

Stevenage Borough Council's Annual Governance Statement 2022/23

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 always acting in the public interest.

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 7th June 2022 and has been reviewed and the revised Local Code is being presented to Audit Committee at its meeting on 6 June 2023 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.

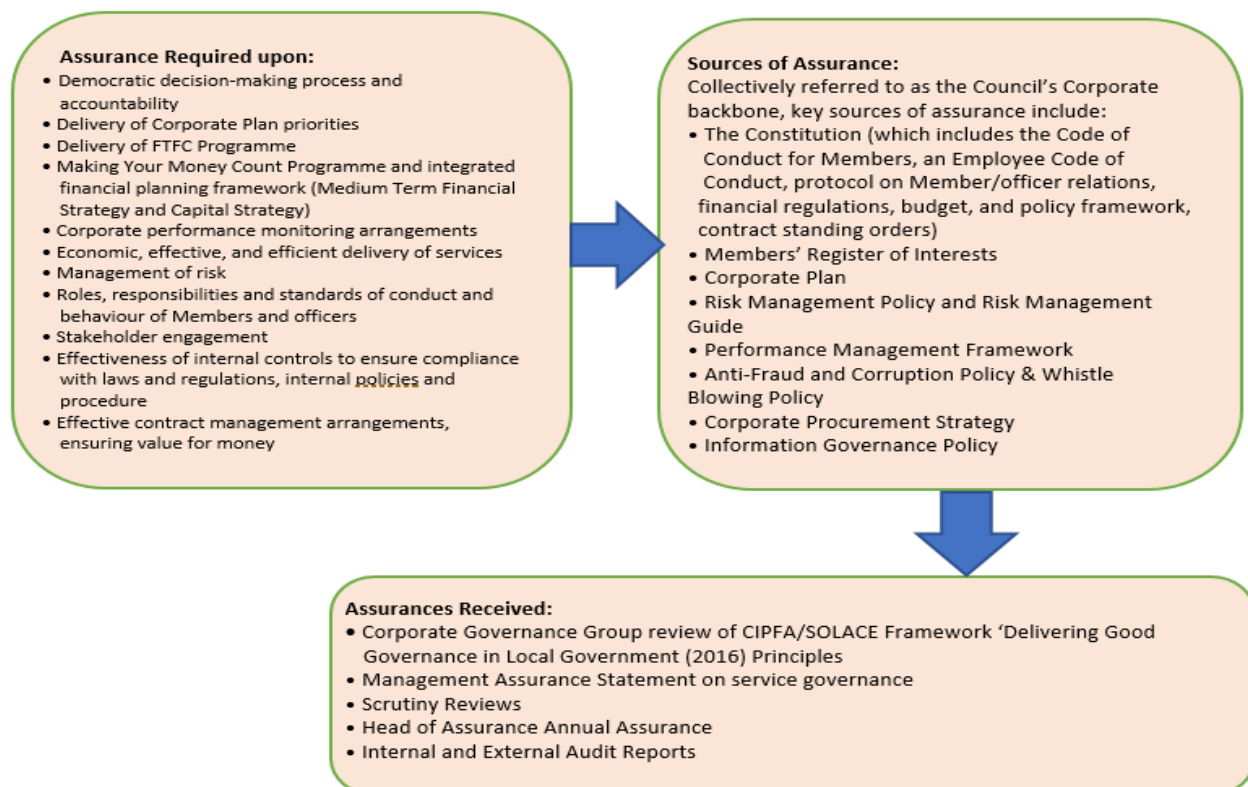
Governance monitoring and assurance arrangements

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 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 these mechanisms of review contribute to overall assurance for the 2022/23 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 2023 and up to the date of approval of the Statement of Accounts.

Assurance: Internal Audit Arrangements

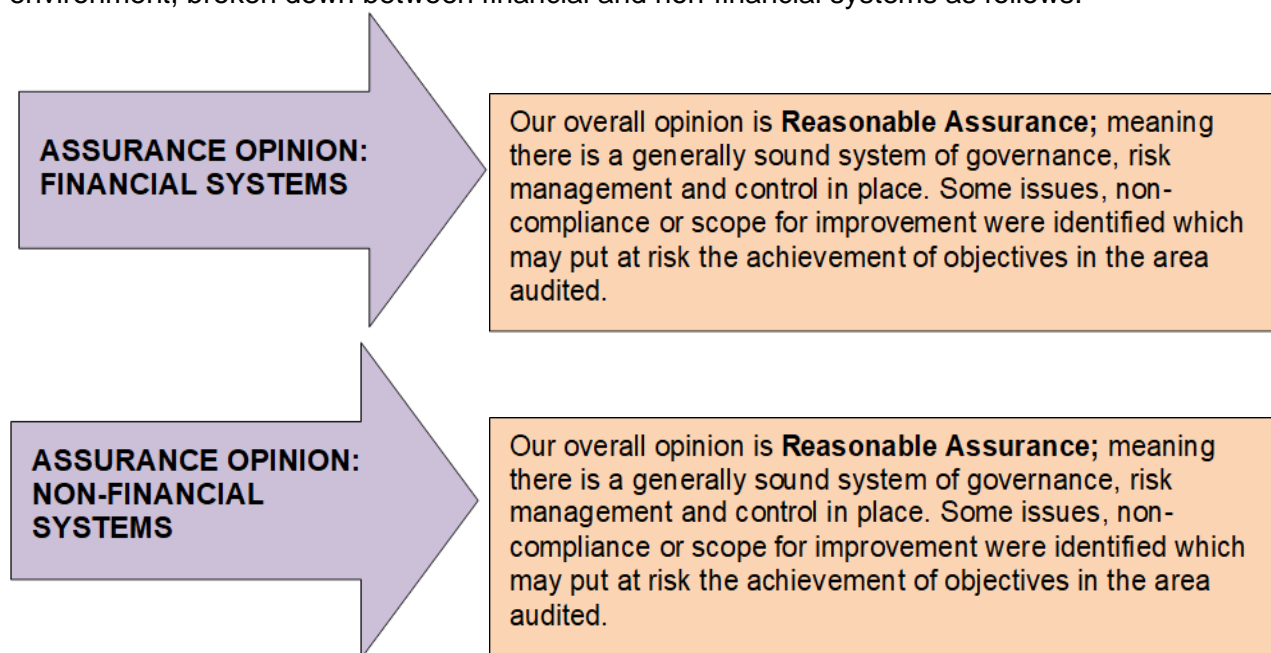
Annual Audit Coverage

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.

2022/23 Audit Report

The Client Audit Manager's Annual Internal Audit Report and Assurance Statement is being reported to the Audit Committee in June 2023. From the internal audit work undertaken in 2022/23, 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".

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 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--|--------|---------|---------|---------|---------|
| Planned Days - percentage of actual billable days against planned chargeable days completed | 95% | 99% | 98% | 95% | 90% |
| Planned Projects – actual completed projects to draft report stage against planned completed projects | 95% | 100% | 100% | 93% | 89% |

The above figures represent the position at 31 March each year. The figures for 2022/23 had both increased to 96% at 30 April 2023, when the above assurance opinions were provided.

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 2023.

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 always acting in the public interest.

**Achieving the 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 2022/23 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 2021/22 Annual Governance Statement is reflected in the coloured 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 2022/23 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.

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, 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 2022/23, the Council did not carry out any directed covert surveillance.

The following governance activity pertaining to best practice has been delivered in 2022/23:

- The Member Code of Conduct has been reviewed and approved by Council. The Code now aligns with the LGA's model code.
- The Council's Whistle-Blowing Policy was reviewed and approved by Audit Committee.
- Council agreed the appointment of the Council's new Monitoring Officer in accordance with the Local Government and Housing Act 1989.
- Anti-Money Laundering Training was carried out.

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 2022/23 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

Through the development of the Cooperative Neighbourhoods programme in 2020, Stevenage Borough Council has formed partnerships between elected members, council officers, stakeholders, 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 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.

Customer Feedback

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.

A Resident Survey was carried out in 2021/22 to survey how residents perceive Council services and their local area. The information gathered from residents has provided insight on residents' 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.

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.



The following governance activity pertaining to best practice has been delivered in 2022/23:

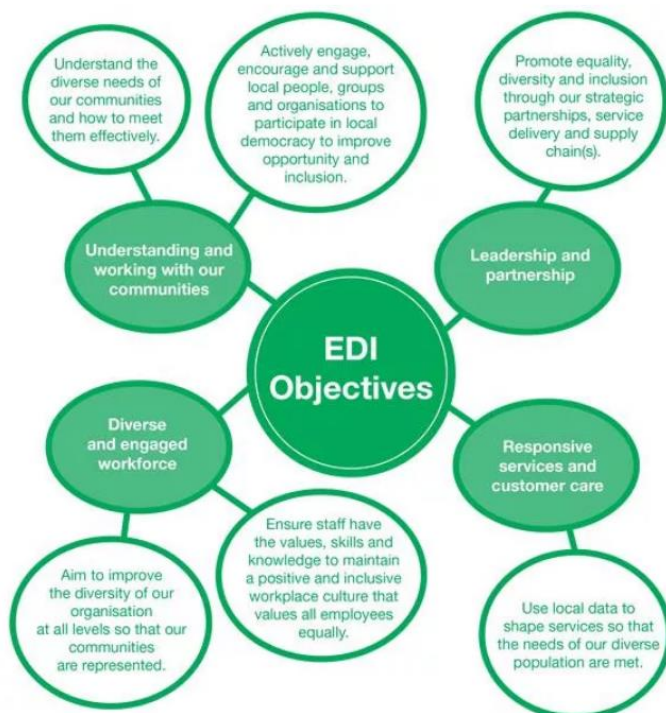
- The Annual Report and Performance Overview highlighting the Council's achievements over the past year and plans for the next twelve months was approved by Executive and published on the Council's website

Equality and Diversity

The Council views equality and diversity to be about knowing and understanding the make-up of the town and the needs of its communities. The Council delivers services that are fair, accessible, and open to everyone. The Council communicates to staff, customers, communities, and our partners about the importance of treating people fairly, and celebrating differences

The Council in 2022 agreed the objectives that will promote equality, diversity and inclusion across its services, communities and workforce over the next four years (2022 –2026) and in-line with the Public Sector Equality Duty (PSED) of the Equality Act (2010). The council is working, 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 these objectives, the council has an Equality, Diversity and Inclusion (EDI) Strategy (2022-2026) which sets 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 July 2023.

The delivery and monitoring of EDI activity will be the responsibility of the Equality and Diversity Governance Group (EDGG), the Officer Equality Group (OEG) and the 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 2022/23 Review of Effectiveness:

The Council's vision:

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

Stevenage Together:

Stevenage Together is a range of diverse partner agencies who share a vision of Stevenage in the future. Its ethos is to foster innovative ways of working together, in order to improve the lives of people who live work and visit Stevenage.



Stevenage Together aims to:

- Generate pride in the borough
- Develop communities
- Help people feel safe
- Regenerate the economy
- Improve residents' health

The work of Stevenage Together includes:

Improving the health of Stevenage residents by:

- providing a healthy hub;
- providing clean and green spaces and play opportunities; and
- promoting good mental health.

Maximising opportunities to grow the local economy by:

- encouraging volunteering;
- developing opportunities for our young people;
- supporting local businesses to grow; and
- addressing child poverty.

Making Stevenage a safer place to live, work and visit by:

- developing proactive solutions to antisocial behaviour;
- consulting with communities to understand their concerns and needs; and
- designing out crime.

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 brings together voluntary key stakeholders from public sector organisations, private businesses, not for profit organisations and Heritage 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. As a result of the joint working of the Board, Stevenage secured the second joint highest bid in the country.

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.

There are five programmes:

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

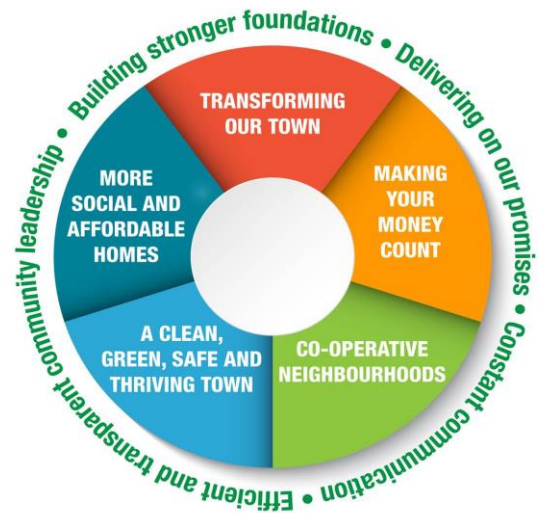
This is the Council's building homes programme to sell privately to fund much needed social housing.

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. A review and update of the Council's Co-operative Corporate Plan is planned in 2023/24.

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 Council's Chief Financial Officer 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 over the last few years. 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. Changes are required due to a number of new government policies affecting Housing providers, for example regarding the decent homes standard and building regulations, overall regulation of the sector and compliance requirements, and environmental improvements, like decarbonisation of the housing stock. The outcome of this review will be reported to Executive in 2023.

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.

Climate Change

Climate Change has now reached a point where we must all take immediate action. With its declaration of a climate emergency in June 2019, Stevenage Borough Council is committed to tackling this. The Council has a holistic vision which focuses on cutting its own emissions to net zero and supporting the town's businesses and residents to do the same by 2030. The Council's Climate Change Strategy sets out how the Council plans to achieve this and the action everyone can take which will have the most far-reaching impacts. The steps the Council is taking to ensure a climate safe future will also have significant positive impacts on health and wellbeing within the community as the Council looks to champion warm, energy efficient housing and the protection of green space. Following the climate emergency declaration, the Council has been working to understand what action can be taken to not only reduce the carbon outputs of its assets and activity, but also in what ways it can act as a community leader to empower the whole town to take action. The declaration was a direct result of collective action from ordinary citizens, and therefore the Council believes the response should be community led.



Understanding the emissions will involve building up a detailed picture of what Stevenage's outputs are.

Lead the way by ensuring Stevenage Borough Council (SBC) is producing as little greenhouse gases as possible as quickly as possible

Advocating for and facilitating real change will see SBC lobbying for more drastic action at County and Central Government level, as well aiding local stakeholders' efforts to shrink their carbon footprints.

The response to the climate change emergency will be resident led which means the community will be fully involved throughout the process.

SBC will utilise this opportunity to improve our residents' quality of lives, by striving to end fuel poverty, improve the built environment to encourage the shift to active travel and making healthy plant based food accessible.

Clear targets will be set with regular monitoring in place.

4

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

General Fund Asset Management Strategy: A new Asset Management system which will be used to enhance the management of the Council's commercial assets has now been procured and implementation is scheduled to commence over the next few months.

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 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): The Medium-Term Financial Strategy which included potential ongoing Covid impacts, cost of living crisis impacts, and inflationary impacts was considered by Executive in September 2022. The report set out a Making your Money Count Target of savings of £3.03 Million for the period 2023/24-2025/25 with a saving of £1.5M being required for 2023/24. Officer and Member meetings were held to consider savings options to ensure the Council could present a balanced budget for 2023/24. The identified and agreed savings have ensured a balanced budget for 2023/24.

The Housing Revenue Account Business Plan is being refreshed and is scheduled for consideration by Executive in autumn 2023.

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 2023/24 is outlined in the Planned Improvement Activity for 2023/24 section at the end of this document

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 2022/23 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 via a set of performance measures and performance against the FTFC programme is reported to Executive each quarter. In addition to tracking progress against the delivery of the FTFC programme, performance across all Council services is monitored through the year to highlight achievements and identify areas for improvement and this is also reported to the Executive each quarter.

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 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

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

Stevenage Borough Council has an ambitious house building target, to deliver more social and affordable Council rented homes. The Council's house building programme is now well-established providing benefits such as homes for social and affordable rent as well as private sale homes.

Progress of the Housing Development programme against key milestones is reported to Executive each quarter as part of the quarterly Performance Report.

The Housing Development Working Group 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 as well as ongoing in quarter capital monitoring with the Finance team.

The numerous 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 wider area improvements (than just housing) and generally improve the look, appearance and functioning of neighbourhoods that the town's communities enjoy. The WOC sits alongside the existing housing delivery methods deployed by the council in terms of resources and expertise, however it has its own accounting and governance processes.

Transforming our Town

The Council, along with its development partners, are currently delivering a major, twenty year, £1bn regeneration programme designed to transform Stevenage. The programme will deliver new transport infrastructure, commercial space, retail, spaces for leisure, arts and culture, and town centre living.

The council is working with private sector partners to deliver large elements of this transformation. This includes a partnership with Mace for the delivery of SG1. The £350 million SG1 scheme comprises 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.

Reef Group has completed the £50m Queensway North scheme, upgrading to the former site of Marks & Spencer and adjoining buildings. The development has introduced new retail, residential and commercial facilities including a 24-hour gym and office space along with new homes and flexible working facilities. Reef Group are continuing works on a new £65m HQ for Autolus Therapeutics, due to open later this year.

Funding has also been secured through national Government opportunities. The Stevenage Development Board was formed in March 2020 to lead the development of a Town Investment Plan. In March 2021 the Board secured £37.5 million of 'Towns Fund' funding from the then Ministry of Housing, Communities and Local Government to support the regeneration of the town through the delivery of a range of projects which will provide greater retail, culture, and work / skills development opportunities for local people.

Stevenage Development Board oversees the investment being made as part of the Government's Towns 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.

Projects funded through the Towns Fund initiative include a new Multi-Storey Car Park which is adjacent to Stevenage Railway station, with secure cycle storage to improve connectivity and wider transport links for residents and visitors. The new parking facility, which opened in May 2023, almost doubles the capacity of the former surface level with 622 spaces, includes blue badge parking and spaces for electric vehicles.

Another new piece of transport infrastructure is the Stevenage Bus Interchange, which opened in Summer 2022. Construction on the new facility began in late 2020, funded by a £9.6 million Local Growth Fund Investment from Hertfordshire LEP. A level-crossing was installed across Lytton Way as part of the works, providing better accessibility and aligning with the changing town centre and other forms of new transport infrastructure. The opening of the Bus Interchange allowed the development of Event Island Stevenage within the town centre, on the site of the former bus station.

Community Wealth Building

Community wealth building is a new people-centred approach to local economic development, which directs wealth back into the local economy, and places control and benefits into the hands of local people. Stevenage Borough Council passed a motion on 29 January 2020 in support of Community Wealth Building. This included a commitment to launch a Cooperative and Inclusive Economy Charter.

Some examples of how the town can work together to bring about an inclusive economy include:

- Shopping locally;
- Officering work placements and apprenticeships, and
- Using local supply chains

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.

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, residents, organisations and businesses. 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.

Procurement

The Council adopted its Co-operative Procurement Strategy (2021-2024) in October 2021. The focus of the strategy is around five principle foundations including Community Wealth Building, Sustainability, Social Value and Ethical Procurement, Commercial and Insourcing and Pro-active Procurement. Each foundation is a building block of the consideration that need to underpin the procurement process and are embedded in the way the Council procures goods, works and services.

The Council has joined with other Hertfordshire local authorities and public bodies to work together in procurement and partnership projects for the benefit of all participating authorities. As part of this partnership, the Council has a portal called Supply Hertfordshire that holds information about advertised opportunities and participating authorities.

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.

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 carried out: The process of applying for a garage has now been digitised. Digital garage lettings provide customers with a choice of where they would like a garage. It also provides information to help customers find the right garage. Preliminary work has been undertaken to understand the amount of aged debt and this work will be fed into the wider workstream in the Transformation Programme around income and debt which will also consider processes around debt management. A new skip hire offer was launched in January 2023. A wholesale review of fees and charges was undertaken for 2023/24, starting with a workshop with service managers to discuss inflationary pressures and key considerations when setting charges. This resulted in the development of a number of new income streams and a full set of proposals for the General Fund was presented to the November Executive

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 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

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

Hertfordshire LEP on 3rd November 2021. All of the programme's outputs and outcomes have seen significant over achievement against the original targets, with no shortfalls against any indicators. This positive performance resulted in a £60K increase in project budget, to a total of £761,640. All spending is now complete.

On 20th July 2022, the Council declared a cost-of-living emergency, with the Council calling on Government and Hertfordshire County Council to do more to help residents most impacted by the crisis. An Executive Member Cost of Living Task Force was set up which is working across the Council and with key local partners to identify the support needed in the community and ensure actions are in place to address the needs identified. Executive approved a draft Cost of Living Crisis Action Plan for Stevenage. The plan sets out how the Council and its partners will continue to respond to the cost-of-living crisis, and mitigate the potential impacts on residents, businesses, council employees and Council finances as much as possible. The Council is continuing to work with key local partners, including through the Stevenage Together Partnership, to develop a co-ordinated response across agencies. The Council continues to monitor the impact of the cost-of-living crisis locally and share this information with partners. A cost-of-living dashboard has been developed jointly with Citizen's Advice Stevenage and includes information from other partners such as Mind in Mid-Herts as well as nationally available data.

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 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 has entered into a new ten-year Active Communities Leisure Management contract. The new agreement with Everyone Active began on 1st April 2023. The UK leisure operator prides itself on being a community-focused organisation and will introduce this approach to residents of the town. Everyone Active aims to support the Council's vision for leisure across Stevenage by producing attractive facilities available to all age groups in the town's community and contribute to the health and wellbeing objectives of the Council.

The action is not being carried over to the 2023/24 Annual Governance Statement as this risk has now been decreased from a High risk to a Medium risk.

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: To ensure the Council can deliver new council owned homes as programmed, the following actions have been carried out: Viability assessments prior to lending have been carried out. Two new potential schemes have been identified. Both schemes have now been approved and are now fully funded. The team is working with Homes England regarding grant funding opportunities. Performance of the programme is monitored by Executive each quarter. A set of key performance indicators are now being used and need to be met to unlock funding.

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 section at the end of this document

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

Repairs and Voids: A new materials supplier has been appointed. The Repairs Service review is now complete and has been implemented. A new repairs reporting portal is being implemented.

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 section at the end of this document

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.

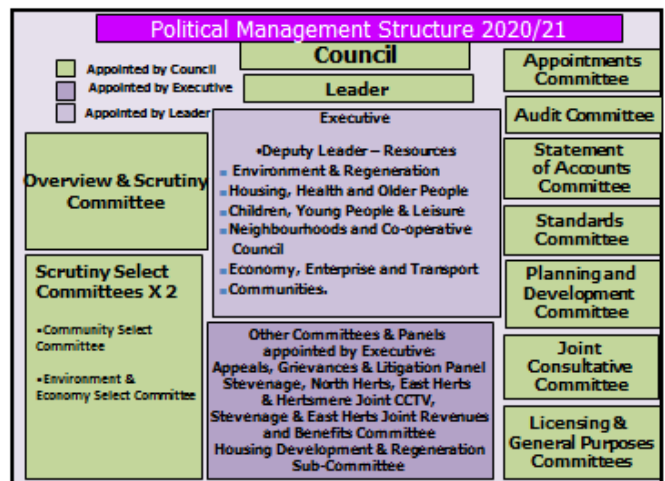
Summary of 2022/23 Review of Effectiveness:

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.



Executive, Council and Overview and Scrutiny meetings are recorded and are available via You Tube which means that members and the public can view these 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.

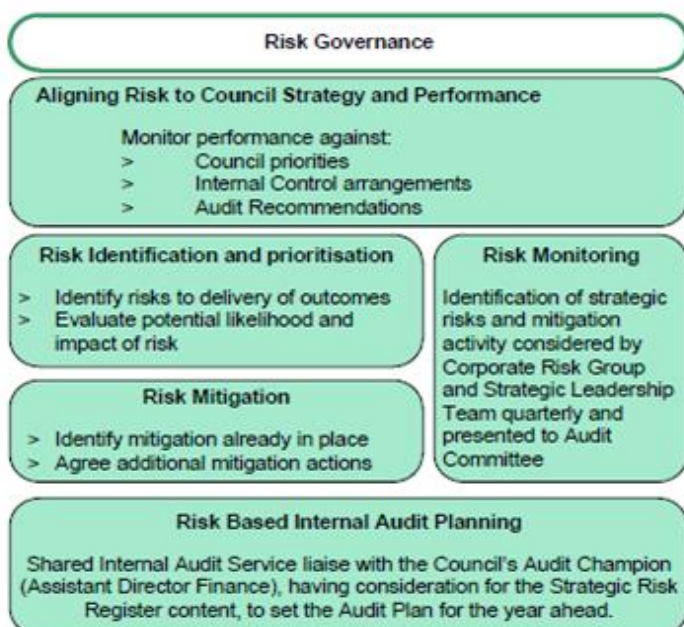
The Council has a staff Performance and Improvement Policy and Manager Toolkit, as well as associated policies (Absence Management, Dignity at Work, Disciplinary, Grievance and Appeals policies, Organisational Change Policy, Sickness Absence Policy, Social Media Policy) to encourage all employees to 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.

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 2022/23 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. Risks are reviewed by the Council's Senior Leadership Team each quarter and then reported to the Executive and Audit Committee quarterly.

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 Council expects the highest standards of conduct and integrity from all who have dealings with it including staff, members, contractors, and the public. It is committed to the elimination of fraud and corruption and to ensure that all activities are conducted ethically, honestly and to the highest possible standard of openness and accountability to protect public safety and public money. To ensure this, the Council is a member of the Hertfordshire Shared Anti-Fraud Service which is operated by Hertfordshire County Council. The Shared Anti-Fraud service is a fraud prevention and investigation service. The service also works with the Council to ensure it has the right strategies, policies, training, awareness and understanding of fraud prevention methods and ensures that staff are skilled and trained appropriately to prevent fraud. The Shared Anti-Fraud Service's annual Action Plan ensures compliance with best practice issued by central government, National Audit Office and CIPFA.

To prevent or report fraud, the Council has an Anti-fraud and Corruption Policy as well as a Whistle-blowing Policy, Anti-Bribery and Fraud Sanctions policies.

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 ICT service with East Herts District Council. The shared ICT service is responsible for developing the shared ICT platform as well as delivering ICT services.

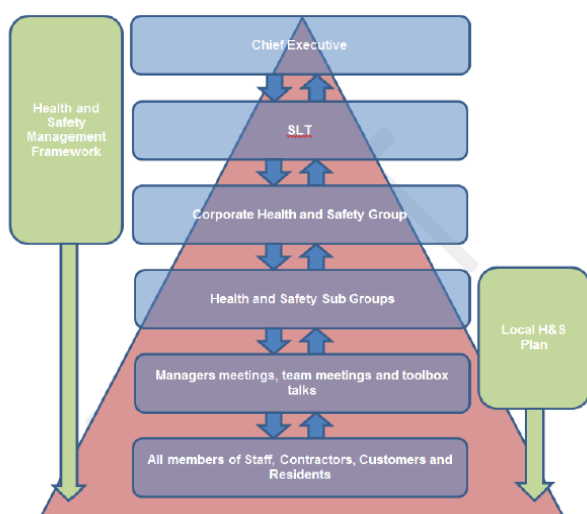
A joint Stevenage/East Herts ICT Partnership Board meets every month to consider the strategic direction of the service. A Joint (Member led) Committee Board, to review the ICT Improvement Programme meets quarterly.

The ICT 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.

A programme of activity to enhance the Council's ICT resilience and cyber security is outlined on page 28 of this document.

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

Alongside e-learning health and safety packages there is now a range of toolbox 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.

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.

Building Safety and Social Housing Compliance

A current key focus for local authorities, housing associations and landlords is to prepare for the new Building and Fire Safety Acts as well as the new Social Housing Regulation Bill.

Building Safety Act

The new Building Safety Act received Royal Assent in April 2022. The new Act focuses on the safety of 'higher-risk buildings (buildings which are at least 18 metres or 7 storeys high with 2 or more residential units) from design stage through to management once occupied. It is the government's response to the Grenfell Tower fire and recommendations from the subsequent Hackitt review.

The Act will give residents and homeowners more rights, powers and protection. It will deliver protections for qualifying leaseholders from the costs associated with remediating historical building safety defects and a toolkit of measures that will allow those responsible for building safety defects to be held to account

The Act creates three new bodies to provide effective oversight of the new regime: the Building Safety Regulator, the National Regulator of Construction Products and the New Homes Ombudsman.

Many of the detailed provisions in the Act will be implemented over the next two years through a programme of secondary legislation. The Building Safety Act 2022 will be fully enforceable by October 2024, although some areas of the Act will become enforceable earlier.

Fire Safety Act

In addition, on 1st October 2023, new fire safety guidance will come into force for all buildings regulated by the Regulatory Reform (Fire Safety) Order 2005. The new regulations will improve cooperation and coordination between Responsible Persons, increase requirements in relation to the recording and sharing of fire safety information, make it easier for enforcement authorities to take action against non-compliance, and ensure residents have access to comprehensive information about fire safety in their building.

These regulations will make it a requirement in law for responsible persons of high-rise blocks of flats to provide information to Fire and Rescue Services to assist them to plan and, if needed, provide an effective operational response. The regulations will also require responsible persons in multi-occupied residential buildings which are high-rise buildings, as well as those above 11 metres in height, to provide a range of additional safety measures. In all multi-occupied residential buildings, the regulations require responsible persons to provide residents with fire safety instructions and information on the importance of fire doors.

Page 29 outlines the proposed actions for 2023/24 to ensure compliance with the Building and Fire Safety Acts.

Social Housing Regulation Bill

On 8 June 2022, the Social Housing Regulation Bill was introduced to Parliament. The Bill aims to deliver the proposals set out in the Social Housing White Paper by introducing a number of measures to give tenants greater powers, improve access to swift and fair redress, and enhance the powers of the Regulator of Social Housing (RSH). The measures announced under the Bill will:

- Enable the RSH to intervene with landlords who are performing poorly on consumer issues, such as complaints handling and decency of homes, and to act in the interest of tenants to make sure issues are rectified.
- Enable the RSH to inspect landlords to make sure they are providing tenants with the quality of accommodation and services that they deserve.
- Guarantee timely action where the RSH has concerns about the decency of a home by only requiring 48 hours' notice to a landlord before a survey is carried out.
- Provide powers for the RSH to arrange emergency repairs of tenants' homes (following a survey and where there is evidence of systemic failure by the landlord), ensuring that serious issues are resolved rapidly where a landlord is unable or unwilling to act.
- Remove the cap on the fines that the RSH can issue to a landlord who fails to meet required standards.
- Create new Tenant Satisfaction Measures which will allow tenants to see how their landlord is performing compared to other landlords and help the RSH decide where to focus its attention.
- Ensure tenants of housing associations will be able to request information from their landlord in a similar way to how the Freedom of Information Act works for tenants of Local Authority landlords

Page 29 outlines the proposed actions for 2023/24 to ensure compliance with the above new Bill.

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

Cyber Security and IT Resilience: Work is continuing to roll out new VDI and to migrate services over to Windows 10 and Microsoft 365. Cyber Security awareness e-learning has been rolled out to both staff and Members. Work continues to implement the recommendations made by the SOCITM quality assurance review and DLUHC's recommendations as a result of their review of the Council's Cyber Security arrangements.

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 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.

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 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: The service has procured a new computer-aided facilities management system. The system is key to modernising the service and improving efficiency in respect of planning, delivery, and follow-up compliance work. A Corporate Compliance Group now meets quarterly to monitor the Council's corporate building compliance. This is then reported to Corporate Risk Group and the Council's Senior Leadership Team.

Information regarding continued enhancement activity proposed for 2023/24 is outlined in the Planned Improvement Activity for 2023/24 section at the end of this document

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 2022/23 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 2022/23 arrangements is set out on pages 5 to 7 of this Statement outlining assurance for both financial and non-financial systems.

For 2022/23 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 2021/22, advising whether the Council's financial

statements give a true and fair view of the financial position of the Council at 31 March 2022 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 2021/22 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

Planned Improvement Activity for 2023/24:

Significant internal control and governance issues identified as part of the 2022/23 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>To ensure that the General Fund Asset Management Strategy can deliver an effective mechanism to manage incoming investment as well as disposal of the Council's assets, the following activity is planned:</p> <ul style="list-style-type: none"> • Implementation of new property data management software to manage the Council's assets • Ensure adequate resources are available to deliver the Corporate Landlord function • Continue the review of the council's commercial portfolio • Deliver the Corporate Landlord function |
| <p>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:</p> <ul style="list-style-type: none"> • Complete the refresh of the Housing Revenue Account Business Plan • Carry out a review of the Council's reserves • Develop a Capital Funding Plan to identify and progress funding sources to ensure suitable capital funding is in place to deliver the Council's priorities • Continue to find savings as part of the 2024/25 budget setting process, incorporating the work around the four transformation themes • Robustly undertake budget monitoring to ensure all costs are accurately forecasted and profiled • Continue to look for new revenue streams |

Action

Commercialisation: To ensure that the Council's ambitious Co-operative Commercial and Insourcing Strategy can be achieved, a programme of work is required:

- The Co-operative Commercial and Insourcing Strategy is due for review in August 2023, and it is predicted that as part of the plan for financial sustainability there will be a greater focus on income generating services across the Council. This is likely to involve the setting of commercial Key Performance Indicators (KPIs) for key income generating services across the Council and developing plans for growth and marketing. Work will continue with the Garage Services team to protect and enhance this crucial revenue stream.
- The Commercial team will play a key role in setting fees and charges for 2024/25 and will continue to focus on identifying new income streams, with particular focus on opportunities in planning and grounds maintenance.
- With the Council's offer for filming in the borough and for advertising and sponsorship of both assets and events firmly established, growing the income in these areas will be a priority
- Aligned with the Council's commitment to insourcing, work will continue to assess the options outlined on the Insourcing Roadmap for 2022-24.
- The Commercial team will continue their work supporting the Housing team and consequently, the Housing Revenue Account (HRA).

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 develop and update the online Cost of Living information hub on the Council's website, covering Council support and signposting to other support including government and local grants, advice about avoiding scams, and support with household costs such as school uniforms.
- Continue to work with partners including Citizen's Advice and the Money Advice Unit to offer residents a comprehensive advice and support service
- Continue to operate and promote the Warm Spaces scheme, utilising public, community, and other buildings to offer comfort during the winter months
- Offer advice to help people with cooking on a budget, including links to Step to Skills to develop learning opportunities
- Continue to promote availability of local employment opportunities and skills and training courses (including funding available to support access) to help raise awareness and confidence for people to increase income and improve their financial wellbeing.
- Develop and implement decarbonisation schemes to reduce Council and tenant costs. To include a bid to Round 2.1 of the Government's Social Housing Decarbonation Fund targeting properties with an EPC D rating or below.
- Modelling the impact of energy increases in the charges to tenants and leaseholders to consider how best to support people with managing costs.
- Continue to work through the Stevenage Together partnership to share learning and best practice and to co-ordinate activity where appropriate.
- Continue to work with the County and district and borough councils in Hertfordshire to share learning and best practice and to co-ordinate activity where appropriate.
- Further develop the use of the Social Value Portal to divert funding from Council contractors to local skills development and key local investment priorities.

Action

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:

- Implement the Cyber Treatment Plan
- Gain Cyber Assessment Framework accreditation
- Agree resources and actions required to implement the SOCITM recommendations
- Recruitment to key ICT roles to be able to deliver the ICT work programme
- Complete the roll out of Windows 10 and M365

Health and Safety: Continue to enhance and embed health and safety compliance and performance by:

- Continue the rolling programme of internal and external audits for medium and high-risk services
- Complete the implementation of health and safety enhancements for the Council's identified health and safety risks

Repairs and Maintenance: 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 action is planned:

- Complete the mobilisation of new fencing and guttering programmes and embedding of new Repairs Supervisors who are responsible for ensuring repairs are undertaken in an efficient, timely and effective way.
- Launch of a new online reporting repairs service which will allow customers to select their own repair appointment times
- Appointment to vacant repairs posts to increase the capacity and performance of the Repairs service

Corporate Capacity To ensure the Council has the capacity to carry out all of its priorities as well as provide its core services and implement new government requirements as they arise the following actions are planned:

- Implementation of service planning in all service areas to improve resource planning
- HR team to continue working with service leadership teams to prioritise recruitment and associated support plans

Environmental Maintenance Strategy: To ensure that best practice and statutory compliance is achieved in relation to the Environmental Maintenance service the following action is planned:

- Produce an Environmental Maintenance strategy that includes detailed guidance on the dangers of fly-tipping, removal of graffiti and other environmental matters.

Social Housing Regulation Bill: To deliver the proposals set out in the Social Housing White Paper which will give tenants greater powers, improve access to swift and fair redress and enhance the powers of the Social Housing Regulator, the following action is planned:

- Development and implementation of a resident/tenant engagement proposal to enable the tenants voice to influence Council policies and decision making and develop a governance structure for this
- Ensure Members and Boards are fully aware of their responsibilities for consumer

| Action |
|---|
| <p>standard compliance</p> <ul style="list-style-type: none"> • Develop and implement a breach self-referral process • Carry out a gap analysis exercise once new consumer standards are shared • Implement the required new Tenant Satisfaction Measures which local authorities will be required to report on from April 2023. • Implement the process for capturing the 12 Tenant Perception measures which local authorities will be required to report on from March 2024. • Commence a stock condition survey. This will run for the next 5 years. • Develop and publish a new Communications Plan |
| <p>Building Management – General Fund Assets: To ensure there is a clear governance structure through a corporate landlord function and ensure compliance of the Council’s non-housing property the following action is planned:</p> <ul style="list-style-type: none"> • Embedding the new Facilities Management System to integrate operational compliance work within a single system • Implementation of the Corporate Landlord Function • Procurement of compliance services, covering Fire, Gas/Water and Electrical contracts |
| <p>Building and Fire Safety Acts: To deliver the proposals set out in the new Building Safety/Fire Safety Acts which have established new legal duties for landlord and building owners of higher-risk residential buildings to keep their buildings safe, the following actions is planned:</p> <ul style="list-style-type: none"> • Emergency evacuation training for residents of buildings in scope of the Acts • Inspect and develop a remedial programme of work for buildings in scope • Carry out fire door inspection programme • Develop floor and building plans for all housing stock within scope. • Implementation of a new Fire Risk Assessment Prioritisation Tool • Develop and install signage in buildings within scope |

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 26-29.

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 Richard Henry
Leader of Stevenage Borough Council

Signed
Date
Matthew Partridge
Chief Executive of Stevenage Borough Council