

**Stevenage Borough Council
Governance Framework 2014/15**

The CIPFA/SOLACE Core Principles of Governance

The Council achieves good standards of governance by applying the CIPFA/SOLACE Principles of Governance set out in the 'Delivering Good Governance in Local Government' Framework as summarised below:

Principle 1

Focussing on the purpose of the authority and setting a clear vision and the outcomes the Council aims to achieve for the community

This is achieved by:

- > Clearly communicating the Council's vision and purpose, and intended outcome for service users.
- > Ensuring users receive a high quality of service.
- > Making the best use of resources available and providing value for money services.

Principle 2

Members and officers working together, with clearly defined functions and roles, to achieve the Council's Vision.

This is achieved by:

- > Being clear about executive and non executive functions and the roles and responsibilities of the scrutiny function
- > Clearly setting out the responsibilities of Members and officers and making sure that they are carried out to a high standard
- > Making sure that arrangements between the authority, its partners and the public are clear so that each know what to expect of the other.

Principle 3

Demonstrating the values of good governance by promoting values for the authority and upholding high standards of conduct and behaviour.

This is achieved by:

- > Ensuring that organisational values are put into practice and are effective.
- > Implementing and embedding arrangements that set out the high standards of conduct and behaviour expected from Members and officers.

The CIPFA/SOLACE Core Principles of Governance

The Council achieves good standards of governance by applying the CIPFA/SOLACE Principles of Governance set out in the 'Delivering Good Governance in Local Government' Framework as summarised below:

Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and identifying and managing risks.

This is achieved by:

- > Being rigorous and transparent about how decisions are taken.
- > Listening and acting on constructive scrutiny
- > Using good quality information, advice and support to ensure that services are delivered effectively
- > Ensuring that an effective risk management system is in place
- > Acting within the law to the full benefit of the citizens and communities in their area.

Principle 5

Developing the capacity and capability of Members and officers to be effective .

This is achieved by:

- > Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles
- > Evaluating Members' and officers' performance, as individuals and as a group
- > Encouraging new talent and making best use of skills and resources in balancing continuity and renewal.

Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability .

This is achieved by:

- > Demonstrating leadership through robust scrutiny that effectively engages local stakeholders
- > Taking an active and planned approach to dialogue with the public to ensure effective and appropriate service delivery
- > Taking an active and planned approach to consulting with staff and their representatives.

Governance Arrangements: Principle 1

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 1

Focussing on the purpose of the authority and setting a clear vision and the outcomes the Council aims to achieve for the community

➤ **Communicating the Council's vision, purpose and intended outcomes for service users**

The council's vision for the town, and strategic ambitions and associated priorities are shaped by the views expressed by residents and is set out in the Corporate Plan. The Plan links with the Stevenage Community Strategy which is produced in liaison with the council's strategic partners on SoStevenage, the Local Partnership.

The council's Corporate Plan was developed in 2012/13 and approved by Council in July 2013. The plan:

- Sets out improvement priorities that are achievable with the council's resources in the current financial context
- Articulates the council's co-operative approach to service delivery, recognising that the support and partnership of organisations, residents and staff is needed to run services
- Demonstrates a commitment to community involvement in service design and delivery.

Each strategic ambition has associated projects to deliver the priorities - Strategic Management Board monitor delivery. In addition, sessions focussed on particular priorities are held to ensure that future direction is robustly considered and guided. Priorities considered in 2014/15 included:

- Affordable Homes/Housing Growth - The Housing Revenue Account Business Plan
- Deliver Value for Money - The Commercialisation Agenda
- Cross-cutting priority - Supporting Vulnerable People

Annual Report

An Annual Report is published that sets out the council's achievements against the outcomes and priorities in the Corporate Plan, reporting progress over the last year against planned objectives and setting out future plans.

➤ **Ensuring users receive a high quality of service**

Arrangements to monitor performance and service delivery include quarterly monitoring of:

- Balanced Scorecard results
- Strategic Risk

Quality of service provision is also informed by:

- The work of managers within the council
- The roles performed by the Monitoring Officer and Chief Financial Officer
- The work of the Shared Internal Audit Service
- The Annual Audit and Inspection Letter
- Reports by other review agencies and inspectorates
- Performance management arrangements and related regular reporting.

Governance Arrangements: Principle 1

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 1

Focussing on the purpose of the authority and setting a clear vision and the outcomes the Council aims to achieve for the community

Receiving and Investigating Complaints:

Complaints relating to Service Delivery

A new system was introduced during 2014/15 for the recording of complaints. Enhancements have enabled the learning from feedback & complaints to facilitate more effective monitoring of information provided by customers to review service quality.

Complaints regarding Member Conduct

Complaints about Members and allegations that a Member has breached the Code of Conduct are dealt with separately by the Standards Committee and the Borough Solicitor (Monitoring Officer) under a scheme devised pursuant to Chapter 7 of the Localism Act 2011.

Customer Satisfaction

The council has systems in place to measure customer satisfaction in the Customer Service Centre (CSC). Systems were developed further during 2008/09, with the introduction of Gov-metric, which allows customers to identify their satisfaction with council services received in the Customer Service Centre or on the council's website in real time.

The Customer Service Centre continues to achieve high levels of feedback from Customers who telephone or use the walk-in service. In 2014/15 25257 customers left feedback on the Gov-metric feedback system and in addition many customers provide verbal feedback of their experience. 88% scored the service as good, 7% left a scoring of average and 5% left a poor scoring.

➤ Making the best use of resources available and providing value for money services

The current unprecedented financial context the council faces requires ever more focus on budgetary control to ensure that the council delivers maximum effectiveness and efficiency with the resources available in times of economic constraint. The Independent Auditor's (Grant Thornton) Annual Audit Letter reported to Audit Committee in November 2014 advised a true and fair view of the financial position was presented at March 2014 and that the council put in place proper arrangements to secure economy, efficiency and effectiveness in the use of its resources for the year ending 31 March 2014.

Budget Process

The council has continued to review and develop its budgetary monitoring and control processes to ensure that financial resources are used to their best advantage. A longer term view for the setting of prudential budgets has been implemented since 2014/15. Priority Based Budgeting (PBB) identifies and prioritises savings across the whole organisation over a three year period and helps to set the future focus of the council in a world of diminishing resources.

Challenge Board meetings are convened throughout the year to review the process for savings, and growth, identifying potential opportunities for efficiencies by challenging Heads of Service on their total resources not just on options submitted for consideration, while ensuring options are aligned to the council's priorities.

Governance Arrangements: Principle 1

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 1

Focussing on the purpose of the authority and setting a clear vision and the outcomes the Council aims to achieve for the community

The financial planning process commences with the Medium Term Financial Strategy in July and the identification of budget pressures and savings targets. Identification of savings is Member led and focussed on the alignment of financial resource to corporate direction and delivery of service priorities, creating a clear link to the council's corporate plan. Savings and growth options are reviewed by a cross party group (Leaders Services Priority Group). The Leaders Services Priority Group review proposed savings and the Council's Medium Term Financial Strategy (MTFS) and the assumptions underpinned within it and associated policies e.g. Fees and Charges Strategy, before approval by the Executive and Council.

In year pressures are reported to SMB and Executive, as part of the quarterly monitoring process for approval, with any mitigating actions. Options that are approved as part of the PBB process have implementation plans where appropriate and staff related options are co-ordinated by Human Resources.

Consultation to inform Use of Resources

The council carried out a series of consultation exercises in 2014/15 to support the PBB process in prioritising services and savings options for the period 2014/15 - 2016/17 in response to the forecasted Government funding reductions. The consultations were conducted in line with Government guidelines and with the Council's Co-operative commitment to involve the public in decision making. Participants were provided with the background for the required savings and potential delivery options and asked to indicate their preferred approach, and priority services.

As consultation on savings for the PBB period (2014/15 to 2016/17) was extensive, between August and October 2014 an online and hard copy questionnaire was used to ask residents if their views had changed from what they told us in 2014. There was continuing support for income from charges rather than reduction in services. However, further savings will also be required to address the funding gap. Feedback the council receives as part of the community engagement process will continue to be fed into the budget setting process. Information about how the community have been, and can continue to be, involved in the process is included in communications around the proposals.

Improvement Activity: The council considers that the governance processes in place to fulfil Principle 1 are robust. However, the council plan to implement a new online balances and payments system that will improve the current access arrangements available to customers as set out in the Action Plan in the section entitled, 'Planned Improvement Activity'.

Governance Arrangements: Principle 2

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 2

Members and officers working together, with clearly defined functions and roles, to achieve the Council's Vision.

➤ Executive and non-executive functions and the roles and responsibilities of the scrutiny function

Constitution

The Council has an approved Constitution which details how the Council operates, how decisions are made and the procedures that are to be followed to ensure that these are efficient, transparent and accountable to local people. The majority of the Council's functions are vested in the Executive. Those Council functions which are not vested in the Executive (mainly planning and development and licensing functions) are taken by various regulatory committees appointed by the Council.

Executive

The Executive meets on a monthly basis and comprises the Leader of the Council and eight other Councillors from the Majority Group. Both the Leader of the Council and each of the eight Councillors have a specific area of responsibility as their Portfolio, as shown on the chart above.



The process for appointing the Leader of the Council and Executive is clearly set out in the Constitution. All Executive meetings are open to the public but on occasions the press and public may be excluded if it is considered necessary. Requirements for taking major and key decisions are set out in legislation and are reflected in the Council's Constitution.

(NB: Further information regarding Audit Committee is set out on page 12)

Overview and Scrutiny

The Council has an Overview and Scrutiny Committee and two Select Committees each with a different area of responsibility. The Committees undertake scrutiny studies on topics/services they decide upon for themselves, and also assist Portfolio Holders in developing new policies. This approach provides an opportunity for Members to carry out service reviews in which they undertake their own research, with each Member taking a lead on a specific area, setting up focus groups and receiving feedback and challenge from external agencies and residents.

Governance Arrangements: Principle 2

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 2

Members and officers working together, with clearly defined functions and roles, to achieve the Council's Vision.

➤ **Clearly setting out the responsibilities of Members and Officers and making sure they are carried out to a high standard**

The delegation of decisions to officers is set out in the Constitution (section 3, Responsibility for Functions) and includes documents such as Financial Regulations and Contract Standing Orders. The anticipated Local Authorities (Functions and Responsibilities) (England) Regulations 2015 remain in draft and will therefore be brought in under the new Government. If enacted as drafted, significant changes will be required to arrangements regarding certain decisions currently made by Executive that will need to be made only by Council.

The role of the Chief Financial Officer conforms to that set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The Chief Financial Officer is actively involved in and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risk are fully considered, and decisions align to the council's financial strategy. Following concerns identified through the council's assurance processes in-year regarding the skills of officers managing contracts, a comprehensive review of current corporate procurement & contract management arrangements has been undertaken. The resulting recommendations and related resource implications from this review will be considered by Strategic Management Board in the near future. Further to this the Chief Financial Officer has ensured plans are in place for the delivery of contract management training to enhance the quality of contract management arrangements.

➤ **Making sure that arrangements with partners are clear**

'Significant Partnership' Governance

The council has two significant partnerships (considered a key component for service provision):

- **SoStevenage**, the local partnership, includes a governance statement in its *Guide to SoStevenage* that sets out risk and performance management arrangements. The terms of reference and Guide to SoStevenage are refreshed annually and ratified at the SoStevenage Annual Forum each February. The SoStevenage partnership consists of a number of theme partnerships. These partnerships and SoStevenage Board and Executive will be reviewed in 2015/16 to ensure effectiveness, good governance and accountability.
- **Stevenage Leisure Limited (SLL)** - The governance arrangements for SLL are subject to contractual arrangements and underpinned by a detailed management agreement.

In addition, the council is a member of the Stevenage First Partnership, Chaired by the Local Enterprise Partnership. The aim of this partnership is to oversee the regeneration of Stevenage town centre.

Governance Arrangements: Principle 2

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 2

Members and officers working together, with clearly defined functions and roles, to achieve the Council's Vision.

Shared Service arrangements

The council has established shared service arrangements with other Hertfordshire local authorities as outlined below:

- A Shared Internal Audit Service (SIAS) has been in place since July 2011
- A Housing Benefits and Local Taxation Service shared with East Herts District Council has been live since the end of March 2012
- A shared service for ICT, Print and Graphic Design, and Business Improvement went live August 2013.
- A Shared Anti-Fraud Service was established April 2015. The vision is to provide a robust and resilient fraud prevention, detection and investigation service to partners in non-benefit and corporate fraud. The new service will enable S151 holders to continue to meet their duties in relation to safeguarding of public funds.

The council hope that sharing services will result in improvements to the sustainability and resilience of those services, delivering a level of quality and efficiency that is not achievable individually.

Governance arrangements for the shared services are likely to differ. However, there are a number of common principles that apply to all and arrangements for all existing partnerships are now well embedded. Decisions that need to be signed off by Members are signed off concurrently. Partnership governance arrangements are formal and involve both Member and senior management oversight of the partnerships from all participating partners.

Improvement Activity:

The council considers that the governance processes in place to fulfil Principle 2 are largely robust. However, as referred to above, the council's assurance processes identified concerns regarding the skills of officers managing contracts. As a result, a comprehensive review of current corporate procurement & contract management arrangements has been undertaken. The resulting recommendations and related resource implications from this review will be considered by Strategic Management Board in the near future. Further to this the Chief Financial Officer has ensured plans are in place for the delivery of contract management training to enhance the quality of contract management arrangements - (Two levels of training; basic and advanced) by June 2015, as set out in the Action Plan in the section entitled, 'Planned Improvement Activity'.

Governance Arrangements: Principle 3

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 3

Demonstrating the values of good governance by promoting values for the authority and upholding high standards of conduct and behaviour.

➤ Ensuring that organisational values are put into practice and effective

SBC has adopted six organisational values. These are underpinned by a behaviour framework for staff. The values are included in all staff development programmes, in the appraisal and personal development process, and in all HR policies.



Equality and diversity practices

A self-assessment of the council's equality and diversity practices was completed in 2013 to identify the gaps and risks that existed to obtaining 'Excellent' accreditation under the Equality Framework for Local Government. A number of recommendations were made and in light of the reducing resources available, the council has now put in place a revised action plan 'Accessible Services, Inclusive Communities' that will support its new aim to be accredited with Achieving status in 2016/17.

In October/November, Values, Inclusion and Behaviours training took place for all staff – The training aimed to enhance awareness of the impact of behaviour and the importance of an inclusive culture.

An equality and diversity audit of the workforce is currently underway.

➤ Implementing and embedding arrangements that set out the high standards of conduct and behaviour expected from Members and officers

Member Codes and Protocols

The standards of conduct and personal behaviour expected of Members and officers of the council, its partners and the community, are defined and communicated through codes of conduct and protocols. These include:

- Members' Code of Conduct
- Member/Officer Protocols
- Members' Register of Interests
- Officers' Code of Conduct
- Anti-Fraud and Corruption Policy and Whistle-blowing Policy
- Regular performance meetings for staff linked to corporate and service objectives that identify development needs
- Standards Committee
- The appointment of an independent person as defined in Chapter 7 of the Localism Act 2011.

Complaints regarding Members

The Members' Code of Conduct was revised pursuant to Chapter 7 of the Localism Act 2011 and approved by Council in July 2012. Complaints about Members and allegations that a Member has breached the Code of Conduct are dealt with by the Standards Committee and the Borough Solicitor (Monitoring Officer).

Governance Arrangements: Principle 3

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 3

Demonstrating the values of good governance by promoting values for the authority and upholding high standards of conduct and behaviour.

Officer Code of Conduct

The Employee Code of Conduct was revised and reported to Council in July 2011. The code:

- Sets out the general standard of conduct expected of officers
- Includes a re-statement of the law and guidance on officers accepting gifts and hospitality
- Includes a statement of the statutory requirements (with criminal sanctions for default) for officers to register certain interests.

In March 2015, an awareness raising session was carried out for all staff in Politically Restricted Posts reminding them of their responsibilities in this regard and all staff received a letter with their payslips reminding them of their responsibilities relating to the officer code of conduct.

Arrangements for the dismissal of certain senior officers will change in June 2015 (The change will be reflected in the Constitution, Part 4h)

Improvement Activity: The council considers that the governance processes in place to fulfil Principle 3 are robust and no significant improvement actions have been identified.

Governance Arrangements: Principle 4

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and identifying and managing risks.

➤ **Being rigorous and transparent about how decisions are taken**

Reports are produced on a standard template to facilitate understanding and all reports are supported by comprehensive assessment of the legal, financial and other implications of the proposed recommendations. Strategic Directors meet with their relevant Portfolio Holders on a regular basis to brief them on all aspects within their remit. Recent legislation outlining requirements to record all senior officer decisions requires clarification before full implementation.

In October 2013, the Local Government Association peer team invited to carry out a corporate peer challenge at the council, stated in their feedback that, "It was evident that there was strong and well-articulated political leadership who are effective advocates at a local, regional and national level."

➤ **Listening and acting on constructive scrutiny**

The decisions of Executive are routinely submitted to Scrutiny each month. All Executive decisions are subject to call-in by Scrutiny unless there is an overriding reason for urgency.

Arrangements to safeguard against conflicts of interest and ensure robust and transparent decision making have been sustained and are considered robust.

Audit Committee

An Audit Committee was first established in May 2006 and its duties include advising and commenting on Internal and External Audit matters, as set out in the Constitution. It has been constituted in line with best practice recommendations from CIPFA guidance.

In 2014/15 the membership of the Audit Committee includes one Executive Member and two Opposition Members. The Chair is neither on the Executive, nor serves on a Scrutiny Committee. The Committee is further supported by an independent representative who, in addition to independence also brings further financial/accounting professional skills. The Committee has received specific training by our external auditors and in-house training on the Statement of Accounts and Treasury Management. The operation of the Audit Committee has been particularly effective. As such it has, in itself, significantly contributed to further strengthening the council's overall systems of Internal Control.

The Local Audit and Accountability Act 2014 set out the Government's commitment to close the Audit Commission and replace it with a new local audit framework. The council currently has a contract with Grant Thornton for the provision of External Audit services. This arrangement continues until September 2015.

Governance Arrangements: Principle 4

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and identifying and managing risks.

➤ Using good quality information, advice and support to ensure that services are delivered effectively

Balanced Scorecard

The council introduced a Balanced Scorecard for reporting performance information from April 2008. The Scorecard provides a balanced view of performance across the council, providing a status on performance across services based on robust performance data to aid decision making. Performance Reviews are held between Strategic Directors and relevant Heads of Service where performance is not reaching target, or where there are data quality concerns. The scorecard is reviewed annually to ensure the suite of measures is appropriate and robust. During 2014/15, the Scorecard was presented on a quarterly basis to Executive by the Chief Executive, and to Overview and Scrutiny Committee by the Strategic Director Resources.

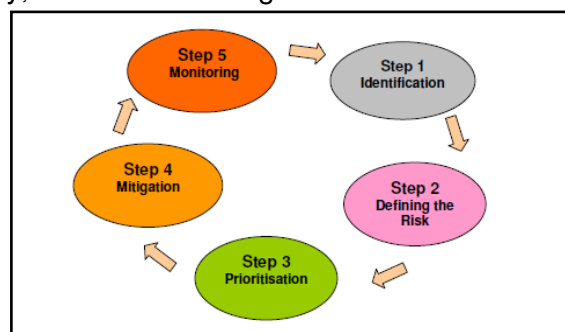
(Financial Arrangements are set out on page 8 of the council's Annual Governance Statement)

➤ Ensuring that an effective risk management system is in place

Risk Governance

The council consider and counter risk across a broad range of areas. The Anti-fraud and Corruption Policy is available on the council's Internet and a Whistle-blowing Policy is available to all staff on the council's Intranet and is made available to Contractors. Data Protection and Information Security responsibilities for staff, and processes for the management of both electronic and manual records are outlined on the council's Intranet. Following concerns identified through internal control and assurance processes in relation to detective monitoring controls in the ICT Change Control environment, a process has been identified for checking a random sample of standard changes on a quarterly basis in order to prevent unauthorised changes being migrated to the production environment which may impact the integrity and / or confidentiality of data. The process will be implemented in June 2015.

The council has an approved Risk Management Policy, and a Risk Management Guide is available to all employees. In addition, in 2012/13, the 'pocket, Risk Management Guide' was launched that provides Members with guidance in identifying and assessing risks to inform the decision making process, focussed around the Risk Management Cycle:



The corporate risk management arrangements assessed for 2014/15 by the Shared Internal Audit Service achieved a 'full assurance' rating.

Risk Management Training

Officer training is now particularly focused on risk identification and the development of operational level risk registers. Between April 2014 and April 2015, training has been provided for the Finance, Customer Service Centre and Planning, Regeneration and Transport Management Teams.

Governance Arrangements: Principle 4

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and identifying and managing risks.

Corporate Risk Group

A Risk Management Group led by the Strategic Director (Resources), with representation from each directorate, met quarterly during 2014/15. The group's role is to oversee and review the reporting process and the development of the council's approach to risk. The Chair of the Audit Committee and the Members' Risk Champion are invited to this group. The Risk Management Group reviews the content of the Strategic Risk Register before it goes to the council's Strategic Management Board (SMB) and quality assures the risk management process.

Strategic Risk Management

Strategic risks are linked to the council's ambitions and priorities and the Strategic Risk Register is monitored, on a quarterly basis, by SMB and is then reviewed by the Audit Committee as a standing agenda item. The Resources Portfolio Holder is the Council nominated Member Risk Management Champion and assists with embedding risk management in the business of the Council. Portfolio Holders are briefed regularly by the relevant Strategic Director.

Operational Risk Management

Operational risk registers are developed and monitored by the relevant Head of Service. Action plans are developed to mitigate key risks and delivery monitored. In addition, a process of operational risk peer challenge at Director Management Meetings introduced in 2012/13 helps to embed and enhance the quality of operational risk management. Any risks identified for escalation to strategic level are added to the quarterly review of the Strategic Risk Register and reported to Strategic Management Board.

A report on the review status of operational risk registers is submitted to Strategic Management Board on a quarterly basis. The report identifies when operational risk registers for each service delivery unit were last reviewed and when the register was last considered by the relevant Directorate Peer Group. Operational risk management arrangements were considered by the Shared Internal Audit Service in 2013/14 achieving a "substantial" assurance audit opinion (issued February 2014).

Project Risk Management

The council also requires project risks to be identified for major projects and capital schemes when seeking approval from Executive. Identified risks are added to the Strategic Risk Register where appropriate. Project risks are further defined in Project Initiation Documents and monitored by project managers during the implementation phase of projects.

Governance Arrangements: Principle 4

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 4

Taking informed and transparent decisions which are subject to effective scrutiny and identifying and managing risks.

➤ Acting within the law to the full benefit of the citizens and communities in the town

Governance Structure

The Council has structured its processes and procedures for the Executive and Scrutiny Committees plus other Committees such as the regulatory ones, to minimise the risk of it acting in contravention of its own policies and external laws and regulations. It also appoints officers, qualified to undertake statutory responsibilities such as:

- Chief Financial Officer, as contained within Section 114 of the Local Government Finance Act 1988.
- Monitoring Officer, who is the Borough Solicitor, to meet Section 5 of the Local Government and Housing Act 1989.

The Monitoring Officer is the Council's senior legal advisor, responsible for reporting to the Council on any act or proposed act by the Executive, or by any Committee, or individual Member or officer that could give rise to a contravention of the law, a code of practice or maladministration. He is also available to provide professional legal advice to Members and officers of the Council.

Regulation Guidance

The council has a duty to ensure that it acts in accordance with the relevant legislation in the performance of its functions. It has developed policies and procedures for its officers to ensure that, as far as possible, all officers understand their responsibilities both to the council and to the public. Two key documents are the Financial Regulations and the Contract Standing Orders (both reviewed as required with any proposed amendments put forward to Council for approval), which are available to all Members and officers on the council's Intranet, as well as being available to the public as part of the Constitution. Heads of Service and senior management carry responsibility for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice.

RIPA Powers

The Council has not conducted any covert surveillance operations under RIPA powers for 2014-15

Improvement Activity: The council considers that the governance processes in place to fulfil Principle 4 are robust and no significant improvement actions have been identified.

Governance Arrangements: Principle 5

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 5

Developing the capacity and capability of Members and officers to be effective.

➤ **Making sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles**

The council has a number of ongoing measures and work streams in place to ensure member and officer capacity and capability. These include:

- An overarching People Strategy in respect of all workforce issues.
- A workforce planning process for all Service Delivery Units.
- A quarterly workforce report to Board, encompassing all aspects of workforce management
- Quarterly workforce information for Heads of Service, which informs the development of their workforce plans.
- An HR Business Partnering service which supports the development and implementation of workforce plans.
- A member development programme and a member induction programme for new members.
- A Leadership Programme for the Senior Management Team.
- A Middle Manager Leadership and Manager Development programme.
- Corporate Learning and Development Programmes
- An Appraisal Policy and Procedure which incorporates the council's values and behaviours, and which also includes a personal development planning process.
- An apprenticeship programme
- Proactive management of sickness absence
- A confidential employee assistance service, available to all employees, offering counselling, financial and legal advice
- A comprehensive Occupational Health Service with access to physiotherapy and psychological services, as necessary
- A proactive employee relations service which ensures that performance and disciplinary matters are resolved promptly and effectively, and provides advice and support for service restructures (TUPE transfers etc.)
- A comprehensive Health and Safety Service which ensures the health, safety and well-being of all employees to enable them to carry out their roles effectively and safely.

Following a period of review, a revised corporate induction process commenced in July 2014. Implementation of 'routeway induction plans', tailored to individual needs commenced during 2015/16.

As a result of planned changes to the structure of the senior management team from June 2015 following the commencement of the new Chief Executive, The Assistant Director of Finance has been appointed as the new S151 Officer following the promotion of the previous S151 officer to the post of Chief Executive.

In order to ensure sufficient capacity to deliver the S151 responsibilities, a new post of Project Accountant has been agreed that will focus on closure of accounts and financial projects. This will allow the Accountancy Services Manager to focus more on the management of the unit.

The finance function experienced some difficulties recruiting appropriately qualified staff during 2014/15, but appointments to some key positions have recently been made that will also ease capacity concerns.

Governance Arrangements: Principle 5

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 5

Developing the capacity and capability of Members and officers to be effective.

Statutory Officer – Continuing Professional Development

- Monitoring Officer – Qualified Solicitors are required by law to undertake continuous professional development.
- The Strategic Director Resources (S151 officer) is currently on a Masters Business Administration Degree course

➤ Evaluating members' and officers' performance as individuals and as a group

A new Appraisal Policy and Procedure has been introduced, and all managers and staff have been trained in its use. The council's values and associated behaviour framework are encompassed within the appraisal process.

Member training has covered areas such as:

- An IT drop-in session on the use of new hardware and software
- 'Realising the Potential' of Overview and Scrutiny
- An overview of Housing Management
- The Housing Revenue Account Business Plan
- Treasury Management and Statement of Accounts training
- Provision of financial training for Audit Committee Members to equip them to perform their roles in respect of financial management responsibilities, in relation to the Statement of Accounts.

➤ Encouraging new talent, balancing continuity and renewal

New terms and conditions for council officers as part of implementation Single Status have now been developed resulting in the harmonisation of remuneration arrangements for all council staff. The new terms and conditions applied from 1st July 2014.

The council maintains good working relationships with staff representative bodies, holding Joint Consultative Committees on a regular basis to discuss any emerging changes or concerns.

The council's new Chief Executive will be leading the implementation of a six-point plan for the organisation. One of the six themes in the plan relates to "Becoming an Employer of Choice" The Chief Executive has implemented a programme of staff communication including regular staff 'roadshows' to brief and involve staff in the decisions that affect the future direction of the organisation.

The apprentice programme has been expanded to encourage new talent into the organisation, and to encourage people in Stevenage into work.

An annual work experience programme has also been established to promote local government and Stevenage Borough Council as an employer of choice.

Improvement Activity: The council considers that the governance processes in place to fulfil Principle 5 are robust and no improvement actions have been identified.

Governance Arrangements: Principle 6

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability .

➤ **Robust scrutiny, effectively engaging with Stakeholders**

The Overview and Scrutiny Committee and Select Committees carry out scrutiny studies on topics/services they decide upon for themselves, and also assist Portfolio Holders in developing new policies. This provides an opportunity for members to carry out service reviews in which they undertake their own research, with each Member taking a lead on a specific area, setting up focus groups and receiving feedback and challenge from external agencies and residents. The annual report on the work carried out by scrutiny that is submitted to Council each July demonstrates the level of Stakeholder engagement that takes place.

➤ **Taking an active and planned approach to dialogue with the public to ensure effective and appropriate service delivery**

Communication

The council regards communication as key to its work and essential in meeting its corporate ambitions and framework of values. It supports the decision-making process and helps to improve service quality and foster good relationships between staff, Members and stakeholders.

The council's Corporate Communications Strategy, Let's Talk, sets out the process to ensure the council communicates its aims and achievements to all stakeholders. The purpose of the strategy is to determine how the council will establish and maintain clear and relevant two-way channels of communication in order to create an informed and recognisable profile for Stevenage Borough Council and a positive image of the town as a whole.

The strategy sets out our Communications Pledge, which is:

We will communicate clearly, openly, accurately and regularly with our residents, with our partners, and with each other, in order to promote mutual understanding, and give a better service to the people of Stevenage.

Consultation

The council's approach to consultation and engagement was reviewed in 2013 and a new consultation strategy developed and approved by Executive.

The council will be carrying out a range of consultation activities in the summer 2015 to inform its priorities and budget-setting. This will include a town-wide postal residents' survey, activities at the town's annual family event, Stevenage Day, and focus groups with various Voluntary and Community Sector groups and vulnerable communities.

A new process for co-ordinating council-wide consultation and engagement activity has been launched, via a network of Consultation Champions. These are officers who are experienced in regular consultation and are used as a quality assurance mechanism for proposed activities and for evaluating completed consultations.

A new online survey tool provides opportunities for online consultation and engagement. This supports the council with its programme (to become more digitally accessible).

Governance Arrangements: Principle 6

CIPFA/SOLACE 'Delivering Good Governance' Framework Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability .

➤ **Taking an active and planned approach to consulting with staff and their representatives**

A HR Policy Stakeholder Group is now in place to ensure that management and staff are engaged in the development and implementation of new staff policies.

The council maintains good working relationships with staff representative bodies, holding Joint Consultative Committees on a regular basis to discuss any emerging changes or concerns.

Improvement Activity: The council considers that the governance processes in place to fulfil Principle 6 are robust and no significant improvement actions have been identified.

Progress on delivering improvement activity

Progress on 2014/15 Action Plan

The following significant internal control and governance issues were identified in the 2013/14 Governance Statement for delivery in 2014/15. Progress on the action plan is outlined below:

Governance principle	Action	Responsible Officer	Target Date	Progress
Principle 1 Action 1 Section 7 2014 Annual Governance Statement (AGS)	Following a review of current processes and procedures, implement an aligned customer complaints and feedback mechanism (to include relevant elements of the developing customer focus programme aims) Indicated target date is dependent on implementation of the online consultation gateway.	Head of Business Strategy, Community and Customer Services	March 2015	Complete The 'Your Say' system is now in place for logging complaints. Key officers have been trained and Members informed of the new arrangements. Implementation of the 'Online Gateway' is now linked to a wider corporate project establishing online Customer Accounts. See Action 1 in the section, 'Planned Improvement Activity'.
Principle 3 Action 2 Section 11 2014 AGS	Incorporate the new corporate values into the Corporate Learning and Development Programme and Leadership and Management Programme	Head of Human Resources and Organisational Development	March 2015	Complete A new Values and Behaviours booklet for staff was launched as part of the September 2014 appraisal training for staff. Values, Behaviours and Inclusion training for all staff took place in October/November 2014.
Principle 3 Action 3 Section 11 2014 AGS	Embed the new corporate values into new Human Resources Policies, as appropriate	Head of Human Resources and Organisational Development	March 2015	Values and Behaviours are embedded in all training and development programmes, and Human Resources Policies, as appropriate.
Principle 5 Action 4 Section 12 2014 AGS	Develop and implement 'routeway induction plans' to tailor the induction process to individual needs.	Head of Human Resources and Organisational Development	March 2015	Complete The new Corporate Induction process commenced April 2014. Routeway (SDU specific) Induction process was developed during 2014/15 and implemented from 1 April 2015.

Governance principle	Action	Responsible Officer	Target Date	Progress
Principle 5 Action 5 Section 12 2014 AGS	Continue with the implementation of a competency based framework for job descriptions, person specifications and associated appraisals.	Head of Human Resources and Organisational Development	March 2015	<p>Complete The competency template introduced in October 2013 is now in use for all new/revised jobs.</p> <p>The new appraisals process aligned to the council's Values and Behaviours and based on a competency framework was launched in September 2014.</p>
Principle 5 Action 6 Section 12 2014 AGS	Implement and embed the recently revised performance appraisal process.	Head of Human Resources and Organisational Development	March 2015	<p>Complete The new appraisals process aligned to the council's Values and Behaviours and based on a competency framework was launched in September 2014. Training was provided to all staff.</p>

Planned Improvement Activity for 2015/16:

Significant internal control and governance issues identified as part of the 2014/15 review of the Governance Statement are set out in the table below. The recommendations have been aligned to the six core principles of corporate governance identified in the CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government':

- Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Principle 5: Developing the capacity and capability of Members and officers to be effective
- Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

Actions are deemed 'significant' if any of the following applies:

- The related requirement in the local self-assessment of six principles has been scored at seven or below
- The action applies to more than one requirement in the six principles local self-assessment
- Analysis of Service Based Assurance Statements identifies a common concern
- The Shared Internal Audit Service has advised a concern that requires an action to address it included in the Annual Governance Statement.

These improvement actions are also set out in the relevant section throughout this report.

Governance principle	Action Ref	Action	Responsible Officer	Target Date
Principle 1	1	Implement the new balances and payments system that will improve the current access arrangements available to customers (part of the Changing Channels Programme) (Implementation of the 'Online Gateway' is now linked to the second phase of the Changing Channels Programme to establish online Customer Accounts. The delivery date for Customer Accounts is still to be scoped)	Head of Business Strategy, Community and Customer Services	September 2015
Principle 2	2	Delivery of standalone contract management training sessions (two levels of training; basic and advanced) (In addition, a comprehensive review of current corporate procurement & contract management arrangements has been undertaken. The resulting recommendations and related resource implications from this review will be considered by Strategic Management Board in the near future.)	Assistant Director Finance	June 2015

Approval of Statement of Governance Framework

Approval of Statement by Chief Executive and Leader of the Council

We confirm that the contents of this Stevenage Borough Council Governance Framework 2014/15 have been in place the council for the year ended 31 March 2015 and up to the date of approval of the Statement of Accounts.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Strategic Management Board, relevant officers and the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed are outlined in the tables above

We propose over the coming year to take steps to deliver the actions identified, 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.

Signed

Date

Cllr Sharon Taylor
Leader of Stevenage Borough Council

Signed

Date

Scott Crudgington
Chief Executive of Stevenage Borough Council