

**Broxbourne
Borough Council**

Annual Governance Statement

for year ended 31 March 2023



**BOROUGH OF
BROXBOURNE**

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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) 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 2023, 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 2023/24.

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).

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 in November 2022.

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.

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. 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 Community Partnership (chaired by the Council) was originally the Covid Community Partnership which 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 Growth Board is made up of the County Council, the 10 district and borough councils (including Broxbourne), the NHS Hertfordshire & West Essex Integrated Care System, Homes England and Hertfordshire Local Enterprise Partnership. It's 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 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 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 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 2022/23 no 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 dealt with the LGO during 2022/23 the LGO closed five after initial enquiry and upheld three. Actions to resolve for the three as agreed with the LGO have been taken, and any lessons learnt acted upon.

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.

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.

Progress against the Council's Peer Challenge Action Plan is monitored by CMT and the Cabinet, and is available on the Council's website.

Overall opinion of Broxbourne's governance arrangements

This AGS demonstrates that the Council's governance arrangements have remained fit for purpose during 2022/23.

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 2022/23, 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



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Leader of the Council

Table One: Progress on significant governance issues or risks identified in the 2021/22 AGS

Objective identified in the 2021/22 AGS	Action taken in 2022/23
<p>Economic issues</p> <p>At the time of writing the AGS, both national and global events had 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>There does not appear to have been a significant impact on the Council as a result of this. However, it continues to be monitored by CMT and will feature in the reports presented to Cabinet through 2022/23. The MTFS (Medium Term Financial Strategy) for 2023/24 was presented to Cabinet in November 2022 and the annual budgets for 2023/24 were approved at Council on 28 February.</p> <p>Although there have been no obvious signs of an impact on services, the Council produced a cost of living information leaflet for its residents and has a 'Help With the Cost of Living' section on its website.</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 to agree a timetable for the outstanding audits. Work on the 2021/22 audit is almost complete</p>
<p>Peer challenge improvement plan</p> <p>The outcomes from the LGA peer challenge have been captured in an improvement plan which is available on the Council's website</p>	<p>A presentation was made to staff 19 May 2022 and reported to Cabinet in July 2022.</p> <p>The Peer Report and Improvement Plan were agreed at Cabinet and are on the website.</p> <p>This was followed up by the Peer Review Team in January 2023 looking at the Council's actions taken to date and those planned. Feedback was positive.</p>
<p>Financial Management Code review</p> <p>Carried over from last year's AGS action plan</p>	<p>An assessment will be undertaken in 2023/24, after the 2021/22 External Audit has been completed</p> <p>The assessment is to ensure the Council can demonstrate compliance with the Code. Or if</p>

Objective identified in the 2021/22 AGS	Action taken in 2022/23
	there are deficiencies, develop an action plan to address these
Common themes from the Service Assurance Statements were:	
Personal Development Plans Carried over from last year's AGS action plan	Service planning for 2023/24 had been completed and objective setting meetings arranged for all staff, which had to be completed by end April 2023. The Council is considering whether explicit personal development plans are required.

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 2023/24

Objective	Action to be taken in 2023/24
<p>Economic issues</p> <p>At the time of preparing this 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>Implications will be monitored by CMT and feature as key considerations in the reports presented to Cabinet and in the development of the MTFS (Medium Term Financial Strategy) for 2024/25 and future years.</p> <p>Business cases for capital projects will continue to be closely scrutinised to ensure their viability.</p>
<p>Statement of Accounts</p> <p>Nationally, the ongoing issue with councils being unable to get their</p>	<p>The Council continues to work with its External Auditors (EY) to resolve the current issues. Once resolved a timetable will be agreed regarding the outstanding accounts. The Audit and Standards</p>

Objective	Action to be taken in 2023/24
<p>final accounts audited continues. This is the same for Broxbourne.</p>	<p>Committee will continue to be kept abreast of progress.</p> <p>For the 2023/24 accounts, and beyond, the Council will have a new auditor (KPMG). The Council is already talking to KPMG to ensure the audit process can get back on track.</p>
<p>Financial Management Code review</p> <p>Carried over from last year's AGS action plan</p>	<p>An assessment will be undertaken in 2023/24, after the 2021/22 External Audit has been completed, to ensure the Council can demonstrate compliance with the Code. Or if there are deficiencies, develop an action plan to address these.</p>
<p>Levelling Up Fund (LUF)</p> <p>Following a 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 working group and Delivery Board is being set up to deliver this programme of works. A Department for Levelling Up, Housing and Communities representative has been appointed to oversee work.</p> <p>Progress will be overseen by CMT and the Cabinet.</p>
<p>Customer Service</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 is taking 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 has created a Performance Manager post, with interviews taking place in June 2023.</p>

Objective	Action to be taken in 2023/24
Common theme from the Service Assurance Statements	
<p>Training</p> <p>There were several areas where additional training would be welcomed including project management and procurement</p>	<p>A training plan will be devised by Human Resources once the results of the recent OSMs (Objective Setting Meetings) have been collated</p>
<p>Business continuity</p> <p>Further work is required to ensure business continuity is embedded across the Council</p>	<p>This will be driven by the Treasury, Insurance and Risk Manager, and overseen operationally by the Corporate Governance Group and CMT.</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>Human Resources has produced a range of recommendations to be considered by CMT in due course.</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; this equates to 80% of UK professionals.</p>