

**Broxbourne
Borough Council**

Annual Governance Statement

for year ended 31 March 2022



**BOROUGH OF
BROXBOURNE**

www.broxbourne.gov.uk

| **Web:** www.broxbourne.gov.uk | **Twitter:** [@BroxbourneBC](https://twitter.com/BroxbourneBC)
| **Facebook:** [@BroxbourneBC](https://www.facebook.com/BroxbourneBC)

Introduction

Broxbourne Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In addition, the Council 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, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance which was reviewed in November 2021 and is consistent with the principles of the CIPFA (Chartered Institute of Public Finance and Accounting)/SOLACE (Society of Local Authority Chief Executives) Delivering Good Governance in Local Government Framework. The Council's code is available on its website.

The Annual Governance Statement (AGS) describes the extent to which the Council has, for the year ended 31 March 2022, complied with its corporate code of conduct and the requirements of the Accounts and Audit Regulations 2015. It also describes how the effectiveness of the governance arrangements has been monitored and evaluated during the year and sets out any changes planned for 2022/23.

The AGS has been prepared in accordance with guidance produced in 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) – The 'Delivering Good Governance in Local Government Framework'. It embraces the elements of internal control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.

The Purpose of the Governance Framework

The governance framework comprises the processes and protocols by which the Council is directed and controlled and its activities through which it accounts to, engages with and supports its communities. It assures that in conducting its business, the Council:

- operates in a lawful, open, inclusive and honest matter
- safeguards public money and assets from inappropriate use, or from loss and fraud, and ensures it is properly accounted for and used economically, efficiently and effectively
- has effective arrangements for risk management
- secures continuous improvement in the way that it operates
- enables human, financial, environmental and other resources to be managed efficiently and effectively
- properly maintains records and information
- ensures its values and ethical standards are met

The governance framework also includes the Council's two wholly owned subsidiary companies: Badger BC Investments Limited and Broxbourne Environmental Services Trading Limited (BEST)

The Council's Governance Framework

The key elements of the systems and processes that comprise the Council's governance arrangements are summarised below:

Identifying, communicating and reviewing the Council's vision and outcomes

The 2020-24 Corporate Plan sets out the Council's vision which is expressed through three main priorities:

- A thriving economy offering business growth and jobs
- Sustainable living in an attractive environment
- An effective Council, efficient and responsive to the needs of residents

This is supported by an annual Corporate Plan Action Plan which states what tasks are to be completed to meet each corporate plan objective and is overseen by the Corporate Management Team (CMT).

Measuring the quality of services for users

The Council's programme for securing continuous improvement in its services is set out in the Annual Report. Actions for improvement are drawn from a variety of sources including external and internal audit, service reviews, matters arising from performance management monitoring, consultation exercises, key performance indicators and service improvements identified by the Council's complaints procedure. The Council has a performance management framework in place. Quality of service is measured through performance indicators which are reported to Cabinet, Scrutiny Committee and the Corporate Management Team (CMT). The Scrutiny Committee reviews any areas of concern as informed from corporate community consultation, direct feedback from members, residents, performance management and the results of reviews and inspections. In 2022 the Council underwent a peer challenge, the results of which are detailed later on.

Developing, communicating, and embedding codes of conduct defining the standards of behaviour for members and officers

The Council's constitution incorporates a member code of conduct to ensure high standards of member conduct. An officer code of conduct has been in place since January 2010. All members are required to register financial or other relevant interests, as specified by the code of conduct. Both members and officers must declare any gifts or hospitality in the appropriate registers.

The constitution includes a protocol for member-officer relations which describes and regulates the way in which members and officers should interact to work effectively together. An anti-fraud and corruption strategy is in place and sets out the responsibilities of the Council, its members and its officers in relation to fraud and corruption. This was last updated and approved by the Audit and Standards Committee November 2021.

Defining and documenting the roles and responsibilities of members and officers

The Council's constitution is periodically reviewed to ensure it remains fit for purpose. The constitution sets out how the Council operates. It details how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The constitution sets out a scheme of delegation which defines:

- items to be dealt with by way of recommendation to the Council
- items to be dealt with under executive powers
- powers delegated to officers in consultation with relevant members
- powers delegated to officers

The Constitution also sets out public access to the decision-making process. The Scrutiny Committee assists and supports policy development.

Contract standing orders, financial regulations and schemes of delegation

The constitution sets out the scheme of delegation, financial regulations and procurement rules. Training is given to all new staff and periodically to existing staff on the financial regulations and procurement rules and guidelines. Compliance with financial regulations is checked regularly and at key financial audits.

Managing Risks

The Council's adopted risk management policy applies best practice to the identification, evaluation and control of key areas of risk that could impact on the achievement of the Council's objectives and service priorities. It sets out a framework to ensure that all parties understand their roles and responsibilities. The focus of the Council's risk management policy is to promote risk awareness as opposed to risk aversion. This is to ensure that opportunities are considered and subjected to methodical assessment so that initiatives can be evaluated in the context of the Council's risk appetite.

A strategic level risk register is established to manage those risks which may threaten the Council's ability to achieve its corporate objectives. This register is owned and maintained by CMT and the management of these risks is regularly reported to the Audit and Standards Committee.

Strategic risk management is supported by operational level risk registers which are owned by each service lead and are reviewed on a periodic basis. Agreed actions to manage and reduce risk have been incorporated into the relevant service plans. The Audit and Standards Committee receives a quarterly report on risk management which includes a rolling review of each department's risk register.

Governance arrangements for partnerships

Partnerships are a key component of service provision. The Council has established its key partnerships and each has terms of reference and detailed governance arrangements which include decision making processes and dispute resolution procedures. There are service level agreements in place for shared services and key voluntary sector partners with regular review meetings to monitor performance against the agreements.

The Ambition Broxbourne Board and the Broxbourne Strategic Partnership for Skills review, input, consider and, in some cases, deliver the Council's economic development objectives. Membership of each is made up of both public and private sector organisations.

The Council works extensively with the Police, Fire and Rescue, Probation and other partners through the Hertfordshire Police and Crime Panel and Broxbourne Community Safety Partnership, particularly to highlight trends, inform priorities and tackle anti-social behaviour, acquisitive crime, hate crime and domestic violence. This includes the Council's joint Youth Intervention Project with local secondary schools and with partners and the "No More Service", a joint commissioned service with Hertfordshire councils, to provide a support and mentoring service for young people who are at risk of serious youth violence, anti-social behaviour and criminality.

Key partners meet regularly on the Broxbourne Responsible Authorities Group to strategically review and plan joint action in respect of crime and community safety.

The Covid Community Partnership (chaired by the Council) brought together statutory bodies to support vulnerable people in the community during Covid. Due to its success it has continued as the Community Partnership. The Hertfordshire Climate Change and Sustainability Partnership consists of all 10 districts and the county council, plus the Local Enterprise Partnership, and as the lead partnership organisation for partners to collaborate and identify joint work programmes on environmental, climate change and wider sustainability issues.



Reporting Concerns

Shared Anti-Fraud Service (SAFS)

The Council has an anti-fraud and corruption strategy and fraud response plan which are available to staff via the intranet. The Council is a partner in the Hertfordshire Shared Anti-Fraud Service (SAFS). This service investigates all suspected cases of fraud with the exception of benefit fraud which is referred to the Department for Works and Pensions via the national benefit fraud Hotline. SAFS also provides anti-fraud training at both Member and officer level.

Whistleblowing

The Council has a Whistleblowing Policy which sets out how those who work for the Council can raise concerns about activities in the workplace. Full details are provided on the Council's intranet.

Complaints

The Council has a corporate complaints procedure, details of which can be found on the website. [\(click here\)](#)

The Audit and Standards Committee considers any complaints made against members of the Council relating to breaches of the code of conduct. During 2021/22 three complaints were made to the Council's Monitoring Officer.

Complaints made to the Local Government and Social Care Ombudsman are monitored by the Chief Executive and reported to the Scrutiny Committee with accompanying details so that lessons can be learned where appropriate. Of the eight complaints made to the Ombudsman in 2021/22, the LGO closed three complaints after initial enquiry and upheld two. The Ombudsman did not investigate either of the upheld complaints because the Council was already investigating these and taking appropriate action.

Compliance with relevant laws and regulations, internal policies and procedures

Ensuring compliance with established policies, procedures, laws and regulations involves a range of measures which includes:

- the notification of changes in the law, regulations and practice to services
- increasing awareness, understanding and training carried out by officers and external experts
- the drawing up and circulation of guidance and advice on key procedures, policies and practices
- the proactive monitoring of compliance by relevant key officers including the Section 151 Officer and the Monitoring Officer

The Council is required to have the following statutory officer positions within its structure as detailed in the Council's Constitution:

- The Head of Paid Service which is discharged by the Chief Executive. The role is central to all that the Council does.
- Monitoring Officer which is discharged by the Head of Legal Services. This role ensures compliance with policies, procedures, laws and regulations. The Monitoring Officer will report to the Council if they consider any proposed action, decision or omission would give rise to unlawfulness or maladministration. All reports for member decision are required to include the legal implications of the decision, which are reviewed by the Head of Legal Services.
- Section 151 Officer has responsibility for the financial management of the Council and is discharged by the Director of Finance. The Section 151 Officer has a legal responsibility to issue formal reports if they have particular concerns about the financial arrangements or situation of the Council.

Impact of Covid-19 on the Council's governance arrangements for 2021/22

As a result of the pandemic during 2020/21 the majority of office based staff worked from home and Council meetings were held virtually and were still open to the public. Regulations which allowed authorities to meet remotely ceased after 06 May 2021, and since then all public meetings have been held in person.

Whilst the offices at Bishops College were being refurbished the majority of staff continued to work from home but since May 2022 there has been expectation that all staff come into the office at least two to three days a week.

Similar to 2020/21, throughout 2021/22 key Council services, including all statutory ones, continued despite coronavirus although some processes were amended to allow for remote working, for example allowing approval by email instead of a wet signature and discussed with Internal Audit first. Some services continued to be paused during the first part of 2021/22 for example the Council's Spotlight theatre and KidsKlub and some new activities started in 2020/21 continued, for example distribution of the government's Covid-19 related business grants by the Revenues and Benefits service.

Overall opinion of Broxbourne's governance arrangements

Despite coronavirus this AGS demonstrates that the Council's governance arrangements have remained fit for purpose during 2021/22. There has been no significant detriment on the Council's ability to deliver its services as a result of coronavirus.

Equalities

The Council is committed to delivering equality and improving the quality of life for the people of the Borough of Broxbourne. Any new Council policy, proposal or service, or any change to these that may affect a particular demographic is subject of an Equality Impact Assessment to ensure the equality issues have been considered and is supported by the Council's Equality Scheme and Action Plan. An Equality, Diversity and Inclusion working group has been established making sure they are involved in decision making processes.

Peer Challenge

The Council invited an independent team of peers from the Local Government Association to conduct a review of the Council's operations. The review took place in December 2021 and the review team met with senior management, officers and external partners. The review generated an overview report of the findings which noted that Broxbourne Council is 'an ambitious Council with a mix of opportunities and challenges'. Overall the report was positive and identified a number of areas for further improvement. The Council has prepared an Action Plan.


Significant Governance Issues

This final part of the AGS outlines the actions taken, or proposed, to deal with identified significant governance issues or risks. During the year the Corporate Governance Group met on a regular basis to monitor and review the corporate governance framework and to consider specific governance issues as they arose. The group comprises the Monitoring Officer (Chairman), the Deputy Section 151 Officer, the Head of Internal Audit, the Corporate Policy Manager and the Treasury, Insurance and Risk Manager.


The Corporate Governance Group has strengthened the Council's governance processes and has ensured that all issues raised in the previous AGS are being addressed as detailed in table one below.

The Corporate Governance Group has undertaken an assessment of the arrangements for governance during 2021/22, including a review of the assurance checklists and statements submitted by managers. It has concluded that arrangements are fit for purpose and working effectively and this has been endorsed by CMT. As a result of this assessment, a small number of governance issues have been identified for monitoring purposes or require a further strengthen or amendment of current arrangements, as detailed in table two.

The Council is satisfied that appropriate governance arrangements are in place. The Council proposes over the coming year to take steps to monitor the above matters and further enhance its governance arrangements. The Council will address the need for improvements that were identified in its review of effectiveness and the Council will monitor their implementation and operation as part of the next annual review.



J T Stack
Chief Executive



Cllr L Cocking
Leader of the Council

Table One: Progress on significant governance issues or risks identified in the 2020/21 AGS

Objective identified in the 2020/21 AGS and actions proposed	Action taken in 2021/22
<p>Ensuring the health and safety of staff, partners and the public in the way it delivers its services</p> <p>As in 2020/21 the Council will keep under review Health and Safety measures both within the Council and across the Borough to ensure government legislation and guidance is being followed regarding the country's recovery from Covid-19</p>	<p>The majority of staff continued to work from home during 2021/22, but since May 2022 have been encouraged to come in more regularly. Safe working practices continues to be a priority for the Council. Through CMT the Council keeps under constant review Health and Safety measures both within the Council and across the Borough</p>
<p>New ways of working (hybrid)</p> <p>As the Council continues on its Covid-19 recovery roadmap there will be a mixture of staff working remotely and in the Council's offices (i.e. hybrid working). It is important the Council's governance framework remains robust. A review will take place of decision making processes to ensure they are fit for purpose and working in the best interests of the Council, regardless how staff are working. To support this there will be an awareness programme to ensure staff are aware of their levels of authority</p>	<p>The refurbishment of the Council Chamber enables hybrid meetings to take place and has been successfully piloted through recent meetings. The majority of staff continued to work from home during 2021/22, especially during the refurbishment of the middle floor at Bishops College. The Council's Corporate Governance Group are reviewing delegations across the Council and financial limits within Contract Standing Orders have been updated following a comparison with other councils</p>

Objective identified in the 2020/21 AGS and actions proposed	Action taken in 2021/22
<p>Financial Management Code review</p> <p>2020/21 saw the introduction of CIPFA's Financial Management Code 2019. A key goal of the Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management.</p> <p>An assessment will be undertaken to ensure the Council can demonstrate compliance with the Code. Or if there are deficiencies, develop an action plan to address these.</p>	<p>This will be progressed during 2022/23</p>
<p>Risk management and business/service planning</p> <p>Work will commence in 2021/22 to better align service/business plans and risk management processes.</p>	<p>This is being progressed through the Corporate Governance Group. A new service/business planning template has been rolled out.</p>
<p>Common themes from the Service Assurance Statements were:</p>	
<p>Personal Development Plans</p> <p>Personal development plans were put on hold across the Council in 2020/21 due to Covid-19, however, managers were still having regular (virtual) meetings with staff. The formal process will recommence in 2021/22, ensuring linkage with service planning as detailed above</p>	<p>This will be progressed during 2022</p>

In preparing this statement and reviewing the effectiveness of the Council's governance arrangements the following areas have been identified for improvement or for closer monitoring. These are set out in table two below together with steps to be taken to address them.

Table Two: Areas for improvement or monitoring for 2022/23

Objective	Action to be taken in 2022/23
<p>Economic issues</p> <p>At the time of writing this AGS, both national and global events have led to a very volatile economic situation. Unprecedented increases in inflation and interest rates compared to previous years are being seen and availability of raw materials etc. is a problem globally. This has a direct impact on the Council in terms of potential cost increases including major works and projects. There may also be an indirect consequence with a potential increase in demand by those accessing Council services</p>	<p>Implications are being monitored with mitigating strategies being developed and implemented. These will feature as key considerations in the reports presented to Cabinet throughout 2022/23 and in the development of the MTFs (Medium Term Financial Strategy) for 2023/24 and future years.</p>
<p>Statement of Accounts</p> <p>Nationally, there has been an ongoing issue with councils being unable to get their final accounts audited. This is the same for Broxbourne.</p>	<p>The Council continues to work with its External Auditors and will be agreeing a timetable for the 2021/22 accounts. The Audit and Standards Committee continue to be kept abreast on progress.</p>
<p>Peer challenge improvement plan</p> <p>The outcomes from the LGA peer challenge has been captured in an improvement plan which is available on the Council' website.</p>	<p>The improvement plan will be monitored by the Council's Corporate Management Team and progress reported to staff and Members. Alongside the Corporate Plan Action Plan.</p>
<p>Financial Management Code review</p> <p>Carried over from last year's AGS action plan</p>	<p>An assessment will be undertaken to ensure the Council can demonstrate compliance with the Code. Or if there are deficiencies, develop an action plan to address these.</p>
Common theme from the Service Assurance Statements	
<p>Personal Development Plans:</p> <p>Carried over from last year's AGS action plan</p>	<p>The formal process will recommence in 2022/23, ensuring linkage with service planning as detailed below</p>

Objective	Action to be taken in 2022/23
Risk management and business/service planning	Work undertaken in 2021/22 to better align service/business plans and risk management processes will continue into 2022/23 driven by the Council's Corporate Governance Group