

Stevenage Borough Council's Annual Governance Statement 2020/21

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 9th June 2020 and has been reviewed and the revised Local Code is being presented to Audit Committee at its meeting on 8th June 2021 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 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:

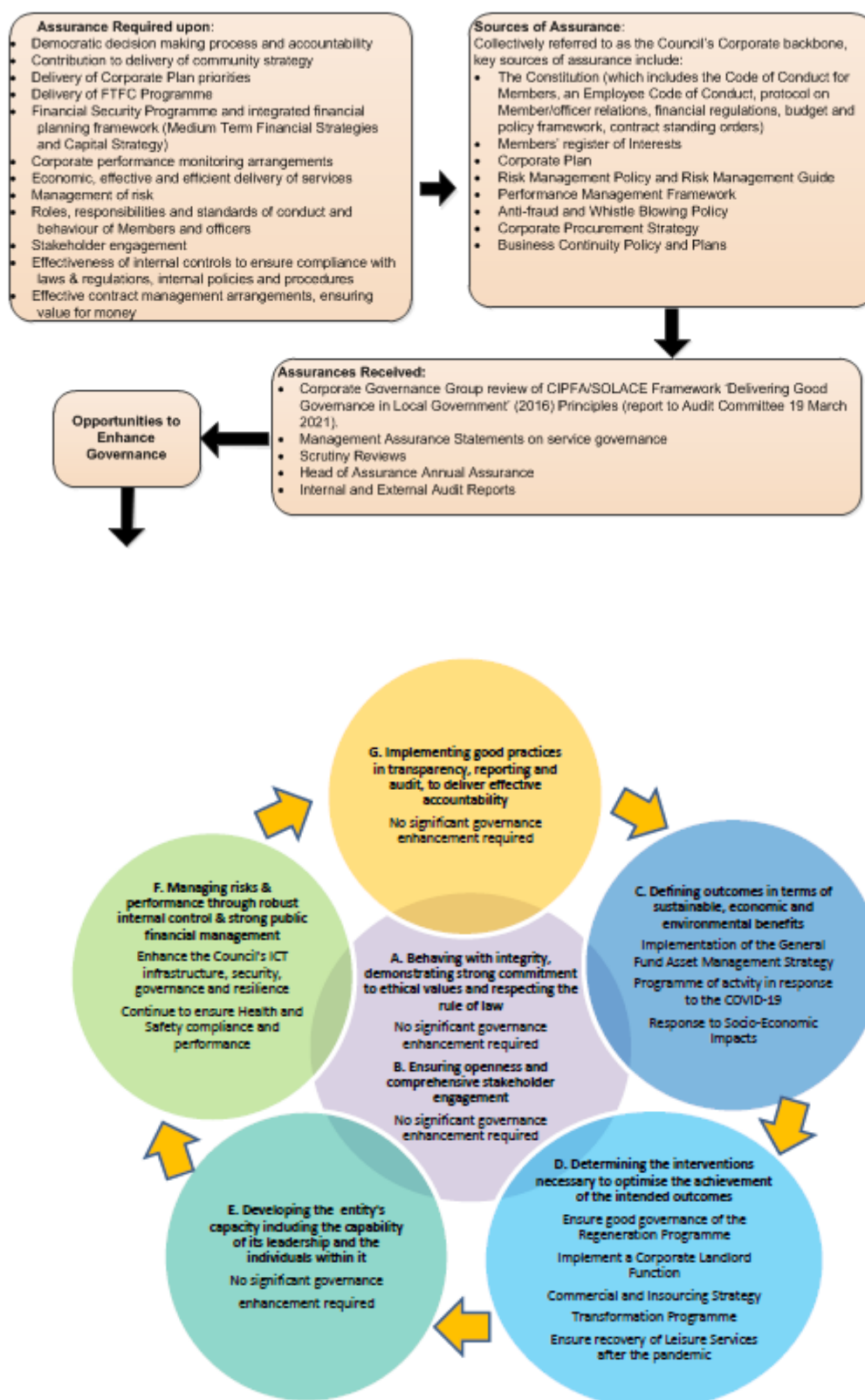
- A Corporate Governance Group meets four times a year to consider governance arrangements from the perspective of the seven core principles of corporate governance in the CIPFA/SOLACE Framework - the seven core principles are set out in the diagram on pages one and seven.
- In addition to this proactive 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 2020/21 Annual Governance Statement. A summary of the types of assurance required, sources of assurance, assurance received and planned enhancement actions is represented on the next page (page 4). More detail is provided throughout the Annual Governance Statement.

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 2021 and up to the date of approval of the Statement of Accounts.

Figure 2: Overview of sources of assurance to inform review of effectiveness and identification of governance enhancements.



The Action Plan outlined on pages 30 to 33 of this document provides more detail in relation to the action required and timescales to deliver the above enhancement activity

Assurance: Internal Audit Arrangements

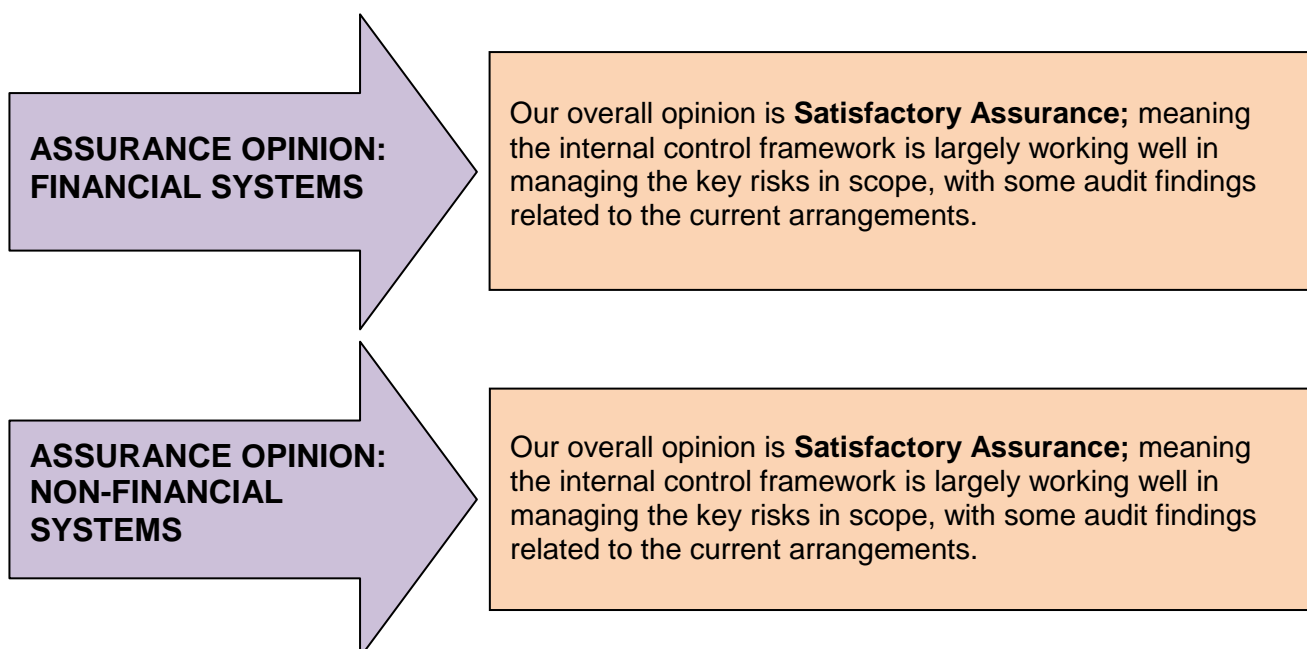
Annual Audit Coverage

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 Head of Assurance. 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 Head of Assurance 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 Head of Assurance 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.

2020/21 Audit Report

The Head of Assurance's Annual Internal Audit Report and Assurance Statement is being reported to the Audit Committee in June 2021. From the internal audit work undertaken in 2020/21, 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:



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".

Appendix Two

As part of demonstrating the efficiency and effectiveness of the internal audit activity and identifying opportunities for improvement, the Head of Assurance 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 Assurance 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 2015/16, which concluded that SIAS 'generally conforms' to the PSIAS, including the Definition of Internal Auditing, the Code of Ethics and Standards. 'Generally conforms' is the highest opinion within the scale of three ratings, and the peer review identified areas of good practice and high standards. The next independent Peer Review is in June 2021.

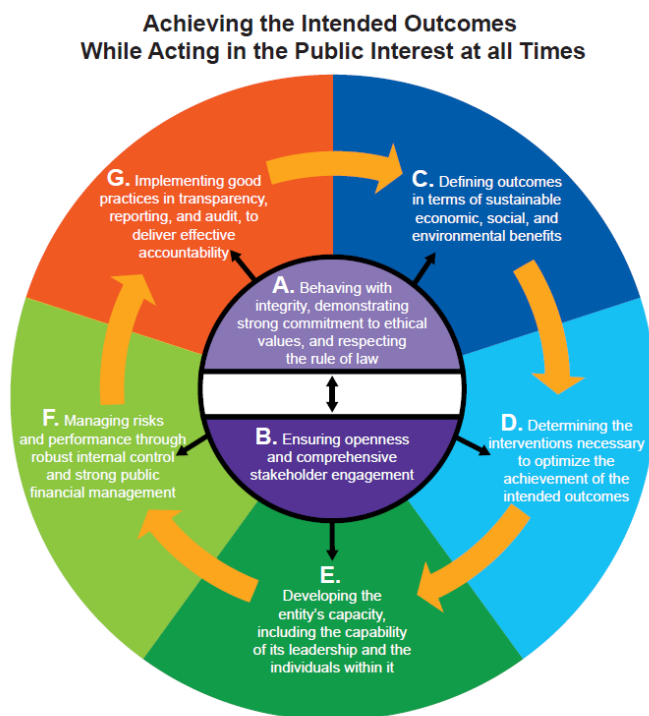
The annual performance indicators for SIAS are set by the SIAS Board which is comprised of the Section 151 Officers from the client authorities within the partnership. The table below sets out SIAS performance against the performance indicator relating to planned days delivery and planned projects delivery.

Area of Activity	Target	2017/18	2018/19	2019/20	2020/21
Planned Days – percentage of actual billable days against planned chargeable days completed	95%	95%	99%	99%	98%
Planned Projects – actual completed projects to draft report stage against planned completed projects	95%	100%	97%	100%	100%

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 2021.

The CIPFA/SOLACE Core Principles of Governance

Figure 3: International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)



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 at figure 3 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 2020/21 against each of the principles is set out on the following pages identifying opportunities for governance enhancements.

Arrangements are monitored throughout the year as set out on page 3. Progress against the delivery of actions identified in the 2019/20 Annual Governance Statement is reflected in the green boxes throughout this Annual Governance Statement.

Principle A: Behaving with integrity and respecting the rule of law

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 2020/21 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.

Figure 4: Organisational Values

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 Policy, and new Anti-Money Laundering and Anti-Bribery Policies. The Council's website and intranet have options for the public and staff to report suspected fraud that link to the 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 2020/21:

- The Council's Financial Regulations and Contract Standing Orders were reviewed and changes were agreed by Council.
- A new Anti-Bribery Policy and a new Anti-Money Laundering Policy have been produced, approved and are available to staff
- The Whistle-Blowing Policy has been reviewed and republished.
- The Officer Code of Conduct has been reviewed and is due to be approved by Council in 2021.
- Dr Robert Crawley was re-appointed as the Council's Independent Person for a further term of four years with effect from October 2020.
- A new Borough Solicitor was appointed as the Council's Monitoring Officer with effect from July 2020.

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 2020/21 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.

The Council has a Community Engagement Framework which provides a clear overview of ways in which the Council engages with communities across Stevenage. A customer friendly version of the Framework is being produced which will be available on the Council's website. Toolkit development will be ongoing as resources are created for Council teams moving forward.

The Council has implemented Co-operative Neighbourhoods. Co-operative Neighbourhoods looks to make better connections between the Council, the community and the people who live and work in Stevenage. It is a partnership between the people who live in Stevenage, the public and voluntary services and the businesses based in the town. The Co-operative Neighbourhoods teams help by connecting staff from different services 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, supporting the activities of residents and communities who want to improve their neighbourhoods and create new opportunities for themselves. Each of the six Neighbourhoods will have a community plan which sets out:

- Plans for investment in the area
- Community projects and activities
- Issues prioritised with the community that the team will work on together
- Corporate priorities which involve local activity, such as climate change
- Priorities identified for possible action in the future, such as where funding bids may need to be made.

The Council has over the past few years established a number of shared service arrangements to provide efficient and effective shared service provision and governance arrangements facilitate effective stakeholder engagement to deliver agreed outcomes.

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.

Figure 5: Residents' Newsletter



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.

In response to the COVID-19 public health emergency, 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 has been set up on the Council's website which includes Frequently Asked Questions, Government advice, and information about changes the Council has made to its services. A special Coronavirus edition of Chronicle was distributed to all households in Stevenage as well as being available online.

As part of its response to COVID-19, the Council has worked closely and collaboratively with its partners to respond to the crisis. The Council has been working in partnership with the Hertfordshire LEP, Chamber of Commerce, Wenta and the Hertfordshire Growth Board to ensure that businesses in the town are supported and informed.

To help residents who were shielding and/or vulnerable during the pandemic, the Council has worked together with local voluntary and community organisations and local businesses to set up Stevenage Helps. Over the year Stevenage Helps assisted over 500 residents with deliveries of food, personal care and cleaning packs as well as helping residents to access essential services and has also provided other assistance where possible.

The following governance activity pertaining to best practice has been delivered in 2020/21:

- 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
- The Council now has a new website which provides a portal for new customer online services.
- To inform the Council's new Climate Change Strategy an array of traditional consultation as well as online methods, including a digital Facebook engagement campaign which received over 1400 responses was used.
- As part of the Council's commitment to addressing climate change, a citizen's panel has been established. The panel represents a broad and diverse range of views in the town and will help inform the Council's ongoing response to the climate emergency.
- The co-operative Inclusive Economy Charter to encourage residents and businesses to work together to help protect Stevenage's economy and support the Council's approach to Community Wealth Building was launched.
- The revised Strategy for resuming the development of Co-operative Neighbourhoods, following a delay as a result of the pandemic, was agreed by Executive in August. A Co-Operative Neighbourhoods Communications Plan has been produced as well as a Guide for Councillors. Strategic and operational leads have been appointed for each Co-operative Neighbourhoods area.
- Public consultation to inform the Amenity Tree Management Policy and the Stevenage Cemetery Policy was carried out via the Council's web pages and promoted via social media.
- As part of the development of the Workforce Strategy (2020-2023), consultation took place with members, SLT and Trade Unions.
- The themes for the Community Safety Strategy, which has recently been approved by Executive, were informed through engagement with residents and visitors to the town through a number of social media consultations, surveys with clients and data collected from the police Echo platform.
- Staff working from home were given the opportunity to participate in a 'Ways of Working' Survey. Through the insight of over 300 employees and survey responses, the Council has been able to

plan its recovery from Covid in a way that suits the majority of staff and address staff concerns with this new way of working.

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 2020/21 Review of Effectiveness:

The Council's vision:

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

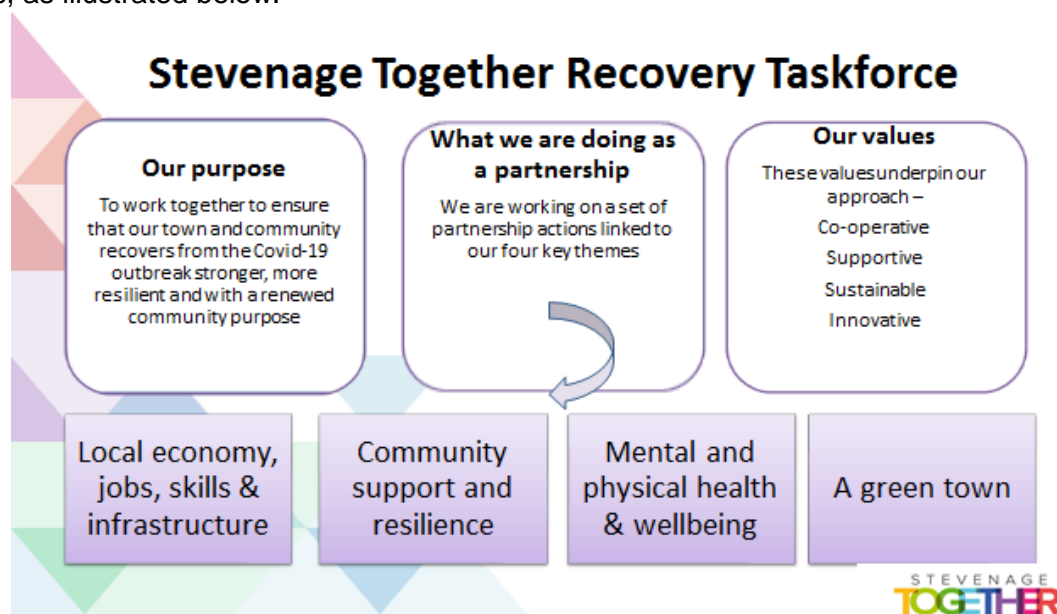
Working in partnership

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 held a Covid Recovery Summit in July to provide an update on shared responses to the Covid-19 pandemic and to identify how partners could best work together as a Recovery Taskforce to support the recovery efforts in Stevenage. Subsequently a high level partnership recovery action plan has been developed, based around the purpose, themes and values, as illustrated below.



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.

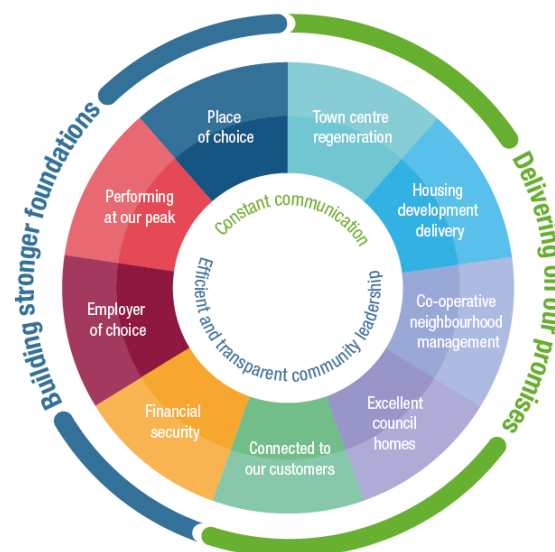
Future Town, Future Council

The Future Town, Future Council (FTFC) programme consists of nine key programmes that aim to deliver improved outcomes and real change for Stevenage residents. The Future Town Future Council programme serves to enhance governance. The focus and scopes of programmes is monitored to ensure that the FTFC Programme continues to deliver the Council's priorities. The FTFC Programme is currently being reviewed for 2021/22.

A further FTFC programme called 'Place of Choice' has been included into the FTFC Programme and incorporates the activities associated with a number of existing and emerging strategies that focus on improving the quality of life of residents and visitors. This programme provides overarching governance, to ensure that these strategies are well aligned, and that the FTFC Board are tracking key deliverables and priorities for each year. The following existing and emerging strategies/plans are included in the scope of the programme:

- Stevenage Reimagined
- Healthy Stevenage
- Community Safety
- Community Wealth Building
- Climate Change
- Future Town Future Transport
- Biodiversity Action Plan

Future town future council



Where it has been possible and in line with the government's restrictions, key FTFC delivery programmes have continued during the COVID-19 crisis. The regeneration schemes at Queensway and Town Square continue to be progressed, with contractors working in accordance with government guidance. The Housing Development programme continues on existing sites. A number of critical ICT projects are also continuing to progress as 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.

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 updated on three occasions during 2020. Members approved financial resilience measures which have improved General Fund balances for this and future financial years. The 2021/22 General Fund Report considered by Council at its meeting in February 2021 set out the impact of the pandemic on the Council's General Fund budgets.

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 HRA Business Plan is currently being reviewed.

The HRA Medium Term Financial Strategy underpins the Council's key housing priorities for Stevenage as set out in the FTFC agenda 'Excellent Council Homes' and 'Housing Development' and in the Housing Asset Management Strategy. The Council continues to work co-operatively with housing customers to help shape these priorities and associated programmes.

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.

Revision to the 2020/21 General Fund and Housing Revenue Account Capital Programme and approval of the Capital Programme for 2021/22 was approved by Council in February 2021.

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.

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 will allow 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 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 and main focus to be updated annually.

Progress of significant governance (2020/21 AGS) action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

General Fund Asset Management Strategy: Work on locality reviews is now well underway. All three tranches of land identified for disposal have now been agreed by Executive.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 30).

Ongoing monitoring is planned in mitigation of risks relating to the delivery of agreed outcomes:

The Housing Revenue Account (HRA) Business Plan is under ongoing 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.

In addition, the following governance activity pertaining to best practice has been delivered in 2020/21:

- Establishment of the Hertfordshire Growth Board Joint Committee and Hertfordshire Growth Board Scrutiny Committees as Joint committees agreed at December Council. A new Hertfordshire Growth Board Integrated Governance Framework has been adopted and incorporated into the Council's Constitution. A North East and Central Hertfordshire Growth Board has also met to agree a forward plan of work.

Principle D: Determining Intervention

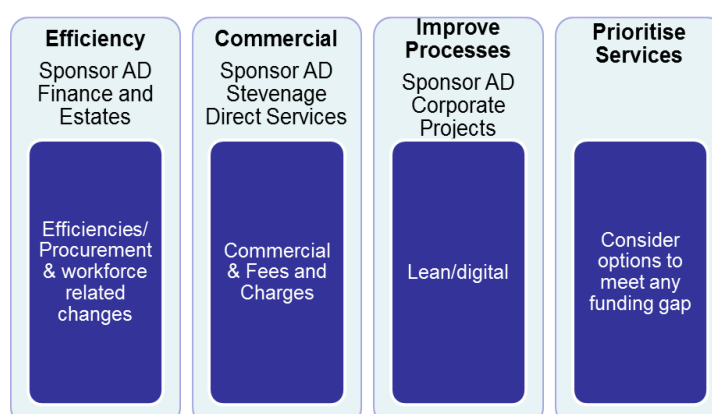
Principle D: Determining the interventions necessary to optimise the achievement of outcomes requires robust monitoring and decision-making mechanisms to ensure that actions identified are sustainable within available resources.

Summary of 2020/21 Review of Effectiveness:

Financial Governance Arrangements:

The Financial Security Programme has three main workstreams, with Assistant Directors taking key leads in relation to Efficiency, Commercial, and Improving Processes. There is a further workstream to prioritise services to meet a funding gap should the need arise. The Financial Security programme continued to enhance the financial resilience of the Council by ensuring resources are being used effectively and efficiently and through the development of

Figure 9: Financial Security Work Streams



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 or 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 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 is providing improved 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.

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

The Council also has a Data Quality Policy which outlines the Council's commitment to ensuring data quality and arrangements are in place to monitor and enhance the quality of performance data.

Housing Development Programme

The Housing development programme aims to increase the affordable and social housing provision in the town (both within the town centre and the suburbs).

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. Budgets are also monitored by the Assets and Capital Board which meets bi-monthly to ensure spend is in line with predictions. 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 will sit 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 are 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 regeneration programme, the Council has partnered with Mace to deliver a £350m scheme called SG1. SG1 is a 14.5 acre site including a minimum of 1700 new homes, 60,000sq 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. Following a competitive tender process, the Council selected Mace as its development partner to deliver SG1. 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.

The Council has also signed a £50m development deal with Reef Estates to redevelop Queensway North. Queensway North is a mixed-use redevelopment scheme transforming an existing town centre site into retail and leisure units, office space, and delivering 110 residential units. This will completely reposition a partly empty asset which included the vacant Marks and Spencer site, derelict for a number of years, and will act as a major regeneration catalyst.

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.

Stevenage Development Board was successful in its bid for government funding and has been awarded £37.5 Million. This will bring about a once in a generation investment to revitalise and regenerate the town.

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 will be monitored by a single working group, reporting to a cross-party advisory 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.

Progress of significant governance (2019/20 AGS) action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

To ensure the governance of key regeneration projects the following action has been carried out:

The SG1 Scheme gained planning approval at Planning and Development Committee in October 2020. The holding direction on the SG1 planning application has been lifted by the Secretary of State. This now allows the Council to finalise and conclude the Section 106 legal agreement with the developer Mace and to issue the planning permission.

Regeneration and Housing Development meetings have been separated to maximise the effectiveness of the meetings. Regular updates on key projects are provided at each meeting. This has included a session dedicated to Queensway/Marshgate which the Council's regeneration partner Reef attended and presented, and a number of sessions focussing on the Town Investment Plan. FTFC milestones have been adjusted following Covid-19, 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. This has been invaluable when dealing with challenging issues, and regular communication has been a real positive. The Queensway Limited Liability Partnership continues to run smoothly with regular board meetings and reporting with Reef.

An action tracker is now in place to monitor progress of actions. On a monthly basis the status of actions are reported in the Highlight Report to the Regeneration Steering Committee. Highlight reporting arrangements have been reviewed and enhanced. The Risk Register has been updated and is being reviewed quarterly. GD3 funding has now been released and Local Enterprise Partnership deeds agreed. Monthly meetings are held with the Local Enterprise Partnership. Meetings are attended by the Assistant Director, Regeneration Manager and Programme Manager which provides a robust and resilient structure.

Virtual consultation sessions have been carried out with businesses on Queensway South and surrounding residents regarding the demolition of the former Police Station site

Recommendations from the internal audit report and the Resourcing, Governance and delivery review have now been merged in to an operations and performance package of improvement for the business unit. The Programme team is working on creating a project toolbox and other process improvements for the delivery of the programme in preparation for the increased number of projects anticipated in the next 12 months.

Progress of significant governance (2019/20 AGS) action to facilitate compliance with the CIPFA/SOLACE Governance Framework:

To ensure that the Shared Hertfordshire Home Improvement Agency (HHIA) service, operated by Hertfordshire County Council, can deliver its financial targets in the medium term, as well as ensure that minimum key standards are being met, enhance its governance structure and ensure

the HHIA Board is offering value for money, the following activity has taken place: All of the key measures of outputs of the service have improved since 2018/19 and now represent an improvement over both that year and the last year it was provided in house by SBC. A follow up audit was completed

In response to the COVID-19 crisis and to ensure the Council can reinstate and continue to deliver services, continue to meet its Future Town Future Council ambitions and enable recovery from the effect of the virus in the town, the following action has been carried out: IMT, Business Continuity and Coronavirus Emergency Committee meetings are being held as required to co-ordinate and manage the Council's response to the pandemic. Service changes have been made in accordance with the lockdown restrictions. Redeployment plans have been drawn up to assist with the Stevenage and County-wide response. The Chief Finance Officer is continuing to assess the ongoing impact of Covid-19 ensuring all applicable Government grants are applied for and received. Advice and guidance of funding and grants is being provided to businesses in the town.

The January 2021 General Fund report set out the impact of Covid on the Council's General Fund budgets. The projected gap between government funding and losses has necessitated the MTFS to be updated with mitigating actions on three occasions during 2020. Members approved financial resilience measures that improved General Fund balances for this and future years.

Stevenage Together local strategic partnership held a Covid Recovery Summit in July 2020 to provide an update on shared resources to the Covid-19 pandemic and to identify how partners could best work together to support the recovery efforts in Stevenage. Subsequently a high level partnership recovery action plan has been developed.

Executive in July 2020 approved the Council's Recovery Plan and actions are in place embedded in the Council's Future Town Future Council reporting process. The Economic Taskforce has now met a number of times. The Taskforce has asked for an action plan to be drafted focussing on business advice and support, skills and job matching and employment opportunities. Stevenage Together Partnership is working on a joint recovery action plan for the town, covering areas from health, to jobs and skills, environment, regeneration and support to those who need it most.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 31-32).

To ensure that the Council's ambitious commercial agenda can be achieved, the following action has been taken: On 12th August 2020, Executive approved the Council's Co-operative Commercial and Insourcing Strategy 2020-2023 and associated action plan. This strategy outlines the Council's approach to operating more commercially. This will be achieved through maximising opportunities to insource services, the delivery of business process improvements and the generation of new or enhanced sources of revenue. A new Commercial and Investment Executive Committee has been established

terms of reference have been agreed and the first meeting was held on 22nd October 2020. Commercial key performance indicators have been agreed and these will be reported to the Commercial and

In response to the challenges which could result from the Government's Local Government Reform and Devolution White paper, the following action has been carried out: The Government's White Paper has been delayed and currently no date has been set for its publication. District/Borough Councils in Hertfordshire have worked together to consider appropriate opportunities for future reform. A residents' poll was carried out and demonstrated that the majority of residents in Hertfordshire are opposed to the creation of a large unitary council. MHCLG officials attended the Hertfordshire Growth Meeting in August to observe the collegiate way in which the ten Hertfordshire authorities are working together for the good of Hertfordshire communities. Discussions have taken place with other Local Authorities who have recently undergone or are considering devolution options to inform the debate in Hertfordshire.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 31).

Ongoing monitoring is planned in mitigation of risks relating to the delivery of agreed outcomes:

Risks associated with the impact of Welfare Reform on the community and Council have been identified. The Council is continuing to assess potential impacts through business insight.

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

- The Local Development Scheme 2020 was approved as the programme for the new Stevenage Local Development Document by Executive.

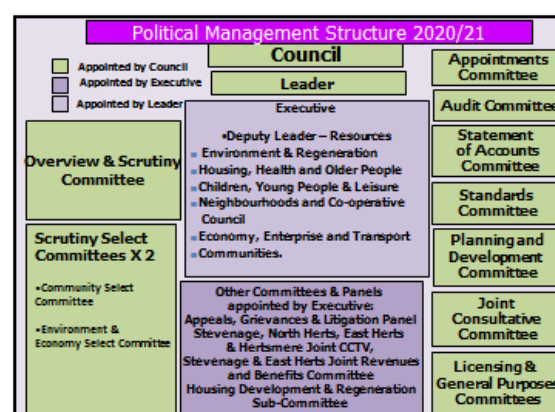
Principle E: Leadership capacity and capability

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 2020/21 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 4th April 2020 and apply to local authority and police and crime panel meetings that are required to be held before 7 May 2021. The Council put in place arrangements for meetings to be held remotely in line with these new regulations. This has meant members and the public can view meetings at a time convenient to them and this has the added benefit of improving scrutiny and reaching a wider audience. A protocol has been written for the management and conduct for remote meetings. Meetings can be viewed by the public via YouTube.

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's Employer of Choice programme is transforming the way the Council works, ensuring staff have the skills, abilities and experience to deliver excellence.

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.

Progress of significant governance actions (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Corporate Capacity: The Council's new Workforce Strategy was approved by Executive in October 2020. The Strategy is a critical enabler for delivering the Council's strategic ambitions over the next three years. The Strategy identifies actions that will improve employees' experiences and position the Council as an 'Employer of Choice'. The majority of the Council's business unit reviews are now complete. The business unit reviews within Digital and Transformation and the Garages and Markets service are now complete. Recruitment of key roles has continued during the Covid-19 pandemic to ensure corporate capacity is maintained. Four Assistant Directors were recruited in 2020 and have now all started (AD Digital and Transformation, AD Stevenage Direct Services, AD Finance and Estates, AD Regeneration). In light of the improved situation due to the completion of the business unit reviews and the recruitment of senior posts at the Council, this action will not be carried over as an Annual Governance Statement action for 2021/22.

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

- The Council has teamed up with the local Mind charity to deliver a number of Mental Wellbeing webinars to help staff to manage the negative impacts of the pandemic.

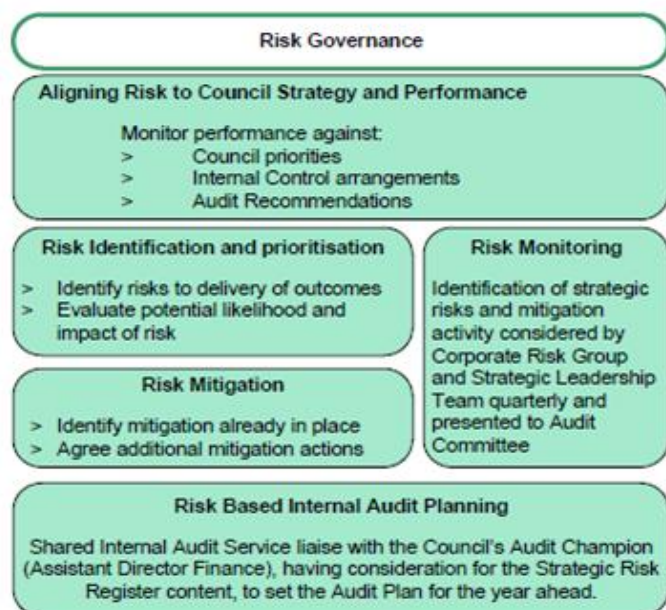
Principle F: Managing Risks – The Council's risk governance arrangements

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 2020/21 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.



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. 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.

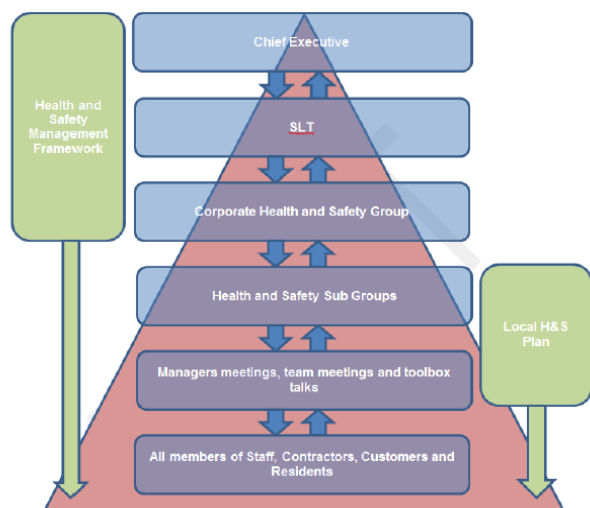
The IT Steering Group and the IT Programme Management Office function facilitates delivery of the projects that supports the Council's Future Town, Future Council programme and the Council's Business Unit reviews alongside the day to day IT service.

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, has and continues to present 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 have been put in place to ensure that the government restrictions and guidelines are 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 is co-ordinating the local emergency response within Stevenage. This included the establishment of eight response cells each led by an Assistant Director or senior Manager, which includes a Business Continuity Cell.

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, who is also the joint Data Protection Officer for both Stevenage and East Herts Councils. 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 actions (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Cyber Security and IT Resilience: Design of the Virtual Desktop Infrastructure, which will improve the user experience and is an enabler for Microsoft 365 and Windows 10 is complete and is currently being piloted. 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 and is scheduled to go live once the network upgrade is complete. Microsoft 365, which will support new ways of working, team collaboration and video-conferencing, is currently being piloted by ICT to troubleshoot any issues prior to its full roll out. Work is also continuing to upgrade the Council's 50 plus servers. The roll out of the Windows 10 Operating system, which is a pre-requisite for Microsoft 365 and a key requirement of the Security Enforcement Programme is progressing well. 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 and will be rolled out soon. The replacement of the Council's firewalls and implementation of controls and management tools to monitor and control the ICT network are in the soft market testing phase.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 32).

Progress of significant governance action (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Information Management: Improvement activity has continued to enhance and embed information management arrangements to ensure that best practice records management across the Council continues to be applied and customer data is stored securely and appropriately managed. The review of data sharing arrangements with local authority partners and public agencies to reflect GDPR requirements on information sharing obligations is now complete. All Supplier agreements which involve the processing of personal data have also been updated. Enhancement activity has decreased the information management risk to a medium level; therefore this action will not be carried over as an Annual Governance Action for 2021/22.

Progress of significant governance action (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

Corporate Health and Safety: A RAG monitor of all the Council's high health and safety risks is now being produced. 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 Secure. New working arrangements for Daneshill 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 have been affected by the response to the pandemic but have now resumed.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 32).

Progress of significant governance action (2019/20 AGS) to facilitate compliance with the CIPFA/SOLACE Governance Framework:

To ensure there is a clear governance structure through a corporate landlord functions and ensure compliance of the Council's non-housing property, the following action has been taken:

The Mears contract has been brought in house and responsible officers have now been assigned to all operational buildings. Compliance work continues to be progressed and regular compliance checks have been programmed. The compliance audit is nearly complete for all operational buildings, community centres and the depot. Risks have been identified and these are being prioritised.

The Assistant Director (Finance and Estates) has now started in post as well as a new Estates Manager. Recruitment for a permanent Facilities Manager is in progress. There is now a full procedure manual in place documenting work carried out by the team and work is progressing on a full suite of policies. Procedures for training staff, community centre managers and users are being produced. Preventative maintenance is being investigated and prioritised. Empty properties are now being inspected weekly for damage, leaks etc.

Information regarding continued enhancement activity proposed for 2021/22 and timeline for delivery is reflected on page 31.

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 2020/21 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 2020/21 the Shared Internal Audit Service assigned 'satisfactory' assurance for financial systems and 'satisfactory' assurance to non-financial systems. Actions to enhance governance for the areas highlighted have been identified and prioritised.

At the time of writing, the Council's External Auditors, Ernst and Young, have not as yet provided their Annual Audit Letter for 2019/20 that the Council's financial statements give a true and fair view of the financial position of the Council at 31 March 2020 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 2019/20 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 2020/21


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 2020 – September 2021





Apr 2020

-  Internal Audit of Corporate Governance arrangements achieves 'Satisfactory' assurance for areas assessed
-  Internal Audit of Risk Management arrangements achieves 'Satisfactory' assurance for areas assessed

May 2020

-  Annual Council agree the political management structure of the Council



June 2020

-  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 2019/20
-  The Coronavirus Recovery Plan and Review of the MTF S approved by Executive.
-  Q4 Performance Report considered at Executive.
-  Q4 Strategic Risk Register reported to Audit Committee

July 2020

-  Annual Scrutiny Report to Council
-  Executive approves the Co-operative Inclusive Economy Charter
-  Annual Report and Performance Review approved by Executive
-  Corporate Governance Group reviews Principles D, E and F
-  Q4 Financial reports to Executive
-  Appointment of Independent Person (Standards Committee) by Council
-  Appointment of Monitoring Officer agreed by Council
-  Financial Regulations and Contract Standing Orders agreed by Council

Aug 2020





-  Executive receives an update on the implementation of Co-operative Neighbourhoods
-  The Co-Operative Commercial and Insourcing Strategy 2020-2023 agreed by Executive

Sep 2020


-  Executive consider Q1 Performance and Financial Monitoring reports
-  Executive considered a report providing an update to the General Fund MTF S Strategy 2020/21-2024/25
-  Executive approved site disposals as part of the Locality Ward Asset and Land Review
-  Q1 Strategic Risk Register presented to Audit Committee
-  SAF S provides Audit Committee with an update on the 2020/21 Anti-Fraud Plan

Corporate Governance Calendar October 2020 - March 2021


Oct 2020

-  Council approves the **Annual Treasury Management Review of 2019/20** including prudential code
-  **Corporate Governance Group** carried out a review of Principles C and G of the CIPFA/SOLACE Framework
-  Executive approves the **Workforce Strategy for 2020-2023**
-  Executive considered a report on the Council's second year of partnership in the **Herts Home Improvement Agency**




Nov 2020

-  Executive approves establishment of the **Herts Growth Board Joint Committee**
-  **Q2 Strategic Risk Register** presented to **Audit Committee**
-  **SIA S** provides **Audit Committee** with an update on their **2020/21 Audit Plan**
-  **HRA MTF S Strategy Update** reported to Executive
-  **Audit Committee** consider the six month progress review of **AGS** and **Service Governance** actions
-  Executive considers financial monitoring reports



Dec 2020

-  Executive consider the **Q2 Corporate Performance** report


Jan 2021

-  Council approve the **Housing Revenue Account Final Budget Proposals, Rent Setting and Draft Council Tax Support Scheme 2021/22**
-  Executive approves **site disposals** identified as part of the **Local Ward asset and land review**
-  **Corporate Governance Group** carried out a review of Principles A and B of the CIPFA/SOLACE Framework

Feb 2021

-  Council approves the **2021/22 Council Tax, General Fund and Capital budgets, and the Annual Treasury Management Strategy** including Prudential Code Indicators 2020/21
-  **Members' Allowances Scheme 2021/22** approved at Council
-  **Pay Policy Statement for 2021/22** approved by Council

Mar 2021

-  **Q3 Performance/Financial Monitoring reports** considered by Executive
-  Formation of a **Wholly Owned Housing Development Company** agreed by Executive
-  **SIA S 2021/22 Audit Plan** and **SAF S 2021/22 Anti-Fraud Plan** agreed by **Audit Committee**
-  **Q3 Strategic Risk Register** considered at **Audit committee**
-  **Audit Committee** receive an update on progress of the **IT Investment Strategy**
-  Review of **2020/21 Governance Arrangements** presented to **Audit Committee**

Planned Improvement Activity for 2021/22:

Significant internal control and governance issues identified as part of the 2020/21 review of the Governance Statement are summarised on page 4, 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.

There are currently a few high level strategic risks where related mitigation activity is identified throughout this document as ongoing governance monitoring rather than as enhancement activity, such as:

- The Housing Revenue Account (HRA) Business Plan, (agreed by Executive November 2018 and reviewed and updated in December 2019) is under ongoing 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 and the Housing Asset Management Strategy. The HRA Business Plan is being reviewed in 2021.
- The HRA and General Fund Medium Term Financial Strategies and Capital Programme are under ongoing review to ensure finances remain robust in the long term and ensure the Council can deliver the ambitions set out in its Future Town Future Council Programme; deliver a once in a generation investment in the town, through town centre regeneration, housing development and investment in neighbourhoods and become financially self-sufficient. The General Fund and HRA Medium Term Financial Strategies and Capital Programme have been reviewed in 2021/22 to reflect the significant impact on the Council's financial situation as a result of the COVID-19 crisis and continue to be under ongoing review.

Action Ref	Action	Target Date
1	<p>To implement the General Fund Asset Management Strategy the following activity is planned:</p> <ul style="list-style-type: none"> • Continue the review of the council's commercial portfolio • Continue with Locality reviews of the Council's current land and buildings to identify new opportunities for better use of existing buildings • Identify further potential sites for release for sale and identify land for the Council's own housing building programme. 	<p>March 2022</p> <p>March 2022</p> <p>March 2022</p>
2	<p>To ensure the Council is able to continue to regenerate the town centre and build much needed new housing and create job opportunities the people of Stevenage need and want, a programme of work is required to implement the required governance arrangements to make this happen. This will be achieved by:</p> <ul style="list-style-type: none"> • Ensuring measures are being taken to reduce the risk of 	

Action Ref	Action	Target Date
	<p>construction delay and protect project budgets</p> <ul style="list-style-type: none"> • Ensure contracts and adequate funding is available to carry out the regeneration works as planned. • Creation of business cases for projects and work in relation to governance, resourcing, engagement and financial planning in light of the £37.5 Million Towns Fund award. • Continue to implement good governance arrangements in relation to the programme and key projects 	Ongoing to March 2022
3	<p>In response to the challenges which could result from the Government's Local Government Reform and Devolution White paper, the following action is proposed:</p> <ul style="list-style-type: none"> • Undertake a review of the White Paper and its implications once it has been published • Engage again with other Hertfordshire District and Borough councils to consider a response to the White Paper 	Currently awaiting Government announcement
4	<p>To ensure that the Council's ambitious Co-operative Commercial and Insourcing Strategy can be achieved, a programme of work is required:</p> <ul style="list-style-type: none"> • Delivery of the Commercialisation Action Plan • Ensure greater flexibility round income generation and savings opportunities • Implementation of the Commercial Learning and Development Action Plan • Recruitment of additional post to increase commercialisation capacity 	<p>February 2022 March 2022</p> <p>March 2022</p> <p>May 2021</p>
5	<p>To ensure there is a clear governance structure through a corporate landlord function and ensure compliance of the Council's non-housing property, a review of the current arrangements and responsibilities for managing non-housing property is required. This will be achieved by:</p> <ul style="list-style-type: none"> • Recruitment of a permanent Facilities Manager • Implementation of a new Asset Management System • Setting up of an Asset Management Board • Produce a strategic plan for implementation of the Corporate Landlord function • Procedures for documenting air circulation risk assessments to be reviewed 	<p>July 2021 Dec 2021 June 2021 July 2021</p> <p>July 2021</p>
6	<p>In response to the COVID-19 crisis and to ensure the Council can reinstate and 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:</p> <ul style="list-style-type: none"> • Continue with Incident response management arrangements as 	

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Action Ref	Action	Target Date
	<p>required in response to the Covid-19 emergency.</p> <ul style="list-style-type: none"> Review the General Fund and HRA Medium Term Financial strategies in light of the financial pressures arising from the COVID-19 response Implement the agreed town wide Recovery Plan Review the corporate performance measure suite and targets, to ensure they support the monitoring of the Council's recovery efforts and are realistic in the context of Covid-19 impacts on delivery. 	<p>July 2021</p> <p>Sept 2021</p> <p>July 2021</p>
7	<p>To enhance IT infrastructure, cyber security, governance arrangements, policy framework and resilience the Shared IT service to continue to develop and implement a strategy and programme of activity as follows:</p> <ul style="list-style-type: none"> Completing the replacement of all the Council's firewalls Completing the upgrade from Windows 7 to Windows 10 Roll out of Microsoft Office 365 Installing and roll out of network security and reporting tools Creation of a Disaster Recovery Team to review all ICT documentation and update the ICT Disaster Recovery Plan. Implementation of Microwave Link Horizon VDI Update 	<p>December 2021</p> <p>September 2021</p> <p>October 2021</p> <p>December 2021</p> <p>October 2021</p> <p>October 2021</p> <p>October 2021</p>
8	<p>To continue to ensure health and safety compliance and performance across the Council the following activity is planned:</p> <ul style="list-style-type: none"> Train SLT in IOSH Leading Safety Continue the rolling programme of internal and external audits for medium and high risk services Strategic Health and Safety Group to continue to meet quarterly and report high health and safety risks to Corporate Risk Group and the Council's Senior Leadership Team quarterly. 	<p>March 2022</p> <p>Ongoing</p> <p>Ongoing</p>
9	<p>New action for 2021/22 to mitigate a new strategic risk: Transformation Programme: To deliver a productive and resilient Council which can deliver the Council's strategic priorities, protect outcomes for residents, and provide excellent customer experiences, the need to implement a transformation programme has been identified:</p> <ul style="list-style-type: none"> Preparation of a work plan and report for consideration by Executive CFO and AD Digital and Transformation to prepare a resourcing plan to support the programme, including new resources to deliver where appropriate. Recruitment of a new Transformation Delivery Manager. Establishment of an Officer Programme Board to prioritise the projects which will have the most impact. 	<p>August 2021</p> <p>August 2021</p> <p>July 2021</p> <p>September 2021</p>
10	<p>New action for 2021/22 to mitigate a new strategic risk: As a result of the combined socio-economic impacts of welfare reform, the Covid-19 pandemic, and an economic downturn following a programme of activity has been identified:</p>	

Appendix Two

Action Ref	Action	Target Date
	<ul style="list-style-type: none"> • Close management of the Council's financial position via the MTFS • Bidding for available short-term Covid-related funding from government to help recover costs • Monitor key service performance and pressures via Performance Management Framework • Continue to implement the Arrears Action Plan • Stevenage Economy Taskforce to continue to meet to create jobs and upskilling opportunities • Continue to support key partnerships including SoSafe, Healthy Stevenage and the Social Inclusion Partnership to deliver socio economic, environmental and health related outcomes • Deliver the Construction Industry Training Board initiative and create a Stevenage Works fund and job brokerage service • Implement the Community Wealth Building Strategy and programme to help address the financial inequalities that exist • Launch of a new inclusive Economy Charter • Implementation of the £37.5M Town Deal Programme to create enhanced economic opportunity • Working with local government representative bodies to lobby for longer-term sustainable funding settlement for local government 	<p>Ongoing for 2021/22 Sept 2021</p> <p>Ongoing for 2021/22</p> <p>Ongoing for 2021/22</p> <p>Ongoing for 2021 /22</p> <p>Ongoing for 2021/22</p> <p>Ongoing for 2021/22</p> <p>Sept 2021 March 2022</p> <p>Sept 2021</p>
11	<p>New action for 2020/21 to meet an audit recommendation: The following activity is planned to enhance compliance with Payment Cards Industry Data Security Standards:</p> <ul style="list-style-type: none"> • Key stakeholders across the Council to be identified and a Working Group set up to carry out the review. • Payment methods to be reviewed and a replacement payment system to be considered. 	<p>July 2021</p> <p>March 2022</p>
12	<p>New Action for 2021/22 to mitigate a new strategic risk: The Council to continue to work with with its leisure contractor to ensure recovery of leisure services after the pandemic.</p>	<p>December 2021</p>

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 29-33.

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