

**Broxbourne
Borough Council**

Annual Governance Statement

for year ended 31 March 2020



**BOROUGH OF
BROXBOURNE**

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 2019 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) explains how the Council has complied with the code and ensures it meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6(1).

The AGS describes the extent to which the Council has, for the year ended 31 March 2020, complied with its corporate code of conduct and the requirements of the Accounts and Audit Regulations 2014. 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 2020/21.

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 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

Each objective is described in more detail, setting out how each of these priorities will be implemented. All objectives are incorporated into the relevant departmental service plans.

Measuring the quality of services for users

The Council's programme for securing continuous improvement in its services is set out in service plans and 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.

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 2019.

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 Skills Group direct, review and 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 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 working in partnership with the St Giles Trust to protect young people from gang culture. The key partners meet regularly on the Broxbourne Joint Action Group to review local crime statistics and intelligence and to plan joint action.



Reporting Concerns

Shared Anti-Fraud Service (SAFS)

The Council has an anti-fraud and corruption strategy, fraud response plan and confidential reporting policy which are available to staff via the intranet. These documents were updated in 2019/20. 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.

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 website. ([Click here](#))

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 2019/20 the Monitoring Officer investigated two member complaints both of which have been completed, with one being reported to Audit and Standards Committee and Council in April 2019.

Complaints made to the Local Government Ombudsman (LGO) are monitored by the Chief Executive and reported annually to the Scrutiny Committee with accompanying details so that lessons can be learned where appropriate. For 2019/20 the LGO closed six complaints after initial enquiry. The LGO upheld three which found the Council's handling of the original complaint was flawed at previous stages.

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 2019/20

On 23 March 2020 the Prime Minister announced a national lockdown due to the Covid-19 pandemic. The Council invoked its emergency powers under Part 3C of the Council's Constitution. This allowed the Chief Executive, in consultation with the Leader of the Council, to carry out the functions of the Council and Cabinet. This process was in place only until the local authorities in England were granted new powers to hold public meetings virtually by using video or telephone conferencing technology, which took effect from 4 April 2020. Since the end of April virtual meetings have been taking place for Broxbourne. Cabinet and Committee meetings are open to the public. This includes those meetings deferred from the end of March being the Audit and Standards Committee on 28 April 2020 and the Planning and Regulatory Committee on the 29 April 2020.

Key Council services, including all statutory duties, continued during lockdown although some processes were amended to allow for remote working, for example authorising documentation by email instead of a wet signature. This process was discussed with Internal Audit prior to being implemented.

Overall opinion of Broxbourne's governance arrangements

The majority of 2019/20 was unaffected by Covid-19 and this AGS demonstrates that the Council's governance arrangements have remained fit for purpose, even when flexed, for example by invoking the Council's emergency powers. There has been no detriment on the Council's ability to deliver its services. The longer term impact of Covid-19 and recovery from its effects on the governance framework for 2020/21 is mentioned in table two.

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.

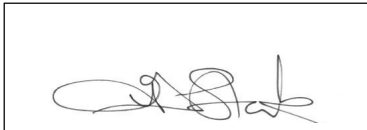
Significant Governance Issues

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.

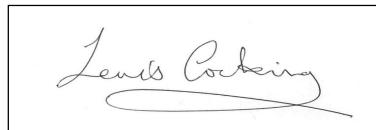
The Governance Group has strengthened the Council's governance processes and has ensured that all issues raised in the previous AGS have been addressed as detailed in Table One below.

Conclusion

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/risks identified in the 2018/19 AGS

Issues identified in the 2018/19 AGS and actions proposed	Action taken in 2019/20 to address the issue
Trading Companies: In April 2019 the establishment of a Shareholder Panel to oversee the operation of the trading companies owned by the Council was agreed. Review the membership and outcomes of the Shareholder Panel to ensure it is adequately carrying out the shareholder functions on behalf of the Council	The July 2019 Shareholder Panel met and agreed its Terms of Reference and appointed its Chairman. Agenda items included the BEST business plan and Badger BC Investments Ltd management accounts. The Shareholder Panel also met in November 2019. The agenda included the appointment of non-executive directors and the financial position of the Council's subsidiary companies
Brexit: If there is a 'no deal' Brexit then this may impair the Council's strategic aims and objectives. Brexit features on the corporate risk register and the Council has produced a document which outlines the possible implications for the Council. This will be continually monitored when there is more clarity around the position of the UK	The risk around a no deal Brexit was removed from the Council's corporate risk register as from February 2020 after the UK stopped being a member of the European Union on 31 January 2020. However, consequences of the exit from the European Union, including trade agreement negotiations are being monitored by CMT.

Issues identified in the 2018/19 AGS and actions proposed	Action taken in 2019/20 to address the issue
Transformation: The Council continues in 2019/20 with its significant investment programme of service changes.	Continued oversight via a dedicated Cabinet Member and dedicated Director driving the transformation programme. The refurbished reception area opened in July and regular updates on the transformation project continue in the staff newsletter. Work commenced on the next set of customer journeys. Training where required for new processes is being provided
Common themes from the Service Assurance Statements were:	
Succession planning: The work of Personnel in this area will be disseminated to service leads	This has been discussed at CMT, a report is due to be prepared by the Personnel and Payroll Manager
Business Continuity Planning: Work at the corporate level on priority services has been largely completed. The focus in 2019/20 will be on non-priority services	CMT considered the updated plan in September 2019, and it was considered by Heads of Service at the October meeting. Once formally approved the plan will be reviewed and updated semi-annually. A training and testing programme will be developed with the help of the Council's insurer. This will build on the lessons learnt when the plan was invoked during the Covid-19 crisis

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: Significant governance issues for 2020/21

Objective	Action to be taken in 2020/21
Risk Management and lessons learnt	It is important that the Council continues to monitor and (where required) mitigate risks to the Council's objectives, not only those relating to Covid-19. This will be undertaken in conjunction with a lessons learnt review of the Council's response to Covid-19. And will include a review of the Council's local code of governance
Financial resilience	There will be close monitoring of future years financial planning with a full a review of the

Objective	Action to be taken in 2020/21
	Council's Medium Term Financial Strategy as the Council delivers its recovery plan
New ways of working	As a result of Covid-19 staff will be encouraged to work in a more agile (remote) way. Processes will be reviewed to ensure internal controls remain reliable and are robust and fit for purpose. This will be undertaken in conjunction with a review of IT security and information governance arrangements
Ensuring the health and safety of staff, partners and the public in the way it delivers its services	The Council will keep under constant review Health and Safety measures both within the Council and across the Borough to ensure government legislation and guidance is being followed regarding Covid-19
Lowewood Museum	The Council is providing resources to establish an independent trust to run its museum service. It is important the Council has appropriate governance arrangements to ensure the effective running of this service
Common theme from the Service Assurance Statements	
Staff resilience and succession planning, especially for small teams	CMT will continue to progress this with Personnel