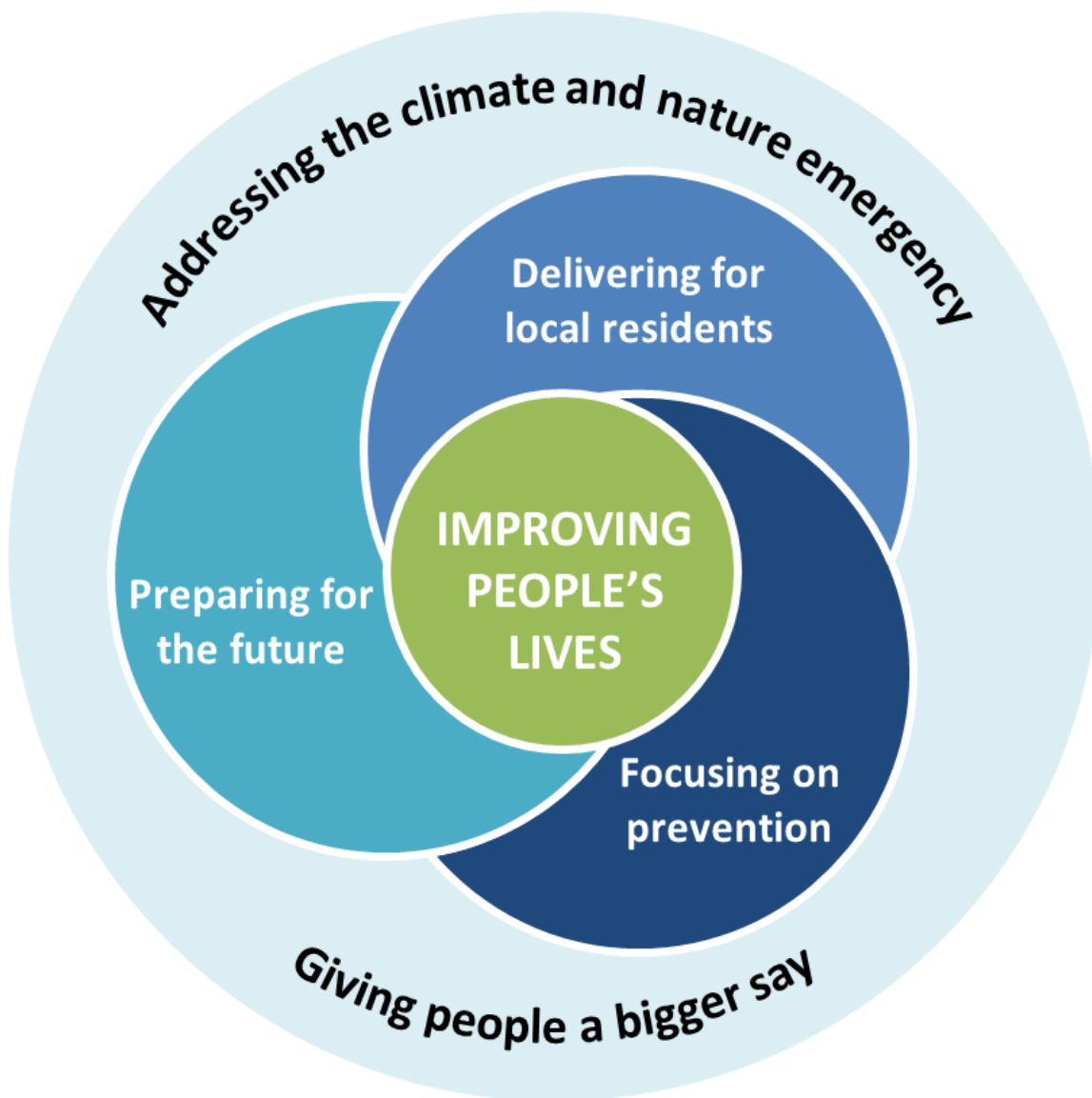


ANNUAL GOVERNANCE STATEMENT 2021/22

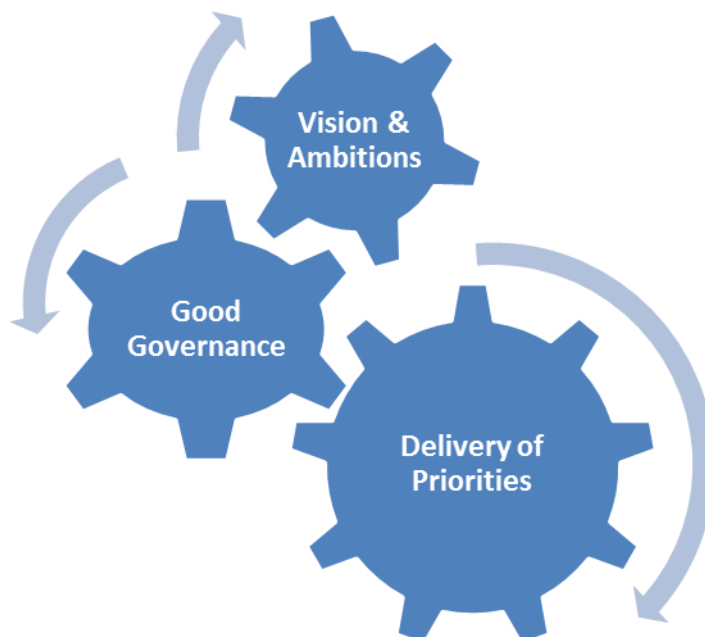


1. Scope of Responsibility – Context for Statement

- 1.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which includes ensuring a sound system of internal control and effective arrangements for the management of risk.
- 1.3 The Council has adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of our code is available from our website.
- 1.4 This Statement explains how the Council has complied with our Local Code of Corporate Governance and also meets the requirements of:
 - The Accounts and Audit (England) Regulations 2015, specifically Regulation 6 (1) in respect of the annual review of the effectiveness of its system of internal control and preparation and publication of an Annual Governance Statement.
 - The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020
- 1.5 The governance framework described in this Statement has been in place at the Council for the year ended 31 March 2022, and up to the date of the approval of the statement of accounts.

2. The Purpose of the Governance Framework – Background & Overview for 2021/22

- 2.1 Good governance enables Bath & North East Somerset Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times and the following diagram illustrates how good governance is integral to supporting the delivery of the organisation's priorities.



During the last year the governance framework continued to be tested by the Covid-19 pandemic and as a result of the emergency legislation introduced by government the Authority responded promptly to ensure it could continue function and make key decisions.

This led in the initial phase of the pandemic - in March/April 2020 - to enact emergency decision making through the Chief Executive Officer in consultation with the Leader of the Council. Each of these decisions were then reported to Council at its following meetings.

This phase only lasted for a short period whilst the Authority adjusted to the national lockdown requirements and implemented the detail of the coronavirus regulations so that its governance framework could move to online delivery. This entailed all formal (& informal) governance boards and committees meeting virtually through the use of Zoom. This was accomplished quickly and meant that no further significant changes were required to the processes underpinning key decision making, policy development and the Corporate Governance of the Authority. Regulations related to Local Authority Meetings and reliance on virtual meetings etc were withdrawn with effect from 7th May 2021. A report on decision making and contingency arrangements went to Council on 4th May 2021.

The Constitution, which sets out how the Authority operates, is kept under constant review and updated as necessary through the year. It clearly defines the roles of councillors and officers and this clarity contributes to effective working relationships.

As part of this ongoing review the Council at its November 2021, February & May 2022 meetings approved further changes to its Constitution and governance framework including –

- a) Updating appointments and minor revisions to terms of reference for various panels and committee's including the use of virtual meetings to make decisions;
- b) Updating delegations to the Planning Committee scheme of delegation;
- c) Updating advice relevant to the Code of Conduct on bullying and harassment;
- d) Updating TOR to the Planning Committee;
- e) Updating delegations relevant to Parish Councils under Section 91 of the Local Government Act.

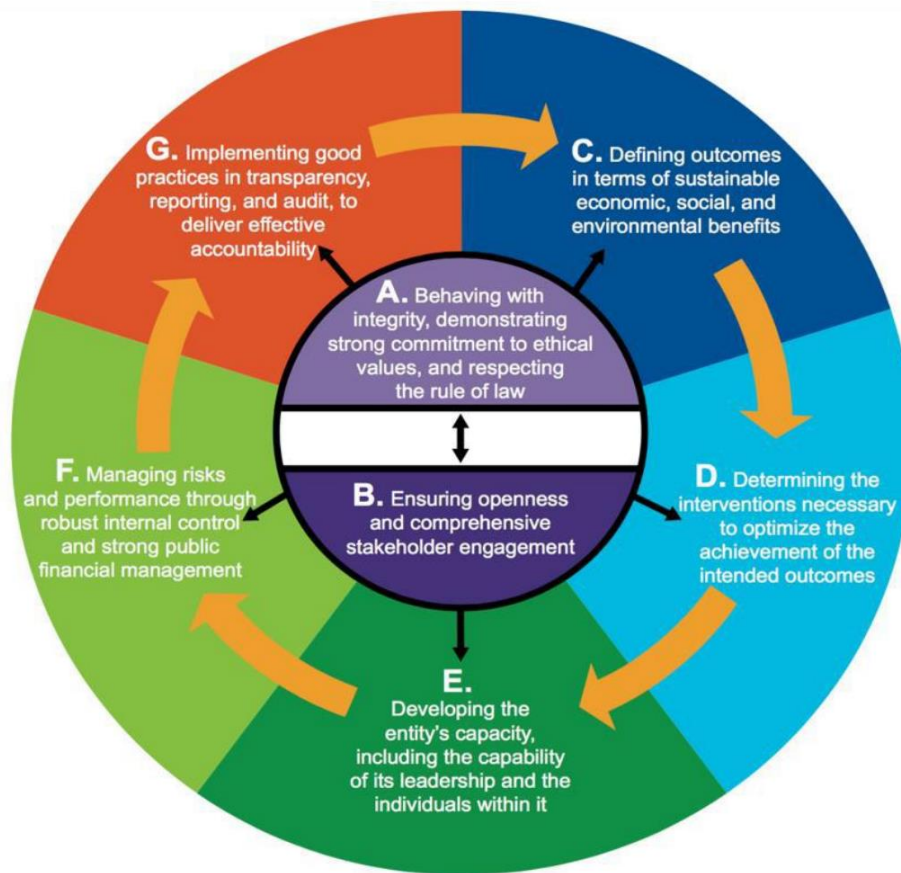
The Council's Local Code of Corporate Governance aims to ensure that in conducting its business the Council:

- operates in a lawful, open, inclusive and honest manner
- makes sure public money is safeguarded, properly accounted for and spent wisely
- has effective arrangements in place to manage and control risk
- secures continuous improvements in the way it operates.

The Code comprises the systems and processes, culture and values and structures by which the Council is directed and controlled. The Code is the sum-total of all of these things, and it includes those activities required to enable the Council to engage with, account to and lead the communities it serves. The Code enables the Council to set its strategic objectives and to manage the achievement of the objectives whilst ensuring delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that Code 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 ongoing process designed to identify and prioritise the risks to the achievement of the Council'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 CIPFA/SOLACE framework envisages that the Code will be organised to ensure a continuous process of seven principles based around two core principles (A and B).



Source: CIPFA/SOLACE

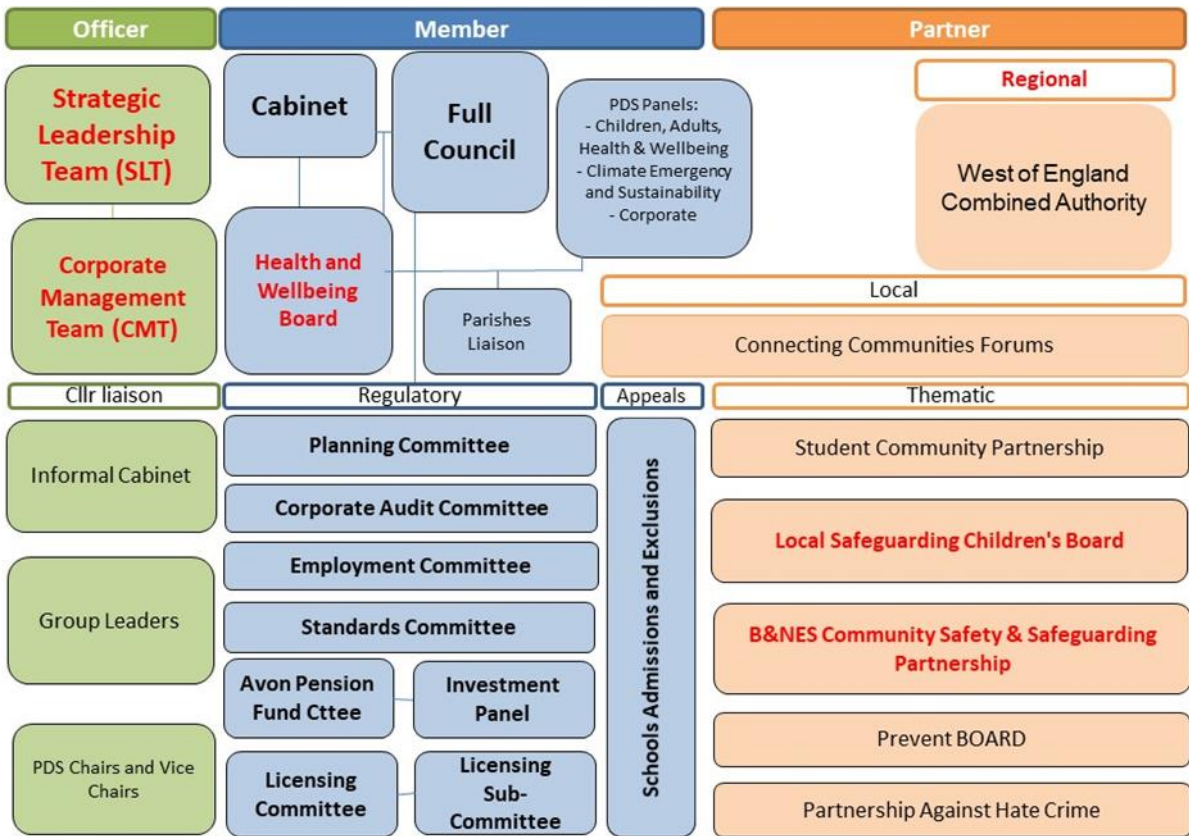
The governance framework and a Code has continued to be in place at Bath & North East Somerset Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

3. Key Elements of our Code of Corporate Governance – Our Framework

The Council's Constitution is kept under constant review and updated as necessary through the year and sets out how the Council operates. It clearly defines the roles of Councillors and officers and this clarity contributes to effective working relationships.

The Policy and Budget Framework (PBF) within the constitution is a collection of plans, strategies, and policies, (including the Council Budget), that describe how services are to be provided. It is set and subsequently adopted by Full Council and is essentially the 'operating framework' by which the Council makes decisions.

The diagram records the Council's governance structure for formal member meetings, key partnership bodies and key internal officer groups.



(Key: Formal decision-making bodies = **bold**; Operational decision-making bodies = **bold**)

Key Corporate Management Groups

These groups are responsible for advising and recommending on all strategic and operational decisions in compliance with the Council's Policy and Budget framework, and their membership includes officers with delegated responsibility powers:

Informal Cabinet - Cabinet Members meeting with Senior officers, to give political steer and direction on key issues - Formal Decisions are required through the democratic process, i.e., full Cabinet.

Strategic Leadership Team - Responsible for maintaining oversight, advising, and recommending strategic decisions, and the Chief Executive's management team meeting.

Corporate Management Team - Responsible for maintaining oversight, advising, and recommending on decisions within the Council's policy and budget framework, that require Director engagement.

Oversight Groups

Capital Strategy Group - Approving provisional capital schemes into the budget, and oversight and management of the Capital Programme.

Infrastructure Development Group - Ensure alignment in outcomes and strategic oversight on our key priorities across property, regeneration, planning and highways investment plans.

Risk Management Steering Group – Oversight of risk management activity across the organisation including review of the framework and processes for managing risk.

IT Steering Group – Oversight of all IT related activities, including Strategy, Policies and Procedures as well as a focus on key projects and business cases.

Procurement Steering Group – To oversee delivery of our Procurement Strategy, provide Strategic Input to Procurement planning & decision making and champion effective use of our Governance frameworks.

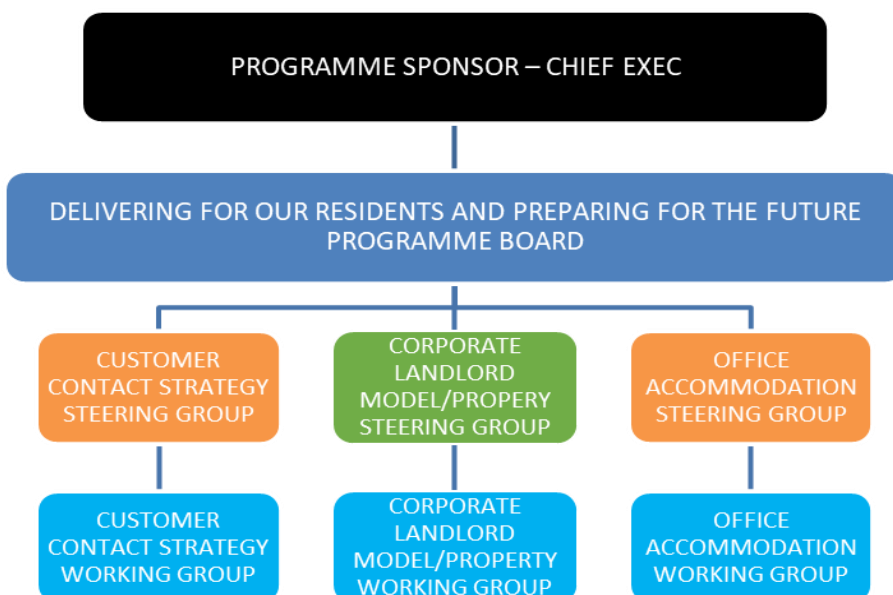
Business Change - Oversight for all corporate and service change projects which will commence from 2022/23.

Corporate Advisory Groups

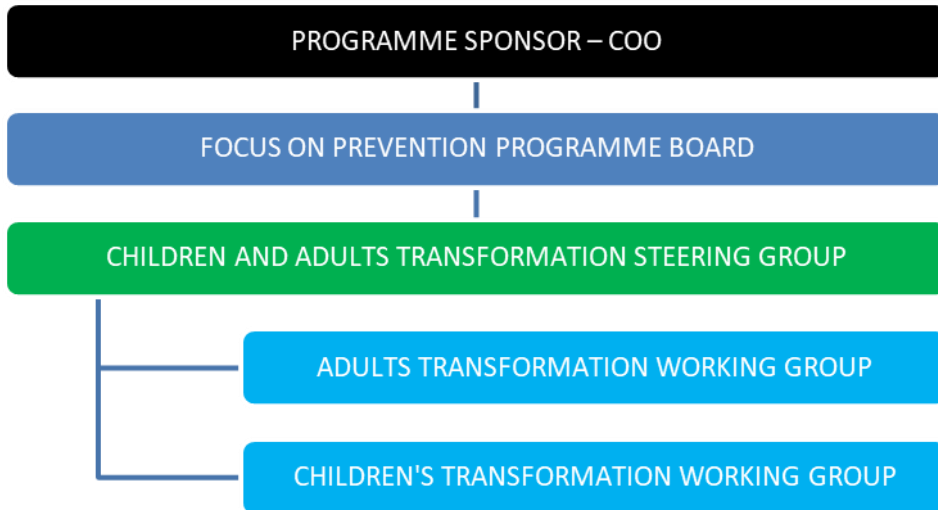
These groups perform an important supporting role, providing advice, guidance, and direction, especially to the operational side of the Council and include - Property Board; Health Safety and Wellbeing Steering Group, Equality Diversity and Inclusion Steering Group.

Project Governance

Business Change – Project Governance

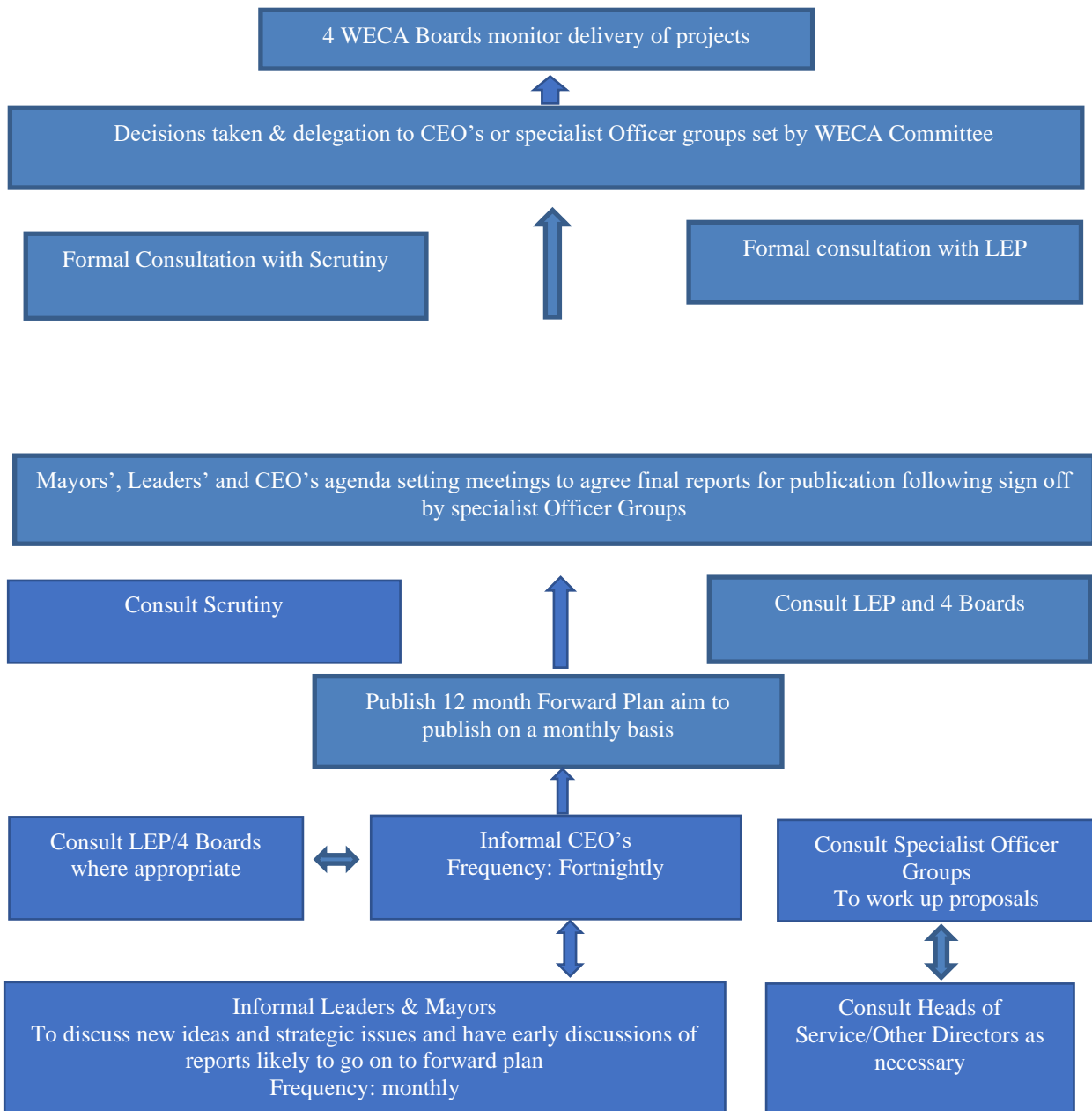


Business Change – Service Projects Governance

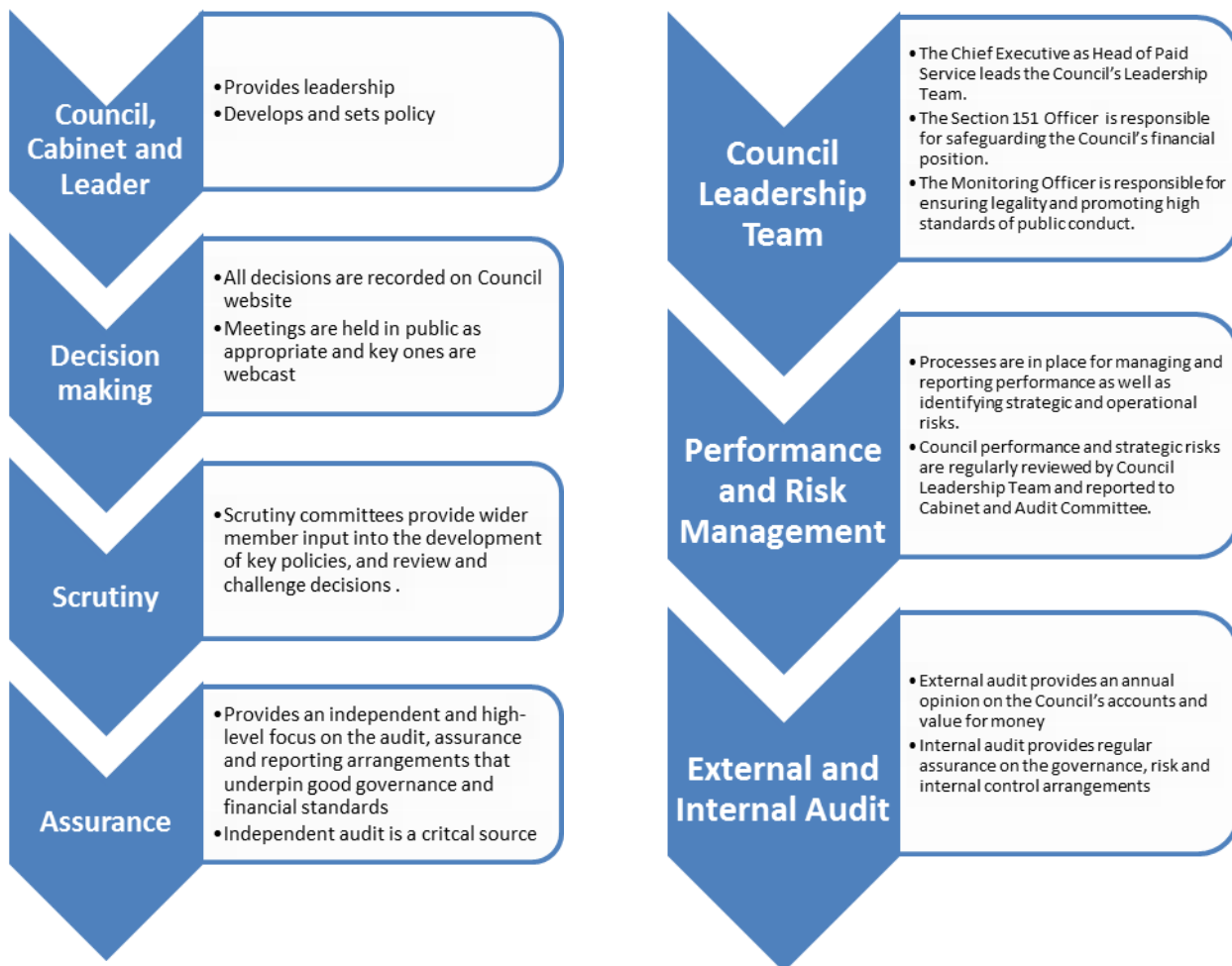


Key Partnership

West of England Combined Authority Regional structure:



The wider elements of the framework of our governance arrangements at the Council during 2021/22 were:



Council Business 2021/22 – Key Governance Decisions

4th May 2021 - Council's Annual General Meeting 2021 - Appointment of Council Chair / Vice Chair & Leader of the Council

At the Council's Annual General Meeting Councillors Lisa O'Brien and Shaun Stephenson-McGall were appointed Chairman and Vice Chairman respectively for the Council year 2021/22. Councillor Kevin Guy was elected as Council Leader until May 2023.

Cabinet Members & Portfolios Appointments

<p>Cllr Kevin Guy Council Leader</p>	<ul style="list-style-type: none"> • Responsible for Cabinet direction and decision making. • Representation on external bodies such as WECA • Democratic Reform • Connecting Communities, Community relations and involvement, Resident Engagement and communication •
<p>Cllr Richard Samuel Deputy Council Leader</p>	<p>Economic Development & Resources Visit West (shareholder), Aequus Developments Ltd. (ADL)</p>

Cllr Sarah Warren Deputy Council Leader	Climate & Sustainable Travel
Cllrs Alison Born & Tom Davies (Job Share)	Adults & Council House Building
Cllr Dine Romero	Children & Young People, Communities & Culture
Cllr David Wood	Neighbourhood Services
Cllr Manda Rigby	Transport
Cllr Tim Ball	Planning

21st July 2021 - Appointment of Monitoring Officer

At the Council Meeting, Michael Hewitt was appointed Head of Legal & Democratic Services and the Council's Monitoring Officer with effect from 23rd July 2021.

24th March 2022 – Aequus Governance, Structure & Business Plan

The Council considered a report setting out proposed changes to the Governance and Structure of the Council's wholly owned housing and development companies (Aequus Developments Ltd and Aequus Construction Ltd), noted the Aequus 2020/21 Year End Audited Accounts and approved its Business Plan for 2021/22 to 2023/24.

The Council also resolved to:

1. Approve the amendments to the Reserved Matters Schedule in the Shareholder Agreement within the Councils'. Protocol for Governance Arrangements of Local Authority Trading companies.
2. Approve the changes to the Company Structure, including the transfer within the corporate group of ADL and ACL, and the establishment of the holding company.
3. Delegate to the Council's Section 151 Officer the authority to confirm the final documentation required to complete the Company Structure changes and to determine the timing and implementation of the new company structure proposed. This included authority for the Council's Section 151 Officer to provide shareholders approval for all legal, financial and corporate filing documentation to implement the new structure.

How the Council has fulfilled the principles of good governance

Review of the Council's Code of Corporate Governance

As above, the Council's Code of Corporate Governance is made up of the arrangements that the Council has in place to deliver the requirements of each principle of the Framework. The Code is not a document, it is the sum-total of all these systems and processes, culture and structures by which the Council is directed and controlled.

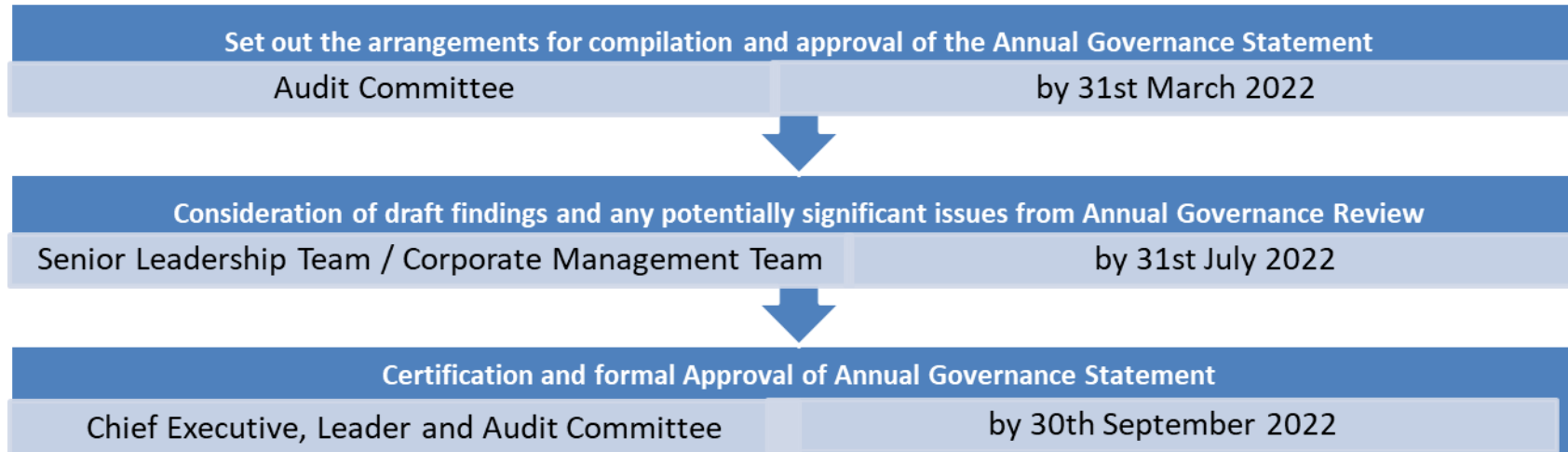
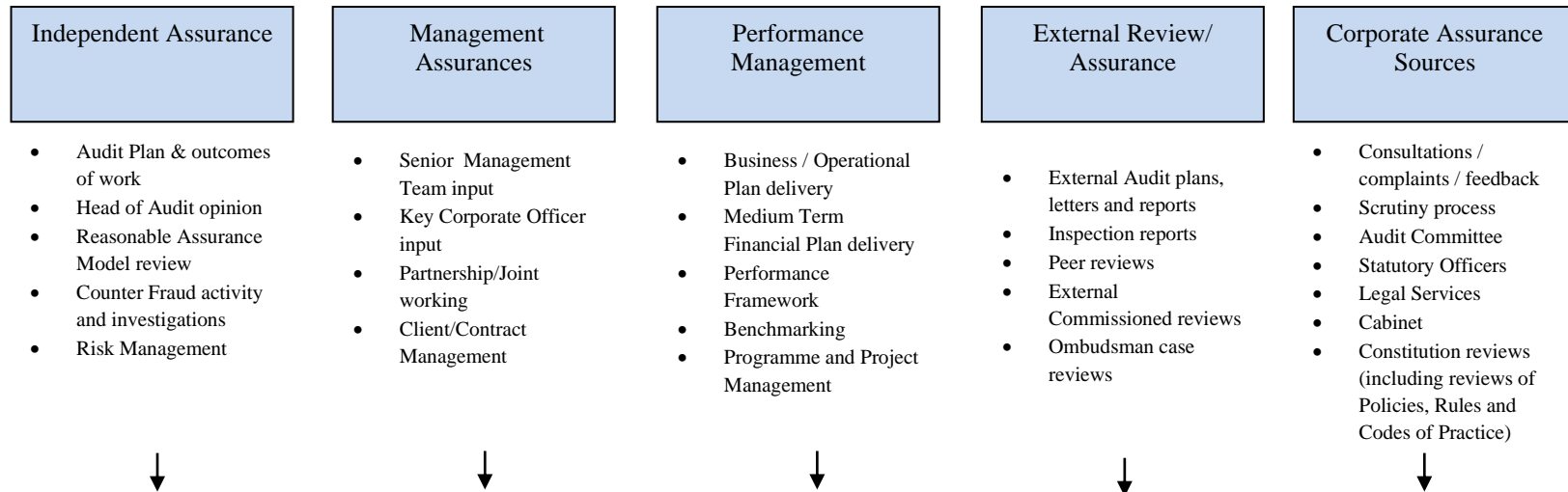
In preparing this Annual Governance Statement the Council has:

- reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance.
- thereby assessed the effectiveness of the Council's Local Code of Corporate Governance.
- Taken into consideration the findings of external inspection agencies and the Chief Audit Executive's formal opinion on the internal control framework.

The remainder of this document sets out some key aspects of how the Council's has complied with the principles set out in the Framework during 2021/22 however it is not intended to be exhaustive.

4. Review of Governance Framework

Throughout the year the Council will review the effectiveness of its governance framework. The methodology is recorded below.



A key component of the review is using the adopted 'Reasonable Assurance Model' to assess the level of Assurance in place over eight themes.



Each Theme has a set of questions and the answers to these questions help assess the level of assurance and the level of risk for each theme. The Reasonable Assurance Model informs the Internal Audit Annual Plan and also enables an assessment of compliance with the seven principles of good governance as recorded in the Council's Local Code of Corporate Governance.

This Local Code was adopted by the Council at its meeting of 10th May 2018 and a copy of the Code is accessible through the Council's website at <http://www.bathnes.gov.uk/content/bathnes-local-code-corporate-governance>.

An explanation – but not exhaustive list - is now provided on how the authority has complied with its Local Code – the seven principles of good governance.

5. Principles of our Governance Framework

i. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Behaving with integrity

Bath & North East Somerset Council has both a Members Code of Conduct and an Employees Code of Conduct which the respective individuals are required to adhere to in their respective roles. The Members Code is recorded within the Council's Constitution (Part 6). The Employees Code of Conduct is accessible through the Council's intranet (HR + Payroll / HR Policies) and this was revised and updated in June 2021.

All members of the Council are obliged to sign an "acceptance of office" and following election to office they have a full induction and training programme, including the Members Code of Conduct. Dependent on the roles allocated to members additional tailored training is provided. The Council's Monitoring Officer is overall responsible for member induction and support services for elected members. Part 4 of the Constitution records the 'Procedural Rules' of the Council. Members are required to declare interests and this and the Councillors attendance record and declarations at meetings are recorded against their individual Councillors page accessible through the Council's internet webpages. Councillors receive an annual reminder from the Monitoring Officer about the need to review and update their register of interests and that it is a legal requirement to declare and register all disclosable pecuniary interests - under the Localism Act 2011, failure to register any disclosable interests within 28 days is potentially a criminal offence.

Officers sign contracts of employment and are required to complete a probationary period of employment as standard. All relevant HR policies are in place and made available from the Council Information Service (intranet). These include a formal disciplinary procedure, a Whistleblowing Policy, Information Governance Policies, Counter Fraud Strategy bringing together the Council's Anti-Fraud and Corruption Policy, Anti-Bribery Policy and Money Laundering Policy under one umbrella. The Council maintains electronic registers of interests and gifts & hospitality for staff.

Demonstrating strong commitment to ethical values

Bath & North East Somerset Council maintain a Standards Committee which under the Constitution (Part 5) records the Committee's Terms of Reference. The Terms of Reference includes:

- Promote and maintain high standards of conduct by Councillors; Parish Councillors; co-opted members and church and parent governor representatives,
- Oversee the effectiveness of the Council's Constitutional arrangements from an ethical perspective and make recommendations to the Council on any desirable or necessary changes.

The Committee is scheduled to meet every two months (if required) and reports to Council at least annually. The last annual report (2020/21) was submitted to the 17th November 2021 Council Meeting. It recorded that the 12 members (5 B&NES Councillors, 3 Parish Councillors and 3 independents) and Independent Person met on four occasions – 9th July 2020, 17th September 2020, 19th November 2020 and 13th April 2021 - to fulfil its role and responsibilities. At each meeting the Committee monitored its Work Plan and noted the current position of complaints using the Complaints Tracker. The number of complaints increased to 16 in 2020/21 from 7 in 2019/20 but this was only returning to approximately average number of cases per annum.

The Code of Conduct for Members and Co-opted Members makes specific reference to the need to adhere to seven principles of public life (the Nolan principles). In July 2021 B&NES Council adopted the New Local Government Association (LGA) Model Code following consideration of the LGA version by the Council's Standards Committee.

All formal meetings of the Council, i.e. Committees, require declarations of interest from Members of those Committees as a standing item and meetings are minuted/recorded. There is also a member complaint policy which is overseen and administered by the Council's Monitoring Officer.

Respecting the rule of law

The Council's Constitution sets out the legal requirements around Council business including decision making. Guidance is available on both the Council's Information Service (Intranet) and public accessible website (Internet) to guide Officers in ensuring that Decisions are taken by the appropriate committee, Member or Officer under the Scheme of Delegation (Part 3 of the Constitution). The Constitution is reviewed by a Constitution Working Group and amendments are reported to Full Council to ensure it remains fit for purpose and is legally compliant.

All reports requiring decision must be cleared by the Council's S151 and Monitoring Officers. The adopted report template requires the author to record 'Statutory considerations and basis for the proposal' and this section should contain details of any relevant considerations regarding equalities, crime & disorder, sustainability, natural environment, planning, human rights, children, public health & inequalities. It should also specify the legal power or duty that authorises the decision to be made. Specific Report Writing guidance is available to Officers to provide clarification of actions required.

The Council is required to sign off a Modern Slavery Statement on an annual basis to comply with the requirements of the Modern Slavery Act 2015. At the Cabinet meeting of 20th May 2021, it was agreed to sign off and publish (Council's public website) the Council's Modern Slavery Statement 2021/2022 by the Leader of the Council and Chief Executive.

All Council contracts must comply with the Council's Contract Standing Orders and guidance from specialist procurement and legal Officers is available in order to comply with legal requirements, e.g. EU Procurement regulations.

Additional guidance is available to Members and Officers to ensure compliance with other legislation including:

- Proceeds of Crime Act 2002 (e.g. Anti-Money Laundering Policy 2019)
- Bribery Act 2010 (e.g. Anti-Bribery Policy 2019)

The Council also considers Motions submitted by political groups / Councillors, e.g. 17th November 2021 motion supporting calls for comprehensive and effective carbon pricing and to lobby MP's.

ii. Ensuring openness and comprehensive stakeholder engagement

Openness and engaging with individual citizens and service users effectively

The Constitution outlines the Citizens rights to access information (Part 2 – Article 3 Citizens and the Council) in addition Part 4 – Procedural Rules record the access to information procedure rules (Part 4B). It details: rights to attend meetings; notice of meetings being held; access to agendas and reports; provision of agenda and report copies; access to meeting minutes; and rules around the exclusion of access by the public to meetings.

Under the Coronavirus Regulations 2020, virtual meetings were given the same status and validity as in-person meetings. All meetings could be viewed live and were recorded on YouTube. The Regulations enabling virtual meeting expired on 6th May 2021 and so all meetings must now be in-person meetings. The Liberal- Democrat Group took a motion to the Council Meeting on 25th March 2021 highlighting benefits to virtual and hybrid meetings for participants, observers and the general public, including: improved access and safety, reduced emissions from transport, savings on time and expenses, and better engagement with residents. It was resolved that government, MP's and Ministers should be lobbied to bring forward legislation enabling virtual and hybrid meetings to be a permanent option for Councils, alongside in-person meetings.

Key decisions are all recorded and accessible to the public and the templates for decisions require officers to provide all necessary and pertinent information to make an informed decision. The Cabinet forward plan of business is published in advance in accordance with access to information requirements.

To help ensure decision making rules are followed an intranet page provides officers with information about the stages to be followed for single member, Cabinet, Officer and urgent decisions.

The Council's website contains information about services and provides easy access key links such as 'Cabinet Decisions'.

We monitor compliance with the Department for Communities and Local Government Transparency Code and the Transparency page on the internet provides the links to access business operations and outcomes (such as payments to suppliers / expenditure over £500) as required by the Code.

We are very open with our communications and digital communication channels are used including a library of webcasts e.g. Council and Cabinet meetings. The Council and its services use Social Media such as Twitter, Facebook, and Instagram. Webinars have been produced and archived on YouTube – subjects include Journey to Net Zero: Reducing the environmental impact of transport in Bath (January 2022) & Liveable Neighbourhoods (December 2021). A weekly e-connect newsletter is produced and distribution has increased over 2021/22. Staff also receive a weekly communications e-mail.

Engaging Comprehensively with Institutional Stakeholders

Our strategic partnership landscape has changed significantly with CCG integration, development of the West of England Combined Authority and an Area Forum structure established to help engage with local communities. There are 6 Area Forums and these are made up of Bath & North East Somerset elected members, parish councils, local groups and residents. The Forums set their own priorities based on an understanding of local needs.

The Parish Charter provides a framework between the Council and the 51 parishes across the area for working together. We have a common purpose to promote the wellbeing of B&NES, and we serve the same residents. The Council consults with parishes on matters which affect their area and residents.

The Council has consultation webpages which records current, future and closed consultations plus a consultation results section. Some of the key consultation / engagement work carried out over the last year include:

- Draft Planning Obligations Supplementary Planning Document
- Somer Valley Enterprise Zone: first public engagement

Partnership working with our health and West of England partners is of critical importance in both service delivery and in shared financial efficiencies. NHS England has challenged the health and care system to develop a Sustainability and Transformation Plan (STP) and the Council has been fully engaged in the STP development process. The Clinical Commissioning Group (CCG) and B&NES Council are joining their commissioning functions and continuing to pool budgets. The Health & Wellbeing Board is responsible for preparing a Joint Health and Wellbeing Strategy and reviewing and reporting on health and social care commissioning. The Council and CCG are represented on the Board.

Following the transfer of functions to the West of England Combined Authority (WECA) on 1st February 2017 the Authority represents Bath and North East Somerset Council, Bristol City Council and South Gloucestershire Council. A Joint Committee, Overview & Scrutiny Committee and an Audit Committee assist in the good governance of the Combined Authority.

iii. Defining outcomes in terms of sustainable, economic, social and environmental benefits

Defining outcomes

At the 25th February 2020 Council Meeting, Bath & North East Somerset Council adopted the Corporate Strategy 2020-24 and the Corporate Delivery Programme. The framework of the new Strategy has a single overriding purpose – to improve people's lives.

Against each of the three recorded principles, there are key commitments and linked to the commitments examples of how progress will be measured.

The Council Corporate Strategy Framework recognises “Managing our Money” through the Medium-Term Financial Strategy and there is much more emphasis on ‘Performance Management and Review’. The importance of excellence in resource management and sound governance is fundamental to achieving its purpose and the stated commitments.

Sustainable economic, social and environmental benefits

The Capital Programme 2019/20 to 2023/24 includes investments that provide economic, social and environmental benefits including: Bath Quays development; Bath Western Riverside development, Highways maintenance; Leisure Centre refurbishment and modernisation; and schools works.

The Council's wholly owned property investment company, Aqueus Development Ltd (ADL) and its subsidiary company ACL, develop, deliver, own and manage property as well as delivering new development.

iv. Determining the interventions necessary to optimise the achievement of the intended outcomes

Determining interventions

As stated earlier in the Statement the Council's decision-making processes are set by its Constitution and citizens and service users are consulted where appropriate prior to decisions being taken.

The decision-making process requires objective and rigorous analysis of options and associated risks. A Risk Management Strategy and Toolkit has been adopted and this provides guidance on the assessment of risks related to recommended actions / decisions.

The Monitoring and S151 Officers are consulted on all decision-making reports and they are able to provide their professional opinion on the matter being reported and actions / decisions to be taken.

Planning interventions

The Council's Forward Plans set out clearly the forthcoming business that will be taken to the relevant decision-making committees and by key officers and members. This includes dates of Cabinet meetings and anticipated dates for Single Member Decisions. The Council conforms to all legislation and best practice in publishing Plans in advance of meetings etc.

Optimising achievement of intended outcomes

The Medium-Term Financial Strategy (MTFS) outlines how the Council's budget will be delivered over the medium to long-term. The MTFS for B&NES spans two years with a further three added to show the likely longer-term picture.

Linked to the MTFS and the annual budget process the Council's S151 Officer is required to make a statutory statement (Section 25 of the Local Government Act 2003) on the robustness of estimates and adequacy of reserves for the budget year and Financial Plan. The Directors review and completion of Robustness Statements and other financial management processes including the provision of qualified and experienced financial staff to support service areas.

The 5 year period Capital Programme includes a number of economic projects including Bath Quays designed to increase opportunity and prosperity.

v. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing the entity's capacity

The financial challenge and the on-going need to seek budgetary savings are having a direct effect of the Council's ability to maintain and develop its capacity. Service areas including libraries and youth are proactively looking for volunteers to help with non-statutory service provision.

Developing the capability of the entity's leadership and other individuals

Following the May 2019 elections, a full member induction programme was provided to allow all members but particularly new ones to understand how the Council works and the key services it provides. In addition to this specific induction training members are provided training specifically related to their roles and responsibilities.

For Council managers 'Leading and Managing Together' sessions are held periodically to provide a networking and communication forum.

The Council has had in place a 'Performance Development Conversation' process with guidance and templates with the objective of improving communication and the performance of staff. In May 2022 a new Performance Management and Personal Development portal called Clear Review is to be launched. The objective is to support staff across the organisation in objective setting, identifying ways to support staff in their personal development and growth, and reduce the amount of paperwork that is currently used in the old PDC process. The Clear Review platform is very user friendly and can be configured to meet our organisational service delivery objectives as well as incorporating individual personal and professional goals and feedback.

vi. Managing risks and performance through robust internal control and strong public financial management

Managing Risk

The Council has adopted a Risk Management Strategy and Toolkit which was endorsed by the Bath & North East Somerset Council's Cabinet Member, the Council's Chief Executive and the Corporate Audit Committee (7th February 2019). The Strategy document records key activities and frequency and the toolkit provides detailed guidance on risk management processes.

The Council continues to raise awareness of the importance of good risk management and embed the adopted processes. Directors give on-going assurance to the Chief Executive regarding the management of risks within their area of service delivery. Risk management objectives are monitored through the Corporate Audit Committee in line with its terms of reference to evaluate the effectiveness of the risk management strategy and framework.

The new officer Corporate Risk Management Group met for the first time in October 2021. Its purpose as recorded in its Terms of Reference is to have oversight of risk management activity on behalf of the Corporate Management Team; maintain an overview of the Risk Management Strategy; review risk registers maintained – Corporate, Directorate and Projects; and to receive reports from legal, insurance, information governance, complaints and Internal Audit to monitor issues and potential risks.

The Council has developed a Cyber Security (CySec) Governance Framework for managing risks that are posed by ever increasing cyber threats. The strategy and governance for cyber security across B&NES is set by the IT Steering Group, which reports to the Corporate Management Team. Tactical and operational management of cyber security is overseen by the Cyber Security Operational Group (CySoG) which was established in July 2021.

Managing Performance

Performance Management has been overhauled and is aligned with the Corporate Strategy 2020-24 and the Corporate Delivery Programme, Quarterly performance information and business intelligence is now being recorded and fed back to Senior Management to enable clear oversight, accountability and action.

The Council has introduced a new Integrated Reporting Framework (IRF) which is a set of PowerBI dashboards which are now being successfully used as the portal for all corporate business intelligence. The IRF is on the Council intranet and all officers have access, it includes the following information

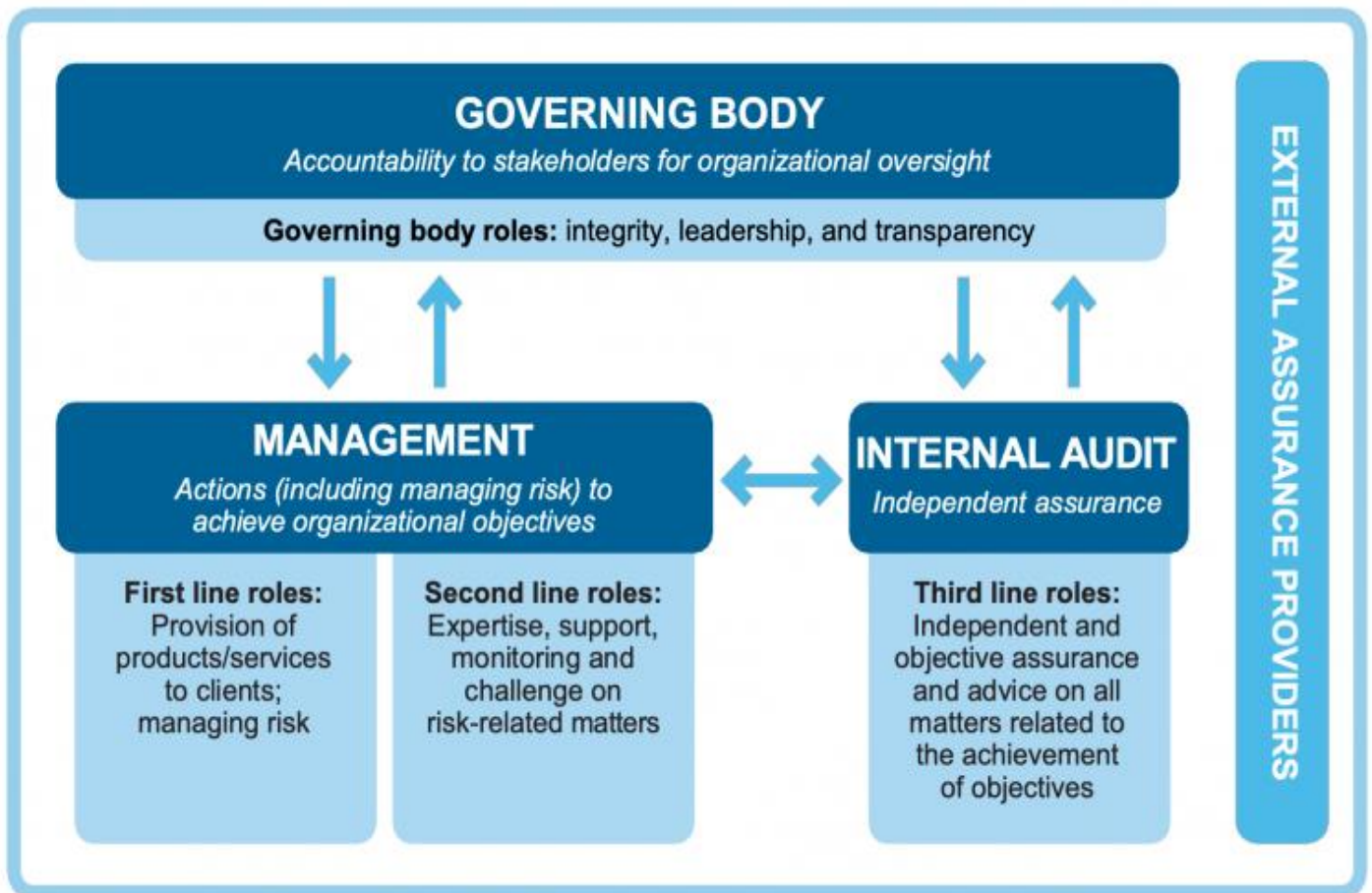
- Directorate Dashboards inc Key performance indicators
- Corporate and Directorate Risk Registers
- Contracts and Commissioning intentions
- People HR data
- GIS
- Local Facts and Figures

The IRF is used by Directors to successfully manage their services and feeds into the corporate reporting process. This year the Council new appraisal system Clear Review will be linked to the dashboards, this will allow us to report on successful management of officer's performance and personal objectives as well as the delivery of the Council Service Plans. Further development of the IRF is currently planned and will be developed during 2022/23

Each quarter a key set of strategic indicators is reported to Cabinet, this basket of 22 key indicators is used to give an overall picture against the delivery of the Council Corporate strategy. The corporate Scrutiny Panel also receive corporate performance reports align with the Cabinet reports.

Robust Internal Control

The Council's system of internal controls is managed and monitored through the 3 lines of defence and the External Auditor and other Inspectors.



The review and monitoring of internal controls by Internal Audit and other 'independent' inspectors are subject to risk assessment to ensure that resources are focussed on reviewing the controls associated with higher risk areas.

The Corporate Audit Committee Terms of Reference includes approving the Internal Audit Plan within the budget agreed by the Council and to monitor its delivery and effectiveness (including the implementation of audit recommendations). It has been agreed that in addition to receiving internal audit plan update reports which includes recording the assurance level allocated to all 'final' version internal audit reports, a more detailed explanation of findings (weaknesses and recommendations) and management response is provided to the Committee on any reports assessed as Assurance Levels 1 (No Assurance) or 2 (Limited Assurance).

The Council's Financial Regulations require Members and staff to inform the Chief Finance Officer and / or the 'Chief Audit Executive' immediately of any suspected financial irregularity. This enables the Internal Audit function to investigate all reported cases promptly to ensure the integrity of the system of internal control and to deal with the issues related to the matter reported.

Managing Data

Bath and North East Somerset Council supports the objectives of increasing openness, accountability and transparency in the public sector.

During the year a new Digital, Data & Technology Strategy was agreed and its operation is overseen by the IT Steering Group which also has reference to the Councils Customer Contact Strategy and Data Strategy.

Since the introduction of the Freedom of Information Act in January 2005, the Council has been committed to a proactive approach regarding access to information.

On the 25th of May 2018, Parliament enacted the Data Protection Act 2018 which is built on the European General Data Protection Regulations (GDPR).

The Council is responsible for a wide range of local functions that affect the everyday lives of residents. Information held by the Council is therefore of great relevance and interest to the public. A list of the information regularly made available by the Council to the public can be found in the Council's Publication Scheme.

Members of the public can submit a subject access request or a Freedom of Information request through the public website (submission of an electronic form) or by writing to the Council.

Members and staff can access guidance and training through the Council's Information Service. There is a comprehensive framework of Information Governance Policy that includes: Data Protection, Acceptable Use, Information Security, Information Sharing, and Security Incident Management Policy.

Information Sharing Agreements with public sector partners to ensure the effective and efficient secure sharing of information. When data is processed by a private sector body contracts include the relevant data protection, confidentiality and FOI clauses.

Strong public financial management

The role of Chief Financial Officer (S151 Officer) is carried out by Andy Rothery who was appointed in March 2020.

The S151 Officer has confirmed that the principles outlined in the CIPFA Statement on the Role of the Chief Financial Officer (s151 Officer) in Local Government have been compiled with in performing their duties. The S151 Officer is a member of the Strategic Leadership Team and Corporate Management Team. Membership of these groups ensures the Chief Financial Officer can develop and implement strategic objectives and influence material business decisions. The Chief Financial Officer is a CIMA / AAT qualified accountant and the Finance Service has suitably qualified and experienced personnel in all senior positions.

As part of good governance, the Finance function has also carried out an initial assessment against the CIPFA Financial Management Code 2019. A key goal of the Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management.

All decision papers for Committees, Cabinet member or Officer delegated decisions require S151 financial sign-off before the decision can be taken.

Financial updates are regularly reported to Cabinet and the Corporate Policy Development and Scrutiny Panel and this includes budget monitoring and outturn reports.

The latest version of the Council Financial Regulations and Budget Scheme was approved on the 13th September 2018.

The Council's Statement of Accounts 2020/21 were presented to the December 2021 meeting of Corporate Audit Committee and approved. The Council's external auditor reported to the same meeting to confirm an unqualified opinion on the Council's accounts. He stated that progress on completing the audit was impacted by resourcing issues.

The External Auditors Annual Report on the Council was presented to the Corporate Audit Committee meeting held on 19th May 2022. Under the Local Audit & Accountability Act 2014 (and National Audit Office Code of Audit Practice) the external auditor is required to satisfy themselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Significant weaknesses were not found relating to components of the Value for Money arrangements; however, a number of minor improvement recommendations were made for each of the headings:

Financial Sustainability

- Management of school's deficit
- Ongoing careful budget management
- Minor changes in reporting the relationship between revenue and capital
- Ensuring that vacancies are linked to workforce plans

Governance

- Opportunities to develop risk reporting
- Enhancing the annual reporting of whistleblowing and investigations

- Considering small changes in presentation of the complaints and feedback policy
- Treasury management performance reporting
- Introducing a regular annual update of the register of interests and declarations completed by Members

Improving Economy, Efficiency and Effectiveness

- Continue developing performance management reporting framework
- Strengthening the benchmarking processes
- Raising the profile of work completed in response to external regulators
- Implementation of Aequus review
- Strengthening contract management arrangements

The Budget and Council Tax 2022/23 and Financial Outlook Report was taken to Council at its February 2022 meeting by the Chief Financial Officer. The Budget Report is a formal report and is part of a continuum of professional advice and detailed work carried out with Directors, Senior Managers and their teams and Members. The Medium-Term Financial Strategy (MTFS) was approved in September 2021 and outlined how the budget would be delivered over the medium to long-term. This incorporated the ongoing impact of the Covid pandemic on Council finances. The MTFS covers five years to indicate the likely longer-term picture. The 2022/23 Budget takes into account the forecast out-turn for 2021/22 and estimates for 2022/23. Director's produce Robustness Statements outlining savings and delivery risks which are incorporated into a corporate wide assessment. The Chief Financial Officer concluded that the estimates for 2022/23 were robust, the budget was lawful and levels of balances improved and would be adequate and reasonable in meeting the Council risks.

Vii Implementing good practices in transparency, reporting and audit, to deliver accountability

Implementing good practice in transparency

Transparency is a key condition and driver for the delivery of Council services. As a publicly funded organisation, we have a duty to our residents to be transparent about our business operations and outcomes and we have a transparency webpage.

Committee meetings and reports are easily accessible through the Council's website.

Implementing good practices in reporting

Reporting is required to assist the Council's decision-making process. The constitution requires decisions to be taken by an appropriate committee, Cabinet Member or officer and requires 'sign-off' by the Council's S151 and Monitoring Officers.

Officers write reports to assist understanding of the matter / issues and provide clarity what is being asked of the recipient of the report including recommended actions.

The annual governance review which has been carried out to produce this statement requires a robust methodology to be followed to enable a statement to be published within the statutory statement of accounts.

Assurance and effective accountability

The Council delegates to the Corporate Audit Committee responsibilities and these are recorded in its Terms of Reference which is accessible through the Council's public webpages. Responsibilities include:

- Approving the Council's Statement of Accounts and Annual Governance Statement
- Approving the External Auditors Plan, monitors its delivery and considers findings and recommendations
- Approving the Internal Audit Plan and monitoring its delivery
- Review risk management arrangements and key governance policies and procedures

The Committee reports annually to Council on its work.

The Corporate Audit Committee are aware of the Public Sector Internal Audit Standards (2016) and the need to amongst other requirements to agree and approve an Internal Audit Charter. The Charter is reviewed each year and updated as necessary and is formally approved by the Committee. The Internal Audit Charter states that the Chief Audit Executive (Head of Internal Audit) and Internal Audit is responsible for carrying out an appraisal of all Council activities, carrying out audits and other assurance work to be able to deliver an annual audit opinion.

Annually the Chief Audit Executive reviews compliance with the Public Sector Internal Audit Standards (PSIAS) and evaluates internal auditor's compliance with the Code of Ethics. The Chief Audit Executive is satisfied that the requirements of the PSIAS and other guidance such as the CIPFA Statement on the Role of Internal Audit (2019) are being achieved. PSIAS compliance is also externally assessed every 5 years and an inspection is scheduled to take place in 2022/23.

In terms of contracting out service provision one of the most significant contracts is with Virgin Care a 7 year contract (extendable by 3 years) which started in 2016/17. The Council contracted with Virgin Care to provide community health and care services for children, young people and adults. A governance framework has been devised and is in place to monitor the Community Services Provision Contract and the related Service Development Improvement Plan (SDIP):

- 1) Community Services Steering Group - report to the Joint Commissioning Committee (Executive Group) and to the Health & Wellbeing Board.
- 2) Contract, Quality and Performance Meeting Group (CQPM) - provide a strategic/senior officer lead and a direct linkage to the Community Services Steering Group.
- 3) Financial Information Group - monitor the financial position and any budgetary issues.
- 4) The Transformation Group - produce a SDIP Performance Dashboard and report to CQPM on any delivery issues which need attention.

In November 2021 the Council were advised that Virgin Care had been purchased by Health Care Resourcing Group. This has not impacted on the governance framework, however at the May 2022 Cabinet meeting the Council decided not to extend the existing contract arrangements beyond April 2024 and future delivery options are currently being assessed.

PROCESSES FOR MAINTENANCE AND REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

The process for the Annual Governance Statement is a continuous process and Senior officers and Members consider emerging issues during the course of the year. This means that controls issues and risks can be addressed more quickly.

Publication of this Annual Governance Statement is the culmination of this work. The Council's Chief Executive Officer signs the Statement as a summary of the effectiveness of the council's governance framework.

OTHER CONTRIBUTORY REVIEW / ASSURANCE MECHANISMS

In evaluating the effectiveness of the council's governance, information is available from a wide range of sources. These include the Internal Audit Service, the Information Governance Group, the External Auditors, inspectorates such as the Care Quality Commission and directorates themselves.

Audit West in conjunction with Statutory Officers reviews the effectiveness of the governance framework during the year and the draft Annual Governance Statement. The Statement is signed by the Chief Executive and Leader of Council and formally reviewed by the Audit Committee as part of the Financial Statements.

Key risks have been kept under review during the year and will continue to form an ongoing focus for successful delivery of the Council's plans. The Council's Corporate Risk Register has been maintained throughout the year and includes 21 risks as at Quarter 4 2021/22 linked to the following themes –

- Partnership Working
- Local Economy
- Housing
- Infrastructure
- Climate Emergency – Adaptation & Resilience
- Transport & Climate Change
- Safeguarding
- Social Care
- Resource Management
- Transformation
- Information Technology
- Procurement

- Financial Management
- Workforce Resilience
- Health & Safety
- Emergency Management
- Corporate Governance

Chief Audit Executive - Internal Audit Opinion

In forming an opinion on the internal control framework, I have considered the work of the Audit & Assurance function as well as consideration of the wider governance framework, other assurances we can place reliance on and performance of the Council.

As highlighted during previous reports to Corporate Audit Committee, it was reported that the Council's internal control framework was satisfactory, however, it was also highlighted that the opinion provided was tempered by enforced remote working due to Covid-19 and government advice to work from home.

Remote working has continued throughout 2021/22 and, coupled with the level of unplanned work and like in 2020/21 there was a need to consider whether a limited or qualified opinion should be issued as a result of the changing plan. The Committee have been kept fully informed during the financial year of progress on completing the approved Internal Audit Plan, the need to maintain a flexible Plan, and the impacts of unplanned work.

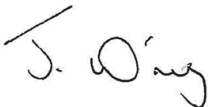
The Institute of Internal Auditors guidance states that if the Audit Committee has agreed to the changed plan, then there is no need for a limited opinion; the opinion will reflect the work detailed as agreed.

There have been minor amendments to the 2021/22 Plan and it is therefore my opinion that, based on the limited planned work completed due to the circumstances of Covid-19, the Council's internal control framework and systems to manage risk are reasonable.

- Reasonable assurance can be provided over the council's systems of internal control, helping to ensure corporate priorities can be achieved;
- Agreed policies, Financial Regulations and Contract Standing Orders were broadly being complied with;
- Managers throughout the council were aware of the importance of maintaining adequate and effective governance arrangements;
- Appropriate arrangements were operated to deter and detect fraud and investigations did not identify any systemic failures;
- Senior Management - led by the Chief Operating Officer as risk management sponsor – demonstrate a pro-active approach to the fundamental themes of good governance and risk management.
- There were no fundamental system failures or control breakdowns to business- critical functions.

The ongoing financial challenge, heightened by the pandemic and more recently the conflict in Ukraine, places further pressure on all Council services to respond and manage risk in a proportionate way. The Council's financial position remains very challenging. A robust Internal Audit service is a vital component of the Council's governance systems and provides the third and final line of defence in relation to the internal control framework.

Signed:



Jeff Wring
Chief Audit Executive
19th May 2022

CONCLUSION & CERTIFICATION

As laid out in the statement the Council's governance arrangements have been reviewed and considered in line with the CIPFA/SOLACE code of practice. To the best of our knowledge the governance arrangements as defined have been effectively operating during the year 2021/22. Significant governance issues identified through the Annual Governance Review are recorded in Section 6.

We propose to take actions to address the issues raised with the objective of enhancing the Council's governance arrangements. The issues and related actions will be monitored as part of the annual governance review process.

SIGNED BY:

KEVIN GUY

LEADER OF THE COUNCIL

WILL GODFREY

CHIEF EXECUTIVE

DATE: September 2022

6. Significant Governance Issues 2021/22

Issue in 2021/22	Commentary & Mitigating actions for 2022/23																																																								
<p>1. Financial Challenge – Significant Increase in Energy Supply Costs The market for energy is currently very volatile and this has been worsened because of the war in Ukraine and the need of European countries to find new sources of gas. This has resulted in material price increases that will have a significant budgetary impact on the Council.</p> <p>The Council's street lighting contract expired in September 2021 and was extended until end of March 2022 with the objective of bringing in line all gas and electricity contracts. Short term contracts were put in place (ending 1st July 2022) to mitigate against the cost of going off contract and to allow the market to stabilise.</p> <p>However, based on world events the cost of energy is going to be significantly higher and this has financial implications for future years.</p> <p>Financial Implications: Table 1</p> <table border="1" data-bbox="118 794 1048 991"> <thead> <tr> <th>2022/23 Budget Service</th> <th>Service Budgets (£)</th> <th>Corporate Contingency (£)</th> <th>Total Budget (£)</th> </tr> </thead> <tbody> <tr> <td>Budgets</td> <td>941,563</td> <td>800,000</td> <td>1,741,563</td> </tr> <tr> <td>Corporate</td> <td>248,183</td> <td>180,000</td> <td>428,1843</td> </tr> <tr> <td>Contingency</td> <td>438,088</td> <td>270,000</td> <td>708,088</td> </tr> <tr> <td>Total</td> <td>1,627,834</td> <td>1,250,000</td> <td>2,877,834</td> </tr> </tbody> </table> <p>Table 2</p> <table border="1" data-bbox="118 1050 1048 1458"> <thead> <tr> <th>2022/23 Forecast*</th> <th>April – June 2022 Cost (£)</th> <th>July 2022– March 2023 Costs (£)</th> <th>Annual Cost (£) 2022/23</th> <th>2021/22 Costs</th> <th>Increase</th> </tr> </thead> <tbody> <tr> <td>Electricity – Half hourly</td> <td>415,652</td> <td>1,309,348</td> <td>1,725,000</td> <td>716,000</td> <td>141 %</td> </tr> <tr> <td>Electricity Non Half Horly</td> <td>178,000</td> <td>453,000</td> <td>631,000</td> <td>248,000</td> <td>154%</td> </tr> <tr> <td>Gas</td> <td>195,000</td> <td>814,000</td> <td>1,009,000</td> <td>224,000</td> <td>350%</td> </tr> <tr> <td>Street Lighting</td> <td>184,000</td> <td>819,000</td> <td>1,003,000</td> <td>613,000</td> <td>64%</td> </tr> <tr> <td>TOTAL Energy</td> <td>972,652</td> <td>3,395,348</td> <td>4,368,000</td> <td>1,801,000</td> <td>143%</td> </tr> </tbody> </table>	2022/23 Budget Service	Service Budgets (£)	Corporate Contingency (£)	Total Budget (£)	Budgets	941,563	800,000	1,741,563	Corporate	248,183	180,000	428,1843	Contingency	438,088	270,000	708,088	Total	1,627,834	1,250,000	2,877,834	2022/23 Forecast*	April – June 2022 Cost (£)	July 2022– March 2023 Costs (£)	Annual Cost (£) 2022/23	2021/22 Costs	Increase	Electricity – Half hourly	415,652	1,309,348	1,725,000	716,000	141 %	Electricity Non Half Horly	178,000	453,000	631,000	248,000	154%	Gas	195,000	814,000	1,009,000	224,000	350%	Street Lighting	184,000	819,000	1,003,000	613,000	64%	TOTAL Energy	972,652	3,395,348	4,368,000	1,801,000	143%	<p>The financial risk has been recorded in the Council's Corporate Risk Register for action monitoring purposes.</p> <p>There are two main issues that the Council needs to address: -</p> <ol style="list-style-type: none"> 1) Putting new contracts in place from the 1st July 2022 that demonstrate value for money and can be managed within the agreed Council budget. Going out to the market and using the West Mercia Energy framework is PCR2015 compliant and has 16 companies on it including Council existing providers. This will ensure some price competition. 2) Mitigation measures to reduce the use of electricity and gas across Council buildings. In addition, the Council needs to take a longer-term view around the use of locally produced sustainable energy (either directly produced or via Power Purchase Agreements with community energy providers).
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Issue in 2021/22	Commentary & Mitigating actions for 2022/23
<p>*Forecast is based on April to June extension rates being applied to remainder of year. A contract extension greater than a 3-month period would expect to generate more favourable rates and therefore this forecast equates to the current worst-case scenario.</p> <p>Comparing the worst case full year forecast £4.368m against total available budget £2.878m results in a £1.490m budget pressure.</p> <p>It should be noted that the £1.250m corporate contingency is only built into the 2022/23 budget as a one-off. Should the length of contract go beyond 31/03/2023 then additional costs are being committed to for future years' budgets in advance of formal budget setting and would require reserve funding.</p>	
<p><u>2. Adult Health & Social Care Contract - Virgin Care Services Limited sold to Health Care Resourcing Group (Twenty20 Capital Limited)</u></p> <p>On the 1st December 2021 the Council and Clinical Commissioning Group (CCG) were informed of the sale of Virgin Care Limited to T20 Pioneer Holdings which is held by Twenty20 Capital Limited. The change took place on the 30th November 2021.</p> <p>In the period of time around November 2021 the Council was having talks with Virgin Care Limited about the extension of the contract – an additional 3 years taking the contract up to 31st March 2027. It had been mutually agreed that the Adult Social Care safeguarding element of the contract would be taken back in house by the Council, i.e. a contract amendment.</p> <p>The Commissioners took a decision on 11th November 2021 (through the Council Cabinet and CCG's Governing Body) to approve the extension of the contract for the 3 year period. The Council decision in addition to extending the contract gave delegation to the Director of Adult Social Care in consultation with the Member for Adult Services to serve notice "to extend the contract once assurance that the total price for the contract as varied is agreed and affordable".</p>	<p>Following the agreement to extend the determination date from 31/3/22 to 30/6/22 the next phase was to complete the options appraisal and make the contract extension decision.</p> <p>Officer undertook a significant amount of due diligence and options analysis work and a decision paper was submitted to the Cabinet meeting of 26th May 2022 to decide between two options:</p> <ol style="list-style-type: none"> 1) Extend the contract term for 3 year period to 31/3/27 2) Allow the contract to end without extension beyond 31/3/24 <p>And to delegate to the Director of Adult Social Care in consultation with the Member for Adult Services authority to proceed with the agreed option and undertake any appropriate risk mitigation.</p> <p>Subsequently the Cabinet at its May meeting decided not to extend the contract and therefore the Council is assessing future delivery options.</p>

Issue in 2021/22	Commentary & Mitigating actions for 2022/23
<p>Based on the sale of Virgin Care Limited the Council and CCG due diligence work was required to consider the transfer of the contract and the potential agreement to extend the contract to 2027. Bevan Brittan and BDO United Kingdom have advised the Council, including advice on the company structure, personnel and financial standing of Twenty20 Capital Limited and the Health Care Resourcing Group.</p> <p>There was mutual agreement to extend the contract extension decision date from 31/3/22 to 30/6/22.</p> <p>It should also be noted legislation (commencing in Feb 2021 with the white paper for a Health and Care Bill 'Working together to improve health and social care for all') received Royal Assent on 28th April 2022 resulting in integrated care systems and the creation of the Bath & North East Somerset, Wiltshire and Swindon (BSW) Partnership.</p>	
<p><u>3. Special Educational Needs (SEND) Increasing Assessment Numbers and Costs</u></p> <p>The Dedicated Schools Grant (DSG) in 2021/22 overspent by £8m, plus an overspend of £5.42m carried forward from 2020-21 based on significant SEND pressures. The SEND pressures are associated with pupils identified with Education, Health and Care (EHC) Plans.</p> <p>The deficit has arisen due to significant increases in the numbers of EHCPs along with a growth in the complexity of the assessments over the past 2 years.</p> <p>Any overspend on the DSG is currently ringfenced to the grant allocation and the Department for Education (DFE) have issued guidance to restrict the supporting of the pressures from council revenue funding.</p> <p>The DFE have issued guidance on the expectation of LA's with deficits to produce recovery plans and where necessary enter into a safety valve agreement with the DFE to support the LA with the cumulative position.</p>	<p>The LA has entered preliminary discussions with the DFE with regard to the safety valve programme and official entry into the programme is expected in September 2022.</p> <p>The LA have prepared a recovery plan to be discussed with the DFE which includes actions to limit the growth in EHCPs by creating additional support for schools.</p> <p>The creation of more local provision to avoid expensive external independent provision.</p> <p>Reviewing spend on current provision to ensure efficient use of resources</p> <p>Schools Forum have been kept informed of the strategy to ensure future schools buy in to the actions required.</p>

7. UPDATE ON SIGNIFICANT GOVERNANCE ISSUES 2020/21

Issue in 2020/21	Update on Mitigating Actions for 2021/22
<p><u>Coronavirus Pandemic (Covid19)</u></p> <p>The impacts of Covid-19 both internationally, nationally and regionally have been unprecedented in both Health and Economic terms. Central Government has put in place emergency legislation which has led to a wide range of measures to manage risks, protect public health and support the economy.</p> <p>These measures have often changed at short notice as the pandemic impacts altered through the year and these have directly impacted on local authorities.</p> <p>At a local authority level this has affected every area of the Council as front facing and support services have had to adapt to the changing position. In risk and governance terms the most significant impacts are in the following areas –</p> <p>Public Health – Ensuring that the vast range of health mitigations and measures are implemented and communicated to the public so that they are clear, coherent and supportive;</p> <p>Local Economy – Ensuring that local businesses can access the extensive level of grant support which was directed to local authorities to administer and manage;</p> <p>Financial Resilience – Ensuring that the organisation is both clear on the financial impacts of loss of income or increase in costs and plan for how these can be managed in year and for the medium term;</p> <p>Organisational Resilience – Ensuring that business continuity can be maintained in a fast changing position as services were temporarily closed, altered or delivered differently and manage organisational effectiveness whilst working at home;</p> <p>Democracy – Ensuring that local decision making at a formal level can continue effectively at all levels whilst working at home and continuing to support public access;</p> <p>Safeguarding – Ensure that the Council can support those who are most vulnerable and provide appropriate measures to protect those most at risk. The Council and Executive formally considered its response to the pandemic</p>	<p>As detailed the Cabinet and Senior Management have overseen an extensive set of actions over the key risk areas to respond to the Pandemic during 2020/21.</p> <p>The focus in 2021/22 is on renewal and delivering on the Council's priorities. The budget report in February 2022 provided a further summary of the Council's position and where its future priorities were to be in relation to recovery and renewal.</p> <p>Areas of strategic priority and focus over the next two years will include:</p> <ul style="list-style-type: none"> • Further investment to deliver more effective transport schemes across the council area, with a particular focus on creating liveable neighbourhoods, prioritising active travel and reducing reliance on the car for commuting and short journeys. • Continued investment to support the most vulnerable people in our communities. • Continued commitment to address the climate and ecological emergency, investing in energy. • Focus on supporting the local economy to recover from the impact of the pandemic with a particular priority to work with partners to rebalance the economy to reduce the dependence on retail, hospitality and tourism. • Support the "Preparing for the Future" programme to modernise the council with a focus on improved asset management and flexible working. <p>Whilst the pandemic has already had a significant impact on the region, the situation continues to evolve, and the full extent of the long-term implications are not yet clear. Work to respond to the impacts of the pandemic will continue.</p> <p>The ongoing impact of Covid on the Council has created a material imbalance in how the Council funds its services, Council tax and Business rates alone do not fully fund the Council's services – they are also funded by external income. Income budgets were rebased and reduced by £13.24m in 2021/22 from a £33.17m net income budget. The 2022/23 budget has increased income expectations on Parking by £2.5m to align with the 2021/22 budget forecasts, other areas such as the Roman Baths are taking longer to bounce back.</p>

Issue in 2020/21	Update on Mitigating Actions for 2021/22
<p>at its June meeting setting out its current position and the range of actions it was taking to support its communities.</p> <p>All of these issues have amounted to a significant and unprecedented situation facing the Council it's Community and are therefore recognised as a significant issue for the Annual Governance Statement.</p>	