

## Corporate Governance Enhancement Activity carried out in 2023/24

Corporate governance activity included in the peach text boxes below are deemed significant. Activity is deemed significant if recommended for inclusion in the Annual Governance Statement by the Shared Internal Audit Service following their review of control arrangements to meet the Audit Plan or identified as key to the management of 'very high/high' level strategic risks. To provide a complete picture of governance enhancement carried out in 2023/24, activity pertaining to best practice has also been reflected below.

### Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- New Independent person appointed to Audit Committee in September 2023
- Updated Regulation of Investigatory Powers (Act) (RIPA) Policy was approved by Audit Committee in November 2023. RIPA regulates the use of certain surveillance owners by public authorities.

### Principle B: Ensuring openness and comprehensive stakeholder engagement

- The Annual Report and Performance Overview highlighting the Council's achievements over the past year and plans for the next twelve months was approved by Executive and published on the Council's website
- Residents were consulted on the introduction of a Stevenage Cycle Share Scheme and public consultation was held in relation to proposed changes to the Oval which generated over 7000 responses.
- The Council's New Corporate Plan "Making Stevenage Even Better" was agreed by Full Council in February 2024. Making Stevenage Even Better builds upon the long-term objective of the previous Corporate Plan Future Town Future Council and reflects the need to deliver on what residents have said matters to them, whilst prioritising effective delivery of services in a challenging financial environment. The five strategic priorities and three cross cutting themes within the plan represent the views of over 3000 residents. The new corporate plan will launch on 1<sup>st</sup> April 2024 and will be accompanied by promotional activities to communicate the content and raise awareness.
- Executive agreed the proposed Stevenage Borough Council Equality, Diversity, and Inclusion Action Plan (2023-2024) as well as the recommendations of the Stevenage Equalities Commission (SEC) and the SEC Legacy Group Action Plan.
- A new Housing Management Board has been set up and will meet monthly.

### Principle C: Defining outcomes in terms of sustainable economic and environmental benefits

**Balancing the Budget:** A review of the 30-year Housing Revenue Account Business Plan has been carried out to incorporate new government requirements, welfare and social reforms and inflationary pressures. The new Business Plan was agreed at Executive November 2023.

The Council needed to find general fund savings of £1.2M for to ensure a balanced budget for 2024/25. The identified savings were agreed at Executive in November 2023. The 'Balancing the Budget' priority has a number of workstreams. Both the Transformation and the Co-operative Commercial Insourcing Strategy have contributed significantly to achieving the 2024/25 'Balancing the Budget' savings target resulting in no service cuts being proposed for 2024/25 with the exception to changes to football pitches.

Due to the significant level of savings required in recent years, this Council, along with many others has adopted a one-year budget setting process rather than taking a three-year view. Whilst the Council does not currently have a three-year budget, the Medium-Term Financial Strategy identifies the projected funding needs over a longer period and is reviewed annually.

The Council has taken significant steps over recent years to balance its budget and the current projections show that the on-going balanced budget will be achieved to 2027/28 ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure. However, this relies on significant savings targets being achieved each year and inflation reducing in the medium term and government funding in line with that projected in the Medium-Term Financial Strategy. While delivering this budget, the Council is also continuing to deliver its ambitious programmes to redevelop and regenerate the town centre and to provide more social, affordable, and aspirational homes. Whilst both programmes offer great opportunities for the town and residents, they also carry the risk of potentially needing more resources. There is a ringfenced reserve for Regeneration and further estimates of resources have been included in the General Fund MTFs.

For a number of years capital spend has been prioritised due to the limited availability of capital receipts and the Council's ability to afford borrowing costs. Accordingly, the council applied a 'fix on fail' approach to assets with no significant asset improvements being funded, except for those supported through external funding or partially through external funding (for example Garage Improvement programmes). This approach cannot be sustained in the medium to long term as it will lead to a gradual degradation of the Council's assets with reactive works only being undertaken to keep sites wind and watertight. Sustaining such an approach in the medium term will inevitably lead to closure of buildings even before consideration is given to the legal requirements in terms of Energy Performance Certificate (EPC's) and other legal and climate change requirements. To address the issues above, The General Fund Capital Strategy Overview - Priorities versus Funding Requirement 2023/24-2029/30 report to Executive 15 November 2023 set out the Council's key capital regeneration and community asset ambitions and key land and asset disposals, to determine a funding strategy to meet corporate objectives and address the issues outlined above.

**Debtors:** In response to an audit recommendation to introduce regular reporting of all debts each month advising of the recovery actions taken and the current recovery position, the following action has been taken:

Debts are now being reported to Assistant Directors monthly. An Interim Debt Manager for Sundry Debtors has recently been appointed and will be making improvements to debt recovery and updating procedures. Discussions have taken place consultants on improving the recovery process on the system and differentiating the reminder cycles.

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

**Commercialism:** To ensure that the Council's ambitious commercial agenda can be achieved the following action has been carried out: The Commercial and Insourcing Strategy 2023-2026 was agreed by Executive at its meeting in October. The strategy outlines the Council's approach to operating commercially. This will be achieved through maximising opportunities to insource services, the delivery of business process improvements and the generation of new or enhanced sources of revenue. The commercial culture across the organisation will continue to be developed, to ensure that staff are equipped with the right skills to deliver. New fees and charges for 2024/25 were agreed by Executive in October 2023. Commercialisation work this year has included: aligning commercial and transformation (such as for Digital Garage Lettings and third-party tipping), enhanced income from concessions contracts based on a revenue share agreement (such as for advertising and sponsorship and parcel lockers). Options for new income streams are progressing and reports with proposals will come forward in due course. The Member-led Commercial and Investment Working Group continues to meet quarterly.

**Socio-Economic Impacts:** As a result of the combined socio-economic impacts of welfare reform, the COVID-19 pandemic, and an economic downturn the following actions have been carried out: Funding of £300K is being received in instalments and is being used to support local small businesses. This is part of the Mission 44 funding, and the Council is working with schools to encourage STEM learning to ensure better prospects for young people.

The Social Inclusion Partnership has been set up to share information about services and applying for funding collaboratively. It is made up of voluntary sector organisations who have come together and is being supported by the Council and Citizens Advice Stevenage.

The Welfare Reform Group continues to meet. A dashboard is being used to inform the Council's understanding of the impact of the cost-of-living crisis locally. Data is collected from colleagues and partners who attend Welfare Reform Group meetings. The dashboard is made up of 13 different measures which are analysed quarterly to inform the Council's and partners' understanding of local trends.

The Council's website contains information to help residents to manage the cost of living and this is updated regularly with new advice and how to access grants and benefits.

A new Collection and Engagement IT solution to allow focus on high-risk Universal Credit claim cases is being procured. The new system will automate many tasks required to reach customers in arrears and will enable early intervention and assist with proactive management of arrears cases.

The Council has recently partnered with Sustainable X to deliver a fully funded Sustainable Support Programme for local businesses to support key learning of sustainable practices and opportunities for businesses. The programme includes skills and training support on sustainable supply chain management and wider stakeholder engagement. The programme launched on 28<sup>th</sup> September with a Sustainable Meet the Buyer event, providing unique collaboration opportunities for both buyers and suppliers. It also offers participants the chance to grow their network with potential supply chain connections too.

The Council was successful in its bid for Round 2.1 of the Government's Social Housing Decarbonisation Fund and will receive £2.6M. This will need to be match funded. The aim of the funding is to help the country meet its net zero targets, but will make resident's homes more energy efficient, comfortable, and affordable to heat. An updated Housing Asset Management Strategy was approved at Executive in November which sets out the Council's approach to decarbonisation of its housing stock within the available resources identified in the revised HRA Business Plan.

**Leisure Contract:** The Council has entered into a new ten-year Active Communities Leisure Management contract. The UK leisure operator prides itself on being a community-focused organisation and will introduce this approach to residents of the town. Everyone Active aims to support the Council's vision for leisure across Stevenage by producing attractive facilities available to all age groups in the town's community and contribute to the health and wellbeing objectives of the Council.

### Council House Building and Acquisition:

- The Council has received grant funding of £10.6M from Homes England as part of their Affordable Homes Programme. This will be used to build a new Independent Living Scheme.
- Regular updates continue to be provided at Housing Development and Regeneration meetings.
- Performance indicators in relation to number of affordable homes delivered by the Council and number of private homes provided is included in the quarterly performance report which is reported to Executive.
- Delivery of 190 new homes in 2023/24, including the first phase of Kenilworth Close. This also sees the delivery of seven new retail units.
- Two new schemes for 156 homes at Brent Court and Shephall View have recently received planning permission. Consultation and submission to Planning has taken place on four new schemes for a total of 403 new homes which will form a key part of the programme going forwards.

### Repairs and Voids:

- A fencing programme has been put in place by the Housing Investment team which aims to clear the historic backlog during 2023/24 and 2024/25.
- Changes to ways of working for the Repairs Supervisors and Maintenance Surveyors have been introduced to increase first time fix rates, productivity, and customer satisfaction.
- A service review of both Voids and Repairs was completed along with a scrutiny review of the Repairs Service by the Community Select Committee. The agreed recommendations have/will feed into improvement plans to be delivered over the next 12-18 months.
- Following a review of current arrangements, new interim contractors have been appointed to support the Repairs Service, including for specialist works such as roofing, pending a procurement process to award longer-term contracts in early 2024/25.
- 'Book Hub' the new online reporting repairs service, which will allow customers to select their own repair appointment times, has been released in-house and testing is being carried out. Once this is complete, the system will be rolled out to residents.

**Capacity:** Service Plans have now been produced for all service areas. These Service Plans set out the objectives of each service for the forthcoming year. The plan contains information about the service's performance targets and programme milestones. It sets out the risks, staff development activities, equality, budgetary, resident engagement, and workforce considerations that will inform and influence service delivery throughout the year.

There are still some challenging areas where posts are proving hard to fill. These include vital service areas such as Building Surveyors and IT Security officers. The HR Team continue to support managers to write adverts and explore ways to encourage applicants.

- The Transformation Programme aimed at improving customer satisfaction, increasing workforce productivity, and delivering savings to sustain services is continuing.
- New Housing Asset Management Strategy 2023-2028 was agreed at Executive in November 2023. The Asset Management Strategy sets out the framework under which the investment in existing stock detailed in the HRA Business Plan (2023) will be achieved. The Strategy will direct the Council's investment priorities. It identifies how the Council will ensure that residents living in Stevenage Borough Council homes will remain safe, involved, informed and have a good quality home. The strategy also sets out how the Council will meet the requirements of the new regulatory framework for social housing along with other legislation.

### Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Risk management training was offered to Audit Committee members in January 2024
- Treasury management training was offered to Audit Committee members in January 2024
- Anti-fraud training was offered to all Members by the Shared Anti-Fraud Service in February 2024.

## Principle F: Managing risks and performance through robust internal control and strong public financial management

### Cyber Security and IT Resilience:

- Work continues to complete the actions identified in the Cyber Treatment Plan.
- SOCITM were commissioned to design the Future Operating Model for the Joint IT Service. The recommended Future Operating Model was agreed by the Joint Information Communication Technology Committee at its meeting on 2<sup>nd</sup> October 2023 and by the SBC Executive in November 2023. Funding to implement the review has been agreed by both Stevenage Borough Council and East Herts District Council.
- Work has commenced to gain Cyber Assessment Framework accreditation. The Framework provides a systematic and comprehensive approach to assessing the extent to which cyber risks to essential functions are being managed.
- The roll out of Microsoft 365 is now complete as well as the removal of unsupported servers.
- New procedures are being implemented to enhance recording, management and monitoring of software licence information and the Council's software licensing policies are being reviewed.

**Corporate Health and Safety:** To ensure the Council has adequate Corporate Health and Safety arrangements the following action has been taken in 2023/24: All high risks were reviewed by the Strategic Health and Safety Group and reported to Corporate Risk Group and the Senior Leadership Team quarterly. The monitor was also reviewed by the Chief Executive at monthly HR meetings.

**General Fund Asset Management Strategy and Corporate Landlord Function:** To ensure compliance of the Council's non-housing property, the following action has been taken in 2023/24:

- The new Asset Management System has been uploaded with commercial properties and data checks of the information are being carried out.
- The new Computer Aided Facilities Management System is now live.

**Building and Fire Safety Acts:** To deliver the proposals set out in the new Building Safety/Fire Safety Acts, which have established new legal duties for landlord and building owners of higher risk residential buildings to keep their buildings safe, the following action has been taken in 2023/24:

- Housing staff have received initial training to enable them to complete Personal Emergency Evacuation Plans and Housing Staff are completing these for residents of flat blocks in scope of the Act. Training continues as required.
- All buildings within scope of the Act have been inspected and this has identified remedial work. It is anticipated that remedial work will commence May 2024.
- The fire door inspection programme is up to date and is now an ongoing programme. Essential repairs have been carried out at the five high rise buildings pending replacement of doors.
- Floor and building plans have been developed for buildings within scope of the Act and uploaded to Fire and Rescue website, added to each building's Security Information Box and will be kept under review and amended as necessary.
- The Fire Risk Assessment Prioritisation Tool has been implemented.
- Wayfinding and signage in flat blocks within scope of the legislation has been installed.
- Work is ongoing to submit all the required building safety case reports to the Regulator by the deadline of April 2024.

**Social Housing Regulation Act:** To deliver the proposals set out in the new Social Housing Regulation Act, which aims to drive landlords' compliance with new consumer standards the following action has been taken in 2023/24:

- Briefed the Council's Executive, senior leaders and managers on the new Act and what the Council needs to do to comply.
- Completed a consumer regulations self-assessment toolkit provided by the Housing Quality Network
- Produced a draft action plan. The main themes are around policies and procedures
- Draft communication plan has been produced to promote housing work and encourage engagement
- Held two away days to go through specific areas of the consumer regulations with managers across the Council involved in Housing work
- Implemented new tenant satisfaction measure reporting from April 2023.
- The Council's Shared Internal Audit Service are carrying out a review of compliance with the tenant satisfaction measures reporting and consumer regulations
- Tpas (external tenant engagement consultants) have been commissioned to provide a resident engagement framework for the Council to implement.
- Responded to a number of government consultation requests
- Bi-weekly complaints clinic has been set up to review handling of complaints
- SLT group set up to consider new complaints system, revision of policy/procedures required by the Ombudsman and the Regulator
- Procuring a company to conduct the 12 new tenant satisfaction measures for 2024/25.

## Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

- No governance enhancement activity is required.