performance management process. A review of this process was undertaken using structured interviews in 2017/18. A number of actions have been agreed and during 2019/20 we employed an officer to spearhead and implement these. These include rolling out training and support for managers to assist them with delivering the Council's vision for individual performance management; including when remotely from home.

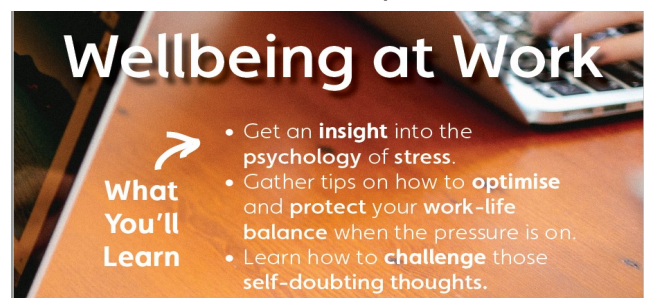
There is a coordinated approach to the identification of the training needs of the organisation which helps us make the most of money spent on employee development and training. In-house training sessions are delivered by a combination of online training for theory with face to face sessions for practical learning.

The Council's online training suite, called Skillgate, is used by both members and employees, which includes the facility to create local courses when the generic course does not meet our needs. All new employees

complete an online induction package through Skillgate which includes a number of tests and checks of understanding before the programme is complete. Completion of the programme is monitored by a designated Human Resources officer. In 2020/21 we will be reviewing methodologies available to continuously disseminate ICT Security policy messages to employees.

In 2019/20 we have been utilising an external consultant who has continued to carry out leadership training with the senior management team. Other specific training in 2019/20 included debt recovery training for the housing, exchequer and revenues teams.

In 2019/20 we have developed and started to roll out a holistic approach to awareness of mental health and emotional wellbeing issues with sessions delivered or planned to cover



“Managing People with Mental Health Issues”, Menopause Awareness, and “Wellbeing at Work”.

In 2017/18 we adopted a new approach to recruiting, developing and employing apprentices in line with the government apprenticeship levy. The new framework enables us to offer training opportunities on a wider basis than the previous traditional apprenticeship route.

As at the end of 2019/20 and following the recent successful completion of a number of apprenticeships, we have three employees currently in the apprenticeship scheme which are being funded by levy funding.

Ensuring Compliance with Relevant Laws and Polices

Fareham Borough Council and Southampton City Council are in an established partnership for the provision of legal services. This helps ensure that the Council has access to a wider range of solicitors for support. It also gives joint responsibility for ensuring the Council identifies changes in legislation and has the right policies and procedures in place to ensure on-going compliance.

In December 2019 an additional post was put in place for the property legal team to deal with the number of property related corporate projects.

A review has been carried out to agree the most significant laws and polices where assurance is needed as part of the governance framework. Part of this assurance is provided by the Internal Audit Service and additional assurance mechanisms are introduced to provide information when needed. For example in 2019/20 annual assurances on cyber security were introduced.

In response to the pandemic additional legal advice is being needed in 2020/21 in response to government directives.

A Vanguard review of how the Council manages external requests for information, such as under the Freedom of Information Act 2000, commenced in 2019/2. and the learning to date have led to some changes to the internal processes used.

Key policies are regularly reviewed to ensure they are up to date and relevant and new and refresher training is rolled out when considered appropriate. For example, in January 2020 a new tool was rolled out to managers which allows them to drill down on their spend with suppliers.

During 2018/19 we developed and implemented a new approach to procurement as set out in the new Procurement and Contract Procedure Rules. The new approach includes the introduction of an annual report on the application of the new rules. The first of these was completed in 2019/20, and presented to CXMT (Chief Executives Management Team) in February 2020. As part of this a level of testing was carried out on the compliance of the rules and the results found a very high level of compliance. In 2020/21 we will be strengthening the processes used to assess financial standing of suppliers during the procurement process and subsequent contract management of critical suppliers.

The review of the Council's Financial Regulations has also been completed. The amalgamated rules were presented to the Audit and Governance Committee in September 2019. These were subsequently launched across the organisation via various direct and indirect briefing mechanisms.



During 2019/20 we also strengthened our use of data privacy impact assessments which give us an understanding of the impact and compliance of GDPR on services and projects.

Financial Management

The Council's arrangements conform to the requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. During 2020 we refreshed our review of how well we conform to the 2016 statement.

The Council has adopted an integrated approach to service and financial planning which allows for pressures and opportunities to be considered and reflected promptly in the Council's financial plans. The Council's Medium Term Finance Strategy (MTFS) and Treasury Management Strategy are updated each year and approved by Members.

The Strategy had predicted a funding gap in 2020/21 and beyond. An Opportunities Plan was therefore developed to identify ways of bridging the gap and buffering the Council from future pressures. Some of these projects have now been delivered which allowed us to set a balanced budget for 2020/21.

In 2019/20 particular focus was given to the Collection Fund which broadened knowledge within the team and improved robustness of the process. In 2020/21 we are producing quarterly monitoring against our predictions of the Collection Fund. Further work is also being carried out to update the cost implications of delivering the corporate priorities, and to update the Strategy for any implications arising from the Fair Funding Review.

Finances are monitored regularly through reporting and discussions with budget holders, directors and the relevant portfolio holder. Accountants are established as Finance Business Partners (FBP) to the services they support and contribute to the development of their services.

In 2019/20 we rolled out a new drill down tool to managers, which provides better information on spend with Suppliers.

Monthly summary financial information is published online for all Members and the public. This can be found on our website at: http://www.fareham.gov.uk/pdf/about_the_council/

[councilport.pdf](#)

Twice yearly financial reports showing expenditure against budgets are prepared and presented to the Chief Finance Officer and Executive Members. These focus on services with spend or income over £1 million or which are subject to fluctuations in demand. Corporate financial forecasting meetings are scheduled monthly where the senior finance managers review the budgetary position and forthcoming pressures and opportunities to allow a forecast position to be established.

In 2019/20 monitoring predicted we were heading for an overspend so a 'Living within our means' strategy was introduced. Progress is regularly reviewed by CXMT, which will continue into 2020/21.

In 2020/21 mechanisms have been introduced to monitor the impact of the pandemic on the Council's financial standing and a financial recovery plan has been delivered and is being implemented to maintain the Council as a going concern. As part of the plan an emergency budget has been set for 2020/21 and proposals have been made to extend the Opportunities Plan work.

Quarterly reports on the Council's loans and investments are presented to the Chief Finance Officer, Chief Executive Officer, and half yearly to the Executive along with a set of indicators which measure the impact of capital investment decisions. Treasury investments are made, having taken into account advice from the Council's treasury management consultants in order to reflect current market developments.

In 2018/19 we developed a new high-level Capital Strategy report which is presented each year to Full Council; this meets the requirements of the new Prudential Code. This is being continually developed to provide further information that meets the local needs.

Risk Management

In 2017 the Council adopted a new approach to Risk Management using system thinking principles. This puts the focus on managing risks as an everyday normal Council activity rather than using resources to maintain corporate risk registers. This policy consists of seven principles and includes arrangements for monitoring the effectiveness of the policy. These include annual meetings with managers to ascertain risk management activity which has occurred in their services. Key risks arising from these discussions are documented and presented to the Chief executive's management team and the Audit and Governance Committee in six-monthly reports.

An important component of the policy is to embed a culture of everyone acting as the eyes and ears of the Borough. A crib sheet of "who to report issues to" has been piloted and is being made available to all staff, via the intranet, to refer to when out in the Borough.

A significant joint review by the audit and insurance teams was carried out in 2018/19 looking at the ownership of risk inspections in public areas. Work was progressed in 2019/20 to identify systems changes that had occurred or were needed to strengthen our arrangements. For example: The inspection and maintenance of all of the Council's existing play areas and parks infrastructure is recorded and managed remotely using the Council's mobile phones via the Public Sector Software app (PSS); a database which schedules inspections, task management and monitors minor maintenance issues. The system is monitored daily by the Public Spaces Officer, with outstanding tasks reviewed fortnightly by the Public Spaces Operations Manager.

The Risk Management process will be further developed in 20/21 using workshops to review specific top risk areas in more detail., such as the Local Plan and Solent Airport.

Emergency Planning and Business Continuity

In accordance with the Civil Contingencies Act 2004, the Council works in partnership with Portsmouth and Southampton's Joint Emergency Preparedness, Resilience and Response Team to ensure its readiness to respond to emergencies is maintained. Actual incidents are responded to in conjunction with Hampshire County Council.

A three year work programme is being implemented which is supported by monthly meetings identifying additional areas within emergency planning that require revision and updating. In 19/20 the training programme was refreshed to ensure staff were fully up to speed with their roles. Other actions in

2019/20 included updating the contacts directory.

The annual test of Fareham's Emergency Response Plan was carried out in January using a scenario of a hangar fire at Daedalus . The test reviews the adequacy of the plan and the functionality of the Emergency Control Centre.

Minor changes to the plan were made as a result to ensure procedures are adequate and complied with best practice.

The Council has a duty to ensure that Business Continuity Management Systems are in place to ensure that the authority can provide its critical services during a disruption.

Fareham's Business Continuity arrangements underwent a further review in 2019/20 and revised service business continuity plans were published. These plans are designed to aid and inform service recovery in the event of a major disruption of day-to-day activity.

A test of the corporate business continuity plan was held in the summer of 2019 using a cyber threat scenario via a table top exercise. The exercise demonstrated a good understanding of FBC arrangements in response to a business continuity event and stressed the importance of early communications during an incident.

The work carried out with Solent Airport (Daedalus) to review their arrangements for their The D-Day 75 celebrations led to a successful event in June 2019.

A Major Incident has been declared in response to Covid-19 since late 2019/2020 this has had a significant impact on the work programme. In response to Covid-19 we have activated our Business Continuity Plans and internal response structure as well as supported the multi-agency command structure. This has included developing new mechanisms to keep all members briefed on the actions being taken by the Council throughout the response phase of the pandemic.

During the response several lessons and areas for improvement have been identified. These will be reviewed and built into the work programme for 2020/21 and include:

- Completion of the scheduled review of the emergency response plan
- Completion of the scheduled review of the corporate business continuity plan
- Carrying out earlier review of the services business continuity plans .



Counter Fraud

The Council has adopted an Anti Fraud and Corruption Policy which is supported by a programme of strategic work to review and strengthen our counter fraud arrangements, where needed. These include training, data matching exercises and strengthening our policies and procedures.

The Council has retained professional investigation skills and resources which are used to deliver the programme of work which includes carrying out risk assessments on the top frauds faced by councils to ensure our approach to prevention and detection of fraudulent activity remains cost effective.

This Anti Fraud and Corruption Policy was updated in 2016/17 alongside the Sanctions and Redress Policy as a result of the Benefit Investigators transferring to the Department of Work and Pensions. In 2018/19 these arrangements changed to allow joint working on cases and prosecutions and as at the end of 2019/20 we had opened 38 joint working cases.

We were planning to refresh the sister Anti-Bribery Policy in 2020 but this has now been postponed until 2021.

Strategic counter fraud work carried out in 2019/20 included:

- ◆ The RIPA policy was refreshed in line with the changes in the Investigatory Powers Act 2016 and Data Retention Requisition Regulations 2018.
- ◆ Key staff received training in producing

effective witness statements.

- ◆ The Corporate fraud team attended training on using open source enquiries to assist with investigations.

A single residents discount campaign began at the end of 2019/20 which entailed a 100% review of all households receiving a single residents discount.

At the end of 2019/20 the Counter Fraud team were seconded to the Business Grants Projects to assess the risks associated with the payments of grants and to design and implement mitigating actions to reduce the risk of inappropriate payments being made.

The Audit and Governance Committee receive an annual update on the work carried out on the counter fraud framework and the nature and results of investigations carried out.

In 2019/20 we investigated 1,339 cases leading to 84 individual frauds or irregularities being found. These amounted to a total value of £249,000. The largest value of fraud found was for housing benefit payments (£109,000); the majority of this was found as a result of investigating council tax support cases. Further statistics can be found on our Transparency webpage:

<http://www.fareham.gov.uk/about-the-council/financial-information/intro.aspx#fraud>

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BOROUGH COUNCIL

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You are here: Home / Council Tax / Discounts And Exemptions / Discounts

Discount review

Thank you for choosing to complete this Single Resident Discount Review on-line.

You currently receive a Single Resident Discount because we believe that you are the only person living at the above property who is aged 18 years or older. This reduction is shown on your Council Tax Bill.

Please confirm that you are still entitled to this discount, or update any changes in your household, by completing [this review form](#).

If you have completed this on-line form, there is no need for you to also complete the paper form that we have sent you.

Partnership Governance

The Council delivers some services by entering into partnership agreements.

The Council maintains a Corporate List of its significant partnerships. These are assessed for their significance in terms of the results they seek to deliver, their profile/reputation and resources involved.

The Council recognised seventeen partnerships of which ten were deemed significant to the Council in 2019/20.

Lead officers are assigned to each partnership. They are responsible for the day to day liaison and for providing the Chief Executive's Management Team with details of any significant changes to the circumstances / membership of the partnership.

Senior Officers and/or Members sit on the board of the Council's significant partnerships, if there is one, and take an active part in discussions and decision making.

An annual report on partnerships is collated and reviewed by the Chief Executive's

Management Team each year to confirm the significance of the partnerships, review any potential governance issues and review how each is performing. Additional assurance arrangements are being put in place for 2020 in the forms of an Partnership Assurance report to the Audit and Governance Committee will be introduced.

Notable partnership activity in 2019/20 included:

- ◆ PUSH have reviewed their purpose and has rebranded to PfSH (Partnership for South Hampshire). A new project manager is now in place.
- ◆ The agreement for the East Solent Coastal Partnership was updated and approved by the constituent councils in June 2020 .
- ◆ The legal partnership were again short listed for legal team of the year 2019



GOSPORT
Borough Council



Portsmouth
CITY COUNCIL



Fareham's Community
Safety Partnership



PROJECT
INTEGRA



portchester
crematorium



HAMPSHIRE
CULTURAL
TRUST



Internal Audit and Audit and Governance Committee

The Council has an internal audit service which delivers a risk based plan of work approved by the Audit and Governance Committee. We have applied “Systems Thinking” to the provision of the service to focus on what matters to the organisation. This has informed our Internal Audit Strategy which was last updated in 2018/19. We carry out four different strands of work to inform the annual audit opinion and help the organisation improve its systems of control.

In 2019/20 the service was jointly delivered in partnership with Portsmouth City Council. This helps in the delivery of the whole scope of audit work and in maintaining independence. An exercise has also been carried out with other audit teams in Hampshire to document where assurances can be shared.

Managers receive a report of findings following an internal audit review and an action plan is agreed to address any weaknesses found. These actions are tracked until they are completed. An action management system has been developed to improve the information available to managers and help capture updates on implementation. In 2019/20 we further developed an approach to assist managers self serve the system which will be rolled out in 2020/21.

A summary of the work undertaken and the findings are reported quarterly to the Audit and Governance Committee.

In 2019/20 we completed the Review of how the Council compares to the CIPFA statement of the Role of Internal Audit 2019. Over a high level of compliance was found and some actions have been identified to further strengthen arrangements.

The service operates to the Public Sector Internal Audit Standards and the Internal Audit Charter was updated in 2018/19 to reflect the latest changes in the standards. Our annual review of compliance with the standards concluded that in 2019/20 we fully conformed with 49 of the 52 Audit Standards and partially conformed with the other three. Compensating activities are in place which included an external assessment undertaken by our audit partners last year.

The Council has an Audit and Governance Committee which undertakes the functions of an Audit Committee in accordance with the CIPFA guidance. It reports directly to the Full Council. It meets four times a year and receives reports covering the range of governance issues set out in its terms of reference. In particular it receives the Head of Audit’s Annual Report and the External Auditor’s Audit Results Report.

In 2018/19 a review of compliance with the 2018 guidance on effective Audit Committees, was published by the Chartered Institute of Public Finance and Accountancy. This identified that work was needed to review the flow of assurance about partnerships that the committee receives. This review was completed in 2019/20 and a new report to the Committee has been developed which will be piloted in November 2020.

Head of Internal Audit's Annual Report

Internal audit cannot give absolute assurance but an opinion was provided to the Audit and Governance Committee in September 2020. The opinion given was that:

The Council had a framework of governance, risk management and control for the year 2019/20 which was generally working effectively, although some opportunities to strengthen arrangements were found in the year. There is awareness amongst managers about their top risks and the importance of control mechanisms within the Systems Thinking culture, and the need to address any major weaknesses found.

The opinion is based on the following evidence:

- ⇒ no “minimal” audit assurance opinions were again given this year, and the response by managers receiving the four “limited” audit assurance opinions was strong with action already taken to address many of the weaknesses highlighted;
- ⇒ income or expenditure errors were only recorded in one audit in the year;
- ⇒ 21/25 previous essential recommendations followed up were signed off as now implemented or in progress.
- ⇒ collaborative working with managers on 3 wider work areas in the year is leading to improved control and efficiency.
- ⇒ Significant progress has been made on an issue highlighted last year (Reviewing what partnership governance assurances are in place and how they flow to the Audit and Governance Committee).

Other issues highlighted last year where progress has been made but work is still needed are:

- ◇ Rolling out training and support for contract management, including where IT systems are provided by a third party in the Cloud.
- ◇ Strengthening debt collection and write off processes in a number of services.
- ◇ Carrying out stock condition surveys and implementing asset management plans.
- ◇ Fully embedding the new system for managing costs associated with housing repairs or moving to an alternative system.
- ◇ Rolling out the new action management system to services to improve the management of recommendations arising from audit reports and updating the data available on the level of implementation*.
- ◇ Clarifying the ICT security policies for the Council and reviewing methodologies available to continuously disseminate messages to employees*.

Additional areas noted this year where further action will enhance the adequacy and effectiveness of governance, risk management and control include:

- ◆ Strengthening budgetary control arrangements in a few teams to assist the Living within our Means agenda;
- ◆ Replacing the system to host the employee gifts and hospitality register, supported by the launch of the revised policy*.

These issues had already been recognised by managers and they are working to address them.

External Audit and Other External Assurances

The Council's independent external auditors for the year for core audit work were Ernst and Young. They have worked throughout the year in accordance with their code of practice.

The findings from the work carried out last year were summarised in their Annual Audit Letter which was presented to the Audit and Governance Committee in September 2019 and circulated to Members and the statutory officers. This report was very positive and unqualified opinions were given by the auditors. There are no outstanding recommendations to be implemented.

Other external inspections and audits undertaken during the year which have been used as a source of assurance included:

- Annual certification report from KPMG 2018/19;
- Report of the Local Government Ombudsman 2018/19;
- Update to Ministerial Directive issued by the Department of the Environment, Food and Rural Affairs in relation to Air Quality (May 2019);
- DVLA assessment of our use of Keeper at Date of Event enquiries (November 2019);
- DVLA assessment of our use of Web enabled enquiry facilities (December 2019);
- Vehicle Operators Compliance Risk Score (March 2020) and Vehicle Test History (March 2020) assessed by the Driver and Vehicle Standards Agency;
- Hampshire County Council review of our safeguarding arrangements (September 2019)
- External quality audit of Building Control Partnership by British Standards Institute (April 2020);
- Compliance work undertaken to meet the requirements of the Public Service Network;
- Partnership coverage by other internal audit teams.



Review of Effectiveness Conclusion

Fareham Borough Council has responsibility for conducting a review of the effectiveness of its governance framework, including the system of internal control. This is done at least once a year.

The review of effectiveness is informed by the work of Directors within the authority, who have responsibility for the development and maintenance of the governance environment, and is led by the Chief Executive's Assurance Group. This consists of all directors, which includes the Monitoring Officer and Chief Finance Officer, and is chaired by the Chief Executive Officer. The Head of Finance and Audit also attends.

The group reviewed the following evidence:

- Analysis of the 23 parts of our governance framework against current knowledge, including reports seen by Senior Officers during the year;
- Highlights from Head of Audit's Annual Report 2019/20;
- Summary of reports and feedback we have received from external auditors, inspectors or other external agencies in the year;
- Actions arising from the annual cyber security report;
- Review of progress made on the actions included in the previous Annual Governance Statement.

Chief Executive's Assurance Group (CXAG)

Review of Effectiveness of the Governance Framework 2019/20

Conclusion options	Meaning
Status known and OK	The preliminary review concludes that CXAG do not need any further assurance on this area this year and no improvement action is needed. These are likely to have been the subject of specific assurance mechanisms through CXMT.
Status known with action	The preliminary review concludes that CXAG do not need any further assurance on this area this year but assurance mechanisms during the year suggest we may want to include an improvement action.
Further Info needed	CXAG would like further assurance coming back to another meeting.

The conclusion from the review of effectiveness is that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

The Audit and Governance Committee have reviewed the sources of assurances used this year and have scrutinised the content of the Annual Governance Statement.

Actions taken to address the issues raised in the 2018/19 Annual Governance Statement

The annual review of effectiveness has identified the following progress made on the actions identified in the previous year:

	Issue 2018/19	Status	Update 2019/20
1	Review what partnership governance assurances are in place and how they flow to the Audit and Governance Committee.	Complete	Head of Finance and Audit A review was completed of the Partnership assurances available to the Council which concluded that a summary report would be useful for the Audit and Governance Committee. A Proforma report has been developed which will be used for the first time in November 2020.
2	Develop a process to feed the finances needed to deliver the priorities set out in the Corporate Strategy, into the Medium-Term Financial Strategy. (B/fwd.)	In Progress	Head of Finance and Audit A draft process has been designed but has not been rolled out yet due to resource pressures. Some work has started in relation to Daedalus actions in the Strategy which mainly affected the capital programme.
3	Complete the periodic review of the Communications and Engagement Strategy	In Progress	Director of Leisure and Community A draft strategy has been produced and needs to be reviewed and approved by CXMT and the Executive before being finalised.
4	Carry out a post-implementation review of the new Scrutiny Panels, once they have been in place for 12 months.	In Progress	Head of Democratic Services We are halfway through a post-implementation review of the new Scrutiny panels and this will be completed in
5	Finalise the review of the Disciplinary Code of Conduct and Disciplinary Rules to update it and make it simpler for users. (B/fwd.)	In Progress	Director of Support Services Progress has been made on this piece of work and it is due to be finalised in 2020/21.
6	Carry out a training session with members covering the media avenues available and the potential pitfalls to be aware of.	In Progress	Director of Leisure and Community This is to be included as an action in the latest draft communication and engagement strategy. The training will be carried out when the strategy has been approved.
7	Develop a Skillgate package for managers on how to handle concerns brought to their attention.	In Progress	Director of Support Services During 2020/21 the Human Resources team will be rolling out further training for managers and employees on raising concerns using the Skillgate platform. We have been awaiting Skillgate to release a new authoring tool to speed the development of this: the tool has only recently been released and so the work can now continue to de-
8	Launch the revised employee 'gifts and hospitality and interests' policy via Skillgate.	No progress to date	Head of Finance and Audit Due to competing other priorities we have been unable to

Actions taken to address the issues raised in the 2018/19 Annual Governance Statement (con.)

9	Roll out mental health and well-being training and support for employees and managers.	Complete	<p>Director of Support Services</p> <p>A new approach to improving awareness of mental health and emotional well-being issues has been developed. The first training opportunities have been delivered, which included sessions on Managing people with mental health issues and menopause awareness.</p>
10	Develop a programme of training and support for managers of all levels to assist them with delivering the Council's vision for individual performance management. (B/fwd.)	No progress to date	<p>Director of Support Services</p> <p>Due to competing other priorities we have been unable to progress this programme. However, we have employed an officer to be dedicated on this during 2020/21.</p>
11	Complete a vanguard style review of how the Council manages external requests for information.	In Progress	<p>Head of Democratic Services</p> <p>A vanguard style review commenced and learnings to date have resulted in a number of changes to internal processes making them more streamlined and efficient. This work will be recommenced in 2020/21.</p>
12	Develop the annual report to provide senior managers assurance on compliance with the new Procurement and Contract Procedure Rules.	Complete	<p>Head of Finance and Audit</p> <p>The first of these was completed in in 2019/20 and presented to CXMT (Chief Executives Management Team) in February 2020.</p>
13	Finalise the revised version of the Financial Procedure Rules for committee approval and communication to employees	Complete	<p>Head of Finance and Audit</p> <p>The review of the Council's Financial Regulations to streamline down to the key rules has also been completed. The amalgamated rules were presented to the Audit and Governance Committee for launch in September 2019. These were launched via a presentation to the Finance Department in order for finance officers to relay the contents to the services they supported. The documents were also placed on the Council's intranet system and an employee notice issued. Targeted briefings were held with officers that had specific responsibilities within the regulations.</p>
14	Review the implications of the Fair Funding Review for the Medium-Term Financial Strategy.	In Progress	<p>Finance Manager</p> <p>The Government's 'Fair Funding Review' was delayed due to the General Election and has been further delayed and unlikely to be completed until 2021/22.</p> <p>In the meantime, we continue to monitor the implications of the interim arrangements.</p>
15	Refresh the Anti-Bribery Policy produced in 2011 and review awareness with the principles contained.	No progress to date	<p>Head of Finance and Audit</p> <p>Due competing priorities we have not been able to progress this action this year. We are hoping to start the review in 2021/22.</p>

Actions taken to address the issues raised in the 2018/19 Annual Governance Statement (con.)

16	Roll out the new action management system to service managers and improve information available on the level of action implementation. (B/fwd.)	In Progress	<p>Head of Finance and Audit</p> <p>In 2019/20 we worked with the Communications team to develop user friendly guidance notes to assist with the roll out of the new system. This led to some changes to the RAM system which will allow wider roll out in 2020/21.</p>
17	Carry out a test of updated Business Continuity plans by way of a Tabletop exercise.	Complete	<p>Head of Environmental Health</p> <p>A tabletop exercise of a cyber-attack of the Council's benefit system took place on 19/07/19. This involved enacting different service business continuity plans as the scenario involved isolating different systems as it progressed. The exercise demonstrated a good understanding of FBC arrangements in response to a business continuity event.</p>

Planned Governance Improvements 2020/21

Whilst there have been a number of improvements made through the year, the Council strives for continuous improvement. Therefore, following the review of effectiveness, we have selected the following improvement opportunities, for priority action in the next year. Some of these relate to actions not yet fully complete from previous years:

Ref	Part of Framework	Planned Improvement	Lead officer
1	Council's Vision and Outcomes	Develop a process to feed the finances needed to deliver the priorities set out in the Corporate Strategy, into the Medium-Term Financial Strategy. (B/fwd.)	Head of Finance and Audit
2	Openness	Conduct a review of current levels of compliance with the Transparency Code.	Web and Social media Manager
3	Openness	Due to the impacts of the pandemic, review virtual mechanisms available to carry out public consultations.	PR and Marketing Manager
4	Constitution	Continue to review part 3 of the constitution (Procedure Rules) and produce a report of first revisions needed to the Audit and Governance Committee.	Head of Democratic Services
5	Constitution	Identify how emergency powers and changes to the deputation scheme can be used in response to and during the pandemic. (Complete)	Head of Democratic Services
6	Decision Making	Maximise the efficiency and effectiveness of virtual committee meetings.	Head of Democratic Services
7	Decision Making	Continue to move towards paperless agenda for committee meetings.	Head of Democratic Services
8	Scrutiny	Complete the post-implementation review of the new Scrutiny Panels and explore the potential for using special panel meetings for specific items.	Head of Democratic Services
9	Codes of Conduct	Finalise the review of the Disciplinary Code of Conduct and Disciplinary Rules to update it and make it simpler for users. (B/fwd.)	Director of Support Services
10	Codes of Conduct	Carry out a training session with members covering the media avenues available and the potential pitfalls to be aware of. (B/fwd.)	PR and Marketing Manager
11	Whistleblowing	Develop a Skillgate package for managers and employees how to raise and handle concerns.	Director of Support Services
12	Conflicts of Interest	Complete the development of a replacement database for the employee register of Interests.	Director of Support Services
13	Training and Development	Review methodologies available to continuously disseminate ICT security policy messages to employees.	ICT Infrastructure Manager

Planned Governance Improvements 2020/21(con)

Ref	Part of Framework	Planned Improvement	Lead officer
14	Head of Paid Service	Develop a programme of training and support for managers of all levels to assist them with delivering the Council's vision for individual performance management, including when working remotely. (B/fwd.)	Director of Support Services
15	Compliance with relevant law and policies	Identify and implement legislative changes introduced as a result of the Covid Pandemic such as virtual decision making and the government/ procurement directives (PPN0120 and PPN0220). (Complete)	Head of Democratic Services
16	Compliance with relevant law and policies	Strengthen the processes used to assess financial standing of suppliers during the procurement process and subsequent contract management of critical suppliers.	Head of Finance and Audit
17	Financial Management	Introduce mechanisms to monitor the impact of the pandemic on the Council's financial standing and develop a financial recovery plan to maintain the council as a going concern.	Deputy Chief Executive Officer
18	Financial Management	Extend the Opportunities Plan work and progress the priority actions.	Head of Finance and Audit
19	Risk Management	Complete a risk assessment of the impact of the pandemic on key Council revenue and capital projects and revisit the assumptions made at the outset of the project in the context of the current economic climate	Deputy Chief Executive Officer
20	Internal Audit	Roll out the new action management system to service managers and improve information available on the level of action implementation. (B/fwd.)	Head of Finance and Audit
21	Audit Committee	Pilot the new Annual Partnership assurance report with the Audit and Governance Committee.	Customer Service Manager
22	Emergency Planning	Explore mechanisms to keep all members briefed on the actions being taken by the Council throughout the response phase of the pandemic. (Complete)	Chief Executive Officer
23	Emergency Planning and Business Continuity	Identify lessons from the pandemic response which can be built into the emergency response plan, and business continuity plans.	Head of Environmental Health

Certification

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions are outlined above.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Fareham Borough Council by:



Councillor S.D.T. Woodward
Executive Leader



P.K.Grimwood
Chief Executive Officer