

## Joint report of the Chief Executive and the Deputy Chief Executive

**CORPORATE GOVERNANCE ARRANGEMENTS**1. Purpose of report

To inform the Committee of action taken to develop and comply with statutory obligations regarding corporate governance and to seek approval of the Annual Governance Statement for inclusion in the Council's published Statement of Accounts for 2020/21.

2. Background

The Accounts and Audit Regulations 2015 require authorities to conduct a review, at least once in each financial year, of the effectiveness of its system of internal control and to include an Annual Governance Statement report on the review with its statement of accounts. To support this process, the Council follows proper practice as set out in the CIPFA/SOLACE publication *Delivering Good Governance in Local Government: Framework*. This Framework was initially produced in 2007 with a revised version published in April 2016. More detail about the framework and what it encompasses is given in appendix 1.

Under the Council's Constitution, this Committee is responsible for overseeing the maintenance of the internal control environment and for monitoring and making recommendations regarding the corporate governance arrangements. Appendix 2 sets out the actions the Council has taken during 2020/21 to advance the principles of the Code.

A Governance Risk and Compliance Action Plan has been developed which included at appendix 3. Appendix 4 provides an explanation of the Council's governance arrangements, and an update on the implementation of previously identified improvement actions. It concludes with the draft Annual Governance Statement and the Significant Governance Issues Action Plan for 2021/22. Once approved, it will be signed by the Leader of the Council and the Chief Executive prior to inclusion within the published accounts. The Chief Audit and Control Officer has confirmed that he considers that the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework.

**Recommendation**

The Committee is asked to:

1. **RESOLVE** that the draft Annual Governance Statement as shown in appendix 3 be approved in principle for inclusion in the Council's Statement of Accounts.
2. **RESOLVE** that responsibility be delegated to the Chief Executive and the Chair of this Committee to make any further amendments deemed necessary.
3. **NOTE** compliance with the Code on Delivering Good Governance in Local Government.

Background papers - Nil

**APPENDIX 1****Background**

The CIPFA/SOLACE document *Delivering Good Governance in Local Government: Framework* was published in 2007. In 2012 it was given 'proper practices' status by the Department for Communities and Local Government. Local authorities are under a statutory obligation to follow the published approach unless there are valid reasons for not doing so.

The Framework has since been reviewed and in April 2016 was published with a new set of core principles and sub-principles. There are seven core principles which have been developed to bring them more in line with the principles of open government and to establish a greater focus on outcomes, rather than processes. Each is accompanied by numerous sub-principles which provide a very comprehensive set of arrangements for ensuring that good governance exists within the organisation and is embedded in its day-to-day operations.

The seven core principles and an explanation of the intention behind each one are as follows:

**A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.

It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

**B. Ensuring openness and comprehensive stakeholder engagement**

Local government is run for the public good. Organisations should therefore ensure openness in their activities.

Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

**C. Defining outcomes in terms of sustainable economic, social and environmental benefits**

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable.

Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

**D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved.

They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations.

Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

**E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods.

A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole.

Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

**F. Managing risks and performance through robust internal control and strong public financial management**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services.

Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically; it requires repeated public commitment from those in authority.

**G. Implementing good practices in transparency, reporting and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

**APPENDIX 2**

The Council’s governance arrangements are consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2016 edition)*. This Statement explains how the Council has complied with these arrangements and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1), which requires all relevant bodies to prepare an Annual Governance Statement.

A summary of how we meet with each of the seven core principles, including evidence of the principle in action, and where improvement action or new steps have been taken in 2020/21 is provided below:

**A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took action in relation to the principle in 2020/21</b>
<p>Member and officer Codes of Conduct set standards of behaviour for officers and members. These require adherence to the Nolan Principles. The Council’s values are consistent with the Nolan Principles and are embodied in its Corporate Plan.</p>	<p><u>Member code of conduct</u>: A Councillor task and finish group was formed to consider the new model code of conduct prior to any new adoption.</p> <p><u>Corporate values/Induction</u>: As part of new starter induction procedures all new starters meet with GMT when the values of the Council are discussed with relevant examples each value explained to the new starters.</p>
<p>The Constitution contains a protocol for member and officer relationships.</p>	<p>Senior members of staff are actively encouraged to highlight and discuss ethical dilemmas and present committee reports in a fair and balanced way, highlighting options for members’ consideration.</p> <p>A series of ethical workshops were incorporated into SMT meetings. Three sessions focusing on ethics were included in SMT meetings in 2019/20.</p>
<p>The Council collects data relating to its workforce and reviews this through the annual workforce profile to identify any inequity, unfairness or prejudice in recruitment procedures or the operation of other HR practices.</p>	<p>The latest Workforce Profile was reviewed by the General Management Team and reported to Personnel Committee on 23 March 2021. As required by law Broxtowe published information regarding its gender pay gap.</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2020/21
<p>The Council holds members to account for their behaviour by addressing allegations of breaches of the member code of conduct</p> <p>An independent person has been appointed to deal with standards issues that arise.</p>	<p>Eight Code of Conduct complaints against members were dealt with. None involved allegations of fraud or corruption. Two proceeded to formal investigation.</p> <p>There were seventeen Code of Conduct complaints made against Parish Councillors.</p> <p>The Independent person was involved in consideration of the Member Standards complaints which were raised in 2019/20</p>
<p>The Complaints procedure. Complaints present an opportunity for improvement and can identify systemic or behavioural failings which need to be addressed</p>	<p>A new complaints procedure was approved by the Governance, Audit and Standards Committee on 30 November 2020 to reflect amendments required by the Housing Ombudsman. The new Policy is on the Council's website.</p> <p>An annual complaints report is presented to the Governance Audit and Standards Committee. The report provides details, in particular, of those complaints that are referred to the Ombudsman and where improvements to systems and processes have been made as a result of complaints. Any complaints where a financial settlement is appropriate, or has been made, are also reported in detail to this Committee.</p> <p>Through its annual equality and diversity, which was last reported to the Policy and Performance Committee on 24 March 2021, members review whether there may be any inequality or unfairness indicated/apparent through the protected characteristics of complaints. The report explains in detail the actions taken to promote equality and diversity.</p>
<p>The Council holds employees to account in respect of their conduct and behaviour. The number of disciplinary, grievance and whistleblowing complaints dealt with is set out in the annual workforce profile.</p>	<p>During 2020/21 in relation to employees there were:</p> <ul style="list-style-type: none"> <li>• No whistleblowing complaints</li> <li>• 6 grievances</li> <li>• 4 disciplinary hearings (resulting in one no further action; one final warning; one final warning and demotion; and one dismissal)</li> <li>• No employees subject to the capability process.</li> </ul> <p>A new Organisational Development Strategy was approved by the Personnel Committee on 30 June 2020.</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2020/21
	<p>The Whistleblowing Policy was reviewed by the Governance Audit and Standards Committee on 30 November 2020.</p> <p>The Personnel Committee on 30 June 2020 considered and approved the following:</p> <ul style="list-style-type: none"> <li>• Return to Work Following COVID-19 report</li> <li>• Employee Wellbeing Survey Results</li> <li>• Employee Survey</li> </ul> <p>The Personnel Committee on 29 September 2020 considered and approved the following:</p> <ul style="list-style-type: none"> <li>• Action Plan for the Wellbeing of Staff</li> <li>• Apprenticeship Strategy</li> <li>• Coaching and Mentoring</li> <li>• Long Term Sickness Absence for Employees</li> <li>• Pensions Discretion Policy</li> </ul> <p>The Personnel Committee on 31 March 2021 considered and approved the following:</p> <ul style="list-style-type: none"> <li>• Succession Planning Framework</li> <li>• Acting Up and Honoraria Policy</li> <li>• The Disability Confidant Status</li> <li>• Procedure for Dealing with threats of Suicide</li> <li>• Care Leavers Interview Scheme</li> <li>• Neurodiversity Policy</li> </ul> <p>The Personnel Committee also agreed to sign up to a new Shared Cost Additional Voluntary Contributions pension scheme, a veteran’s interview scheme, a salary sacrifice car scheme.</p>
<p>Every employee has an annual appraisal which leads to a learning plan for the coming year.</p>	<p>The online employee appraisal scheme continued to operate during 2020/21.</p>

**Opportunities for further improvement**

These are included in the Governance Risk & Compliance Action Plan 2020/21 at appendix 3.

**B. Ensuring openness and comprehensive stakeholder engagement**

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took action in relation to the principle in 2020/21</b>
<p>The Council has a variety of means through which it seeks to engage and inform employees. Mechanisms include section team meetings, senior management meetings, email bulletins and the Employee Forum.</p> <p>There are also internal working groups on which there is cross departmental representation</p>	<p>Monthly Senior Management Team briefings.</p> <p>Fortnightly COVID-19 related Senior Management Team meetings.</p> <p>Equality Working Group met quarterly</p> <p>Broxtowe Employee News bulletin was sent out regularly weekly, a new initiative in 2020/21.</p> <p>The Local Joint Consultative Committee comprising of Councillors, trade union reps and managers met to discuss HR related policies before recommending them to the Personnel Committee.</p> <p>The Independent Remuneration Panel met to consider Members' Allowances for the forthcoming year.</p>
<p>Residents are regularly updated on new consultations through our website as well as press releases</p>	<p>The Council has a webpage dedicated to consultations and resident engagement.</p> <p>The major consultation exercises taking place in 2020/21 included:</p> <ul style="list-style-type: none"> <li>• Budget consultation 2021/22</li> <li>• Stapleford Market Survey</li> <li>• Civil Penalties Policy</li> <li>• Toton and Chetwynd Masterplan</li> <li>• Housing Strategy 2020/24</li> <li>• Consultation on Public Place Protection Order</li> <li>• Parks and Open Spaces</li> <li>• Proposed Vehicle Nuisance PSPO, Chilwell</li> <li>• Proposed PSPO, Basil Park, Nuthall</li> <li>• Proposed Vehicle Nuisance PSPO, Eastwood</li> <li>• Houses in Multiple Occupation Policy (Beeston)</li> </ul>
<p>Regular tenant led Service review groups for Housing services.</p>	<p>The Housing Committee has a resident involvement group and consult regularly on housing related subjects, reporting to the housing improvement groups. During the pandemic there have been consultations through social media and digital forums.</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2020/21
Tenant engagement in significant reviews of Housing service delivery.	Significant consultations involving tenants included <ul style="list-style-type: none"> <li>• Changes to independent living services</li> <li>• Redevelopment of garage sites</li> </ul>
Engagement in relation to new strategy	In addition to those already mentioned there was consultation was completed through digital forums on Housing Service delivery and Private Sector Housing Civil Penalties Policy.
The Council encourages engagement annually on its expenditure through its annual budget survey	A budget consultation for budget 2021/22 was reported to the Finance and Resources Committee in January 2021. A total of 130 responses were received. In overall terms, local people are satisfied with the borough of Broxtowe and the Council's management of it. 73% of people are either 'satisfied' or very 'satisfied' with the area in which they live which is a decrease on the 75% figure in the 2020/21 consultation. 64% are either 'satisfied' or 'very satisfied' with the way that the Council delivers services which is the same level as the response in 2020/21.
Disability Forum	<p>The Equality and Diversity annual report was presented to the Policy and Performance Committee in March 2021.</p> <p>Examples of engagement with and the influence of the Disability Forum, Community Action Teams consultation with our tenants and leaseholders through Open Forums, Service Review Groups and Resident Involvement Groups and the Broxtowe Disability Forum. Other opportunities for engagement occur for example through the work of the planning section in the creation of Neighbourhood Plans, local stakeholder discussions through the Broxtowe partnership, community safety action planning, work with Parish and Town Councils were included in the annual Equality and Diversity Report</p>
Broxtowe Youth Voice has appointed a Youth Mayor and Deputy. The Council's constitution provides for these individuals to participate in	The Youth Mayor regularly participated in Council meetings during 2019/20 but the post was not reappointed to in 2020/21. It is expected that there will be an appointment in 2021/22.

How we meet the principle	Where you can see evidence of the principle in action and where we took action in relation to the principle in 2020/21
Council meetings (but not vote). This ensures the voice of young people is heard by members.	
Community Action Teams – The Council organises regular local meetings with the local community which are chaired by ward Councillors. This is a means by which Councillors keep in touch with local people and identify action which needs to be taken which they feed back to officers or committees	The Community Action Team page on the Council's website contains details and minutes of meetings which took place.
The Local Strategic Partnership is chaired by the Leader of the Council and is a mechanism through which leaders of the public and voluntary sector organisations in Broxtowe co-ordinate activity and identify strategic issues which need joint action	<p>Meetings of Broxtowe Partnership took place in 2020/21. The format of meetings changed, so that in recent meetings there has been an in depth focus on food insecurity and mental health.</p> <p>Task groups on health and older people, and children's services met regularly and progress on delivering agreed actions was monitored.</p>
Development of Local Plan Part 2 and Neighbourhood Plans	<p>Extensive consultation took place in relation to the development of proposals to be included in the Part 2 Local Plan and the Plan was duly adopted in October 2019.</p> <p>The Council's Planning department supported the development of local Neighbourhood Plans. Referenda on Plans were deferred due to the pandemic but are now authorised again, with the Awwsworth referendum due to take place in June 2021.</p> <p>Progress on discussions to create a new Development Corporation in Nottinghamshire and Leicestershire have been reported to the Jobs and Economy Committee.</p>
Communication and Engagement Strategy	The pandemic in 2020/21 resulted in an unprecedented increase in communication to key stakeholders and local people in order to ensure

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took action in relation to the principle in 2020/21</b>
	everyone was kept informed about actions required to keep themselves and the wider community safe; how to access help and support, and the key actions the council was taking to respond to the pandemic.

**Opportunities for further improvement**

These are included in the Governance Risk & Compliance Action Plan 2020/21 at appendix 3.

**C. Defining outcomes in terms of sustainable economic, social and environmental benefits**

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21</b>
<p>The Council's vision and priorities are set out in its Corporate Plan.</p> <p>Under the Corporate Plan there are business plans for each of the Corporate Plan priorities. The Business Plans set a small number of high level outcome targets; Critical Service Indicators (CSI). These are supported by Key Performance Indicators (KPI) and Management Performance Indicators (MPI). The latter are used by managers to inform day to day operational service delivery.</p>	<p>The Council's corporate plan for 2020-24, which is available on the website.</p> <p>All the business plans in the middle column are approved annually and can be viewed on our website. These include</p> <ul style="list-style-type: none"> <li>• Housing business plan</li> <li>• Business Growth business plan</li> <li>• Community Safety business plan</li> <li>• Health business plan</li> <li>• Environment business plan</li> <li>• Liberty Leisure Ltd business plan</li> <li>• Bereavement Services business plan</li> <li>• Resources business plan</li> <li>• Revenues, Benefits and Customer Services business plan</li> <li>• ICT/Business Transformation business plan</li> </ul>
<p>Strategies – Each Corporate Plan priority is supported by a number of strategies which informs the strategic direction of the subject area and sets the framework within which annual business plan tasks and targets are set</p>	<p>The key strategies adopted in previous years and not already mentioned previously in this table are:</p> <ul style="list-style-type: none"> <li>• Housing Strategy 2020</li> <li>• Green Infrastructure Strategy 2015-2030</li> <li>• Aligned Core Strategy 2014-2020</li> <li>• Local Plan Part 2 2018-2028</li> <li>• Waste Strategy 2016-2020</li> <li>• Climate Change and Green Futures Programme 2020-2027</li> <li>• Playing Pitch Strategy 2016-2028</li> <li>• Digital Strategy 2019-2023</li> <li>• Homelessness Strategy 2017-21</li> <li>• Broxtowe Play Strategy 2017-2020</li> <li>• Economic Regeneration Strategy 2017-21</li> <li>• ICT and Business Transformation Strategy 2017-2021</li> <li>• HS2 Growth Strategy Sept 2017</li> <li>• Revenue Budget and Medium Term Financial Strategy for 2021/22, as well as Capital Strategy, Asset Management Strategy and Treasury Management and Investment Strategies.</li> </ul>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21
<p>Progress on delivering business plan targets, tasks and achievement of outcome indicators are regularly reported to Councillors for scrutiny.</p> <p>An audit of data quality is conducted annually and all performance indicators are required to be signed off at senior management level to ensure that the quality of any data produced is of a sufficient standard</p>	<p>Performance reporting to Policy and Performance Committee focuses on Critical Service Indicators (CSI) and financial information indicating variances from the expected position. This takes place on a quarterly basis.</p>
<p>The Council's financial plans are based on a Medium Term Financial Strategy (MTFS) which identifies future budget pressures. This is revised annually as part of the budget setting process and is kept under review throughout the financial year</p>	<p>The Medium Term Financial Strategy was reviewed and revised by Finance and Resources Committee on 11 February 2021.</p>
<p>The Council's annual Business Strategy has the following 4 objectives: that the Council should be</p> <ul style="list-style-type: none"> <li>• Lean and fit in its assets, systems and processes</li> <li>• Customer focused in all its activities</li> <li>• Commercially-minded and financially viable</li> <li>• Making the best use of technology.</li> </ul>	<p>The business strategy was revisited and revised in 2020/21 and approved by Finance and Resources Committee in October 2020.</p> <p>The Business Strategy identified potential efficiencies and income generation opportunities amounting to around £490,000 during 2020/21 and 2022/23 to help balance the budget.</p> <p>The Finance and Resources Committee considered a report on 30 March 2021 which informed of the position of the Council's investment in the terms of environmental, social, and governance investing criteria.</p>
<p>Councillors keep oversight throughout the year regarding whether financial performance is in accordance with the agreed budget framework</p>	<p>Detailed reports to all service committees are produced at the year end to highlight financial variances from the expected position. This also happens in relation to capital plan monitoring</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21
The Council has a strategic risk register which is regularly reviewed and reported to Governance, Audit and Standards Committee	The Council's approach to identifying and quantifying strategic risks was reviewed and improved during the previous year.

#### Opportunities for further improvement:

These are included in the Governance Risk & Compliance Action Plan 2020/21 at appendix 3.

#### D. Determining the interventions necessary to optimise the achievement of the intended outcomes

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21
The Council takes time to analyse options in relation to major decisions	Examples of where the Council has taken time to consider options is in connection with the house building programme where the Council has reviewed a number of garage sites for the veterans' accommodation, and finally decided on Oakfield Rd in Stapleford which is now being developed. Similarly, for Fishponds Cottages site, we have reviewed a number of options for housing (mix, tenure etc., removing cottage/retaining cottage) and arrived at the most beneficial solution. Further sites are being considered and developed.
The Council examines options for the future use of its assets in order to improve public value	<p>Examples include</p> <ul style="list-style-type: none"> <li>• Beeston Town centre regeneration: selection of construction partner for Cinema</li> <li>• Beeston Town centre selection of residential build partner</li> <li>• Stapleford Police Station: following a successful bid to D2N2 to develop business hub this is now nearing completion and has several occupants.</li> <li>• Submission of bid to D2N2 for new business units at Mushroom Farm – construction has begun on the site with interest being shown.</li> </ul>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21
The Council considers the impact on customers when considering options to change patterns of service delivery	An example is the approach the Council has taken to increasing methods of Council house rent payment, and in relation to the use of former garage sites as land on which to build housing development.
The Council regularly revises and updates its proposals to achieve savings and generate additional income	The Business Strategy was updated in October 2020 in preparation for the 2021/22 budget as was the Medium Term Financial Strategy.
The Council is pro-active in tackling areas of poorer performance	<p>Examples include measures to increase staff capacity to tackle leaseholder matters and increasing capacity in private rented housing to address HMO issues.</p> <p>Measures were taken to improve performance in the Council's contact centre. A housing repairs review took place to improve the housing repairs service which resulted in a new section and a new Head of Service position being created to give greater capacity to safety, compliance and asset management.</p>
The Council has regard to external events and is pro-active in examining whether its arrangements respond to identified risks and threats	<p>Regular reports were presented to each committee to provide updates in relation to the COVID-19 pandemic.</p> <p>The Council has played an active role in the local resilience forum to manage the pandemic risk.</p> <p>A Grenfell Response officer working group is working to ensure issues arising from the Grenfell fire are managed proactively and effectively to ensure tenants are kept safe.</p>
The Council is pro-active in identifying threats and risks to safety and works in partnership to mitigate these	<p>Work within the South Nottinghamshire Community Safety partnership develops and implements action plans to tackle safety risks such as knife crime action plan; Stapleford Action plan; Eastwood Action plan.</p> <p>The Council took active measures to investigate and initiate measures to restrict Houses in Multiple Occupation in Beeston and progress has been made to introduce an Article 4 Directive in the area.</p>

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21
<p>The Council works with outside experts as well as internal and external stakeholders to identify potential better ways of delivering services</p>	<p>Examples where external experts have added value to our efforts in 2020/21 include:</p> <ul style="list-style-type: none"> <li>• Interim Housebuilding Manager</li> <li>• Project Manager Beeston Town Centre Regeneration</li> <li>• Procurement Officer</li> </ul> <p>Examples of external working include</p> <ul style="list-style-type: none"> <li>• HS2 strategic board and associated groups</li> <li>• Bramcote Crematorium joint committee</li> <li>• Stapleford Towns Fund board</li> <li>• Broxtowe local strategic partnership</li> <li>• Greater Nottingham joint planning advisory board</li> <li>• South Nottinghamshire community safety partnership</li> <li>• Nottinghamshire economic prosperity committee</li> <li>• Nottinghamshire health and wellbeing board</li> <li>• Safer Notts Board</li> <li>• Notts Water Safety partnership</li> <li>• Notts hate crime partnership</li> <li>• Notts adult safeguarding board</li> </ul>

### Opportunities for Further Improvement:

These are included in the Governance Risk & Compliance Action Plan 2020/21 at appendix 3.

**E. Developing the entity’s capacity including the capability of its leadership and the individuals within it**

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21</b>
The structure and cost of service delivery is continually reviewed.	In the year, structural reviews took place including Housing Operations; Environment Services; Customer Services; Planning and Economic Development; Community development; and HR.
The Council enhances its capacity, increases resilience and broadens access to skills Through sharing a range of services with neighbouring authorities	The Council shares services with neighbouring authorities in relation to Building Control (Erewash); Burials and cremation (Erewash); NDR recovery (Ashfield); CCTV (Newark & Sherwood/ Ashfield/Mansfield); Car parking enforcement (Rushcliffe); and accommodation for homeless people (Rushcliffe and Gedling).
As much as identifying ways of reducing expenditure the Council is also prepared to invest in additional capacity to respond to changing needs of residents/customers, enhance knowledge and insight and improve the quality and cost effectiveness of service delivery	<p>Examples within structural reviews include</p> <ul style="list-style-type: none"> <li>• Additional capacity for Recycling and Climate Change</li> <li>• Additional capacity for community engagement</li> <li>• Section 106 contributions officer</li> <li>• Additional legal capacity to respond to increased demand and additional activity on housing buy backs.</li> </ul>
Business and financial performance is regularly scrutinised by all committees	See section C above for details
Service Committees consider a range of data including benchmarking data to assess the quality of Council services	The Council uses the online Grant Thornton benchmarking tool which gives a greater degree of granular information about service issues. The Housing Committee receive information on the results of Housemark benchmarking data. The Environment Services (waste and recycling, street cleansing; leisure and grounds maintenance) benefit from benchmarking through APSE.

**Opportunities for Further improvement:**

These are included in the Governance Risk & Compliance Action Plan 2020/21 at appendix 3.

**F. Managing risks and performance through robust internal control and strong public financial management**

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21</b>
<p>The Council integrates risk management approaches into its performance management arrangements</p>	<p>A Governance Risk and Compliance Action Plan has been developed which integrates action planning arising from the need to improve governance (actions identified through the SOLACE/CIPFA review); risk management mitigation actions identified through the Strategic Risk Register and compliance with the law - both current and future.</p>
<p>The Council has a Strategic Risk Management Group that reports to GMT. The Governance, Audit and Standards Committee regularly consider and approve updates to the Strategic Risk Register.</p> <p>All key decision reports submitted to committees contain a risk assessment where appropriate, which is used to update the Strategic Risk Register. All action points within business plans are required to be risk assessed.</p> <p>The Governance, Audit and Standards Committee has oversight and decision making responsibility for determining:</p> <ul style="list-style-type: none"> <li>• Internal Audit Plan and progress made with the plan</li> <li>• implementation of audit recommendations</li> <li>• Strategic Risk Register</li> </ul> <p>Risk management training is occasionally provided. An eLearning module is available to enable members to access training on risk management whenever convenient to them.</p>	<p>The refreshed Risk Management Strategy was approved by the Governance, Audit and Standards Committee on 3 December 2018. Regular updates on strategic risks were presented to this Committee throughout 2020/21.</p> <p>The Strategic Risk Register is also a key element used in preparing the annual Internal Audit Plan. This helps to ensure that resources are targeted towards those areas which are the highest risk to the Council.</p> <p>As part of the Council's response to Coronavirus business continuity plans were refreshed and an internal working group set up to ensure high quality risk management in relation to safety of employees delivering services during the pandemic.</p>

<p><b>How we meet the principle</b></p>	<p><b>Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21</b></p>
<p>Members of the Governance, Audit and Standards Committee can have independent access to the Chief Audit and Control Officer where considered to be necessary. The Chief Audit and Control Officer is satisfied that in all respects he has the necessary authority and resources to assess the Council's governance, risk and internal control environment and highlight any problems that he considers should be drawn to the attention of the Council</p>	<p>The results of an External Quality Assessment of the effectiveness of Internal Audit was considered by the Governance, Audit and Standards Committee in March 2018. This review was conducted by an experienced and independent assessor. The outcome of this review was positive and indicated that Council's Internal Audit service complies with the expectations of the Public Sector Internal Audit Standards. This provides the Council with confidence in the assurance work that is provided by Internal Audit. Furthermore, the outcome of the review was benchmarked against other providers in both the sector and the wider industry and this showed that the team compares favourably in comparison with its peers. Whilst the review did identify areas where improvements could be made, these were not felt to be fundamentally undermining the work of Internal Audit, its role within the organisation or the Chief Audit and Control Officer's ability to assess the Council's internal control environment.</p>
<p>The Safety Committee and Civil Contingencies Planning Group, chaired by the Chief Executive and comprising relevant senior officers, consider and develop plans to mitigate risks arising in workplace settings, or threats from flooding, major emergency events or risks to health</p>	<p>The internal Health and Safety committee and civil contingencies committees steer the Council's implementation of key strategies including the Emergency Plan; Flu Pandemic Plan; Flooding Response Plan and a COVID-19 response Plan.</p> <p>An annual health and safety report is presented to Committee. The Health and safety committee is currently considering a new policy for Health and Safety and Control of Substances Hazardous to Health.</p>
<p>A corporate Business Continuity Plan seeks to mitigate the effects of a potential disruption to services so that the impact of such a disruption is minimised and services restored to an acceptable level within pre-set timescales. The Business Continuity Plan is reviewed by the Strategic Risk Management Group. Departmental business continuity plans also exist</p>	<p>Copies of departmental and Corporate Business Continuity Plans are available.</p> <p>As part of the Council's response to the coronavirus threat, business continuity plans were activated and updated to respond to these new risks. The Council has played a full part in the local resilience forum structures.</p>

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21</b>
<p>The Fraud and Corruption Prevention Policy Statement is that the Council takes a zero-tolerance approach to fraud and corruption.</p> <p>The Council is committed to establishing a strong anti-fraud/corruption culture and will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts. Any indications of potential benefits fraud are forwarded to SFIS for investigation.</p> <p>The Council has processes in place which help to identify and tackle fraud. An analysis of residual non-benefits related fraud investigation requirements was undertaken prior to the transfer which identified no substantial areas of immediate concern for the Council other than that which can normally be addressed as part of the work of Internal Audit</p>	<p>The Fraud and Corruption Prevention Policy and Money Laundering Prevention Policy were approved by the Governance, Audit and Standards Committee in March 2017. As part of the process, an annual report relating to fraud and corruption prevention activity is submitted to the Governance, Audit and Standards Committee, the latest being in September 2020. The delivery of the action plan will help to further strengthen the current arrangements in place.</p> <p>Data matching exercises are regularly undertaken in conjunction with the National Fraud Initiative (Cabinet Office). In addition, a premium Single Person Discount review was undertaken jointly across the Nottinghamshire authorities with the NFI. The results of these NFI exercises are used to shape future programmes of counter fraud activity.</p> <p>A proactive approach has been undertaken by introducing the Fraud and Error Reduction Incentive Scheme (FERIS) approach and a risk-based assessment framework for benefits applications, including the Local Council Tax Support Scheme, for which the Council remains fully accountable.</p>
<p>Chief Officers are required to prepare an annual statement of compliance with internal control stating compliance with the law and approved policy</p>	<p>An annual Statement of Internal Control has been prepared by each Chief Officer</p>
<p>The Council has information governance arrangements in place including safe collection, storage, use and sharing of data. A suite of online information management products has been developed and are required to be completed by employees at various levels.</p>	<p>Comprehensive Information Management Policies (internal documents) are in place.</p> <p>The Council has a full time dedicated Information Governance Officer</p> <p>An online GDPR employee training product was completed by all employees.</p>

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21</b>
The Council is proactive in tackling threats to performance (e.g. income management)	<p>Reports are made regularly to the Finance and Resources Committee on the roll out of Universal Credit.</p> <p>A pandemic recovery plan has been developed which will include actions to address the significant financial, social, business and health impacts of the pandemic on the Council's activities and the community as a whole.</p>
The Council welcomes external agencies to give us feedback on our performance and responds positively to suggestions for improvement	The Council applied for and was successful in acquiring external LGA workforce development support through the LGA. Feedback received helped to inform the creation of the new Organisational Development Strategy.

**Opportunities for Further Improvement:**

These are included in the Governance Risk & Compliance Action Plan 2020/21 at appendix 3.

**G. Implementing good practices in transparency, reporting and audit to deliver effective accountability**

<b>How we meet the principle</b>	<b>Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21</b>
The Council complies with its obligation to produce a Publication Scheme	The Publication Scheme is on the Council's website and is regularly reviewed.
The Council publishes data in a transparent way which is accessible through the website	There is an open data section on the Council's website.
The Council reports annually on performance and financial stewardship through a newsletter which goes to every household in Broxtowe	A review of the implementation of the last corporate plan was published on the website and included in Broxtowe matters, as well as updating residents on the latest adopted corporate plan.
A Governance, Risk and Compliance Action Plan is produced which incorporates	The status of the previously agreed action plan is outlined in appendix 4 below.

How we meet the principle	Where you can see evidence of the principle in action and where we took improvement action in relation to the principle in 2020/21
governance improvements identified as a result of the annual governance check	
Internal Audit and External Auditor recommendations are acted upon	Reports are regularly made to Governance, Audit and Standards Committee on progress in implementing agreed actions following an Internal Audit.
The Council welcomes peer challenge and other forms of external review of service delivery	The planned LGA peer review was due to take place in June 2020 but was deferred because of coronavirus. It is now due to take place in 2021.

### Opportunities for further improvement

These are included in the Governance Risk & Compliance Action Plan 2020/21 at appendix 3.

### Conclusion

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the organisation who have responsibility for the development and maintenance of the governance environment, the Chief Audit and Control Officer's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

The operation of the Governance Framework during 2020/21 has provided the Council with **substantial assurance** that proper practices are in place governing the conduct of the Council's business. Additional improvement actions have been identified through the annual review of the standard and are included in the new Governance Risk and Compliance Action Plan.

Implementation of the governance related actions specified in the attached action plan will help to ensure that the Council's governance arrangements continue to improve and be fit for purpose in accordance with the governance framework.

**GOVERNANCE RISK AND COMPLIANCE ACTION PLAN****Governance Risk & Compliance Action Plan 2020/21**

<b>Action</b>	<b>Lead Officer</b>		<b>Completion</b>
<b>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>			
1. A new Organisational Development Strategy will be completed in 2020/21	Chief Executive		Completed and approved by Personnel Committee on 30 June 2020.
2. An LGA Peer Review will be completed in 2020/21	Chief Executive		End March 2021 The peer review system has been suspended by the LGA so this action can't be completed and will be rolled over to next financial year
<b>B. Ensuring openness and comprehensive stakeholder engagement</b>			
3. Conduct a budget consultation exercise with residents in 2020/21 for the budget 2021/22	Deputy Chief Executive		Completed and results reported to the Finance and R committee on 11 February 2021
4. Engage and consult with the community regarding the future of Stapleford prior to the submission of a Towns Fund bid	Head of Planning and Economic Development		April- August 2020 Consultation completed. Bid submitted Jan 21

Action	Lead Officer		Completion
5. Consulting with tenants and the public on a new Housing Strategy	Head of Housing		2 September 2020 Consultation completed and new strategy approved by housing committee Sept 2020
<b>C. Defining outcomes in terms of sustainable economic, social and environmental benefits</b>			
6. Review and amend the Council's Constitution	Monitoring Officer		1 July 2020 The scheme of delegation was reviewed and delegated by Council to Policy and Performance Committee to agree which it duly was at its July meeting.
7. Continue to support the development of Neighbourhood Plans	Head of Planning and Economic Development		End March 2021 Ongoing – no referendum on the neighbourhood plan for Bramcote and Chilwell before May 21 because of COVID-19
8. Further update the Business Strategy in preparation for the 2021/22 budget round	Deputy Chief Executive		10 December 2020 The business strategy was updated and approved by F and R committee on 8 October
9. Complete a new Waste Strategy following the new Government strategy being published	Head of Environment		End December 2021 The government has not yet produced the new waste strategy which has delayed the creation of our new strategy so will not be possible to meet deadline.
10. Complete a Vision and Action Plan for Stapleford	Head of Planning and Economic Development		August 2020 The Stapleford Towns fund duly approved a vision statement
11. Complete a new Carbon Reduction Plan	Executive Director		September 2020 The Environment and climate change committee adopted a new strategy in Nov

Action	Lead Officer		Completion
			2019 and receives regular reports on the implementation progress of the 15 strand project.
<b>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</b>			
12. Review the operation and financing of leisure in Broxtowe following the COVID-19 pandemic and Update the Leisure Facilities Strategy (December 2021)	Deputy Chief Executive		June 2020 A leisure facilities strategy review was presented to Policy and Performance Committee on 1 Oct 2020 and a task and finish group was set up to develop more detailed plans for new leisure centres .
13. Complete a new Asset Management Strategy	Head of Asset Management		End March 2021 Themes of the strategy approved by Housing Committee but will probably be expanded to include all Council-owned property assets. A new Asset management head of service was created to create extra capacity. This work now falls to the new head of service. The deadline will slip
14. Following the pandemic, develop a Recovery Plan	Chief Executive		July 2020 Recovery plan approved by both Jobs and Economy Committee and Policy and Performance committee
15. Ensure the full implementation of a new Contract Management Framework	Procurement Officer		End December 2020. New policy approved. In implementation phase
16. Improve aspects of financial administration including:	Head of Finance		End of March 2021. <ul style="list-style-type: none"> <li>The cash receipting system underwent a server upgrade in 2020/21 that should</li> </ul>

Action	Lead Officer		Completion
<ul style="list-style-type: none"> <li>• Improving the accuracy of the cash receipting system</li> <li>• Completion of the intelligent scanning invoice matching system</li> <li>• New system for appraisal of capital projects and prioritisation</li> <li>• Improve the bank reconciliation systems (ICON).</li> </ul>			<p>enhance performance and increase reliability of the system. Additional functionality was also made available to users.</p> <ul style="list-style-type: none"> <li>• The rollout of the intelligent scanning invoice matching system has been delayed due to COVID-19 related work pressures but will recommence in 2021/22.</li> <li>• Further work is to be undertaken to refine the process to prioritise schemes for inclusion in the capital programme. The recently approved 2021/22 capital programme prioritised those schemes linked to corporate objectives such as Housing and addressed a number of high-risk health and safety priorities.</li> <li>• Training on bank reconciliation procedures was provided to key Finance Services, Revenues and Benefits and ICT Services staff in March 2021 by the system provider and an attempt will be made in 2021/22 to cascade this to other key staff involved in the bank reconciliation process.</li> </ul>
<p><b>E. Developing the entity’s capacity including the capability of its leadership and the individuals within it</b></p>			
<p>17. Implement the agreed outcomes of the housing repairs review</p>	<p>Head of Asset Management</p>		<p>End march 2021. The work passed to a new Head of service, created to add capacity to this area of work.</p>

Action	Lead Officer		Completion
			Ongoing. Progress being monitored by Housing committee
18. Review the management structure in the light of changing service demands and economic realities	Chief Executive		September 2020 A new head of asset management and maintenance has been appointed.
<b>F. Managing risks and performance through robust internal control and strong public financial management</b>			
19. Develop a new Fire Safety Policy and risk assessment procedures and update fire risk assessments	Health and Safety and Emergency Planning Manager		September 2020 New fire safety policy adopted and being implemented
20. Following the pandemic, as soon as practically possible, catch up with the backlog of housing repairs and gas safety checks	Housing repairs Manager		End March 2021 The housing team worked hard to catch up the backlog after the first wave
21. Develop a flood risk assessment and response plan for Kimberley depot	Executive Director		Completed End March 2021 Deadline has slightly slipped but work is under way and will be completed by end of financial year
<b>G. Implementing good practices in transparency, reporting and audit to deliver effective accountability</b>			
22. Review and expand the open data section of the website	Executive Director		End December 2020 Open data section reviewed and updated
23. Develop a governance risk and reporting system for major projects to	Chief Audit and Control Manager		20 July 2020 completed. A new framework has been approved and is being reported on.

<b>Action</b>	<b>Lead Officer</b>		<b>Completion</b>
be reported to Governance, Audit and Standards Committee on a regular basis			

APPENDIX 4

**DRAFT ANNUAL GOVERNANCE STATEMENT**

1. What are the Council’s Governance Arrangements?

1.1. Corporate Values

The Council’s governance arrangements are reflected in our corporate values which are:

- Integrity and professional competence
- A strong caring focus on the needs of communities
- Continuous improvement and delivering value for money
- Valuing employees and enabling the active involvement of everyone
- Innovation and readiness for change.

1.2. Competency Framework and Employee Performance Appraisal

These values are consistent with the SOLACE/CIPFA governance code and act as the basis for the Council’s competency framework and the assessment of individual employee performance appraisal.

1.3. The Constitution, Standing Orders and Delegated Authority

The Council’s Constitution sets out the roles of members and officers and the terms of reference of the Council’s committees. Officer’s delegated powers to take decisions are set out in this document, as are the protocols and codes of conduct regulating the way employees and members should behave and relate to each other, and how debate is conducted at Council meetings. Limits of financial expenditure are set out in standing orders and in standing orders relating to contracts.

The main checks and balances on the respective power of officers and members is summarised in the table below. The table provides some of the key ways in which officers and members are held accountable to local residents. Website links are made to where you can find further information (*those in green and black are internal documents*).

<b>Officer checks /balances</b>	<b>Member checks/balances</b>	<b>Accountability to residents</b>
<ul style="list-style-type: none"> <li>• Officer delegations within Constitution</li> <li>• Pay Policy underpinned by Job evaluation policy</li> <li>• Disciplinary Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Elections</li> <li>• Independent Remuneration Panel</li> <li>• Members Allowances scheme</li> <li>• Governance Audit and Standards Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Broxtowe Matters Annual Report</li> <li>• Public Questions at Council Meetings</li> <li>• Petitions at Council Meetings</li> </ul>

<ul style="list-style-type: none"> <li>• Employee Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Community Trigger for Anti-social Behaviour</li> </ul>
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<b>Officer checks/balances</b>	<b>Member checks/balances</b>	<b>Accountability to residents</b>
<ul style="list-style-type: none"> <li>• Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Executive Director</li> <li>• Financial standing orders within constitution</li> <li>• Contract standing orders within constitution</li> <li>• Fraud Prevention Policy</li> <li>• Treasury Management policy</li> <li>• Business Continuity Plans</li> <li>• Whistleblowing Policy</li> <li>• Strategic Risk Register</li> <li>• Risk Management Policy</li> <li>• Health &amp; Safety Policy; Procedures; Health &amp; Safety Group</li> <li>• Information Management Arrangements</li> <li>• Staff engagement exercises</li> <li>• Complaints and compliments procedure</li> <li>• Licensing and Appeals Committee (employment and grievance appeals)</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory Officers (Chief Executive head of paid service; deputy chief executive section 151 officers; Monitoring Officer; Chief Information Officer-Interim Executive Director</li> <li>• Questions to Committee chairs at Council meetings</li> <li>• Member code of conduct</li> <li>• Reports at Council by Members of Outside Bodies at Council meetings</li> <li>• Ward Member reports at Council meetings</li> <li>• Public Consultations</li> <li>• Register of Members Interests</li> <li>• Community Action Team Meetings</li> <li>• Declaration of interests at all meetings</li> <li>• Protocol for Councillor/Officer Relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Communications strategy 2018-21</li> <li>• Open Data</li> <li>• Transparency framework</li> <li>• Publication scheme</li> <li>• Publication of Committee decisions</li> <li>• Tenant and Leaseholder Matters</li> <li>• Broxtowe Parks Standard</li> <li>• Public satisfaction surveys</li> <li>• External audit annual letter to Governance at Audit committee</li> <li>• Internal and external audit progress reports at Governance and Audit Committee</li> <li>• Periodic external inspections e.g. EFLG/IIP/IIE/LGA</li> <li>• Peer review</li> <li>• Benchmarking through APSE/CIPFA/SOCITIM/ Housemark</li> <li>• Finance Data online</li> <li>• Licensing and Appeals Committee ( Taxi, alcohol, licensing matters)</li> <li>• Commenting on Planning applications and speaking to Planning Committee</li> </ul>

- |                                       |  |  |
|---------------------------------------|--|--|
| • Statement of Internal Control (SIC) |  |  |
|---------------------------------------|--|--|

#### 1.4. Corporate Plan and Business Plans

The Council's Corporate Plan sets out the Council's Vision and Priorities. The vision is "Broxtowe- a greener, safer healthier place where everyone prospers".

The priorities are succinctly expressed:

**Housing:** A good quality home for everyone

**Environment:** Protect the environment for the future

**Business:** Invest in our towns and our people

**Health:** Support people to live well

**Community safety:** A safe place for everyone

Each priority has objectives which are set out in the plan and specific measureable outcome measures, in year 2 of the plan (2021/22) and at year 4.

#### 1.5. Strategy and Policy Framework

Within each priority area, a range of strategies and policies are devised to guide the decision making of officers and members. These are approved by the respective committees (see below) apart from those which are reserved for full Council for determination.

#### 1.6. Decision-making Structures

The Council has adopted a committee system, which means that all the political parties are represented within the decision making committees. Neither the Leader of the Council or the Chairs of Committees have executive power, which enables decision making to take place in a democratic fashion with scrutiny taking place as part and parcel of decision making. The Council may set up task and finish or working group arrangements to come forward with proposals for policy development or on topics which members consider require further investigation and enquiry.

- Full Council decides upon policy and certain other specialist functions that cannot be delegated elsewhere, including the setting of the Council Tax.
- The Policy and Performance Committee, which includes the Chairs of all other policy committees, has overall responsibility for developing and delivering policies of the Council and monitoring progress against the objectives of the Corporate Plan.
- The Finance and Resources Committee has responsibility for reviewing the Council's budget and financial management and makes recommendations to Council with regard to the setting of Council Tax.
- Committees mirror the Council's main priority themes of Community Safety; Housing, Jobs and Economy, and Leisure and Health, Environment. These

are allocated authority by the Council to develop and deliver policy within their specific remit set out in the constitution.

- Separate quasi-judicial committees exist for Planning, Licensing and Appeals, Alcohol and Entertainments.
- A specific committee exists for personnel decisions and policies.
- Matters relating to governance and standards are dealt with by the Governance, Audit and Standards Committee. The role of this committee is particularly relevant to the operation of the SOLACE/CIPFA code and is set out in more detail below:

### Role of the Governance, Audit and Standards Committee

The role and operation of the Governance, Audit and Standards Committee is in line with a toolkit and publication produced by CIPFA entitled Audit Committees – Practical Guidance for Local Authorities.

The specific functions delegated to this Committee are provided in its Terms of Reference which include:

- To determine attendance of members at conferences.
- To determine responses on behalf of the Council to any government, local authority or other consultation on matters within the remit of the Committee.
- The functions conferred in relation to standards of conduct by the Local Government Act 2000, the Localism Act 2011 and associated legislation.
- Without prejudice to the generality of the foregoing:
  - promoting and maintaining high standards of conduct for all members and officers
  - preparing for adoption or revision by the Council policies and codes of conduct for members, co-opted members and officers
  - monitoring the operation of the codes of conduct
  - granting dispensations to members (including co-opted members) from requirements relating to interests set out in the Members' Code of Conduct
  - advising and training members, co-opted members and officers on matters relating to conduct
  - undertaking the same duties as detailed above in respect of parish or town Councils within the Council's area
  - considering, determining and dealing with matters referred by the Monitoring Officer
  - considering, determining and dealing with matters referred by the Chief Executive or Monitoring Officer under the Council's Whistleblowing Policy
  - monitoring the complaints made against the Council including those made via the Ombudsman service
  - assessing (and reviewing if appropriate) all complaints made in respect of breaches of the Members' Code of Conduct.
- The Committee will:

- To oversee the arrangements for the maintenance of the Council's internal control environment
- To monitor and make recommendations regarding the Council's corporate governance arrangements including the appointment of the external auditor
- Consider ways of achieving reductions in ongoing financial commitments through a review of essential and desirable services and service levels.
- Identify opportunities for future income generation and cost savings.
- Examine further procurement and collaborative working opportunities with the private sector and other local authorities.
- Consider the Council's published financial accounts and associated documents, including the Annual Governance Statement, and give approval to them when satisfied;
- Review the work of the internal audit section including the approval of an audit strategy and annual audit plans;
- Consider significant issues arising from internal audit reviews, make recommendations accordingly and monitor management's response;
- Receive reports from the Council's external auditors, the Council's internal auditor and from any inspection agencies and monitor action in response to any issues raised;
- Oversee the effectiveness of the Council's risk management procedures, the control environment and associated fraud and anti-corruption arrangements including the approval of amendments to the strategic risk register and associated action plans;
- Monitor and review the Council's business continuity arrangements;
- Consider the Council's arrangements for corporate governance and recommend necessary action to maintain best practice and to comply with the code of corporate governance;
- Determine the discretionary elements of both national and local conditions of service;
- Determine employment and health and safety policies;
- The power to make payments or provide other benefits in cases of maladministration (section 92 Local Government Act 2000);
- To receive reports directly from the Chief Internal Auditor as and when he/she thinks fit;
- To receive reports directly from the Council's external auditors as and when appropriate.
- The Committee may appoint Panels comprising of a proportionate combination of three or five members of the main Committee.
- To determine responses on behalf of the Council to any government, local authority or other consultation on matters within the remit of the Committee.
- Consider in detail polling district boundaries for the Borough Council's administrative area and any necessary changes to ensure that:

- electors have such reasonable facilities for voting as are practicable in the circumstances.
- as far as is reasonable and practicable, that polling places are accessible to all electors, including those who are disabled, and when designating a polling place, have regard to the accessibility needs of disabled persons.
- Consider polling places for the Borough Council's administrative area.
- Consider the warding arrangements for Broxtowe to ensure electoral equality in all areas.
- Consider the boundaries of parish Councils in the Borough and warding arrangements in those areas, if appropriate.
- Consider the names of Borough Council and parish Council wards.

Two joint committees exist – the Economic Prosperity, which consists of the Leaders of all Councils in Nottinghamshire to consider countywide development matters; and the Bramcote Bereavement Service Joint Committee which oversees the operation of Bramcote Crematorium, which is jointly owned with Erewash Borough Council.

Two internal committees recommend changes to employee policy pay and conditions – the Local Joint Consultative Committee which considers employee related matters and the Independent Remuneration Panel, which considers matters relating to the remuneration of members. The Independent Remuneration Panel reviewed members' allowances in January 2021 and decided on a further in-depth review due to the increase in the number of committees at the Council.

The Panel recommended no increase in the allowance in-line with the employee pay award. Full Council received the report of the Panel's findings on 3 March 2021 and accepted the recommendation.

Delegation arrangements to officers are set out in detail within the Constitution. In order to ensure that decisions are made in compliance with the law and approved policy, Chief Officers are charged with responsibility for the operation of controls within their areas of responsibility and for statutory functions as necessary. They make an annual declaration of compliance through the annual statement of internal control.

Regular meetings take place between relevant senior officers and members of the Council to discuss and propose policy.

The Constitution also includes sections on the conduct of meetings, Financial Regulations, Financial Regulations (Contracts) and Codes of Conduct for members and officers.

- 1.7. The Council established a wholly owned leisure services company, Liberty Leisure Limited, from October 2016. These arrangements have delivered cost reductions and increased income through the company operating as a commercial entity and opportunities to better fulfil the Council's aims through increased flexibility in day-to-day operations.

Full control of the company is maintained by the Council through the governance arrangements that are in place, with the Leisure and Environment Committee maintaining an oversight of the company. Liberty Leisure Limited has continued to provide a wide range of leisure and cultural activities and generates a surplus trading position.

1.8. A Shared Services Board, chaired by the Chief Executive, meets regularly to keep shared service arrangements under review.

1.9. Strategies, Policies and Business Plans

The Council has a suite of strategies, policies and business plans which mirror its corporate priority themes and ensures that service delivery follows a clearly set out, politically approved and strategically led approach.

1.10. Electoral Arrangements

There were no elections during 2020/21 on account of the pandemic.

1.11. Statutory Officers

The Council's statutory officers are the Chief Executive (as the 'Head of Paid Service'), the Deputy Chief Executive (as the 'Section 151 Officer') and the Interim Monitoring Officer. All three officers are members of the General Management Team (GMT) and have the authority to place reports in front of an appropriate member body where an aspect of concern and within their statutory remit comes to their attention.

In particular, they are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

Regular discussions are held at weekly meetings of the General Management Team (GMT) about issues where governance is of concern and periodically a specific discussion takes place to identify areas of concern on the horizon, whether these may arise from such as legislative changes, changing service demands, political matters or financial problems, risk assessment that has been undertaken and any changes in the risk environment in which the Council is operating, and matters to be reported to future committees.

The Deputy Chief Executive is the appointed Section 151 Officer and is a key member of GMT. Being part of GMT, together with meeting with leading members and attending full Council, Policy and Performance Committee, Finance and Resources Committee and other appropriate committees, as required, ensures that the Section 151 Officer can provide corporate financial advice to the Council at the appropriate level and that financial implications and risks are properly taken into account.

All reports to decision making committees incorporate a statement on financial implications where appropriate which are subject to review by the Section 151 Officer and the Head of Finance Services. As such the Council's financial arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Section 151 Officer's responsibilities include ensuring that GMT and senior members are made aware of any financial issues at the earliest opportunity and making sure that these are acted upon as appropriate.

The Interim Monitoring Officer also attends GMT. Part of their responsibilities include ensuring that any legislative changes are known about and implemented as appropriate, together with monitoring that the Council does not act unlawfully.

Chief Officers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Each Chief Officer signs a Statement of Internal Control to acknowledge responsibility in maintaining and operating functions in accordance with the Council's procedures and practices that uphold the internal control and assurance framework.

In 2020/21 the Statements of Internal Control were reviewed to determine whether any further strengthening of the control environment can be achieved. Any areas identified have been addressed or are part of ongoing development of increased controls to be implemented during 2021/22.

#### 1.12. Internal Audit

The Chief Audit and Control Officer is the Council's designated 'Head of Internal Audit' and is under the management of the Deputy Chief Executive. Whilst the Chief Audit and Control Officer is not a member of GMT, in all other respects the role is in accordance with guidance as laid down in the Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit, including their attendance at the Governance, Audit and Standards Committee and presenting reports in their own name.

The Chief Audit and Control Officer is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service specific standards in place. As reported to the Governance, Audit and Standards Committee on 20 July 2020, he has undertaken such a review and concluded that, in his opinion, "the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework".

The Internal Audit Charter covers all activities of the Council at a level and frequency determined using a risk management methodology. The approach is designed to be risk-based so that it can focus resources on the key areas of risk facing the Council. The current arrangements include sharing Internal Audit management resources with Erewash Borough Council.

In advance of each financial year the Governance, Audit and Standards Committee is responsible for approving the Internal Audit Plan that governs each year's activity. Upon completion of each audit assignment, a report is produced for management with agreed actions for improvement. Regular progress reports on Internal Audit activity are submitted to the Governance, Audit and Standards Committee for scrutiny. This Committee can request further reviews to be undertaken and can request other committees to further investigate matters arising from any activities within their remit.

#### 1.13. External Audit

The external auditor reviews the Council's arrangements for:

- preparing accounts in compliance with statutory and other relevant requirements
- ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- securing economy, efficiency and effectiveness.

The external auditor gives their opinion on the Council's accounts and whether or not proper arrangements exist to secure value for money.

The Council continues to examine the use of its financial systems to help produce information for financial management, the capacity of the Finance Services teams and the financial reporting processes used to advise Members during the course of the year.

#### 1.14. Fraud and Corruption

The Department of Work and Pensions (DWP) established a Single Fraud Investigation Service (SFIS) to manage benefit fraud investigation on a national basis. Officers employed by the Council to investigate benefit fraud transferred to SFIS in November 2015.

The Chief Audit and Control Officer is the central contact for non-benefit fraud allegations. The role of Internal Audit has been extended to act as a co-ordinating and investigating service for all non-benefit related fraud and corruption reports and to manage the Council's response to such reports. Internal Audit is supported in this by procuring specialist fraud investigation services as required from local partners, including Erewash Borough Council.

#### 1.15. Partnerships

The Governance, Audit and Standards Committee has the responsibility to examine further procurement and collaborative working opportunities with the private sector and other local authorities. All of the policy committees have included in their remit the power to direct the work of any delivery vehicles established to deliver services within their remit. This may include partnership arrangements, including those with the voluntary and community sector. Where grants are provided to voluntary sector organisations, conditions are applied

regarding the reporting of the activities of the grant receiving body and its financial standing. In particular, where grant funding exceeds a given value a service level agreement may be used to gain assurance over the use of funds.

**Significant Governance Issues – Action Plan**

We propose over the coming year to take steps to address the matters listed as “opportunities for improvement” to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

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<b>Action</b>
1. An LGA Peer Review will be completed in 2021/22
2. Conduct a budget consultation exercise with residents in 2021/22 for the budget 2022/23
3. Review and amend the Council’s Constitution
4. Review the operation and financing of leisure in Broxtowe following the COVID-19 pandemic and update the Leisure Facilities Strategy to improve governance, contract monitoring and develop specific plans for the renewal of leisure centres in Broxtowe.
5. Complete a new Asset Management Strategy
6. Following the pandemic, develop a new Economic Growth and Regeneration plan
7. Ensure the full implementation of a new Contract Management Framework
8. Improve aspects of financial administration including <ul style="list-style-type: none"> <li>● Improving the accuracy of the cash receipting system</li> <li>● Completion of the intelligent scanning invoice matching system</li> <li>● New system for appraisal of capital projects and prioritisation</li> <li>● Improve the bank reconciliation systems (ICON)</li> </ul>
9. Complete the Implementation of the agreed outcomes of the Housing Repairs review.
10. Review the management structure in the light of changing service demands and economic realities.
11. Produce a new waste Management Strategy.
12. Refresh the Business Strategy to continue the Council’s journey towards financial sustainability.
13. Continue work with partners to review the Greater Nottingham Core Strategy.
14. Complete the implementation of the Independent Living Stock review.

**Councillor M Radulovic MBE  
Leader of the Council  
Broxtowe Borough Council**

**R Hyde  
Chief Executive  
Broxtowe Borough Council**