

Thanet District Council Draft Annual Governance Statement

2023-2024

August 2024

Scope of responsibility

Thanet District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Accounts and Audit (England) Regulations 2015 require all relevant bodies to prepare and publish an Annual Governance Statement.

The purpose of the Governance Framework

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

The Governance Framework

The Council's Governance Framework addresses how 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 focuses on its corporate priorities and seeks to facilitate delivery to our local communities of the goals set out in the Corporate Plan. The structures and processes, risk management and other internal control systems, such as standards of conduct, form part of this Framework, which is about managing the barriers to achieving the Council's objectives.

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 Corporate Management Team (CMT), which comprises the Chief Executive, Directors and Heads of Service. The Corporate Governance Code sets out the controls in full and can be found at:



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 work of the Monitoring Officer and Section 151 Officer, who has responsibility for the development and maintenance of the governance environment;
- the review of the effectiveness of the Council's Internal Audit Arrangements 2023/24, as provided by the East Kent Audit Partnership;
- comments made by the external auditors and other review agencies and inspectorates;
- The Audit & Governance Committee's review that the elements of the governance framework are in place and effective, to ensure compliance with the principles.

The following Annual reports form part of that review:-

- Annual report of the Standard Committee;
- Annual report of the Overview and Scrutiny Panel
- Annual report of the Head of Internal Audit
- Annual report of the Governance and Audit Committee

The members of the Council's Corporate Management Team have considered the draft Annual Governance Statement and for each of their areas of control, acknowledge responsibility for risk management and internal control, and certify satisfaction with the arrangements in place throughout 2023/2024.

In accordance with section 3.7 of the Code of Practice on Local Authority Accounting for 2022/23, the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government.

The Council's Monitoring Officer is legally responsible for looking into matters of potential unlawfulness within the Council. There have been a number of matters brought to the attention of the Monitoring Officer raising concerns that the Council has not followed statute or regulation. These matters are referred to later in this report and are also referenced in the annual report of the internal auditor. Each matter has been looked into and the Monitoring Officer is satisfied that immediate remedial efforts have been made by officers.

In terms of general good Governance the

The Annual Reports from the Standards Committee, Overview and Scrutiny Panel and Governance and Audit Committee were considered by Council on 28 March 2024 and have also been considered in preparing this statement. These can all be found using the following link.

democracy.thanet.gov.uk/documents/g6589/Public%20reports%20pack%2028th-Mar-2024%2019.00%20Council.pdf?T=10

Council

The Labour Party won a majority of seats in the May 2023 elections. Councillor Rick Everitt was elected as Leader and formed a Labour Cabinet on 18 May 2023. He has continued to lead the Council and his party as a Leader of the Group since that time.

The Council now comprises 31 Labour Councillors; 16 Conservative; 5 Green; 3 Thanet Independents and 1 Independent.

The Council's Corporate Plan can be found at the link below:

[Corporate Plan - Thanet](#)

Internal Audit

The primary objective of Internal Audit is to provide independent assurance to Members, the Chief Executive, Directors and the Section 151 Officer on the adequacy and effectiveness of those systems on which the Authority relies for its internal control. The purpose of bringing forward an annual report to members is to:

- Provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Present a summary of the internal audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies,
- Draw attention to any issues the Head of the Audit Partnership judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare actual audit activity with that planned, and summarise the performance of Internal Audit against its performance criteria.
- Comment on compliance with the Public Sector Internal Audit Standards (PSIAS), and report the results of the Internal Audit quality assurance programme.
- Confirm annually that EKAP is organisationally independent, whether there have been any resource limitations or instances of restricted access.

The annual report for 2023-2024 satisfied the above objectives. The report confirmed that EKAP delivered 91.26% of the agreed audit plan days to TDC. The performance figures for the East Kent Audit Partnership as a whole for the year demonstrated good performance against the targets. The Head of Audit indicated the view in this report that sufficient work has been undertaken to be able to support an opinion for 2023-2024.

The internal auditors are independent of the management of the Council and have direct access to the Chair of the Governance and Audit if required. They provide a regular update to the Committee at each quarterly meeting and may attend any special meetings that may be convened during the year. No system of control can provide absolute assurance, nor can Internal Audit give that assurance. The opinion provided by audit is intended to provide assurance that there is an ongoing process for identifying, evaluating and managing the key risks.

The annual report provided that *'for 2023-24 the Head of Audit Partnership is satisfied the Council largely complies with Corporate Governance guidance'*. The report does however draw attention to a number of areas where it states that statutory guidance, codes of practice or regulations were not complied with during this period. The areas identified are street cleansing, data protection compliance, health and safety and the setting of fees and charges. The Monitoring Officer has looked into each of these areas and is satisfied that significant work has been carried out and is ongoing so that in respect of each area, those breaches identified have been or are being addressed and there are measures in place to ensure that there can be no repeat:

In relation to street cleansing the annual report provided that whilst Street Cleansing is a key corporate priority, successive audits have concluded low levels of assurance in complying with the standards required by regulations. The report raised concern that the Council was not adequately meeting its legal responsibilities as prescribed by the Environmental Protection Act and associated Defra Code of Practice. The Monitoring Officer has looked into the issues referred to and noted that prior to the period

referred to in this report, there were significant concerns in respect of Street Cleansing. The follow up audit report dated March 2023 however notes that of the 7 high and critical audit recommendations, all but two were fully implemented. At this time the issues that had been addressed were around service standards and the physical inspections of streets. These issues are still resolved and with new management in this service area there are proposals for further improvements in these regards. The two outstanding issues which were noted as being partially implemented relate to the need for an increase in mechanical sweeping capacity and were about having a dedicated route and random checks of the vehicles. Currently the Council has only one large mechanical sweeper however In February of 2024 the Council made the decision to purchase two new sweepers. Once the decision is implemented these outstanding recommendations can also be implemented.

In relation to GDPR compliance internal audit raises concerns that the Council is not yet fully GDPR compliant. The Monitoring Officer has looked into this and is reassured that extensive efforts have been made in this area to significantly improve the Council's compliance. Part of the earlier issue in relation to compliance had to do with resources and the position in this regard is now improved. There is a comprehensive action plan in progress to address the issues of non-compliance identified and these are either entirely resolved or a programme of work is in place to address these. The issue of training for example has been addressed with a new online training programme and high levels of staff uptake. Privacy notices have been updated and work is ongoing to update Information Asset Registers and the recording of processing activities. Home working guidance is in place and a lot of work has been done to raise the profile of data protection across the Council.

In relation to the setting of fees and charges in the annual internal audit report, the auditor raised concern that in relation to licensing the legal requirement to undertake a cost neutral exercise in support of the setting of fees was not being complied with. The Monitoring Officer has similarly looked into this and can confirm that although Licensing was previously budgeted to be cost neutral based on legacy work around cost recovery and the application of inflation, this specific issue will be addressed in detail as part of the 2025/26 budget cycle. This work will pay particular attention to LGA guidance on the local setting of fees and will include but not be limited to a review of, administration, initial visits, third party costs, engagement with interested parties, management costs, local democracy costs, on costs, development, determination and production of policies, web material, advice and guidance and setting and reviewing fees. Once implemented, this approach will be utilised annually to review relevant fees and charges.

In relation to health and safety, concerns were raised in relation to refuse freighters reversing without the guidance of a banksman. The report notes that this practice has now stopped and that this matter has now been taken very seriously. The Monitoring Officer has explored this matter with the relevant director and is also reassured that this matter is now fully resolved.

The report also refers to health and safety issues arising out of a review of Grounds Maintenance. These issues became apparent after March 2024 and to that extent are not relevant to this report. However since they are mentioned it is worth reporting that the report notes that whilst there were some serious concerns, these have now all been addressed and the follow up audit report confirmed the service had moved to reasonable assurance.

In relation to risk management the report provided that there is evidence of the effectiveness of processes in place. The next independent audit of the Council's arrangements for Risk Management is

intended to be included as part of the 2025-26 audit plan. The previous review conducted in 2021-22 received Substantial Assurance.

External Audit

The external audit work of the Council is undertaken by Grant Thornton UKLLP. The main duties are governed by section 15 of the Local Government Finance Act 1982, and the Local Audit and Accountability Act 2015 section 4

Each year the Council receives a report from its external auditor on the quality of its financial and management administrative arrangements. This is considered the Governance and Audit Committee.

The final external audit opinion in relation to the Council's accounts for the year ending 31 March 2022 were presented to the Governance and Audit Committee meeting in July 2024. These concluded that the Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources and therefore anticipates issuing an unqualified value for money conclusion.

Work is continuing on the Council's 2022/23 and 2023/24 accounts and it is anticipated these will be completed by 31 March 2025.

Overview and Scrutiny Panel

Evidence from the meetings of the Overview and Scrutiny Panel demonstrate that the panel exercises an effective scrutiny function consistent with the requirements of the Local Government Act 2000 and the Statutory Guidance. This is also evidence from the Panel's annual report presented to Council on the 28th March 2024. A link to the report is below:

<https://democracy.thanet.gov.uk/documents/g6589/Public%20reports%20pack%2028th-Mar-2024%2019.00%20Council.pdf?T=10>

Between 1 April 2023 and the 31st March 2024 there were ten meetings of the Panel. The Panel engaged cabinet members in discussions on various subject matters within their portfolio areas. The purpose of these was to contribute to policy decisions on issues under active consideration of the executive. Topics included:

- Leader's Presentation on the Vision for the Council
- Update on Planning Enforcement Review
- TDC Policy regarding Broken Bins and Green Bins Renewal Policy for Households
- Background to the Council's Parking Strategy Review
- Update on Commercial Property Processes.

The Panel undertook one scrutiny review in the year and this looked at the negative impact of Tourism on the district.

There were no valid Call-ins made by the Panel in this year.

The Panel made seven recommendations and of those seven recommendations to Cabinet, four were agreed to by the Cabinet and three were rejected.

Governance and Audit Committee

The Committee continues to discharge its responsibilities to provide independent assurance on the adequacy of the council's risk management framework and the associated control environment and in providing robust scrutiny and challenge of the Authority's financial performance.

In total there were 4 meetings of the Governance and Audit Committee during the relevant year. The committee's annual report was presented to Full Council on 28th March 2024 and a link to that report is below:

<https://democracy.thanet.gov.uk/documents/g6589/Public%20reports%20pack%2028th-Mar-2024%2019.00%20Council.pdf?T=10>

The annual report summarises the work of the Committee for the year and concludes that it has received clear, concise and relevant information and training on topics specific to the business of the Committee. It concludes that the Committee has done all that it can to meet its aims and objectives in the best way it can. It also notes a number of challenges in terms of some of the issues with the finalising of the Council's accounts as well as the amount of work that has been required in order to improve the position in respect of the revised assurance opinion for many of the Council's internal audits.

Corporate risks

The Governance and Audit Committee receives regular reports on the Corporate Risk Register, the framework through which the Council is required to monitor and manage its corporate risks. The reports demonstrate a detailed analysis of risk across the Council and also indicates the mitigation in place in respect of each risk. Each risk is scored and there is careful evaluation and consideration of all those risks presenting a high risk to the Council.

Standards Committee

The Standards Committee meetings were scheduled for 31 May 2023, 12 September 2023 and 9 November 2023, 20 November 2023 and 7 March 2024. All but the last two of these meetings were cancelled due to lack of business.

Committee meetings held on 20 November 2023 and 7 March 2024 discussed proposed amendments to the Council's Constitution in the following areas:

- Key Decision Definitions,
- Review of the Council's Policy Framework,
- Amendments Council Procedure Rules Regarding Frequency of Questions,
- Contract Procedure Rules,
- Councillor / Officer Protocol
- Revised Constitution Change Process

The Committee is key to the upholding of high standards in public office. There were 23 complaints raised under the Members' Code of Conduct between 1st March 2023 and 19th March 2024. These were both from members of the public and from other Councillors. Of the 23 complaints received in this period, one was considered to be a corporate complaint not concerning councillors and was therefore referred to the corporate complaints system. Eleven were considered not to meet the jurisdiction test. Seven cases were therefore progressed for consideration by a sub-committee. Of those complaints assessed by sub-committees, one complaint was referred to the police for investigation and an independent investigator appointed by the council and ultimately resulted in no further action being taken. Three were referred to an independent investigator and are currently outstanding. Additionally, three resulted in a decision of no further action due to the complaint being unfounded. Of the remaining 4 complaints, all were considered to be suitable for the informal resolution process. The sub-committee made various recommendations back to the complainants and subject members.

The Committee's annual report was reported to Council on 28 March 2022. The report raised the issue of social media awareness for Councillors in view of the many standards complaints which included comments made on social media. A link to the annual report is below:

<https://democracy.thanet.gov.uk/documents/g6589/Public%20reports%20pack%2028th-Mar-2024%2019.00%20Council.pdf?T=10>

Constitutional Review Working Party (CRWP)(Now Constitutional Review Committee)

The Constitutional Review Working Party met twice during this year. It considered the following proposals to amend the Council's constitution:

- Key Decision Definitions,
- Review of the Council's Policy Framework,
- Amendments Council Procedure Rules Regarding Frequency of Questions,
- Contract Procedure Rules,
- Councillor / Officer Protocol
- Revised Constitution Change Process

The Committee's role is vital in that it provides the forum for careful review of proposed amendments to the Council's Constitution before referral onto Full Council for recommendation and approval. The Committee has a busy work programme for the following year and this will help to ensure continued robust and sound decision making.

General Purpose Committee

The General Purposes Committee met five times during this year. During these meetings it confirmed the extension of the appointment of the Interim Chief Executive and agreed that his appointment should

be full time. The Committee also considered updated HR policies in relation to redundancy, recruitment and restructuring.

Training for Councillors

Democratic Services has maintained training provisions for councillors by providing a comprehensive induction training programme for both new and re-elected councillors. This featured sessions on; Code of Conduct and Standards, Decision Making, Role of the Councillor, Accessing Council Information and Lawful Decision Making, Chairing Skills, Local Government Finance, Use of Social Media, the role of Overview and Scrutiny, Equalities Diversity and Inclusion, Governance inc. FOI, GDPR & use of Emails and Casework.

In addition the Council also provided ongoing training for its Councillors who sit on specific committees including mandatory six monthly training for its Planning and Licensing Committee members.

Ombudsman Complaints

The Ombudsman received 11 complaints and took the following decision on them.

The decision of the Ombudsman	Reason,	No of cases,
Upheld	Maladministration & injustice	0
Upheld	Fault & Injustice	1
Upheld	Maladministration & injustice - no further action as satisfactory remedy provided by the organisation	1
Not upheld	No Fault	1
Closed after initial enquiries	No further action	6
Closed after initial enquiries	Out of Jurisdiction	2

The Ombudsman did not issue any public reports against the Council in the year.

Independent Monitoring Officer's Report

Employment matters

A number of employment matters were concluded during the year 2023-2024. At the time of writing this report this has now concluded.

Recommendations of the Independent Monitoring Officer (IMO)

The previous Annual statement referenced the findings of the IMO report from 2021. A link to this report is below:

<https://www.thanet.gov.uk/wp-content/uploads/2022/05/Lessons-Learnt-Report-Public-Summary.pdf>

Work has continued across the Council to address all of the recommendations made by the IMO and the drafting of a new Councillor/Officer Protocol was the last outstanding action. This was approved by CMT and presented to both the Constitutional Review Working Party and the Standards Committee who approved this and referred on to Full Council for final approval. At the time of writing this report the protocol has been approved by Full Council and now appears in the Council's constitution.

Also of note during this period and in direct response to the IMO's report and recommendations, is the development of the Council's new Project Management Framework. A great deal of work has been undertaken to establish the new Framework which includes a project app as well as the establishment of a Project Board. This ensures that the necessary regard is given to all governance implications and that there is an appropriate level of financial, legal and officer monitoring at every relevant stage of each project.

RIPA

The Council did not exercise its powers under the Regulation of Investigatory Powers Act in this year and issued a zero return to the Investigatory Powers Commissioners Office. A variety of successful investigation tools and methods have and continue to be used to bring successful fines and prosecutions.

In May and June of 2023 formal training was provided to all Senior officers of the Council including key personnel who would be authorising the covert surveillance if necessary.

Equalities

To support its duties under equalities legislation the Council has appointed an officer with special responsibility for equalities and work commenced towards the preparation of new equalities objectives and an updated Equality, Diversity and Inclusion Policy. During this year a Cabinet Advisory Group was set up to look at equalities issues across the Council. At the time of writing this report it has met once with a second meeting planned imminently.

Governance Board

As part of its commitment to the highest standards of Governance the Council has established a Corporate Governance Board. Membership of the Board includes the Council's most senior officers:

Chief Executive- Chair ,

Director of Corporate Services and Section 151 Officer,

Head of Legal and Democracy and Monitoring Officer,

Director of Place

Director of Environment,

Head of Finance

Committee Services Manager and Deputy Monitoring Officer

Head of Internal Audit (East Kent Audit Partnership)

The Board has agreed terms of reference which include:

Keeping under review the Council's governance arrangements and related procedures to ensure best practice so that the highest standards are maintained with the overall objective to ensure that:

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

The first meeting of the Board was on the 22nd February 2024. There have been a number of meetings since March 2024 and so it will be easier to assess its effectiveness in achieving its aims in the Annual Governance Statement for 2024/2025. The establishment of the Board is positive and will certainly support the Council to keep good governance at the top of its agenda.

Legal Literacy

A level of legal literacy amongst officers in the Council supports sound decision making and good governance. In this regard, the corporate management team arranged for all officers to attend decision report writing training. This session addressed many aspects of local government law in so far as it is relevant to decision making. Two in-person sessions took place in April 2024, slightly after the period referred to in this report. The sessions were very well attended and received positive feedback. Further training was also arranged for officers on the Procurement Act, a new piece of legislation with significant consequences for the Council due to be implemented in February 2025.

There is a very good working relationship between council officers and the Council's in-house legal team. Legal advisors are invited to contribute to decision making at an appropriately early stage. This also supports good governance and sound decision making.

Approval of the Annual Governance Statement

The governance arrangements continue to be regarded as fit for purpose in accordance with the Governance Framework.

Signed:

Colin Carmichael (Interim Chief Executive) Interim Chief Executive

Councillor Rick Everitt - Leader of the Council.

Date:

