

Meeting Audit Committee

Portfolio Area All Portfolio Areas

Date 4 November 2025



MID-YEAR UPDATE ON ACTIONS ARISING FROM THE ANNUAL GOVERNANCE STATEMENT

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1 PURPOSE

- 1.1 To update the Audit Committee on progress made against the actions set out in the Council's Annual Governance Statement 2024/25, as reported to the Audit Committee at its meeting on 3 June 2025.

2 RECOMMENDATIONS

- 2.1 That Members of the Audit Committee note the progress to date of the actions identified in the Annual Governance Statement 2024/25.

3 BACKGROUND

- 3.1 In accordance with the CIPFA / Solace 'Delivering Good Governance in Local Government' 2016 Framework and Guidance, the Council is required to publish an Annual Governance Statement (AGS).
- 3.2 The AGS is a statutory document that outlines the systems and processes in place to ensure the Council operates effectively and in accordance with good governance principles. It is produced annually following a comprehensive

review of the Council's governance arrangements and includes an action plan to address any significant issues identified.

- 3.3 To ensure appropriate oversight of progress against these actions, the Council is committed to monitoring their implementation through the next annual review. As part of this commitment, the Corporate Governance Group (CGG) monitors progress at each of its quarterly meetings and a mid-year progress update is provided to the Audit Committee.
- 3.4 Appendix A outlines the year-to-date progress of the governance improvement actions included in the 2024/25 AGS. The full year position will be reported to Audit Committee in June 2026.
- 3.5 In addition to monitoring progress against the actions arising from the AGS, the Corporate Governance Group plays a broader role in overseeing and supporting the Council's governance arrangements. This includes ongoing monitoring of compliance with the principles that form the CIPFA Delivering Good Governance in Local Government Framework, keeping oversight of key developments in strategic risk, and considering the outcome of service-level assurance statements.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The self-assessment of the Council's corporate governance arrangements, and the identification of significant governance actions to support continued compliance with the CIPFA/Solace Delivering Good Governance in Local Government Framework (2016), forms a key part of the assurance process underpinning the Annual Governance Statement. This process ensures the Council meets the requirements of Regulation 6 of the Accounts and Audit (England) Regulations 2015.

5 IMPLICATIONS

Financial Implications

- 5.1 There are no direct financial implications arising from this report (though one of the actions relates to the Balancing the budget programme).

Legal Implications

- 5.2 There are no direct legal implications arising from this report.

Risk Implications

- 5.3 There are no risk implications arising from this report (though a number of the improvement actions are aligned to strategic risks).

BACKGROUND DOCUMENTS

1.1 All documents that have been used in compiling this report, that may be available to the public, i.e. they do not contain exempt information, should be listed here:

- BD1 Stevenage Borough Council AGS 2024-25 (subject to audit)
- BD2 CIPFA / Solace 'Delivering Good Governance in Local Government' 2016 Framework and Guidance

APPENDICES

- A Appendix 1: AGS 2024-25 Action Updates

Appendix 1:

Action	Owner	Target date	Update
<u>Local Government reorganisation / devolution</u> • Review the capacity needed to engage effectively with the local government reorganisation process, • Establish an internal governance structure to oversee the process, • Following due consideration and engagement with local partners, ensure submission of required returns.	Chief Executive	November 2025 (next submission due date)	Resourcing and governance arrangements have been put in place to oversee the production and submission of the proposal by the November deadline, which remains on track to be met. Following this, further consideration will need to be given to the resource required for transition arrangements, though a decision on the proposals is not expected until summer 2026 at the earliest. Engagement with local partners has taken place through a range of mechanisms including direct correspondence, partnership meetings (e.g. Stevenage Together) as well as community engagement and via the LGR survey.

Action	Owner	Target date	Update
<u>HRA Business Plan</u> To ensure that medium to long-term viability of the HRA is sustainable, the following activity is planned: Undertake a full review of the HRA business plan and investigate saving opportunities identified through the MTFS November 2024 update.	Assistant Director for Housing and Neighbourhoods	Review to be published November 2025	The development of a new Business Plan is well underway, with several key components now significantly progressed. This includes analysis of stock investment priorities and alignment with Decent Homes standards and other regulatory requirements. These elements are currently being integrated into the required 30-year financial model. The current focus is on finalising and implementing the model, which is actively in development. The final stage will involve detailed financial modelling to ensure the long-term compliance and sustainability of the plan over the next three decades. This update is particularly complex due to emerging regulatory and financial challenges, and the need to assess their potential impact on the plan. The proposed Business Plan is scheduled to be presented to Cabinet before the end of Q4.

Action	Owner	Target date	Update
<u>IT Resilience</u> To manage risks relating to IT resilience, the following work is planned: a) Build on existing cyber security training for Staff and Members, b) Gain Cyber Essentials certification, c) Gain PSN certification, d) Complete the Cyber Assessment Framework.	Assistant Director for IT	(a) End of March 2026 (b-d) End of March 2027	Training is provided via engaging video content, and compliance is tracked by the IT team to ensure completion and adherence. Although the timeframe for achieving full accreditation is expected to extend beyond the current year, work continues across the various accreditation work programmes. As actions are implemented, the Council's cyber resilience is incrementally strengthened, even ahead of formal accreditation.

Action	Owner	Target date	Update
<u>Balancing the budget</u> To ensure that the Council has sufficient resources to fund its medium and long-term service plans and corporate priorities, the following activity is planned: • Find Balancing the Budget (BTB) savings and new revenue streams as part of the 2026/27 budget setting process, • Ensure robust budget monitoring and all costs are accurately forecast and profiled in year, providing budget monitoring reports to Cabinet. • Review of Fees and Charges for 2026/27 to contribute to the BTB savings.	Assistant Director Finance	A process has been implemented for the 2026/27 budget and savings will be published for approval in Q3.	• An updated MTFS was considered by the Cabinet at the meeting in September 2025, identifying savings of £1.034Million for 2026/27 (higher than the original 2026/27 target of £900K). A further report will be presented to the November 2025 Cabinet on any other savings options that officers have been working on (including have arisen as part of the officer star chamber process), together with growth proposals. • Potential implications arising from Fair Funding Review 2.0 and LGR remain under consideration. • The Q1 budget monitoring report was provided to Cabinet as scheduled. • The cross party Council's Financial Security Group met in September and reviewed recommended 2026/27 Fees and Charges, subsequently these were approved at the October 2025 Cabinet meeting.

Action	Owner	Target date	Update
<u>Housing Property Services – Contract Compliance</u> To improve contract compliance within Housing Property Services, the following activity is planned: a) Appoint repairs and maintenance contractors to support the in-house Repairs team and a lift servicing and maintenance contractor for stairlifts, through floor lifts and hoists, etc installed in council properties following a robust procurement / appointment process, held in accordance with the Contract Procedure Rules and supported by the Corporate Procurement team. b) Embed improved documentation processes in relation to contract compliance.	Assistant Director Building Safety and Housing Property	a) Support contractors for repairs: Q1, Servicing and maintenance contract for lifting equipment: Q4 b) To be tested through 2024/25 Internal Audit Programme	a) Support contractors for Repairs are now fully mobilised. Voids Lot to be retendered with timescale to be confirmed but it is expected that the procurement process will be launched in early Q3 and contract mobilised early Q4. In the interim, contractors are being appointed on a quoted works basis on a rolling programme basis. The procurement of a maintenance contractor for lifting equipment is still expected to be procured during Q3-Q4 2025/26, with the timescale still to be finalised. b) Internal audit of Repairs (contractor related works) to be carried out in October/November 2025 with scope of audit having been agreed in September 2025.

Action	Owner	Target date	Update
<u>Constitution review</u> Ensure a high-level targeted review of the constitution takes place and that a process is in place for this to happen on an annual basis (recognising that future reviews may be influenced by forthcoming local government reorganisation developments).	Monitoring officer	Q2 2025/26	Phase 1 of the review completed and approved by Council in May 2025. Phase 2 will be going ahead later in the year.
<u>Regulator of Social Housing Inspection – Provider Improvement Plan</u> Ensure completion of corrective actions identified in the post inspection action plan.	Assistant Director Building Safety and Housing Property and Assistant Director for Housing and Neighbourhoods	Ongoing monitoring throughout the year, as per the Regulator of Social Housing's timetable	The Provider Improvement Plan continues to be progressed and discussed with the Regulator through regular, scheduled meetings. Prior to these meetings, the updates are routinely shared with internal governance groups, including the Executive Housing Working Group and SLT, to ensure alignment and oversight. Certain actions have already been completed but engagement through this process is expected to continue for the foreseeable future.