

Agenda Item URGENT
Report PR20/21-18

Report to	Policy & Resources Committee
Date	24 September 2020
By	Head of Governance and Support Services
Title of Report (Decision)	Addendum to the 2019-20 Annual Governance Statement

Recommendation: The Committee is recommended to:

- 1) Approve the Addendum set out in Appendix I to be added to the Annual Governance Statement for 2019-20 to accompany the Authority's Statement of Accounts.**

1. Introduction

- 1.1 Under the Accounts and Audit (England) Regulations 2015 the Authority is required to conduct a review at least once a year of the effectiveness of its system of internal control. The findings of that review must be considered by a Committee of the Authority, or by the Members of the Authority as a whole. Following that review, an Annual Governance Statement, prepared in accordance with "proper practices in relation to internal control", must be approved. The approved statement must then accompany the Authority's Statement of Accounts. It is the role of the Committee to review the outcome of the annual review of governance arrangements and approve the Annual Governance Statement, ensuring it contains any actions for improvement.
- 1.2 The "proper practices", in accordance with which the Annual Governance Statement is to be prepared, are set out in guidance¹ to local authorities (including National Park Authorities) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief executives (SOLACE).
- 1.3 At its meeting on 16 July, the Committee considered the draft Annual Governance Statement 2019-20 and approved it subject to the changes agreed at the Committee being made (which related to the incorporation of information concerning equalities, work to improve diversity and safeguarding), to accompany the Authority's Statement of Accounts.
- 1.4 This report presents an addendum to the approved Annual Governance Statement for 2019-20, produced to provide an up to date commentary on the steps the Authority took in response to the Covid19 pandemic, for approval.

2. Policy Context.

- 2.1 The SDNPA 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 Senior Management Team and other officers within the Authority who have responsibility for the development and maintenance of the governance environment, the Principal Audit Manager's annual internal audit report, the

¹
Entitled "Delivering Good Governance in Local Government Framework" as amended in 2016

work done to review the Local Code of Corporate Governance, and also by responding to comments and recommendations made by external auditors and others.

3. Issues for consideration

- 3.1 Following the Committee's consideration and agreement of the 2019-20 Annual Governance Statement (AGS) at its meeting in July, advice has been received from the Authority's External Auditor that an update is required to the AGS to reflect the Authority's response to the Covid19 pandemic as this constitutes a significant event/development to the governance system which has occurred between the reporting date and the date on which the Statement of Accounts is signed.
- 3.2 Rather than reissuing the whole AGS it was felt that an addendum (Appendix 1) to accompany the previously agreed AGS was the best way to address this issue and this approach has been supported by the External Auditor. The Addendum sets out the significant changes the Authority has made in relation to the Covid-19 pandemic and new powers granted to the Authority under The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. In addition, the opportunity has been taken to include reference in the Addendum to a few other significant developments including the NPA's decision to establish a company limited by shares to deliver activities for a commercial purpose and the establishment of a Covid recovery fund to support organisations within the National Park through the allocation of grants to support Covid recovery related projects.
- 3.3 If agreed the Addendum will be published on the website alongside the 2019-20 AGS and considered alongside this as part of the Statement of Accounts.
- 3.4 As the AGS is required to be completed prior to the Statement of Accounts being approved it has been necessary to present this as urgent business. This is to ensure the Policy and Resources Committee is able to fully consider the Addendum within the available timeframe. The newly revised national deadline for approval of the Statement of Accounts is 30 November 2020 therefore this is the last opportunity for the Committee to consider this prior to the presentation of the audited Statement of Accounts at the Committee meeting in November.

4. Options & cost implications

- 4.1 This process is mandatory and therefore there are no alternatives.
- 4.2 The costs associated with undertaking this work are met from within the Authority's core budget.

5. Next steps

- 5.1 Subject to approval, the Addendum to the 2019-20 Annual Governance Statement will be submitted to the NPA along with the 2019 -20 Annual Governance Statement and the Authority's Statement of Accounts.

6. Other Implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	There are no implications arising from this report
How does the proposal represent Value for Money?	Effective governance supports the efficient operation of the organisation

Are there any Social Value implications arising from the proposal?	There are no implications arising from this report
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	There are no implications arising directly from this report. Any equalities implications arising from the activities or actions outlined in the Addendum to the Annual Governance Statement are considered and addressed as part of the Authority's ongoing delivery.
Are there any Human Rights implications arising from the proposal?	There are no implications arising from this report
Are there any Crime & Disorder implications arising from the proposal?	There are no implications arising from this report
Are there any Health & Safety implications arising from the proposal?	There are no implications arising from this report
Are there any Data Protection implications?	There are no implications arising from this report
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy:	The report adheres to the principle of Promoting Good Governance as set out in the Authority's Sustainability Strategy.

7. Risks Associated with the Proposed Decision

- 7.1 The carrying out of an annual review, together with the reporting of its outcome to the Committee, is a legal requirement and the proposed Addendum to the AGS provides assurance that arrangements are adequate and operating effectively in practice.

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Appendices I - Draft Addendum to 2019-20 Annual Governance Statement

SDNPA Consultees Chief Executive Officer, Monitoring Officer , Chief Finance Officer
External Consultees None
Background Documents

Addendum to approved Annual Governance Statement 2019/20 produced to provide an up to date commentary on the Authority's governance response to the Covid-19 pandemic

The following should be read in conjunction with the Annual Governance Statement approved by the Policy and Resources Committee on 16 July 2020

- I.1 The Authority responded positively to the implementation of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which enable national park authorities to hold meetings in public by electronic means, in order to operate effectively during the period of the pandemic. The Authority undertook a thorough review of its Standing Orders and associated processes and agreed to make temporary updates to its Standing Orders, to be effective for the period during which the regulations apply, in order to enable the Authority to make full use of the flexibilities granted by the regulations. These updates made provision for the attendance at meetings of Members and members of the public by virtual methods and the publication or provision of meeting documentation by electronic methods. The updates provide for both virtual and hybrid meetings (where some attendees are physically in a room together and some are attending by electronic means) to allow for a phased return to normal democratic processes. The updates make provision for the conduct of these meetings.
- I.2 Virtual Meetings under the new regulations have taken place for the NPA, the Policy and Resources Committee and the Planning Committee and monitoring of performance, finance and ongoing updates to the Corporate Risk Register to also reflect issues arising from the pandemic situation has continued throughout the pandemic period. In addition, the Authority agreed to amend the Chief Executive's urgency powers to enable consultation with a wider group of individuals in order to ensure that the ability to take urgent decisions on behalf of the NPA can continue in a situation of wide-spread illness.
- I.3 Any attendance by officers or members at the Authority offices is on the basis of business need and in accordance with government regulations and health and safety requirements. These requirements include the production of risk assessments for activities undertaken by staff and members.
- I.4 Member training and engagement activity has also continued using on-line "virtual meeting" software. A programme of "micro forums" has been introduced. These are on line workshop style events aimed at ensuring members continue to play their full role in guiding the development of Authority policy. Micro forums have been held on cultural heritage, the emerging planning white paper, development of the Authority's trading company arrangements, the Authority's response to the climate change emergency and how the Authority and National Park respond to the "new normal".
- I.5 The Coronavirus pandemic meant that the planned audit of Procurement and Contract Management was suspended and will therefore be considered for inclusion within the Authority's 2020/21 audit plan. Some decisions were delayed by the introduction of the new regulations and new ways of committee working, however as our experience and ability to deliver on line meetings has significantly improved over the period since May these decisions are now being rescheduled. These decisions include changes to the Members' Code of Conduct, Financial Regulations and procedure rules and Contract Standing Orders and the delay in these decisions has not unduly impacted upon the operation of the governance of the Authority.

- I.6 Changes to the Authority's events programme to deliver events virtually in 2020 has resulted in the widening of the audiences reached, both geographically and demographically. The virtual Wild Chalk Festival, which took place over 6 days, and was delivered via a range of social media platforms reached over 85,000 people and generated 14,000 engagements (comments, likes etc.). Analysis has shown that whilst most people logged in from the Brighton and Hove area where the normal festival would run, 14,000 people attended from London, who would have not normally engaged in the physical event. Other events in the 2020 season have been redeveloped to run in a similar style with similar levels of success. Content from these events remain available on the Authority's social media channels, and continue to reach and engage audiences.
- I.7 Changes have been made to the way the Authority undertakes site visits for the purposes of planning, planning enforcement and the operation of the Planning Committee. Site visits by officers are compliant with social distancing and other requirements to ensure the safety of staff and the public. Site visits by the Planning Committee have not yet resumed, however additional briefing materials are being provided to Members of the Committee to aid their understanding of sites.
- I.8 The induction of new Members has been reviewed and delivered online, including a virtual tour of the National Park and online roundtable sessions with SMT and Committee Chairs and Deputies to ensure that new Members joining the Authority during the pandemic have been able to fully engage in the work of the Authority.
- I.9 Significant decisions taken by the Authority since the production of the 2019-20 Annual Governance Statement include:
- A decision to establish a company limited by shares to deliver activities for a commercial purpose to support the diversification of Authority income.
 - The establishment of a Covid recovery fund to support organisations within the National Park through the allocation of grants to support Covid recovery related projects.
 - A review of the Members Allowances Scheme has been agreed and implemented.