

# Stevenage Borough Council's Annual Governance Statement 2021/22

## What is Corporate Governance?

Corporate governance is both the policies and procedures in place and the values and behaviours that are needed to help ensure the organisation runs effectively, can be held to account for its actions and delivers the best possible outcomes for the community with the resources available. Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.

### Achieving the intended outcomes whilst acting in the public interest



**Figure 1: International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) 'Achieving the Intended Outcomes While Acting in the Public Interest at all Times' – The International Framework**

The CIPFA/SOLACE\* *Delivering Good Governance in Local Government Framework* sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in developing and shaping an informed approach to governance, aimed at achieving the highest standards of governance in a measured and proportionate way.

(\* CIPFA – Chartered Institute of Public Finance and Accountancy, SOLACE – Society of Local Authority Chief Executives and Senior Managers, IFAC – international Federation of Accountants)

The Framework is designed to assist authorities with the review of the unique local governance arrangements in place with the overall aim to ensure that:

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

## **The Council's responsibility in relation to Corporate Governance**

### **Identifying Local Governance Arrangements**

Stevenage Borough Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards and that public money 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, Stevenage Borough Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

Stevenage Borough Council has adopted a Local Code of Corporate Governance that sets out a commitment to corporate governance and summarises the governance arrangements in place to enable the Council to monitor the achievement of its strategic objectives, to consider whether those objectives have enhanced delivery of appropriate cost effective services and outlines the activities through which it accounts to and engages with its communities. The Local Code reflects the core and sub-principles outlined in the 2016 CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government'

The Council's Local Code of Corporate Governance is reviewed and approved by Audit Committee each year. It was last approved by Audit Committee at its meeting on 8th June 2021 and has been reviewed and the revised Local Code is being presented to Audit Committee at its meeting on 7<sup>th</sup> June 2022 for approval.

This Annual Governance Statement explains how the Council has continued to comply with the Local Code, summarises the review of its governance arrangements and identifies areas of governance to be strengthened and outlines actions to strengthen any areas identified.

The Statement also meets the statutory requirements in section 6 of the 2015 Accounts and Audit (England) Regulations, which requires all relevant bodies to prepare an Annual Governance Statement.

## **How do we know our arrangements are working?**

### **The Local Governance Framework – How the Council monitors arrangements in place**

The local Governance Framework outlines the process the Council applies to review corporate governance arrangements. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they materialise, and to manage them efficiently, effectively and economically.

Stevenage Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of local governance arrangements including the system of internal control.

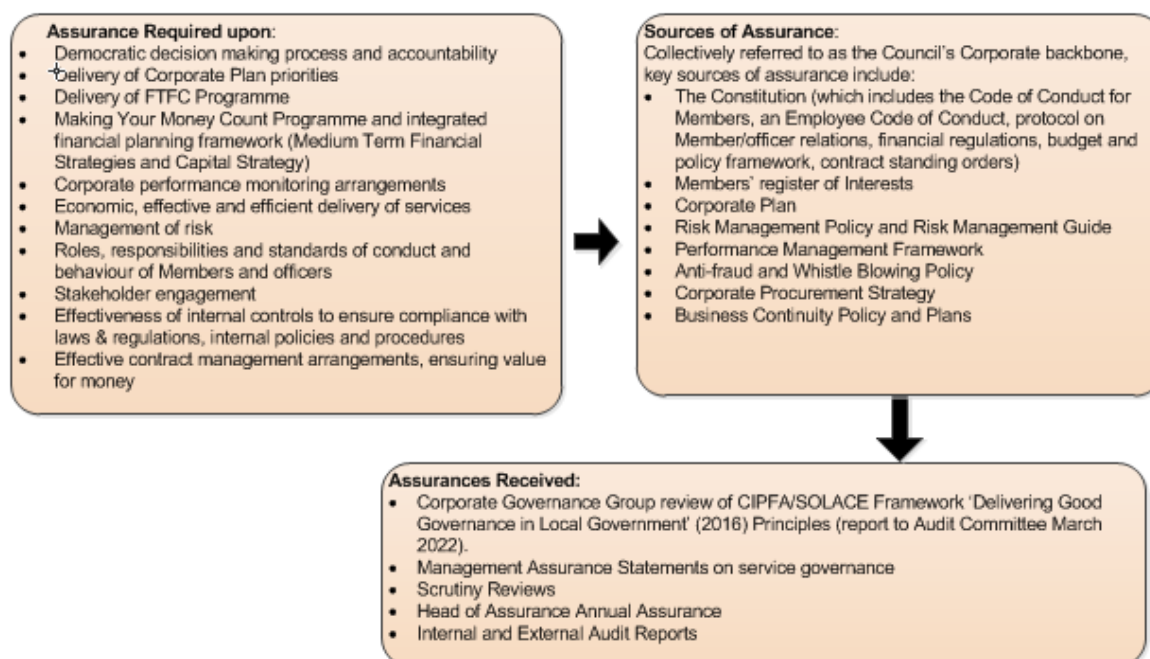
## Governance monitoring and assurance arrangements

The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Assurance's Annual Report, and also by comments made by external auditors and other review agencies and inspectorates.

To monitor and maintain the effectiveness of the Council's governance arrangements and drive continuous improvement:

- A Corporate Governance Group meets four times a year to consider governance arrangements from the perspective of the seven core principles of corporate governance in the CIPFA/SOLACE Framework - the seven core principles are set out in the diagram on pages one and five.
- In addition to this proactive in-year review, an annual review of compliance with the behaviours that make up the seven core principles of corporate governance in the CIPFA/SOLACE Framework is carried out.
- At business unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year.
- Corporate Governance Group also consider whether any recommendations as a result of external or internal audit activity (and other review agencies and inspectorates), and the Head of Assurance Annual Report, require inclusion in the Statement.

All of these mechanisms of review contribute to overall assurance for the 2021/22 Annual Governance Statement. A summary of the types of assurance required, sources of assurance, assurance received is represented below.



The preparation and publication of the Annual Governance Statement in accordance with the requirements set out in the 'Delivering Good Governance in Local Governance' Framework (2016) fulfils the statutory requirement for the annual review of the effectiveness of systems of internal control meeting the requirement for 'preparation in accordance with proper practice'.

The Governance Framework summarised in this Statement has been in place at the Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

## Assurance: Internal Audit Arrangements

### Annual Audit Coverage

Delivery of the Council's Internal Audit is carried out by the Shared Internal Audit Service (SIAS) hosted by Hertfordshire County Council and managed by the Client Audit Manager. Annual audit coverage is determined through a risk assessment, which is influenced by external regulatory requirements and the strategic and operational risks of the Council. By reviewing the Council's systems of internal control, risk management and governance in accordance with an approved Audit Plan, Internal Audit contribute to the Council's corporate governance framework.

The SIAS operates to defined professional standards, i.e. the Public Sector Internal Audit Standards (PSIAS) and the Client Audit Manager reports to the Council's Strategic Director (Chief Finance Officer and Section 151 Officer) providing updates on internal audit progress and issues at regular liaison meetings. The Client Audit Manager provides an independent opinion on the adequacy and effectiveness of the system of internal control, and this is reported annually to Audit Committee. The main responsibility of SIAS is to provide assurance and advice on the internal control systems of the Council to both Management and Members. The SIAS reviews and appraises the adequacy, reliability, and effectiveness of internal control within systems and recommends improvement where necessary. It also supports management in developing systems by providing advice on matters pertaining to risk and control.

### 2021/22 Audit Report

The Client Audit Manager's Annual Internal Audit Report and Assurance Statement is being reported to the Audit Committee in June 2022. From the internal audit work undertaken in 2021/22, SIAS can provide the following assurance on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems as follows:

#### ASSURANCE OPINION: FINANCIAL SYSTEMS

Our overall opinion is **Reasonable Assurance**; meaning there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

#### ASSURANCE OPINION: NON-FINANCIAL SYSTEMS

Our overall opinion is **Reasonable Assurance**; meaning there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

## Review of Effectiveness of Systems of Internal Audit

The Accounts and Audit Regulations 2015 came into force from 1 April 2015; Paragraph 5 (1) states, "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

As part of demonstrating the efficiency and effectiveness of the internal audit activity and identifying opportunities for improvement, the Head of SIAS must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. This includes an annual self-assessment undertaken by the Head of SIAS against the Public Sector Internal Audit Standards (PSIAS) for Internal Audit in Local Government in the UK. The self-assessment concluded that the system of Internal Audit employed at Stevenage Borough Council is effective.

In addition, PSIAS require that an external assessment or peer review is undertaken at least once every five years. An independent peer review was undertaken in 2021/22, which concluded that SIAS 'partially conforms' to the PSIAS, including the Definition of Internal Auditing, the Code of Ethics and Standards. Key recommendations made in the peer review were addressed in year, permitting SIAS to 'generally conform' to the Standards. 'Generally conforms' is the highest opinion within the scale of three ratings, and the peer review also identified areas of good practice and high standards.

The annual performance indicators for SIAS are set by the SIAS Board which is comprised of the Section 151 Officers from the client authorities within the partnership. The table below sets out SIAS performance against the performance indicator relating to planned days delivery and planned projects delivery.

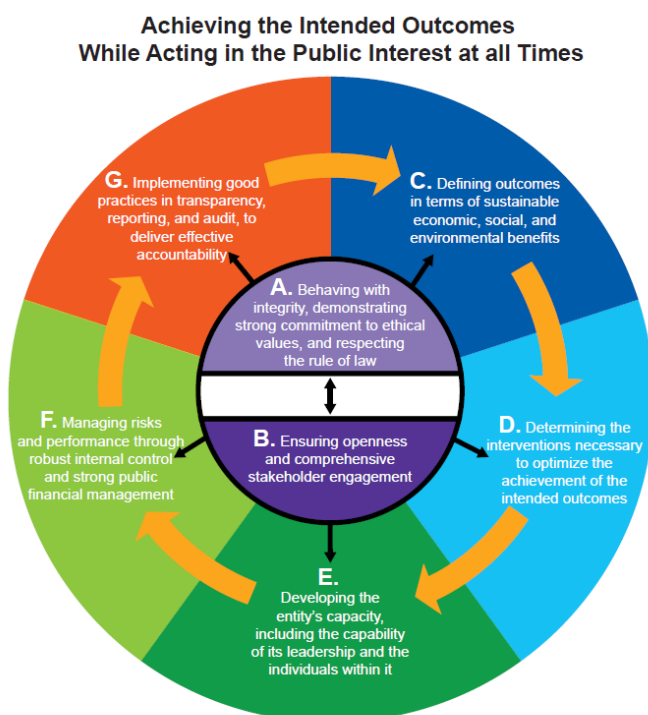
Area of Activity	Target	2018/19	2019/20	2020/21	2021/22
<b>Planned Days</b> - percentage of actual billable days against planned chargeable days completed	95%	99%	99%	98%	95%
<b>Planned Projects</b> – actual completed projects to draft report stage against planned completed projects	95%	97%	100%	100%	93%

The assurance arrangements conformed with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010), as demonstrated through the assessment in the SIAS Annual Assurance Statement and Internal Audit Annual Report being reported to Audit Committee in June 2022.

## The CIPFA/SOLACE Core Principles of Governance

The Council achieves good standards of governance by applying the CIPFA/SOLACE Principles of Governance set out in the 'Delivering Good Governance in Local Government' Framework (2016) represented in the International Framework.

The diagram below illustrates how the various principles for good governance in the public sector relate to each other. To achieve good governance the Council should achieve their intended outcomes while acting in the public interest at all times.



As overarching requirements for acting in the public interest, Principles A and B apply across all other principles (C – G)

A summary of the review of effectiveness of local arrangements in place for 2021/22 against each of the principles is set out on the following pages identifying opportunities for governance enhancements.

Progress against the delivery of actions identified in the 2020/21 Annual Governance Statement is reflected in the coloured boxes throughout this Annual Governance Statement

**Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law is acknowledged as key to the delivery of good governance and underpins the delivery of Council priorities and services for the community.**

### Summary of 2021/22 Review of Effectiveness:

The Council's Local Code of Corporate Governance identifies the Nolan Principles (Standards in Public Life) as underpinning all local government activity.

The standards of conduct and personal behaviour expected of Members and Officers, its partners and the community are defined and communicated through Codes of Conduct and Protocols and the Council's Constitution. Arrangements are in place to ensure that Members and Officers are aware of their responsibilities under these codes and protocols.

The Council's website outlines the arrangements for making a complaint that a member of the authority has failed to comply with the Authority's Code of Conduct and sets out how the authority will deal with such allegations. Complaints about Members and allegations that a Member has breached the Code of Conduct would be dealt with by the Standards Committee and the Borough Solicitor (Monitoring Officer) under the Localism Act 2011. The Council has appointed an Independent Person, to consult on alleged breaches to the Member Code of Conduct.



The Council has a Standards Committee to promote and maintain high standards of conduct by Members of the Council and deal with any allegations that a member is in breach of the Council's Code of Conduct and to consider changes to the Code as required.

The Council's Constitution sets out the employment procedures for the Head of the Paid Service, Strategic and Assistant Directors, Monitoring Officer and Chief Finance Officer.

The Council's six organisational Values shown here are underpinned by a behaviour framework for staff. The values are intended to influence the ways in which elected Members and officers think and behave in responding to future challenges.



The Values are embedded into Member and Officer Induction, regular officer meetings with their managers (REAL conversations), the Modern Member training programme, and management development programmes. A set of desired behaviours associated with each of the Values has been developed and form part of the Council's appraisal process for officers.

The Council has a Whistle-blowing Policy which is based on the Public Interest Disclosure Act 1998 as well as an Anti-Fraud and Corruption, Anti-Money Laundering, Anti-Bribery and Fraud Sanctions policies. The Council's website and intranet have options for the public and staff to report suspected fraud that link to the Council's Shared Anti-Fraud Service webpage.

During 2020/21, the Council carried out one instance of directed covert surveillance in accordance with the Regulation of Investigatory Powers Act 2000.

**The following governance activity pertaining to best practice has been delivered in 2021/22:**

- The Officer Code of Conduct has been reviewed and approved by Council.
- The tenure of the current Independent Member of Audit Committee was extended for a further year (from July 2022 to July 2023)
- The Council's Anti-Fraud and Corruption Strategy and Anti-Money Laundering Policy were reviewed and approved by Audit Committee and a new SBC Fraud Sanctions Policy was produced.
- The Council's Procurement Strategy was reviewed to create greater emphasis on community wealth building and, where possible, the local sourcing of goods and services. As a result of this review, a new Co-Operative Procurement Strategy 2021-2024 was produced and approved by Executive.

**Arrangements reflect those summarised in the Council's Local Code of Corporate Governance – No significant requirements to enhance governance have been identified.**

**Principle B: Engaging with local people and other stakeholders**

**Principle B: Ensuring openness and comprehensive stakeholder engagement is considered essential in meeting the Council's corporate ambitions and framework of values and regarded as key to effective service delivery. Communication supports the decision-making process and helps to improve service quality and foster good relationships between staff, Members and stakeholders.**

## Summary of 2021/22 Review of Effectiveness:

Stevenage Borough Council is a co-operative council which means working in equal partnership with local people to shape and strengthen communities.

The Council wants to hear views about Council services. The Council regularly provides local residents, partners and other interested parties with opportunities to influence the planning, prioritisation and monitoring of services. A variety of methods are used to engage the local community, such as: surveys and questionnaires, community roadshows, focus and action groups and stakeholder conferences.

### Cooperative Neighbourhoods

Borough Council has formed partnerships between elected members, council officers, stakeholder and community groups to focus on the needs of the community. Six cooperative neighbourhood areas each have a dedicated team that concentrates specifically on the development and improvement of their area through community engagement and direct delivery. They are made up as follows:

- Bedwell and Pin Green
- Chells and Manor
- Longmeadow & Roebuck
- Old Town, Symonds Green and Woodfield
- Shephall and Bandle Hill
- St Nicholas and Martins Wood

Each team functions in the following ways:

- Connecting staff from different departments who work in the same part of Stevenage so they can provide better services to residents.
- Responding more quickly to matters that residents are concerned about.
- Making it easier for residents to shape the services and projects in their neighbourhood by continuous engagement using a variety of opportunities including face to face, digital and email/telephone options.
- Supporting the activities of residents and communities who want to improve their neighbourhoods and create new opportunities for themselves

These teams also work together on the co-production of a variety of projects, initiatives and developments across the town. Focusing on community collaboration and engagement, community wealth building and supporting local community groups and organisations, the Cooperative Neighbourhoods programme ensures healthy community relationships across the town.

### Shared Services

The Council has over the past few years established a number of shared service arrangements to

The Council has a system for recording customer feedback which enables learning from feedback and complaints to facilitate effective monitoring of information provided by customers to review future service delivery.





## Communication

The Council uses a variety of media to communicate with its residents, businesses and customers, for example Stevenage Chronicle which is the Council's quarterly magazine for residents which provides the latest information about Council initiatives and services, community news and events. The Council's website, press releases and social media are also used extensively to provide information to the public.

Throughout the COVID-19 pandemic, the Council has played an active role in promoting and signposting residents and businesses to the Government's package of guidance and support measures. A dedicated Coronavirus section is available on the Council's website which includes Frequently Asked Questions, Government advice, and information about

changes the Council has made to its services.

### **The following governance activity pertaining to best practice has been delivered in 2021/22:**

- The Annual Report and Performance Overview highlighting the Council's achievements over the past year and plans for the next twelve months was approved by Executive and published on the Council's website
- A Resident Survey has been carried out to survey how residents perceive Council services and their local area. The information gathered from residents will help to provide insight on their priorities for the town, the extent to which the Council is perceived to provide value for money and how well services are meeting residents' expectations.
- A STAR (Survey of Tenants and Residents) was also carried out. The STAR survey is used nationally by many housing providers to understand the thoughts, feelings and opinions of council tenants and for them to tell their landlords what is important to them.
- Consultation was carried out on the 'issues and options' stage of the development of an Area Action Plan for the Station Gateway regeneration project. An Area Action Plan (AAP) is a type of Development Plan Document, providing a planning framework for a specific area of opportunity, change or conservation. AAPs can create new policy over and above the Local Plan within the designated AAP area.
- A Climate Change Citizens Panel took place from 26<sup>th</sup> October to 29<sup>th</sup> October 2021. The panel consisted of 24 participants broadly representative of the town. The participants heard from five local experts on the science, policy and activism surrounding the climate emergency and then deliberated on what action they would like to see to help Stevenage reach its target of net zero by 2030.
- The council agreed the objectives that will promote equality, diversity and inclusion across its services, communities and workforce over the next 4 years (2022 –2026) and in-line with the Public Sector Equality Duty (PSED) of the Equality Act (2010). The council will work, together with its partners, to:
  - Understand the diverse needs of our communities and how to meet them effectively
  - Actively engage, encourage and support local people, groups and organisations to participate in local democracy to improve opportunity and inclusion
  - Promote equality, diversity and inclusion through our strategic partnerships, service delivery and supply chain(s)
  - Use local data to shape services so that the needs of our diverse population are met
  - Aim to improve the diversity of our organisation at all levels so that our communities are represented
  - Ensure staff have the values, skills and knowledge to maintain a positive and inclusive workplace culture that values all employees equally

Alongside the above objectives the council published an Equality, Diversity and Inclusion (EDI) Strategy (2022-2026) setting out its approach to advancing equality, diversity and inclusion, including a commitment to the development and publication of an EDI Action Plan that will be presented to the Executive for approval in autumn 2022. The delivery and monitoring of EDI activity will be the responsibility of the Equality and Diversity Governance Group (EDGG), the newly established Officer Equality Group (OEG) and recently introduced Senior Leadership Team Equality Champion. The outcome will be the publication of a progress report to the Executive on an annual basis.

**Arrangements reflect those summarised in the Council's Local Code of Corporate Governance – No significant requirements to enhance governance have been identified.**

## **Principle C: Defining outcomes – the Council's vision and priorities**

**Principle C: Defining outcomes in terms of sustainable, economic, social and environmental benefits. The focus of the Council's governance arrangements is to deliver the best possible outcomes for the community and the Council's vision for the town. It is essential that the Council seeks customer feedback and works with partners, to pool resources and skills**

### **Summary of 2021/22 Review of Effectiveness:**

#### **The Council's vision:**

Stevenage: a prosperous town with vibrant communities and improved life chances

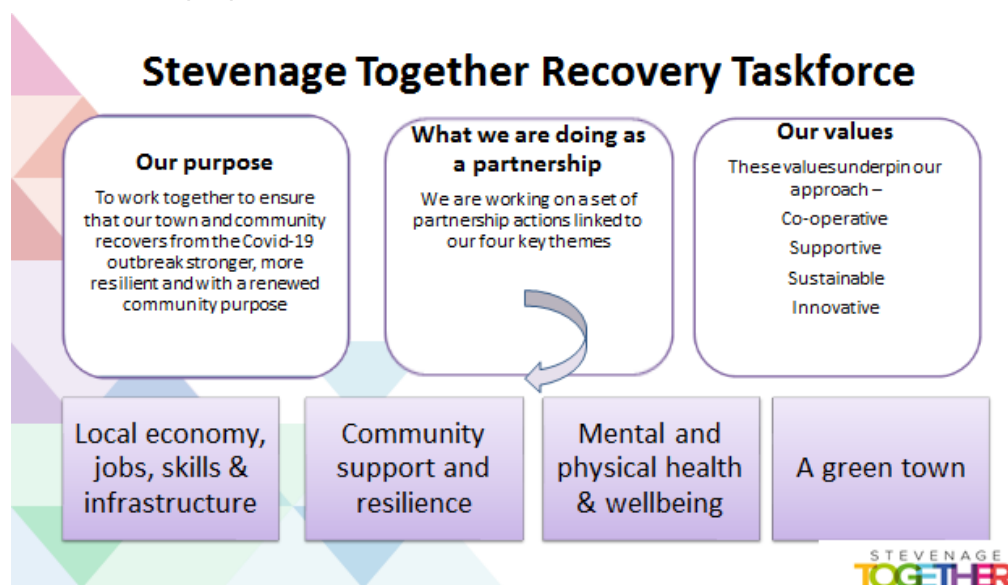
#### **Working in partnership**

Stevenage Together, Stevenage's local strategic partnership includes a range of diverse partner agencies. Its ethos is to foster innovative ways of working together, to improve the lives of people who live in, work in and visit Stevenage.

The aims of the partnership are to generate pride in the borough, develop communities, help people feel safe and improve residents' health.

Stevenage Together oversees four themed groups: Social Inclusion Partnership (SIP), Community Safety Partnership (SoSafe), Health and Wellbeing Partnership and the recently re-launched Economy Taskforce.

Stevenage Together and its partners have developed a high level partnership recovery action plan, based around the purpose, themes and values, as illustrated below.



## Stevenage Development Board

The Stevenage Development Board was set up in 2020 to prepare Stevenage's bid for government funding through the MyTown initiative. The Board is formed of representatives from across Stevenage and the surrounding area and includes key stakeholders from public sector organisations, private businesses and not-for-profit organisations to ensure a diverse range of views are represented. The work of the Development Board forms part of the wider 20 year £1bn regeneration of Stevenage Town Centre. The Board provides an environment for collaboration and innovation across a range of partners, especially in the skills sector, providing a strong platform to support the regeneration efforts in the town.

## Future Town, Future Council

The Future Town, Future Council (FTFC) programme is the Council's main strategic planning approach to create a better Stevenage and great service for its people. The FTFC programme guides the Council's focus and resource allocation as defined in our Corporate Plan. The FTFC programme was reviewed in 2021/22 and streamlined from nine programmes to five.

The five programmes are:

### 1. Transforming our Town

This programme is focusing on regenerating Stevenage with the help of partners in the development sector.

Projects include:

- SG1 development
- The Hub
- The Bus Interchange
- Multi-Story Car Park and Cycle Hub
- Public Realm work
- Meanwhile use
- Towns Fund

### 2. More Social and Affordable Homes

This is the Council's building homes programme to sell privately to fund much needed social housing.

Projects include:

- Kenilworth Close
- Symonds Green
- Shephall View and Brent Court
- Dunn Close
- The Oval
- Ellis Avenue

### 3. Co-Operative Neighbourhoods

Stevenage Borough Council is a co-operative Council and as a result works closely and collaboratively with local businesses, charities and influencers.

Projects include:

- Co-operative Neighbourhood Model



- Community Plans
- CCIN Policy Labs
- Volunteering
- Supporting and working with VCSE's
- Neighbourhood investments
- Equalities Commission
- Resident Survey
- Major Refurbishment Contracts and other Housing Investment projects

#### **4. Making Your Money Count**

This theme is about making and using the Council's money effectively:

Projects include:

- Financial efficiencies (Medium Term Financial Strategy, budget, savings delivery)
- Commercialisation
- Transformation

#### **5. A Clean, Green, Safe and Thriving Town**

Projects include:

- Clean and Green
- Biodiversity
- Climate Change
- Community Safety
- Culture
- Community Wealth Building
- Sustainable Transport (Future Town, Future Transport)
- Health

The Co-operative Corporate Plan (FTFC) reflects the ambitions and projects and articulates to the public the Council's key priorities and objectives that support the achievement of the FTFC programme over the next few years.

Every year progress against the Council's priorities are considered and this informs important decisions about where to spend the budget. The Annual Report summarises the Council's achievements over the past year and outlines what it plans to do in the next twelve months and is published on the Council's website.

#### **Financial and Asset Planning**

The Medium Term Financial Strategy (MTFS) is the Council's key General Fund financial planning document and sets out the Council's strategic approach to the management of the General Fund including Council tax levels, capital funding and treasury management. This strategy underpins the Council's key priorities for Stevenage as set out in the FTFC agenda and other strategic documents of the Council. The key aim of the Strategy is to facilitate the Council in achieving the outcomes set out in those documents, by setting out MTFS principles, which generates the need for financial security targets, identifies financial pressures and any additional resources for priorities to ensure the Council has a financially sustainable plan.

The CFO continues to assess the financial impact of the pandemic. As a result of the government restrictions in response to the pandemic there has been significant impact on the Council's income, expenditure and cash flow. The projected gap between government funding and losses has necessitated the MTFS to be regularly reviewed and updated. Members approved financial resilience measures which have improved General Fund balances for this and future financial years.

The Housing Revenue Account (HRA) Business Plan is the Council's 30 year strategic plan for managing and maintaining its housing stock. It sets out the Council's short-to-medium term plans and priorities for its housing management services and provides a long term perspective on stock investment and financial plan. The Council's HRA Medium Term Financial Strategy looks at these plans over a five year horizon in greater detail setting out the principles which generates the need for Financial Security targets. The Housing Revenue Account Business Plan is currently under review to ensure a balanced HRA financial plan for the next 30 years and to ensure there are sufficient HRA funds to support the Council's Housebuilding and Acquisitions Programme. The outcome of this review will be reported to Executive in 2022.

A five year Housing Asset Management Strategy and action plan for implementation of the strategy over the five years of the Plan was approved in March 2019. The Strategy sets out the underlying principles which sit behind excellent asset management and the key strategic projects and programmes to ensure the Council derives maximum value for its assets whilst providing high quality homes for its tenants. The strategy allows the Council to meet its strategic goals of having fit for purpose, safe, well maintained and well-presented housing stock, with a view to optimising housing development opportunities where appropriate.

The Council also has a five year Capital Strategy. The purpose of the Capital Strategy is to show how the Council determines its priorities for capital investment, how much it can afford to borrow and sets out any associated risks. All capital schemes are regularly reviewed and prioritised to determine whether they should be included in the Capital Strategy. The Officers' Capital Group ensures that effective arrangements are in place for the design and delivery of capital projects.

The Stevenage Borough Local Plan 2011-2031 sets out how Stevenage will develop in the future. The plan seeks to provide around 7,600 new homes, alongside new jobs and community facilities. It provides the basis for the regeneration of the town centre, which includes plans for new homes, shops, offices, coffee bars, restaurants and seeks to create a centre people can be proud of. It also protects green infrastructure and historic assets, to ensure people can continue to have a good quality of life in the town.

The General Fund Asset Management Strategy and rolling five year action plan is guiding the Council's future strategic property decisions to make sure the estate is managed sustainably and efficiently so it can adapt and remain fit for the future, and help the Council meet its Future Town Future Council aims. The strategy sets out clear financial targets to achieve to meet the Council's financial challenges. To help reach these financial targets, the strategy recommends seven clear areas for change, including undertaking local asset reviews to identify new opportunities to release surplus land and buildings for sale and opportunities to generate new sustained revenue income as well as improving efficiency and utilisation of assets with partners. The Strategy will remain in place until 2023 and the Action Plan is the key change document.

**Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**General Fund Asset Management Strategy:** The Locality Review Structure is now well established. All three tranches of land identified for disposal have now been agreed by Executive. A new Asset Management System is to be procured in 2022/23.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**



## **Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Making Your Money Count (MYMC):** To ensure that the Council has sufficient financial resources to fund its medium and long term service plans and corporate priorities the following activity has been carried out: The Making Your Money Count General Fund savings target for 2022/23 was achieved and savings included in the 2022/23 General Fund budget including a review of fees and charges. A report to the June 2022 Executive will outline further options to increase the Council's financial resilience. The Capital Programme has been reviewed and adjusted for revised estimates of capital receipts and costs of capital schemes. The Housing Revenue Account Business Plan is being refreshed and is scheduled for consideration by Executive in summer 2022. The Transformation and Commercialisation programmes, which will help meet the MYMC savings target and provide an excellent customer experience, are both progressing. The Commercialisation programme is already bringing in additional income streams which will help the Council meet its financial security ambitions.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

### **In addition, the following governance activity pertaining to best practice has been delivered in 2021/22:**

The Council's Future Town, Future Council programme was reviewed. The programme has now been streamlined and has five sections: Transforming our Town, More Social and Affordable Homes, Co-operative Neighbourhoods, Making your Money Count and a Clean, Green, Safe and Thriving Town.

### **Governance activity proposed for 2022/23:**

A corporate peer challenge is planned. The peer challenge approach involves a team of experienced officers and members spending time with another council as 'peers' to provide challenge and share learning. Participating councils receive a comprehensive report and recommendations from the peer team and then identify their own action plan to respond. Peer challenges are an established tool that supports councils to drive improvements and efficiency.

A review and update of the Council's Co-operative Corporate Plan is also planned. The Co-operative Corporate Plan (FTFC) reflects the ambitions and projects and articulates to the public the Council's key priorities and objectives that support the achievement of the FTFC programme over the next few years.

## **Principle D: Determining Interventions**

**Principle D: Determining the interventions necessary to optimise the achievement of outcomes requires robust monitoring and decision-making mechanisms to ensure that actions identified are sustainable within available resources.**

### **Summary of 2021/22 Review of Effectiveness:**

#### **Financial Governance Arrangements**

The Making Your Money Count programme continues to enhance the financial resilience of the Council by ensuring resources are being used effectively and efficiently and through the development of commercial and entrepreneurial skills and services



Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the separation of duties, management supervision, appropriate staffing structure including appropriately skilled, trained and qualified staff, and a system of delegation and accountability.

The Council's framework of internal financial control is supported by Financial Regulations and Contract Standing Orders. The regulations provide the framework for managing the Council's financial affairs. They set out the procedures that the Council has adopted for financial planning, budgeting, risk management, auditing, treasury management and procurement of goods and services. The Council's Financial Regulations and Contract Standing Orders were last reviewed and agreed by Executive in July 2020.

### **Monitoring performance:**

The performance and quality of each FTFC programme is monitored through a monthly Programme Board. The corporate programme is monitored through assessment of progress against target for a set of corporate performance measures aligned to service priorities.

A performance management framework monitors performance measure results associated with the FTFC Programme together with measures to monitor the delivery of effective services (the corporate programme).

A performance and governance system is used to monitor performance and risk and provides insight into corporate priority delivery. The system provides a range of corporate performance monitoring relating to service delivery, finances, staff, and customers, alongside consideration of the risks associated with the delivery of objectives in order to provide strategic insight and facilitate prompt implementation of any necessary improvement plans.

The status of performance for both the FTFC programme and the corporate programme with proposed improvement plans, where necessary, are discussed by senior management prior to Executive on a quarterly basis. In addition the Executive receive separate regular updates on the Council's financial position and quarterly overview reports.

A Performance Guide is available to staff on the Council's intranet. The guide sets out the Council's approach to:

- Identifying appropriate performance measures aligned to corporate and services priorities and resource
- Monitoring and reviewing performance measure results to help identify activity to improve outcomes for the community
- Identifying and celebrating business achievements
- Identifying and managing risk
- Ensuring that the overall governance of the organisation is robust.

Staff receive training on the Council's performance management arrangements and how to input to the Council's performance system, InPhase

All of this information provides business insight that helps to drive improvement and deliver outcomes that benefit the community.

### **Housing Development Programme**

The Housing development programme aims to increase the affordable and social housing provision in the town.

The Housing Development and Regeneration Executive Committee receives updates on the Housing Development Programme. Progress of the programme against key milestones is reported each month to the FTFC programme board. New build schemes within the HRA form part of the HRA Business

Plan, and the General Fund schemes are reported to Executive as part of the Capital Strategy updates.

The various contracts for the building works commissioned by the Housing Development team are monitored through monthly site meetings attended by an officer representative as well as the contractor and an independent Employers Agent whose role is to administrate the effective running of the contract.

Executive at its meeting in January 2021 approved the setting up of a Wholly Owned Company (WOC). This will allow the Council to meet the needs identified in the Strategic Housing Market Assessment commissioned by the Council, specifically with providing housing in the private rental market. These ambitions complete the wider ambitions to develop more affordable housing, achieve place shaping improvements and generally improve the neighbourhoods that the town's communities enjoy. The WOC sits alongside the existing housing delivery methods utilised by the Council.

## Regeneration

The Council, along with its development partners are currently delivering a major, twenty year, £1bn regeneration programme designed to transform Stevenage. Stevenage First is responsible for driving forward over £1 billion of development across six major opportunity areas in the town centre. The masterplan includes a new rail station, 3600 new homes, 65,000 sqm of office space, 24,000 sqm of retail, four star hotels and a new community hub.

As part of the above mentioned regeneration programme, the Council has partnered with Mace to deliver a £350m scheme called SG1. SG1 is a 14.5 acre site in Stevenage town centre which includes a minimum of 1700 new homes, 60,000 sq feet of ground floor retail and restaurant space, new public spaces and a public services hub, combining community assets such as health services, library, voluntary sector, café and Council offices. The governance arrangements for this scheme include fortnightly Project Team meetings and monthly Steering Group meetings between Stevenage Borough Council and Mace with issues resolved through the business plan.

Another regeneration project is the Queensway North scheme. The scheme is a £50m upgrade to the former site of Marks & Spencer and adjoining buildings. The development will introduce new retail, residential and commercial facilities including a 24-hour gym and office space along with 94 new homes and flexible working facilities.

Like other schemes, Queensway North is based on 'mixed-use' principles and is designed to increase the number of people living and working in Stevenage Town Centre, thereby adding to the demand for services and businesses based here. Despite the challenges brought on by the Covid-19 pandemic, contractors from Henry Construction have made significant progress, with sectional completion occurring from end of June through to September 2021. A number of new commercial tenants have already invested in the premises including a new gym provider, a number of other retailers and a new restaurant.

Stevenage Development Board oversees the investment being made as part of the Government's Town's Fund initiative. The work of the board has prioritised projects in Culture & Heritage, Sustainable Transport, Town Centre Regeneration, and Skills & Employment. This includes improving the infrastructure in the town and investing in facilities, creating employment and skills opportunities for local people, and attracting investment in the internationally-recognised life sciences sector.

Another key regeneration project, Stevenage's new bus interchange on Lytton Way, was handed over to the Council at a completion and handover ceremony on Thursday 10 March 2022. The interchange will see buses arriving and exiting to serve the people of Stevenage from late spring 2022. This project was funded by a £9.6 million Local Growth Fund investment from the Hertfordshire LEP. The development will drastically improve transport links across the town, provide better accessibility and align with the newly-regenerated Town Centre.

After submitting a comprehensive bid and passing through a detailed government review, Stevenage Development Board was awarded £37.5 Million of government funding in March 2021. The funding had been sought as part of the government's Towns Fund initiative in which 100 UK towns were selected to apply for support to bring about major transformation. The funding will unleash over £600m of private investment in Stevenage.. Projects which have been submitted relate to a number of key areas including connectivity, arts and culture, regeneration and land use and skills and enterprise. The funding will be aimed at boosting the growth of business in Stevenage which have a national and international base. Heritage of the first New Town was also a key focus and this funding will now offer the chance to reflect on and reinterpret this for future generations.

## Community Wealth Building

The Council has produced a Community Wealth Building Strategy. Community Wealth Building focuses on how much money is held and reinvested in an area for the benefit of local communities. For the Council, this relates to how much business it does with local suppliers and how it supports local people to connect to, and drive forward, a sustainable and inclusive economy. At the heart of the strategy is making sure that the economy works for everyone. This has identified four key foundations that underpin an inclusive economy:

- Procurement and social value
- Training and skills
- Cooperative and social economy growth and
- Tackling climate change.

A motion in favour of Community Wealth Building and developing an Inclusive Economy Charter was passed by Full Council in January 2020.

To support the Council's approach to Community Wealth Building a Cooperative Inclusive Economy Charter for Stevenage was agreed by Executive in July 2020. A Cooperative Inclusive Economy encourages communities, organisations and businesses to work together, helping to shape the economy and to share the benefits of growth. The Charter's aim is to create a fairer society and a more resilient economy for everyone; local residents, organisations and businesses. The Charter is being monitored by a working group which reports to a Community Wealth Building Board, chaired by the Leader of the Council. The Charter is underpinned by an action plan, and includes a space for communities and stakeholders to pledge their support.

The project is delivering against the following five work streams:

- Hertfordshire Opportunities Portal
- Procurement
- Grants scheme
- Planning
- Evaluation and Feasibility

## Social Value Portal

The Council uses a social value portal to monitor, measure and manage the tendering and delivery of social value through contracts and other business-related activities. The aim of this is to understand what value business brings to society, according to the principles of the Public Services (Social Value) Act 2012. The Social Value Portal uses the National Social Value Measurement Framework, also known as the National TOMs (Themes, Outcomes Measures), to measure social value. The National TOMS framework was developed by the National Social Value Taskforce and was the result of extensive consultation across its members and is endorsed by the Local Government Association.

## Transformation Programme

In August 2021, the Executive agreed a Transformation Programme aimed at improving customer satisfaction, increasing workforce productivity and organisational resilience, while achieving the savings required by the Council's Medium Term Financial Strategy. This programme forms a

significant element of the 'Making Your Money Count' FTFC Programme and will help the Council achieve its financial security targets.

The priority for implementation in 2022/23 is a first phase of improvements which will enable us to transact with customers more online, and improve the efficiency of processes in order to support savings in Customer Services. A Phase 2 will be proposed to Executive in the autumn focusing on our Service Delivery model across the Council. Additional work is being undertaken on Ways of Working including print reduction, including the closure of the print room.

**Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Regeneration:** To ensure good governance of the Regeneration programme the following action has been carried out: A capital funding plan covering key regeneration projects is being developed by the Strategic Director (Finance) with support from Finance, Estates and Regeneration. This will identify and progress funding sources to ensure suitable capital funding is in place to deliver the projects, including the identification of land disposals and the ring-fencing of receipts.

The Housing Development and Regeneration Executive Committee continues to receive updates on key projects.

Stevenage was successfully awarded £37.5m of funding through the Government's Towns Fund programme. In order to secure this funding, full business cases have been developed and approved by Executive for each of the nine projects that comprise the Stevenage Towns Fund programme.

Stevenage Development Board continues to have a vital role and has, together with other partners developed the above mentioned business cases. The Board includes a wide range of key stakeholders, who have endorsed the business cases and will play a key role in engaging with the projects across a range of themes, including Culture, Skills, Sustainable Transport and Town Centre Regeneration. This has ensured the experience and expertise across a range of sectors was harnessed in the development of robust and deliverable business cases, for projects that will have a significant positive impact for the town.

To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel consisting of senior Stevenage Borough Council and partner officers (a Director, Section 151 Officer, Monitoring Officer, Hertfordshire LEP and HCC officers) was established to ensure business cases met government requirements before being recommended to the Development Board for approval.

Milestones were reviewed and some were adjusted as a result of the pandemic, although the majority of progress remains unaffected.

Regular Steering Group meetings are held with key members of the Mace and SBC teams, with two weekly operational meetings between the project teams.

**Due to mitigations which have now been actioned, no significant governance actions have been identified for 2022/23.**

**Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**COVID-19:** In response to the COVID-19 crisis the following action has been carried out: The Council has had Covid-19 incident management arrangements in place, working with partners to address the ongoing impacts of the pandemic. Executive Members have received monthly epidemiology and COVID-19 briefings. A Hertfordshire outbreak management cell continues to meet to consider all current epidemiological data and COVID developments in Stevenage and across the county in order to ensure response plans are current and targeted action is taken aligned to the countywide Hertfordshire COVID-19 Outbreak Plan and in cooperation with partner agencies.

Ongoing work continues to review the Council's financial position and the impact the pandemic has had on this via regular monitoring and quarterly review. Business Continuity meetings have been held as required to consider arrangements for business continuity of council services, partnership support for health activities such as vaccination programmes and environmental health advice, communications and working with local communities

Several service areas continue to experience heightened demand or pressure, arising from the pandemic, from homelessness to void properties, and other community services, with plans in place to increase capacity for some key service areas. COVID-19 Recovery remains a key theme for Stevenage Together meetings. Discussions recently have included a presentation by Hertfordshire's Director of Public Health of what to expect regarding COVID-19 over the winter months, mental health presentation which included the impact of the pandemic and the refresh of the Healthy Stevenage Strategy.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

#### **Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Commercialism:** To ensure that the Council's ambitious commercial agenda can be achieved, the following action has been taken: The Commercial and Investment Executive Working Group continue to meet on a quarterly basis. Its purpose is to advise and make recommendations to the Executive on the development of co-operative commercial and insourcing programmes of work.

A new advertising and sponsorship scheme has been launched. This new initiative will provide an advertising boost for local businesses following the lockdown and aims to generate income for the Council. The scheme brings together a Council-owned sponsorship portfolio which includes roundabouts, car parks, council owned buildings, events and parks.

The formalisation of a filming offer for Stevenage was recently agreed. The filming officer, linked to the Council's Cultural Strategy, will bring additional revenue into the Council and the wider borough. Charging has been implemented from 1<sup>st</sup> April 2022.

The Corporate Commercial Officer is involved in promoting the commercial agenda through researching income generation opportunities, improving processes, increasing efficiencies and pursuing insourcing opportunities.

A fully costed proposal for solar panels for the Multi- Storey car park at the railway station has been presented for consideration with a view to offsetting substation costs.

A commercial approach has been applied to 2022/23 fees and charges, including a new bulky waste charging proposal, moving closer to cost recovery in some service areas and all concessionary rates have had an initial review, with some changes made through 2022/23 fees and charges.

In the garages service, the move to 52 week charging is complete, lock changes are now carried out at full cost recovery and Voluntary and Community Organisation garage tenants have been moved to low demand areas.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

#### **Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Socio-Economic Impacts:** As a result of the combined socio-economic impacts of welfare reform, the COVID-19 pandemic, and an economic downturn the following actions have been carried out: The Community Renewal Fund bid 'Community Wealth Building Together' which was submitted in collaboration with colleagues from other Districts and Boroughs was approved for delivery by DLUHC and the Hertfordshire Local Enterprise Partnership on 3rd November 2021.

The work to deliver the programme is now fully underway, with a programme manager now in post

The dissemination of the funding as part of the delegated grant scheme is underway, with a majority of funding being provided to all district and borough council s for them to distribute in their local area. Funding has also been provided to several business support organisations who will work county wide, adding capacity around business planning, resilience and sustainability amongst other things.



The Construction Industry Training Board initiative has been implemented and the Stevenage Works Funding agreement has been agreed.

A new Arrears Action Plan is being produced for the next two years taking into account the economic challenges ahead. Monthly review meetings are continuing.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

**Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Leisure Contract:** The Council is continuing to work with its leisure contractor to ensure recovery of leisure services after the pandemic. Meetings between SBC Officers and SLL are taking place monthly. The Council's Executive, at its meeting on 9<sup>th</sup> June 2021, considered a report regarding a proposed work programme to enable the Council to determine the strategic delivery of its leisure and cultural offer post March 2023 when the current leisure contract ends. The Council has commenced the procurement phase for the new leisure contract. Pre-qualifying questionnaires have been completed and invitations to bid have been issued for initial tender bids. The final bids will be received in September 2022.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

**Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Council Housing Building and Acquisition: To ensure the Council can deliver new council owned homes as programmed, the following actions have been carried out:** All schemes have continued throughout the pandemic with minimal delays. Arrangements have been made to improve cash-flow which has enabled work to continue as planned.

Two potential new schemes have been identified. Both schemes have now been approved and are now fully funded. A Rough Sleeper Accommodation programme bid to Homes England and DLUHC to purchase properties to accommodate rough sleepers has also been submitted.

A set of key performance indicators have been developed and will need to be met to unlock funding.

Ongoing governance and review by the Housing Development and Regeneration Working Group continues. A review of the pipeline of future schemes for development will be carried out later this year once the HRA Business Plan has been revised.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

**In addition, the following governance activity pertaining to best practice has also been delivered:**

- Transformation Programme aimed at improving customer satisfaction, increasing workforce productivity, and delivering savings to sustain services was approved and has commenced.
- The Community Safety Strategy 2021-2024 was approved by Council in July 2021. The new Strategy outlines the emerging priorities of the SoSafe partnership for the next three years.



## Principle E: Leadership capacity and capability

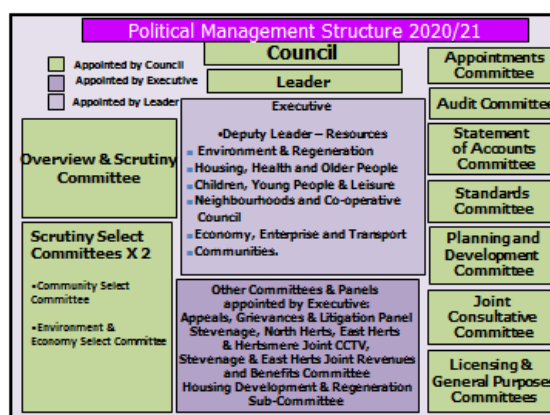
**Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it. The appropriate structures and leadership, as well as people with the right skills and values, enable the Council to operate efficiently and effectively and achieve the best possible outcomes for the community.**

### Summary of 2021/22 Review of Effectiveness:

#### The Council's Political Management Structure:

The Political Management Structure diagram summarises the Council's political structure.

All Councillors meet together as the Council. Meetings are generally open to the public and feature a main topical debate item. The Council has an approved Constitution which details how the Council operates, how decisions are made, including delegation of decisions and the procedures that are to be followed to ensure that these are efficient, transparent and accountable to local people. The Monitoring Officer ensures that the Constitution remains fit for purpose, that legal requirements are met and that the public interest is paramount in all decision making.



In response to the COVID-19 pandemic, the government brought in new arrangements for meetings to be held remotely. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ('the Regulations') came into force on 4<sup>th</sup> April 2020 and applied to local authority and police and crime panel meetings that were held up to 7<sup>th</sup> May 2021. The Council put in place arrangements for meetings to be held remotely in line with these new regulations from April 2020 to May 2021. Meetings after 7<sup>th</sup> May 2021 have been held in person again due to the cessation of the new regulations. Executive, Council and Overview and Scrutiny meetings continue to be recorded and are available via You Tube which means that members and the public can view meetings at a time convenient to them. This has the benefit of improving scrutiny and reaching a wider audience.

Audit Committee meets quarterly and its duties include advising and commenting on internal and external audit matters, anti-fraud and corruption issues, risk management and governance, the Council's Constitution in respect of Contract Standing Orders and Financial Regulations and the Statement of Accounts and related Capital determinations. The Audit Committee has been constituted in line with best practice recommendations from CIPFA guidance.

The Council has structured its processes and procedures for the Executive and Scrutiny Committees plus other Committees such as the regulatory ones, to minimise the risk of it acting in contravention of its own policies and external laws and regulations. The Council also appoints officers qualified to undertake statutory responsibilities, such as:

- Chief Financial Officer (Strategic Director (Chief Finance Officer)) as contained within Section 114 of the Local Government Finance Act 1988.
- Monitoring Officer (Borough Solicitor) to meet Section 5 of the Local Government and Housing Act 1989.

There is a Modern Members Programme which provides Members with a programme of training to ensure they have the skills and knowledge to ensure effective and informed decision making. This

training programme covers essential skills such as understanding budgets as well as topical items and briefing on new legislation. The Modern Members Programme is arranged for all elected members, based on their feedback and requests. There is also a programme of induction training and meetings with key officers for newly elected Members.

### **The Council's Officer Structure:**

The Council aims to create a flexible, collaborative, creative and modern workforce to ensure the Council can deliver the priorities set out in the FTFC programme and give residents the standard of services they expect.

The senior leadership team has been structured to drive the development of a sustainable, customer orientated and commercial operating model. The model is focused upon delivering the right services to the right standards, at the right time for the town's residents and businesses, using the most cost/resource effective delivery models.

The Council uses a Human Resources Management system to support workforce planning, training, development and the implementation of the Council's competency framework structure. The Council's Competency Framework provides a map of the behaviours, as well as the skills, that are valued and recognised by the Council.

The Council has a staff Performance and Improvement Policy and Manager Toolkit, as well as associated policies (Absence Management, Dignity at Work, Disciplinary, Grievance and Appeals policies, Organisational Change Policy, Sickness Absence Policy) to encourage all employees to personally deliver the highest standards of service possible and for managers to proactively address performance issues. The Council has a rolling appraisal process called REAL Conversations with regular meeting arrangements providing a framework for achieving the best performance on a day to day basis. These conversations typically include objectives, development, engagement and wellbeing, but they are also tailored to individuals

### **The following governance activity pertaining to best practice has also been delivered:**

- Contract Management training was delivered through the EELGA and both events were well attended by Contract Managers.
- Inclusion and Diversity Survey carried out by Council staff.
- Updated Freedom of Information e-learning was delivered and completed by Council staff.

**Arrangements reflect those summarised in the Council's Local Code of Corporate Governance – No significant requirements to enhance governance have been identified.**

## **Principle F: Managing Risks – The Council's risk governance arrangements**

**Principle F: Managing risks and performance through robust internal control and strong public financial management. Risk management, together with a strong system of financial management are integral parts of a performance management system and are crucial to the achievement of outcomes.**

### **Summary of 2021/22 Review of Effectiveness:**

#### **Risk Management**

The Council consider and counter risk across a broad range of areas. The Council has an approved Risk Management Policy and a Risk Management Guide is available to all employees. Strategic

risks are linked to the Council's priorities and the Strategic Risk Register is reviewed and monitored on a quarterly basis. Operational risks are also developed and monitored.

**Figure 13: Risk Management Arrangements**



A Corporate Risk Management Group meets quarterly to oversee and review the process and development of the Council's approach to risk.

To support service delivery improvements, the Council welcomes constructive challenge as a result of scrutiny from internal/external audit activity, the work programme of Overview and Scrutiny Committee and other external review agencies and inspectorates.

The Shared Anti-Fraud Service's annual Action Plan ensures compliance with the best practice issued by central government, National Audit Office and CIPFA. The Council has an Anti-fraud and Corruption Policy as well as a Whistle-blowing Policy, Anti-Bribery and Fraud Sanctions policies.

Data Protection and Information Security responsibilities for staff, and processes for the management of both electronic and manual records are also available.

## Information Technology

The ability to identify and assimilate new technologies is an integral part of the Council's aim to achieving its strategic objectives. The Council has a Shared IT service with East Herts which is responsible for developing the shared IT platform as well as delivering IT services. The shared service was established through a partnership agreement between the two Councils in 2013.

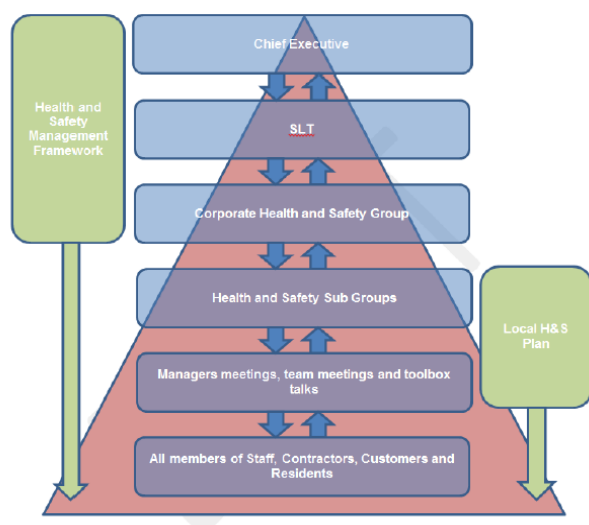
The Councils have established an Information Technology Steering Group (ITSG), which meets on a monthly basis and oversees the operation of the Shared IT Service. In addition, the Councils have established an ICT Partnership Board, which also meets on a monthly basis and is responsible for the strategic direction of the service. Both the ITSG and the ICT Partnership Board include senior members of staff from both Councils.

The IT service is committed to embracing new digital opportunities to better meet the needs of residents, achieve savings and transform services. A secure, resilient, effective and forward looking Technology Service is critical in delivering these aims.

The ICT strategy, approved in 2019/20 by both Stevenage Borough Council and East Herts District Councils provides a united vision for the ICT service. The ICT Strategy articulates the ICT vision and objectives now and in the future. The Partnership vision is to create a modern, secure, resilient and transformational ICT service that drives and supports delivery of joined up services to customers through the effective use of technology

## Health and Safety

**Figure 14: Council's Health and Safety Framework**



To ensure and maintain corporate wide oversight and clarity on health and safety compliance and performance across the Council, a corporate health and safety governance structure is in place that provides assurance to senior management that health and safety assessments and activity across the Council are being effectively managed. Assistant Directors have ensured that health and safety responsibilities at each level of management within their business units are clear. An ongoing schedule of review by Assistant Directors and internal/external peers is providing assurance that key health and safety risks are being suitably controlled while identifying areas where improvements can be made and including these into the ongoing action plan. Senior management representation on the Strategic

Health and Safety Group ensures the group is providing senior management with the assurances that are required. The Council has a complete database of health and safety risk assessments for all services.

Embedding of the Health and Safety framework is being achieved by a process of internal and external audits, peer reviews, shadow health and safety inspections, risk assessment reviews, training to upskill managers, health and safety group meetings, hazard monitoring and action plans

The COVID-19 emergency, the most serious public health crisis in the UK for over a Century, presented a challenge for the Council to ensure the health and safety of its staff, Members and customers. Risk assessments and appropriate measures and changes to service delivery arrangements were put in place to ensure that the government restrictions and guidelines were adhered to throughout the crisis. This has included closure of buildings, cessation/limiting of services, provision of PPE to appropriate frontline staff, as well as other measures.

Alongside e-learning health and safety packages there is now a range of tool box talks available, plus courses on Risk Assessment, Construction, Design and Management Regulations, Manual Handling, COSHH, Hand Arm Vibration, Legionella, Needle sticks, Sharps and Diseases, Hot Works and Noise.

## Business Continuity

The Council has business continuity plans for all of its key services and a Corporate Business Continuity Plan is in place to manage the corporate response to an incident. In response to the COVID-19 outbreak and to ensure business continuity of its essential services, the Council instigated an Incident Management Team which co-ordinated the local emergency response within Stevenage.

## Information and Records Governance

New General Data Protection Regulations were approved by the EU Parliament on 14 April 2016 and were enforced on 25 May 2018. The primary objectives of these regulations are to give citizens and residents control of their personal data and to simplify the regulatory environment.

Overall responsibility for information management at the Council has been assigned to the Council's Information and Records Governance Manager. The Council has a Corporate Information Governance Group in place, which oversees the Council's information governance arrangements. The Council has identified and documented its information assets and data flows and developed an information asset register.



The Council has a Data Protection Policy as well as an Information Security Incident Management Policy and Procedure which defines the Council's procedures in response to any actual or suspected data security incident. Specific guidance on records management with defined responsibilities of information asset owners has been developed. Document retention guidance has been produced and communicated to all members of staff, which includes a defined and enforced corporate records retention schedule in line with the requirement of the GDPR and good practice. There are also defined procedures in place for the disposal and destruction of information. All staff are required to complete GDPR e-learning and keep their knowledge up to date.

**Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Cyber Security and IT Resilience:** Old firewalls have been deleted and the new ACI, which has recently been installed as part of the network upgrade, is providing additional security. The Virtual Desktop Infrastructure (VDI) upgrade is now complete and the roll out of new VDI has commenced. This will improve the user experience and is an enabler for the roll out of Microsoft 365 and Windows 10. The design work for the upgrade of the ICT network, to increase IT resilience, is also complete and configuration and testing of the upgraded network is currently underway.

The installation of the microwave link between the Council's two data centres to almost eliminate chances of link breakage and therefore ICT interruption is now complete. As services migrate across to the new network, they will automatically benefit from the additional resilience provided by the microwave link.

Microsoft 365, which will support new ways of working, team collaboration and video-conferencing, is starting to be rolled out. Work is also continuing to upgrade the Council's servers. Email and web filtering has also been replaced to increase ICT security. Meta-compliance which is a new platform that incorporates requirements of e-learning, policy compliance, cyber security and phishing awareness has been installed. An extensive cyber security awareness campaign for staff has been produced and is being rolled out.

As part of the DLUHC engagement with Councils, a Cyber Security Treatment report was created which identifies actions identified following a 'Mitigating, Malware and Ransomware; survey carried out by the National Cyber Security Centre. Work is being carried out to implement the recommendations contained in the Treatment Plan.

SOCITM have recently carried out a quality assurance review of the ICT Strategic Programme and Operation and the recommendations from this will be used to inform future ICT planning and delivery.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

**Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Corporate Health and Safety:** All high risks are reviewed by the Strategic Health and Safety Group and reported to Corporate Risk Group and the Senior Leadership Team quarterly. The monitor is also reviewed by the Chief Executive at monthly HR meetings.

The Health and Safety team have assisted to ensure that all Council buildings are COVID-19 Secure. New working arrangements for Daneshill House and Cavendish Road have been implemented to ensure the health and safety of staff. The team have also provided support and advice to frontline staff to ensure their safety and the safety of customers.

PPE requirements for specific operational settings have been identified and procured. Staff communication messages have been provided to advise staff of COVID-19 guidance. The usual scheduled health and safety training and audits which had been affected by the response to the pandemic resumed in April 2021 and are now on track.

In response to an audit recommendation arising from the Landlord Health and Safety audit, legionella risk assessments have been completed and a programme of works has commenced and is nearly complete.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

## **Progress of significant governance action to facilitate compliance with the CIPFA/SOLACE Governance Framework:**

**Compliance of the Council's Non-Housing Property:** To ensure compliance of the Council's non-housing property, the following action has been taken: The service has developed a clear pathway for the procurement of new compliance contracts and the procurement of facilities management software in 2022. These actions are key to modernising the service and improving efficiency in respect of planning, delivery and follow-up compliance work. The Facilities Helpdesk has improved capacity to administer the remedial log. A dedicated officer is now responsible for ensuring the appropriate remedial work is commissioned and completed on a consistent basis.

The compliance audit of all general fund assets is now complete and actions identified have been carried out. Tasks better suited to a larger project are now carried out by the Architect's Team. A strategic plan for implementation of the Corporate Landlord function has been produced and approved and is currently being implemented.

A Stevenage Borough Council Compliance Group has also been recently set up to oversee the Council's approach to compliance and will report to the Senior Leadership Team via Corporate Risk Group each quarter.

**Information regarding continued enhancement activity proposed for 2022/23 is outlined in the Planned Improvement Activity for 2022/23 section at the end of this document**

### **The following governance activity pertaining to best practice has also been delivered:**

- A new Freedom of Information system was launched to enhance the management and processing of Freedom of Information requests.

## **Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability**

**Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability** will ensure that the Council provides information regarding the completion of actions in a timely and understandable way.

### **Summary of 2021/22 Review of Effectiveness:**

Reporting on performance, value for money, the stewardship of resources and the assessment of robust corporate governance arrangements are provided throughout the year through:

- Quarterly financial monitoring reports to Executive
- Quarterly FTFC and corporate performance status reports to Executive
- Annual publication of Statement of Accounts
- Publication of the Annual Governance Statement
- the Council's Annual Report

Compliance to provide information as outlined in the Local Government Transparency Code 2015 is monitored throughout the year by Corporate Governance Group.

The Council's internal audit provision is delivered by the Shared Internal Audit Service hosted by Hertfordshire County Council. A summary of 2020/21 arrangements is set out on pages 5 to 7 of this Statement outlining assurance for both financial and non-financial systems.

For 2021/22 the Shared Internal Audit Service assigned reasonable assurance for financial systems and 'reasonable' assurance to non-financial systems. Actions to enhance governance for the areas highlighted have been identified and prioritised.



Due to audit delays, at the time of writing, the Council's External Auditors, Ernst and Young, have not as yet provided their Annual Audit Letter for 2020/21, advising whether the Council's financial statements give a true and fair view of the financial position of the Council at 31 March 2021 and its expenditure and income for the year then ended. The Auditors have also not as yet confirmed their opinion as to whether the Council has put in place proper arrangements to secure value for money in our use of resources and that our Annual Governance Statement for 2020/21 was consistent with Ernst and Young's understanding of the Council.




**Arrangements reflect those summarised in the Council's Local Code of Corporate Governance – No significant opportunities to enhance governance have been identified**

## **Corporate Governance Calendar 2021/22**


The following corporate governance calendar on the next two pages summarises activity delivered throughout the year to ensure compliance with the corporate governance arrangements outlined in the Council's Local Code.

## Corporate Governance Calendar April 2021 – September 2021






**Apr 2021**

-  Internal Audit of **Corporate Governance** arrangements achieves 'Satisfactory' assurance for areas assessed
-  Internal Audit of **Risk Management** arrangements achieves 'Good' assurance for areas assessed
-  Corporate Governance Group reviews Principles D and E


**May 2021**

-  Annual Council agree the political management structure of the Council





**June 2021**

-  Head of Assurance confirms to Audit Committee the 'fitness for purpose' of internal audit to carry out the work that informs the assurance opinion for 2020/21
-  Q4 Performance Report considered at Executive.
-  Q4 Strategic Risk Register reported to Audit Committee
-  SIA S Annual Assurance Statement and Annual Report 2020/21 reported to Audit Committee
-  2020/21 Annual Governance Statement & Local Code Agreed by Audit Committee





**July 2021**

-  Annual Scrutiny Report to Council
-  Community Safety Strategy 2021-24 approved by Council
-  Revised Employee Code of Conduct approved by Council

**Aug 2021**


-  The Transformation approach to improve customer experience, deliver increased productivity and ensure sustainability was agreed by Executive
-  The Q4 Revenue Monitoring report 2020/21 was reported to Executive
-  Executive received a report on the 2020/21 Capital expenditure out turn.
-  Corporate Governance Group reviews Principles D and E of the CIPFA/SOLACE Framework

**Sep 2021**






-  Executive consider Q1 Performance
-  Executive considered a report providing an update to the General Fund MTFS Strategy 2020/21-2025/26
-  Q1 Strategic Risk Register presented to Audit Committee
-  SIA S provides Audit Committee with an update on the 2020/21 Anti-Fraud Plan

## Corporate Governance Calendar October 2021 – March 2022





### Oct 2021

-  Council approves the **Annual Treasury Management Strategy Review 2020/21**
-  Council approved the creation of an **Officer Panel** to support the discharge of the Council's obligations as **Accountable Body** and to approve **business cases for the Town Fund bid**
-  Executive approved the **Co-Operative Procurement Strategy 2021-24**.
-  **Corporate Governance Group** reviews **Principles A and C** of the CIPFA/SOLACE Framework



### Nov 2021

-  **Q2 Strategic Risk Register** presented to Audit Committee
-  Audit Committee consider the **six month progress review of AGS and Service Governance actions**
-  Executive considers **General Fund and HRA Q2 financial monitoring reports**
-  **Anti-Fraud and Corruption Strategy, Anti Money Laundering and Fraud Sanctions policies** adopted by Audit Committee
-  Audit Committee approve the **extension of the tenure of the current Independent Member of Audit Committee to July 2023**

### Dec 2021

-  Executive considered the **Q2 Corporate Performance** report
-  **Q1 and Q2 Monitoring Report Capital (General Fund) 2020/21** noted by Council
-  Council approved that the Council opt into the appointing arrangements made by the PSAA for the appointment of external auditors for the period April 2023 – March 2028.
-  **Making Your Money Count** options approved by Executive

### Jan 2022

-  Council approve the **Housing Revenue Account Final Budget Proposals, Rent Setting and Draft Council Tax Support Scheme 2022/23**
-  **Corporate Governance Group** carried out a review of **Principle B** of the CIPFA/SOLACE Framework

### Feb 2022

-  Council approved the **2022/23 Council Tax, General Fund and Capital budgets, and the Annual Treasury Management Strategy including Prudential Code Indicators 2022/23**
-  Executive approved the **Leisure Management Contract procurement strategy**
-  Executive approved the **2021/22-2025/26 Capital Strategy** for onward recommendation by Council
-  Executive agreed a **"Filming Offer"** for Stevenage to generate additional income

### Mar 2022

-  **Q3 Performance/Financial Monitoring reports** considered by Executive
-  **SIA S 2022/23 Audit Plan and SAFS 2022/23 Anti-Fraud Plan** agreed by Audit Committee
-  **Q3 Strategic Risk Register** considered at Audit committee
-  Review of **2021/22 Governance Arrangements** presented to Audit Committee
-  **Members' Allowances Scheme 2022/23** approved at Council
-  **Pay Policy Statement for 2022/23** approved by Council

## Planned Improvement Activity for 2022/23:

Significant internal control and governance issues identified as part of the 2021/22 review of the Governance Statement identified in the relevant section throughout this Statement and set out in the following Action Plan.

Enhancement activity is deemed significant if recommended for reflection in the Annual Governance Statement by the Shared Internal Audit Service following reviews of control arrangements to meet the Audit Plan, or if identified as key to the management of 'very high/high level' strategic risks. By adopting this approach, any concerns over key controls that have a material effect on corporate governance arrangements and the associated delivery of priority outcomes should be addressed.

Action
<p><b>To implement the General Fund Asset Management Strategy and create a Corporate Landlord function, the following activity is planned:</b></p> <ul style="list-style-type: none"><li>• Upload of asset management data onto property data management software to enhance the management of the Council's assets</li><li>• Continue the review of the council's commercial portfolio</li><li>• Recruitment of staff within the Estates Service</li><li>• Governance structure to be put in place to deliver the Corporate Landlord function</li><li>• Procurement and implementation of a new Facilities Management System to integrate operational compliance work within a single system</li><li>• Procurement of compliance services, covering Fire, Gas/Water and Electrical contracts</li></ul>
<p><b>Making Your Money Count: To ensure that the Council has sufficient resources to fund its medium and long term service plans and corporate priorities the following activity is planned:</b></p> <ul style="list-style-type: none"><li>• Complete the refresh of the Housing Revenue Account Business Plan</li><li>• Carry out a review of the Council's reserves</li><li>• Development of a Capital Funding Plan to identify and progress funding sources to ensure suitable capital funding is in place to deliver the Council's priorities</li><li>• Report to Executive outlining further Making Your Money Count savings options to increase the Council's financial resilience</li></ul>
<p><b>Commercialisation: To ensure that the Council's ambitious Co-operative Commercial and Insourcing Strategy can be achieved, a programme of work is required:</b></p> <ul style="list-style-type: none"><li>• Continue the improvement programme in relation to garages, e.g. application of charges for garage freeholders, changes to termination periods, move to any day tenancies and transition to Choice Based Lettings.</li><li>• Review of charging arrangements across the Council</li><li>• Investigate further opportunities for grant funding</li><li>• Creation of a Disability Resource Centre and hosting parcel lockers on Council land.</li><li>• Review of the Council's skips offer</li><li>• Continue the review of concessions and fees and charges for 2023/24.</li><li>• Insourcing of day to day repairs and weed spraying</li><li>• Consider measures to drive down debt across the organisation</li><li>• Further develop the commercial culture in the Council through a combination of communications and learning and development opportunities.</li></ul>

## Action

**COVID-19: In response to the COVID-19 crisis and to ensure the Council can continue to deliver services, continue to meet its FTFC ambitions and enable recovery from the effect of the virus in the town, the following action is planned:**

- Continue to review the General Fund and HRA Medium Term Financial strategies in light of the financial pressures arising from the COVID-19 response
- Continue to implement the agreed town wide Recovery Plan

**Council Housebuilding and Acquisitions Programme:** To ensure the Council can deliver new council owned homes as programmed the following action is planned:

- Carry out viability assessments prior to lending being approved for the Wholly Owned Company to demonstrate they meet key targets as outlined in the Business Plan
- Explore grant funding opportunities with Housing Associations in the local area to secure nomination rights to properties
- Ongoing governance and review by the Housing Development and Regeneration Working Group
- Key Performance Indicators to be determined and monitored for the Wholly Owned Company regarding key financial performance indicators
- Identify future schemes for development

**Socio-Economic Impacts:** As a result of the combined socio-economic impacts of welfare reform, the Covid-19 pandemic, and an economic downturn the following action is planned:

- Continue to be involved with Community Wealth Building and Social Value initiatives
- Contribute to the Planning and Procurement working groups which will be looking at community wealth building and social value in relation to all district and borough councils throughout Hertfordshire.
- COVID-19 recovery to remain a key theme for Stevenage Together
- Complete the review of the Arrears Action Plan

**Stevenage Leisure Limited:**

- Continue with regular meetings between SBC officers and Stevenage Leisure Limited
- Carry out the agreed work programme to enable the Council to determine the strategic delivery of its leisure and cultural offer post March 2023 when the current leisure contract ends
- Carry out the procurement process for a new leisure and cultural services contract

**IT Resilience and Cyber Security:** The Shared IT Service to continue to implement the IT Strategy and Action Plan to enhance IT infrastructure, cyber security, IT resilience by:

- Complete the replacement of all the Council's firewalls
- Migrate services over to the new IT network
- Complete the upgrade from Windows 7 to Windows 10
- Complete the roll out of VDI
- Roll out of Microsoft Office 365
- Review and update the ICT Disaster Recovery Plan.
- Carry out a Cyber Security awareness campaign and completion of e-learning by all staff and Members

Action
<ul style="list-style-type: none"> <li>• Implementation and roll out of meta-compliance</li> <li>• Implement the recommendations made by the SOCITM quality assurance review of the ICT strategic programme and operation.</li> <li>• Implement the recommendations contained in the Cyber Treatment Plan</li> </ul>
<p><b>Health and Safety:</b> Continue to enhance and embed health and safety compliance and performance by:</p> <ul style="list-style-type: none"> <li>• Continue the rolling programme of internal and external audits for medium and high risk services</li> <li>• Complete the implementation of health and safety enhancements for the Council's identified health and safety risks</li> </ul>
<p><b>Repairs and Maintenance:</b> To reduce the backlog in repairs due to the impact of the Covid-19 pandemic and the damage caused by the recent storms the following actions is planned:</p> <ul style="list-style-type: none"> <li>• Estates and Garage Services to continue to work together to address repairs backlogs and new repairs works. This includes addressing resourcing/capacity challenges across both service areas.</li> <li>• Commencement of new materials supplier contract</li> <li>• Recruit to key vacant posts</li> <li>• Housing Asset Management Strategy to be reviewed to reflect responsive repairs</li> </ul>

## Approval of Statement:

### Approval of Statement by Chief Executive and Leader of the Council

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Strategic Leadership Team, relevant officers and the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. Areas to enhance the governance framework already addressed are summarised in this Annual Governance Statement. Areas to be addressed and ensure continuous improvement are set out in the table above on pages 30-33.

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

Signed .....  
Date .....  
Cllr Sharon Taylor  
Leader of Stevenage Borough Council

Signed .....  
Date .....  
Matthew Partridge  
Chief Executive of Stevenage Borough Council