

Summary of Review of Corporate Governance Arrangements 2015/16

Codes and Frameworks of Corporate Governance set out how local authorities ensure that they are doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.

Officers have carried out both an in-year pro-active review and comprehensive annual review of the Council's policies, procedures and behaviours in place to deliver against the CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government' and as a result the aligned detailed arrangements in place to deliver the Council's Code of Corporate Governance.

Key governance enhancements, and the scheduled enhancement activity and significant enhancement activity that has been identified for each 'Delivering Good Governance' principle is summarised below.

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

Governance activities required to demonstrate this principle:

- **Exercising strategic leadership by developing and clearly communicating the authority's purpose, vision and its intended outcome for citizens and service users**
- **Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning**
- **Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money**

These requirements also reflect elements of the CIPFA/IFAC International Framework - Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits, Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes and Principle F: Managing risks and performance through robust internal control and strong public financial management

Key Enhancements 2015/16:

- Executive approved the proposals for the Future Town Future Council programme in October 2015. It is intended that the Future Town Future Council (FTFC) programme will guide the Council in terms of its future strategic focus and resource allocation. The FTFC programme consists of nine key programmes that aim to deliver improved outcomes and real change for Stevenage residents over a five year period and will underpin the delivery of a new Corporate Plan that is currently in development for 2016/17 publication.

Future town future council



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 (continued)

Governance activities required to demonstrate this principle:

- Exercising strategic leadership by developing and clearly communicating the authority's purpose, vision and its intended outcome for citizens and service users
- Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning
- Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money

Key Enhancements 2015/16:

- Arrangements to monitor performance and service delivery were revised during 2015/16 and now include quarterly monitoring of a range of performance and financial information at one Strategic Management Board Meeting to provide strategic insight and inform service improvements.
 - Programme Delivery monitoring
 - Balanced Scorecard (performance measure results)
 - Finance KPIs
 - Customer Feedback
 - Workforce Planning Data.

To meet a governance enhancement requirement for 2015/16:

As identified as a result of the 2014/15 review of governance arrangements, in order to improve the access arrangements available to customers, a new balances and payments system was required. The new system was implemented in September 2015.

In addition, SOCITM* was commissioned in January 2016 to assess the Council's current position regarding digital access to inform the development of a customer focused digital strategy.

(* Society of Information Technology Management)

Scheduled activity to enhance future arrangements:

The Future Town Future Council programme will also serve to enhance future governance arrangements, particularly through the four programmes that deliver the changes required to ensure the Council is well placed to meet the service demands of the future:

- Financial Security
- Performing at our Peak
- Employer of Choice
- Partner of Choice.

The impact of Future Town Future Council programmes on governance enhancements is outlined further in the relevant principles.

- Future Town Future Council: In relation to ensuring that users receive a high quality of service, an Equal Access to All Programme was established during 2015/16 with the aim to increase customer satisfaction with key services and to enable customers to contact relevant services through a channel that suits their individual needs and convenience.
- Future Town Future Council: The Financial Security programme was established with the aim of enhancing the financial resilience of the council by ensuring resources are used effectively and efficiently and through the development of commercial and entrepreneurial skills and services.

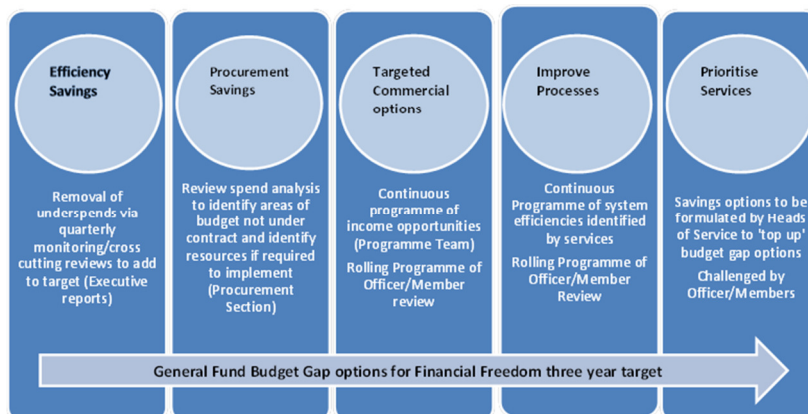
Principle 1: Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area (continued)

Governance activities required to demonstrate this principle:

- Exercising strategic leadership by developing and clearly communicating the authority's purpose, vision and its intended outcome for citizens and service users
- Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning
- Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money

Scheduled activity to enhance future arrangements:

The Priority Based Budgeting process for 2016/17 to 2018/19 was revised in September 2015. The revised approach to meet the budget gap widens the options for cash savings and will be applied all year round, in order to deliver the options required to reduce the General Funds net costs.



Corporate Backbone Documents:

- Corporate Plan 2013/18 (Head of Chief Executive's Unit)
- Stevenage Community Strategy (Head of Chief Executive's Unit)
- Annual Report (Head of Chief Executive's Unit)
- Stevenage Together Guide (Head of Chief Executive's Unit)
- SLL Management Agreement (Head of Leisure, Environmental Health and Children's Services)
- Shared Internal Audit Service Agreement (Assistant Director Finance)
- Shared Anti-Fraud Service Agreement (Assistant Director Finance)
- Shared ICT Service Agreement (Head of Business and Technology Services)
- Revenues and Benefits Share Service Agreement (Assistant Director Finance)
- Complaints Procedures/Ombudsman complaints (Head of Chief Executive's Unit/Borough Solicitor)
- Constitution Parts 4 and 5: Member and Officer Codes of Conduct and Protocols (Borough Solicitor)
- Corporate Business Continuity Plan, Head of Service and Service Business Continuity Plans, Pandemic Flu Contingency Plans, Severe Weather Plan (Head of Chief Executive's Unit)
- Constitution - Part 4F: Financial Regulations (Assistant Director Finance)
- Financial Procedure Notes (Assistant Director Finance)
- HRA Business Plan (Strategic Director Communities)
- Asset Management Strategy and Plan (Head of Property and Estates)
- Treasury Management Strategy (Assistant Director Finance)
- Performance Management Framework Guide (Head of Chief Executive's Unit)
- Data Quality Policy (Head of Chief Executive's Unit)

Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles

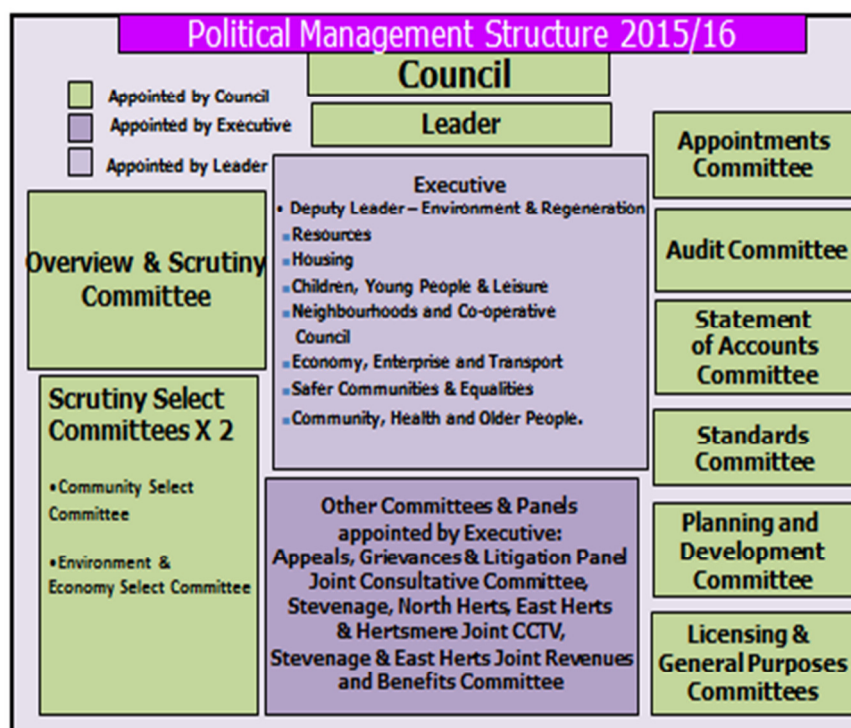
Governance activities required to demonstrate this principle:

- Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function
- Ensuring that a constructive working relationship exists between elected members and officers and that the responsibilities of authority members and officers are carried out to a high standard
- Ensuring relationships between the authority, its partners and the public are clear so that each know what to expect of the other

These requirements also reflect elements of the CIPFA/IFAC International Framework Principle F: Managing risks and performance through robust internal control and strong public financial management.

Key Enhancements 2015/16:

- 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 Councils to continue to meet their duties in relation to safeguarding of public funds.
- Plans are developed for a shared approach to delivering a Building Control service across Hertfordshire in 2016.



To meet a governance enhancement requirement for 2015/16:

Following a comprehensive review of corporate procurement & contract management arrangements:

- Three general sessions of contract management training were delivered to relevant officers in June/July 2015 and a higher level 2 day course delivered in Oct 2015 to enhance the quality of contract management skills.
- Contract Standing Orders were reviewed in October 2015
- Terms of Reference for Corporate Procurement Group were expanded to include a more active role in sharing information, knowledge and best practice.
- The Stevenage Borough Council Procurement Pipeline is now published on the Council's Web Page. It contains details of contracts expected to be re-procured and new procurement projects that are expected to be undertaken
- Use of the 'In-Tend' system, an electronic procurement system has been expanded, to include invitations to quote.

Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles (continued)

Governance activities required to demonstrate this principle:

- Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function
- Ensuring that a constructive working relationship exists between elected members and officers and that the responsibilities of authority members and officers are carried out to a high standard
- Ensuring relationships between the authority, its partners and the public are clear so that each know what to expect of the other

Scheduled activity to enhance future arrangements:

- Future Town Future Council: A Partner of Choice Programme has been established to build stronger relationships with key agencies in order to better deliver our strategic priorities. The programme will aim to strengthen partnership working skills within the Council, determine Stevenage views on Devolution opportunities, map services that can be shared with other agencies and measure the council's reputation with partners.
- A senior management review has been initiated that will facilitate more effective delivery of priorities and will also include the establishment of a new competency framework.

Corporate Backbone Documents:

- Constitution - Part 4A: Council Procedure Rules/Standing Orders (Borough Solicitor)
- Constitution - Part 4C: Budget & Policy Framework Procedure Rules Members Code of Conduct – (Assistant Director Finance/Borough Solicitor)
- Constitution - Part 4D: Executive Procedure Rules (Borough Solicitor)
- Constitution - Part 7: Management Structure (Borough Solicitor)
- Constitution - Part 3: Responsibility for functions and financial limits within Scheme of Delegation (Assistant Director Finance/Borough Solicitor)
- Constitution - Part 3 - Sub-section 2: Roles, responsibilities and delegation scheme for Council committees (Borough Solicitor)
- Constitution - Part 3 - Sub-section 3: Roles, responsibilities and delegation scheme for the Executive (Borough Solicitor)
- Constitution - Part 4G: Contracts Procedure Rules (Assistant Director Finance)
- Procurement Framework (Assistant Director Finance)
- Financial Procedure Notes (Assistant Director Finance)
- Constitution - Part 5: Protocol on Member/Officer Relations and Part 6: Members Allowances Scheme (Borough Solicitor)
- Human Resources Practice Notes (Human Resources Service)
- Community Safety Strategy (Head of Chief Executive's Unit)
- Performance Management Framework Guide /Data Quality Policy (Head of Chief Executive's Unit)
- Stevenage Together Guide (Head of Chief Executive's Unit)
- SLL Management Agreement (Head of Leisure, Environmental Health and Children's Services)
- Shared Internal Audit Service Agreement (Assistant Director Finance)
- Shared Anti-Fraud Service Agreement (Assistant Director Finance)
- Shared ICT Service Agreement (Head of Business and Technology Services)
- Revenues and Benefits Shared Service Agreement (Assistant Director Finance)

Principle 3: Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Governance activities required to demonstrate this principle:

- Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective Governance
- Ensuring that organisational values are put into practice and are effective

These requirements also reflect elements of the CIPFA/IFAC International Framework Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Key Enhancements 2015/16:

- The Council's constitution was amended to reflect the appointment of the new Chief Executive in June 2015 and revised senior management structure.

Corporate Values



Scheduled activity to enhance future arrangements:

- Future Town Future Council: One of the work streams within the Future Town Future Council is to become an Employer of Choice. The aims of this work stream are to:
 - Improve staff satisfaction
 - Ensure that we have the right person, in the right place at the right time - progress in recruiting to and retaining competent staff in hard-to-fill posts
 - Improve managerial competency
 - Improve reputation as a place to work and prospective place to work
 - Evidence staff progressing to higher grades and new roles across the organisation.
- A self-assessment of the Council's Equality and Diversity arrangements and practices by the Equality and Diversity Governance Group is scheduled. Their assessment and recommendations will help to scope a new action plan, based on our community needs and guide a review of the Council's current policy. Following the review, a period of further consultation and research will be carried out, before the new policy and action plan is agreed later in 2016.

Corporate Backbone Documents:

- Constitution Parts 4 and 5: Member and Officer Codes of Conduct and Protocols (Borough Solicitor)
- Constitution Part 5: Probity in Planning (Strategic Director Planning and Regeneration)
- Anti-Fraud and Corruption Policy (Borough Solicitor)
- Whistle-Blowing Policy (Borough Solicitor)
- Constitution - Part 4H: Officer Employment Procedure Rules (Human Resources Service)
- Gifts & Hospitality Register [Members & Officers] (Borough Solicitor)
- Complaints Procedures/Ombudsman complaints (Head of Chief Executive's Unit/Borough Solicitor)
- Equalities and Diversity Policy & Strategy (Head of Chief Executive's Unit)
- Constitution - Part 4G: Contracts Procedure Rules (Assistant Director Finance)
- Capital Strategy (Assistant Director Finance)
- Contract Standing Orders (Assistant Director Finance)

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Governance activities required to demonstrate this principle:

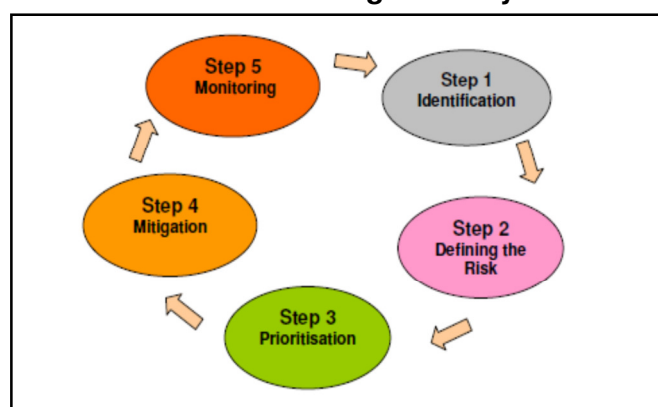
- Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny
- Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs
- Ensuring that an effective risk management system is in place
- Using their legal powers to the full benefit of the citizens and communities in their area

These requirements also reflect elements of the CIPFA/IFAC International Framework Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes and Principle F: Managing risks and performance through robust internal control and strong public financial management

Key Enhancements 2015/16:

- A Shared Anti-Fraud Service was established
- April 2015 to provide a robust and resilient fraud prevention, detection and investigation service to partners in non-benefit and corporate fraud. The service enables councils to continue to meet their duties in relation to safeguarding of public funds.
- A revised process of cross-directorate operational risk challenge was introduced in November 2015 that helps to embed and enhance the quality of operational risk management.
- Arrangements to monitor performance and service delivery were revised during 2015/16 and now include quarterly monitoring of a range of performance and financial information at one Strategic Management Board Meeting to provide strategic insight and inform service improvements.
- A request for Members to update Declarations of Interest was sent July 2015 and update reminders will now be sent on an annual basis.
- The Council has not conducted any covert surveillance operations under RIPA powers for 2015-16. A RIPA inspection was last carried out in 2014. Actions identified as a result have been delivered, to include, an update to the RIPA Policy and providing clarification that only the Chief Executive or a Director can authorise surveillance operations (just one action remains outstanding and is identified in 'scheduled activity' below).

The Risk Management Cycle



Scheduled activity to enhance future arrangements:

- Future Town Future Council: As part of the Council's Performing at our Peak Programme, the Council's corporate performance management and monitoring systems are currently under review to draw together a wider range of performance elements and trends across the Council relating to its finances, staff, customers and service delivery.
- The Corporate Performance and Improvement Team are now working with Human Resources to establish an e-learning corporate training offer for risk management (a wider array of other e-learning compliance training is also being developed).
- Following the RIPA inspection carried out in 2014, there is just one action still outstanding - refresher training for Authorising Officers and this training has been scheduled for May 2016.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk (continued)

Governance activities required to demonstrate this principle:

- Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny
- Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs
- Ensuring that an effective risk management system is in place
- Using their legal powers to the full benefit of the citizens and communities in their area

Significant Governance enhancement requirement for delivery 2016/17:

Though legislation is being met, the Council currently has Shared Internal Audit Service recommended activity outstanding to develop updates to the currently available Data Protection and Information Security Guides, and for the delivery of a programme of training to officers in relation to Data Protection and Information Security. A programme of Data Protection training has been initiated – Members and the Senior Management Team received training in January and February 2016 respectively and a schedule of officer training has been established.

Establish and implement a revised Security Incident Management Policy and Procedure
Responsible Officer: Head of Business and Technology Services. Timeframe: May 2016

Develop and implement programme of Information security training (to include an e-learning focus)

Responsible Officer: Head of Business and Technology Services. Timeframe: Establish initial training programme: April 2016, Incorporate e-learning programme of information security training: March 2017

Carry out a review of Data Protection Guides/Protocols

Responsible Officer: Borough Solicitor Timeframe: April 2016

Corporate Backbone Documents:

- Constitution - Part 4E: Overview and Scrutiny Procedure Rules (Borough Solicitor)
- Constitution - Part 5: Members Register of Interests and register of Members of the Council (Borough Solicitor)
- Shared Internal Audit Service Agreement (Assistant Director Finance)
- Performance Management Framework Guide (Head of Chief Executive's Unit)
- Data Quality Policy (Head of Chief Executive's Unit)
- Local Code of Governance (Borough Solicitor)
- Data Protection Act Staff Guidelines (Borough Solicitor)
- Risk Policy Statement & Guidance (Head of Chief Executive's Unit)
- Anti-Fraud & Corruption Policy (Borough Solicitor)
- Whistle-Blowing Policy (Borough Solicitor)
- Information Security Overview Policy (Head of Business and Technology Services)
- Health & Safety Policy Strategy (Human Resources Service)
- HRPN Safeguarding Policy (Human Resources Service)
- Constitution - Part 4A: Council Procedure Rules/Standing Orders (Borough Solicitor)

Principle 5: Developing the capacity and capability of Members and Officers to be effective

Governance activities required to demonstrate this principle:

- Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles
- Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group
- Encouraging new talent for membership of the authority so that best use can be made of resources in balancing continuity and renewal

These requirements also reflect elements of the CIPFA/IFAC International Framework Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it,

Key Enhancements 2015/16:

- 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.
- SOLACE* Leadership Programme for senior management was launched.
- 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. In order to ensure sufficient capacity to deliver the S151 responsibilities, a new post of Project Accountant has been appointed to focus on closure of accounts and financial projects. This supports the Assistant Director Finance in the role of S151 officer and the Accountancy Manager to carry out the deputy S151 role.

(* Society of Local Authority Chief Executives and senior managers)

Scheduled activity to enhance future arrangements:

- Future Town Future Council: One of the work streams within the Future Town Future Council is to become an Employer of Choice. The aims of this work stream are to:
 - Improve staff satisfaction
 - Ensure that we have the right person, in the right place at the right time - progress in recruiting to and retaining competent staff in hard-to-fill posts
 - Improve managerial competency
 - Improve reputation as a place to work and prospective place to work
 - Evidence staff progressing to higher grades and new roles across the organisation.
- The Council's Chief Executive is leading the implementation of the Future Town Future Council programme for the organisation. 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 Human Resources service is currently under review regarding future options for its delivery to ensure that Human Resources are able to support the strategic development of the organisation.
- A Capability Policy is being developed for launch by end of September 2016 and a Social Media Policy is being developed for launch by the end of December 2016.

Principle 5: Developing the capacity and capability of Members and Officers to be effective (continued)

Governance activities required to demonstrate this principle:

- **Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles**
- **Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group**
- **Encouraging new talent for membership of the authority so that best use can be made of resources in balancing continuity and renewal**

Significant Governance enhancement requirement for initial action 2016/17:

A review of Building Maintenance Operations (BMO) structure has been initiated to ensure alignment to strategic focus and refocus BMO operations on core activities.

Responsible Officer: Assistant Director Housing Services. Timeframe: Transition 2016/17, Full Implementation 2017/18

Corporate Backbone Documents:

- Constitution - Part 4H: Officer Employment Procedure Rules (Human Resources Service)
- Human Resources Practice Notes (Human Resources Service)
- Human Resources Employee Relations Policies (Human Resources Service)

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

Governance activities required to demonstrate this principle:

- Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders including partnerships, and develops constructive accountability relationships
- Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority or in partnership
- Making best use of resources by taking an active and planned approach to meet responsibility to staff

These requirements also reflect elements of the CIPFA/IFAC International Framework Principle B: Ensuring openness and comprehensive stakeholder engagement and Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Key Enhancements 2015/16:

- The Data Transparency Page of the website was updated to reflect new requirements set out in the Local Government Transparency Code 2015.

Scheduled activity to enhance future arrangements:

- Future Town Future Council: A Partner of Choice Programme has been established with an ambition to have stronger partnerships with key agencies to better deliver our strategic priorities. To achieve this, the programme will aim to strengthen partnership working skills in the Council, determine Stevenage views on Devolution opportunities, map services that can be shared with other agencies, and measure the Council's reputation with partners.
- A Local Government Association peer review of strategic communications is scheduled for 2016/17. The aim of the review is to obtain feedback that will facilitate enhanced internal and external communication practices.

Corporate Backbone Documents:

- Constitution - Part 4A: Council Procedure Rules/Standing Orders (Borough Solicitor)
- Constitution - Part 3: Responsibility for functions and financial limits within Scheme of Delegation (Assistant Director Finance/Borough Solicitor)
- Stevenage Community Strategy (Head of Chief Executive's Unit)
- Constitution - Part 4B: Access to Information Procedure Rules (Borough Solicitor)
- Corporate Communications Strategy (Head of Chief Executive's Unit)
- Consultation and Engagement Strategy (Head of Chief Executive's Unit)
- Freedom of Information Act Procedures (Borough Solicitor)
- Equalities and Diversity Policy & Strategy (Head of Chief Executive's Unit)

The Council is now in transition from assessment against the Delivering Good Governance Framework outlined in the tables above to proactive assessment against the revised Framework (applicable from April 2016) put in place to reflect the CIPFA/IFAC International Framework 'Good Governance in the Public Sector' published in August 2014. The new framework has an enhanced focus on longer term sustainable outcomes on the economy, society and the environment. An initial assessment against the outcomes and behaviours to deliver the new Framework has identified an additional action for delivery in 2016/17:

Significant Governance enhancement requirement for delivery 2016/17:

To facilitate delivery of defined outcomes on a sustainable basis within the resources that will be available, the HRA Business Plan is being fundamentally reviewed to give due consideration to the impact of recent Government policy and legislation progressing through Parliament. Delivery of the plan will be monitored through Future Town Future Council monitoring and budget monitoring procedures.

Responsible Officer: Assistant Director Housing Services. Timeframe: Revised Plan September 2016