

**Broxbourne  
Borough Council**

# **Annual Governance Statement**

for year ended 31 March 2024



**BOROUGH OF  
BROXBOURNE**  
[www.broxbourne.gov.uk](http://www.broxbourne.gov.uk)

## 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 2023 and is consistent with the principles of the CIPFA (Chartered Institute of Public Finance and Accounting) and 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 2024, 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 2024/25.

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 is accountable to, engages with and supports its communities. It assures that in conducting its business, the Council:

- operates in a lawful, open, inclusive and honest manner
- 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).

### Outcomes

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).

### 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 is also in place and was refreshed during 2023/24 including the officer declaration of interest process. 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 in November 2023.

### 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 and was updated during 2023/24. 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. These are currently being reviewed and updated and will be recommended for approval to Cabinet at its July 2024 meeting.

### 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 or contracts 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. The partnership highlights trends, inform priorities and tackles anti-social behaviour, acquisitive crime, hate crime and domestic violence. The Council's joint Youth Intervention Project works 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 Broxbourne Community Partnership brings together a wide range of statutory and community partner groups to improve the wellbeing of residents. It deals with issues such as cost of living crisis including support from foodbanks and employability programmes, the work of the Healthy Hub, health issues such as mental health and COVID, welfare of vulnerable groups such as asylum seekers housed at the local hotel. Partners, including the Council, refer clients to each other for specialised help, with client's approval utilising the Broxbourne Frontline referral system.

The Hertfordshire Growth Board is made up of the County Council, the 10 district and borough councils (including Broxbourne), the NHS Hertfordshire and West Essex Integrated Care System, Homes England and Hertfordshire Local Enterprise Partnership. It is a County wide initiative to deliver an ambitious growth agenda to support a thriving economy, with affordable housing, a sustainable transport network, schools and healthcare facilities.

The Hertfordshire Growth Board is working closely with the Hertfordshire Climate Change and Sustainability Partnership, of which Broxbourne is a member, to deliver climate change action, reduce the carbon footprint and achieve lasting sustainable change.

### 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 the Corporate Management Team (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. 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 the strategic risk register and a rolling review of each department's risk register.



## 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 staff hub. 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 Work and Pensions via the national benefit fraud hotline. SAFS also provides anti-fraud training at both Member and officer level.

### 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 2023/24 no complaints were made to the Council's Monitoring Officer.

Complaints made to the Local Government and Social Care Ombudsman (LGO) are monitored by the Chief Executive. Of the ten complaints dealt with the LGO during 2023/24 the LGO closed nine after initial enquiry and upheld one. Actions to resolve for the one as agreed with the LGO have been taken, and any lessons learnt acted upon.

### Whistleblowing

The Council has a Whistleblowing Policy which is available on the staff hub. The Council's whistleblowing policy has been refreshed during 2023/24.

## 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. All reports for member decision are required to include the financial implications of the decision, which are reviewed by the Director of Finance.

## 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. The Council's equalities framework was updated during 2023/24.

## Strategic Partnerships

Good governance is key in order to deliver the Council corporate priorities, especially around regeneration. There are a number of strategic partnerships in place to help achieve this. Notable examples include working with Hertfordshire County Council (HCC) to deliver the £400M mixed use scheme at Brookfield Riverside and the adjacent Brookfield Garden Village. Using £14.3M of Levelling Up Funds for the regeneration of Waltham Cross town centre. The building of a new data centre by Google adjacent to the new Council owned Theobalds Enterprise Centre. The Council is working with HCC and Highways England to deliver the road infrastructure set out in the Transport Strategy. This includes a £32M Major Road Network bid.

## **Overall opinion of Broxbourne's governance arrangements**

This AGS demonstrates that the Council's governance arrangements have remained fit for purpose during 2023/24.

This opinion is not affected by the ongoing police investigation into an ex Council officer concerning a planning application. The Council has undertaken its own internal review and strengthen its internal control processes as a result of this. As well as acting on the recommendations from the independent review undertaken by the Hertfordshire Shared Anti-Fraud Service.

## **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 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 2023/24, 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 strengthening or amending current arrangements, as detailed in table two.

## **Conclusion**

The Council is satisfied that appropriate governance arrangements are in place. The Council proposes over the coming year to continue to review, and where appropriate, improve matters to further enhance the Council's governance arrangements.



**J T Stack**  
**Chief Executive**



**Cllr M Mills Bishop**  
**Leader of the Council**

**Table One: Progress on significant governance issues or risks identified in the 2022/23 AGS**

| Objective identified in the 2022/23 AGS   | Action taken in 2023/24   |
|---|---|
| <p><b>Economic issues</b></p> <p>At the time of preparing the 2022/23 AGS, economic volatility, both nationally and globally, continues although there are some early signs of stability emerging with inflation beginning to settle down (CPI peaked at 11.1% in October 2022), with notable reductions in fuel and energy prices.</p> <p>Interest rates though continue to rise as the Government strives to further dampen inflation. This is having a direct impact on the Council, threatening the viability of a range of capital projects.</p> | <p>Impacts are being monitored by the Corporate Management Team (CMT) and features as key considerations in the reports presented to Cabinet and in the development of the Medium Term Financial Strategy (MTFS) for 2024/25 and future years. The Council has not experienced much impact as commercial property voids remain low, collection rates remain high and maintaining low levels of households in temporary accommodation.</p> <p>The Council has a specific Help To Manage The Cost of Living page on its website, which includes useful links to other websites, organisations and advice to help with rising costs. Household Support Fund grants have been used to provide 18,474 food parcels, supermarket vouchers and meals to vulnerable households whilst 1,424 residents have been supported with their energy bills.</p> <p>Business cases for capital projects continue to be closely scrutinised to ensure their viability.</p> |
| <p><b>Statement of Accounts</b></p> <p>Nationally, the ongoing issue with councils being unable to get their final accounts audited continues. This is the same for Broxbourne.</p>   | <p>At its March 2024 meeting the Audit and Standards Committee received the External Auditor's (EY) Audits Result Report for 2021/22, which has yet to be finalised.</p> <p>The Government has put in place proposals to clear the backlog of outstanding local audits, this will impact on the audit of the Council's 2022/23 financial statements. Government proposals include drop dead dates for audits to be completed. It is recognised that many audits cannot be completed by this deadline date and therefore alternative arrangements will allow the External Auditor to issue a disclaimer to the accounts. EY has confirmed that it will disclaim the opinion on the Council's 2022/23 Statement of Accounts.</p> <p>For the 2023/24 accounts, and beyond, the Council has a new auditor (KPMG), who are already carrying out work on the accounts.</p>  |
| <p><b>Financial Management Code review</b></p>  | <p>The assessment of the code is in progress to ensure the Council can demonstrate</p>  |

| Objective identified in the 2022/23 AGS  | Action taken in 2023/24   |
|--|---|
| Carried over from last year's AGS action plan  | compliance with the Code. Or if there are deficiencies, develop an action plan to address these.  |
| <p><b>Levelling Up Fund (LUF)</b></p> <p>Following a successful bid to the Government's Levelling Up Fund, the Borough of Broxbourne has been awarded £14.3million to fund the regeneration of Waltham Cross town centre.</p> <p>It is important the Council has a robust governance framework to ensure funds are utilised in line with the funding criteria including timescales</p> | <p>A LUF Delivery Board has been set up and has been meeting every month. It includes members of CMT. The Board receives reports from each of the project managers overseeing delivery of the three headline projects in the programme. One element of the project, the Waltham Cross Skills Hub, is already complete. The risk register is reviewed at least once a quarter and updated, with mitigating actions discussed at the Board. There is a programme plan and progress is reported to each meeting of the Board, together with details of expenditure and projected spend for each project.</p> <p>The LUF working group meets once a fortnight and is chaired by the Programme Manager, who is the Director of Place. A Department for Levelling Up, Housing and Communities representative has been appointed to oversee the work</p> |
| <p><b>Customer Service</b></p> <p>The Council is keen to ensure a high level of customer service is maintained by every service within the Council.</p> <p>Following feedback after the results of the recent IPSOS survey were presented to Members, it was agreed that further work needs to be undertaken to improve customer service.</p>  | <p>Mandatory customer experience training has taken place for all staff.</p> <p>There is regular monitoring by CMT. More detailed analysis of the complaints which are upheld will take place as the Council now has two years of data for comparison. In addition, the Council created a Performance Manager post. This post was filled in July 2023.</p> <p>The Council met with focus groups from the Citizen Panel to analyse the cleanliness of the borough theme from the IPSOS survey.</p>   |
| <b>Common themes from the Service Assurance Statements were:</b>   |   |
| <p><b>Training</b></p> <p>There were several areas where additional training would be welcomed including project management and procurement</p>  | <p>Human Resources is reviewing leadership and development based training and will assess the needs to run in house content to upskill managers. Procurement training is being revised in light of the new Procurement Act 2023; to be rolled out in 2024/25. Formal project management training is also being considered.</p>  |

| Objective identified in the 2022/23 AGS   | Action taken in 2023/24  |
|---|--|
| <p>Business continuity</p> <p>Further work is required to ensure business continuity is embedded across the Council</p>   | <p>This is driven by the Treasury, Insurance and Risk Manager, and overseen operationally by the Corporate Governance Group and CMT.</p> <p>The Council's insurers Zurich ran a business continuity (BC) workshop with CMT and appropriate officers to work through a business continuity scenario. Lessons learnt from that exercise are being collated to help inform the Council's BC arrangements.</p> <p>This was followed by an internal workshop using a national power outage scenario. This highlighted where further improvements to the Council's BC arrangements are required and an action plan has been developed to ensure the Council can deploy appropriate resources should the situation arise.</p>   |
| <p>Staff recruitment and retention</p> <p>There is a national problem to recruit and retain technical staff in the public sector, including planners, accountants and housing officers. This is also the case for Broxbourne.</p> | <p>HR has produced a range of recommendations that have been reviewed and agreed by the Employment Panel most of which will be implemented in 2024.</p> <p>Headhunters and recruitment agencies are being used to find people for difficult to fill roles. In addition, 'golden hellos' are being offered. The Council has partnered with LinkedIn as a supplier (from June 2023) to help the Council attract talent who are not actively searching for work. Since partnering with LinkedIn, the Council is not as reliant on recruitment agencies to fill roles. Recently the Council has managed to fill 'hard to fill' roles, including planners, development management, economic development and a lawyer.</p> <p>An action plan has been created on the back of the recent staff survey and includes development of a succession planning tool.</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 2024/25**

| <b>Objective</b>   | <b>Action to be taken in 2024/25</b>  |
|--|---|
| <p><b>Project management</b></p> <p>The Council has a capital programme and other projects. The Council's project management framework is under review following delays and cost overruns in recent projects.</p>  | <p>CMT to review the Council's project management framework, ensuring project leads adhere to this and provide challenge where appropriate.</p>   |
| <p><b>Registered Provider</b></p> <p>The Council has applied to the Regulator of Social Housing (RSH) to become a Registered Provider (RP) of affordable housing, following Cabinet approval in April 2024.</p> <p>To qualify to become an RP, RSH criteria applies and covers a number of areas. This includes governance and financial viability, which is pertinent to this AGS.</p>  | <p>CMT will ensure there are effective governance and financial viability processes in place to ensure compliance with RSH criteria around governance and financial viability. This includes effective governance and resource management to deliver long-term financial viability, encompassing internal controls, risk management and governing documents and being accountable to tenants and the RSH.</p> |
| <p><b>Procurement</b></p> <p>The Procurement Act 2023, due to go live on 28 October 2024, represents a big change for all public bodies, including Broxbourne.</p> <p>The Act consolidates the different regimes currently governing procurement into one Act, thereby creating a simpler and more flexible system. The existing overarching principles have been replaced with these new objectives which authorities must consider in all procurement activities:</p> <ul style="list-style-type: none"> <li>• Value for money</li> <li>• Acting with (and being seen to act with) integrity</li> <li>• Maximising public benefit</li> <li>• Treating suppliers the same (unless otherwise justified)</li> </ul> | <p>Work has commenced to review internal processes, update all procurement related policies, procedures and guidance and identify training and awareness needs for both Officers and Members</p>  |

| <b>Objective</b>  | <b>Action to be taken in 2024/25</b>   |
|---|--|
| <p>Financial Management Code review</p> <p>Carried over from last year's AGS action plan</p>  | <p>The assessment against the Code, started towards the end of 2023/24, will be concluded during 2024/25. It will demonstrate the Council's compliance with the Code. Or if there are deficiencies, there will be an action plan to address these.</p>   |
| <p>Planning applications</p>  | <p>Internal Audit will continue during 2024/25 to review a sample of planning application to ensure controls strengthened during 2023/24 are working as intended.</p>  |
| <b>Common theme from the Service Assurance Statements</b>   |  |
| <p>Performance Monitoring</p> <p>Although the Council has a comprehensive set of corporate performance indicators there were pockets where a more granular level of performance indicators would be beneficial. In addition, there was scope for services to make better use of data.</p> | <p>This has already been identified by the Council's Corporate Performance Manager. A suite of service performance indicators will be developed and monitored by service managers, reporting upwards where there are concerns, and a dashboard developed to support this. These indicators will also form part of service plans.</p> |