

## **Stevenage Borough Council's Annual Governance Statement 2024/25**

### **What is Corporate Governance?**

In a local government context, corporate governance is the framework of policies and procedures in place and the values and behaviours that are needed to help ensure the organisation runs effectively, can be held to account for its actions and delivers the best possible outcomes for the community it serves with the resources available. Good governance enables the Council to effectively achieve its intended outcomes, whilst always acting in the public interest.

The CIPFA/SOLACE Delivering Good Governance in Local Government Framework sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in developing and shaping an informed approach to governance, aimed at achieving the highest standards of governance in a measured and proportionate way.

The Framework is designed to assist authorities with the review of the unique local governance arrangements in place with the overall aim to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities.
- There is sound and inclusive decision making.
- There is clear accountability for the use of these resources to achieve desired outcomes for service users and communities.

### **The Council's responsibility in relation to Corporate Governance**

Stevenage Borough Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Council also has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, Stevenage Borough Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

Stevenage Borough Council has adopted a Local Code of Corporate Governance that sets out a commitment to corporate governance and summarises the governance arrangements in place to enable the Council to monitor the achievement of its strategic objectives, to consider whether those objectives have enhanced delivery of appropriate cost-effective services and outlines the activities through which it accounts to and engages with its communities. The Local Code reflects the core and sub-principles outlined in the 2016 CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government'.

The Council's Local Code of Corporate Governance is reviewed and approved by the Audit Committee each year. It was last approved by Audit Committee at its meeting on 4th June

2024 and has been reviewed and the revised Local Code is being presented to Audit Committee at its meeting in June 2025 for approval.

This Annual Governance Statement explains how the Council has complied with the Local Code, summarises the review of its governance arrangements and identifies areas of governance to be strengthened and associated actions. The Statement also meets the statutory requirements in section 6 of the 2015 Accounts and Audit (England) Regulations, which requires all relevant bodies to prepare an Annual Governance Statement.

## **SBC Governance Framework**

The Local Governance Framework outlines the process the Council applies to review corporate governance arrangements. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they materialise, and to manage them efficiently, effectively, and economically.

Stevenage Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of local governance arrangements including the system of internal control.

The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Assurance's Annual Report, and by comments made by external auditors and other review agencies and inspectorates.

To monitor and maintain the effectiveness of the Council's governance arrangements and drive continuous improvement:

- A Corporate Governance Group is in place which meets four times a year to consider governance arrangements from the perspective of the seven core principles of corporate governance in the CIPFA/SOLACE Framework. Key issues are escalated to the Senior Leadership Team.
- In addition to this proactive in-year review, an annual review of compliance with the behaviours that make up the seven core principles of corporate governance in the CIPFA/SOLACE Framework is carried out through the AGS.
- At business unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year.
- Corporate Governance Group also consider whether any recommendations as a result of external or internal audit activity (and other review agencies and inspectorates), and the Head of Internal Audit Annual Report, require inclusion in the Annual Governance Statement and monitors progress against actions included in the previous year's statement.
- The Audit Committee reviews and, if agreed, endorses the Local Code of Governance and Annual Governance Statement.

All these mechanisms of review contribute to overall assurance for the 2024/25 Annual Governance Statement.

The preparation and publication of the Annual Governance Statement in accordance with the requirements set out in the 'Delivering Good Governance in Local Governance' Framework (2016) fulfils the statutory requirement for the annual review of the effectiveness of systems of internal control.

The Governance Framework summarised in this Statement has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

## Internal Audit Arrangements

### Annual Audit Coverage

The Council's Internal Audit coverage is planned and delivered by the Shared Internal Audit Service (SIAS) hosted by Hertfordshire County Council. It is managed by the Client Audit Manager. Internal audit coverage is determined through an established annual planning approach, which is influenced by external regulatory requirements and the strategic and operational risks of the Council. By reviewing the Council's systems of internal control, risk management and governance in accordance with an approved Internal Audit Plan, the SIAS contribute to the Council's corporate governance framework.

The SIAS operates to defined professional standards, i.e. the Internal Audit Standards and the Client Audit Manager reports to the Council's Strategic Director (S151 Officer) providing updates on internal audit matters at regular liaison meetings. The Client Audit Manager provides an independent opinion on the adequacy and effectiveness of the system of internal control, and this is reported annually to Audit Committee. The main responsibility of the SIAS is to provide assurance and advice on the internal control systems of the Council to both Management and Members. The SIAS reviews and appraises the adequacy, reliability, and effectiveness of internal control within systems and recommends improvement where necessary. It also supports management in developing systems by providing advice on matters pertaining to risk and control.

### 2024/25 Audit Report

The Client Audit Manager's Annual Internal Audit Report and Assurance Statement is being reported to the Audit Committee in June 2025. From the internal audit work undertaken in 2024/25, the SIAS can provide the following assurance on the adequacy and effectiveness of the Council's control environment:



### Review of Effectiveness of Systems of Internal Audit

The Accounts and Audit Regulations 2015 came into force from 1 April 2015; Paragraph 5 (1) states, "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

As part of demonstrating the efficiency and effectiveness of the internal audit activity and identifying opportunities for improvement, the Head of SIAS must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. This includes an annual self-assessment undertaken by the Head of SIAS against the Internal Audit Standards for Internal Audit in Local Government in the UK. The self-assessment concluded that the system of Internal Audit employed at Stevenage Borough Council is effective.

In addition, the Standards require that an external assessment or peer review is undertaken at least once every five years. An independent peer review was undertaken in 2021/22, which concluded that SIAS 'partially conforms' to the Standards, including the Definition of Internal Auditing, the Code of Ethics and Standards. Key recommendations made in the peer review were addressed in year, permitting SIAS to 'generally conform' to the Standards. 'Generally conforms' is the highest opinion within the scale of three ratings, and the peer review also identified areas of good practice and high standards.

The annual performance indicators for the SIAS are set by the SIAS Board which is comprised of the Chief Finance Officers from the client authorities within the partnership. The table below sets out the SIAS performance against the performance indicator relating to planned days delivery and planned projects delivery.

Indicator	Target 2024/25	Actual to 31 March 2025	Notes
1. <b>Planned Days</b> – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	95%	262 days delivered out of the 276 days planned
2. <b>Planned Projects</b> – percentage of actual completed projects to draft report stage against planned completed projects by 31st March 2025	90%	93%	25 projects to draft or final report from the 27 planned

The assurance arrangements conformed with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010), as demonstrated through the assessment in the SIAS Annual Assurance Statement and Internal Audit Annual Report being reported to Audit Committee in June 2025.

## CIPFA / SOLACE Governance Principles Reviews

This section outlines the seven governance principles established in the CIPFA/SOLACE framework, Delivering Good Governance in Local Government, and details the arrangements in place that demonstrate the Council's compliance with these principles and the Council's own Local Code of Corporate Governance.

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

*The sub-principles underpinning this principle are:*

- *Behaving with integrity*
- *Demonstrating strong commitment to ethical values*
- *Respecting the rule of law*

The standards of conduct and personal behaviour expected of Members and Officers, partners and the community are defined and communicated through Codes of Conduct and Protocols and the Council's Constitution. Induction arrangements are in place to ensure that Members and Officers are aware of their responsibilities under these codes and protocols.

The Council's Local Code of Corporate Governance is reviewed annually and sets out the expectation that Members will have regard for the seven principles of public life (the Nolan Principles), as set out in Section 26 of the Localism Act 2011. The seven principles of public life are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These principles are readily accepted by the Council as underpinning all local government activity.

All Members make declarations of interest on appointment and are reminded to review and update their declarations if circumstances change. Minutes of meetings demonstrate that declarations of interest are sought and appropriately handled at each meeting.

The Council's website outlines the arrangements for making a complaint that a member of the authority has failed to comply with the Code of Conduct and sets out how the authority will deal with such allegations. Complaints about Members and allegations that a Member has breached the Code of Conduct would be dealt with by the Standards Committee and the Borough Solicitor (Monitoring Officer) under the Localism Act 2011. The Council has appointed an Independent Person, to be consulted on any alleged breaches to the Member Code of Conduct.

The Council has a Standards Committee to promote and maintain high standards of conduct by Members of the Council and deal with any allegations that a member is in breach of the Council's Code of Conduct and to consider changes to the Code as required.

The Council's Constitution sets out the employment procedures for the Head of the Paid Service, Strategic and Assistant Directors, Monitoring Officer and Chief Finance Officer.

The Council's three statutory officers – the Head of Paid Service, the Monitoring Officer, and the Chief Finance (Section 151) Officer – meet regularly to ensure they are able to fulfil their

statutory responsibilities effectively and that governance arrangements continue to support lawful and ethical decision-making.

The Council's has agreed six organisational values, which guide and inform the work of the Council. The values are underpinned by a behaviour framework for staff.



The Values are embedded into Member and Officer induction, regular officer meetings with their managers (REAL conversations), the Modern Member training programme, and management development programmes. A set of desired behaviours associated with each of the Values has been developed and forms part of the Council's appraisal process for officers.

The Council has a Whistleblowing Policy which is based on the Public Interest Disclosure Act 1998 as well as an Anti-Fraud and Corruption, Anti-Money Laundering, Anti-Bribery and Fraud Sanctions policies. The policies are available on the Council's website and intranet, with details on how to report suspected fraud.

One identified enhancement action relates to the Council's Constitution. The annual update was delayed in 2024–25 and should be completed at the earliest opportunity to ensure that decision-making continues to be based on the most up-to-date and robust governance framework.

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

*The sub-principles are:*

- *Openness*
- *Engaging comprehensively with institutional stakeholders*
- *Engaging with individual citizens and service users effectively*

Stevenage Borough Council is committed to finding better ways of working for, and with, local people for the benefit of the local community whilst operating in an open and transparent manner.

The Council regularly provides local residents, partners, and other interested parties with opportunities to influence the planning, prioritisation, and monitoring of services. A variety of methods are used to engage the local community, such as: surveys and questionnaires, community roadshows, focus and action groups and stakeholder conferences.

Through the development of the Cooperative Neighbourhoods programme which commenced in 2020, Stevenage Borough Council has formed partnerships between elected members, Council officers, stakeholders, and community groups which focus on the needs of the local

community. Six cooperative neighbourhood areas each have a dedicated team that concentrates specifically on the development and improvement of their area through community engagement and direct delivery. Each team functions in the following ways:

- Connecting staff from different departments who work in the same part of Stevenage so they can provide better services to residents.
- Responding more quickly to matters that residents are concerned about.
- Making it easier for residents to shape the services and projects in their neighbourhood by continuous engagement using a variety of opportunities including face to face, digital and email/telephone options.
- Supporting the activities of residents and communities who want to improve their neighbourhoods and create new opportunities for themselves.

These teams also work together on the co-production of a variety of projects, initiatives, and developments across the town. Focusing on community collaboration and engagement, community wealth building and supporting local community groups and organisations, the Cooperative Neighbourhoods programme ensures healthy community relationships across the town.

The Resident Engagement Strategy 2024-2027, published in July 2024, outlines how the Council will engage with its tenants and leaseholders who live in properties owned by Stevenage Borough Council to ensure they have the opportunity to scrutinise, influence, and contribute to the services they receive. This Strategy reflects the Council's commitment to ensuring that 'tenant voice' is embedded across the Council landlord service.

The Equality, Diversity, and Inclusion (EDI) Action Plan for 2024/25 sets out 18 actions across six key objectives to ensure fair access to services and support the diverse needs of the local population. The Council has an internal governance structure to oversee EDI activity which includes a dedicated SLT Equality Champion. The Council continues to champion diversity through internal initiatives, including regular Equality Impact Assessments (EqIAs) and hosting or participating in a variety of events on important social issues. A particular highlight was the 'Stevenage Equalities Commission: Beyond Barriers Conference' held at the Gordon Craig Theatre and attended by approximately 90 residents, staff, partners and councillors.

The Stevenage Together partnership is a collaborative initiative designed to bring together a wide range of local stakeholders, including public sector bodies, businesses, and voluntary organisations, to work on the town's most significant strategic issues. Its ethos is to foster innovative ways of working together, in order to improve the lives of people who live work and visit Stevenage. Stevenage Together is supported by four themed sub-groups:

- SoSafe Community Safety Partnership
- Social Inclusion Partnership
- Healthy Stevenage Partnership
- Stevenage Works Strategic Partnership

This partnership ensures that a diverse range of perspectives and expertise is considered by the Council.

In addition, the Council has established shared service arrangements in order to provide service delivery benefits and added value with other Hertfordshire local authorities across a

range of areas including IT, payroll, legal and internal audit. Governance arrangements vary to some extent based on the nature of the service and structure of the shared service but involve Member and senior management oversight from all participating partners. The shared services are also considered for inclusion in the annual internal audit programme.

The Council maintains a commitment to openness and transparency in all its processes. Council meetings are open to the public, and relevant papers are published in advance to ensure that residents and other interested parties can access information about key decisions, unless there are specific legal or operational reasons for withholding them. In addition, Cabinet, Overview and Scrutiny and Council meetings are available to watch online. This approach helps foster accountability and trust, allowing residents to engage with and scrutinise the decision-making processes that affect them.

The Resident Survey, last conducted in 2021/22, provided valuable insight into residents' perceptions of Council services. The next survey, scheduled for 2025, will continue to gather feedback to ensure that service priorities are aligned with the community's needs.

Through these initiatives, the Council maintains a strong commitment to openness and accountability, ensuring that decisions are informed by a broad range of voices and that residents are involved in shaping the services they receive.

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

*The sub-principles are:*

- *Defining outcomes*
- *Sustainable economic, social and environmental benefits*



The Council's long-term vision is articulated in the three-year Corporate Plan: Making Stevenage Even Better, which was approved in February 2024 and implemented April 2024. The plan outlines the Council's strategic priorities and intended outcomes, shaped by feedback from residents and local partners and taking account of local demographic trends. It builds upon the previous Future Town, Future Council programme and is supported by key enabling strategies, including the Medium-Term Financial Strategy (MTFS) and Capital Strategy, to ensure delivery is financially sustainable.

The Corporate Plan sets out five strategic priorities:

- Tackling Climate Change
- More Social, Affordable and Good Quality Homes
- Balancing the Budget
- Thriving Neighbourhoods
- Transforming Our Town

Each strategic priority is accompanied by a “Plan on a Page”, which summarises the intended outcomes, key performance indicators, and milestones. This format provides a structured framework to track progress and ensure accountability. The plans are published online and reviewed annually to ensure that progress is being made, actions remain relevant and achievable.



Three cross-cutting themes — Equality, Diversity and Inclusion; Health and Wellbeing; and Technology and Innovation — are embedded across all priority areas. The inclusion of cross cutting themes represents the need to raise awareness of these areas when designing and delivering services.

The Council’s Climate Change Strategy sets out the commitment to achieving net zero carbon emissions by 2030 and outlines actions to support both organisational and district-wide decarbonisation. Progress is monitored through regular reporting and a public-facing dashboard, with governance oversight maintained by senior leadership and Cabinet.

Social value is also embedded within the Council’s commissioning and procurement activity. The Social Value Portal, underpinned by the National TOMs (Themes, Outcomes, Measures) framework, is used to assess and monitor the wider economic, social and environmental benefits delivered through contracts. This approach ensures that procurement decisions contribute meaningfully to the Council’s broader strategic aims.

Taken together, these arrangements provide assurance that the Council’s outcomes are clearly defined and that there is an integrated governance framework in place to support their achievement in a sustainable, accountable and inclusive manner.

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

*The sub-principles are:*

- *Determining interventions*
- *Planning interventions*
- *Optimising achievement of intended outcomes*

The Council's report template is designed to help officers take a structured approach to report writing including a comprehensive assessment of the legal, financial, risk and other implications of any proposed recommendations. All reports with legal or financial implications are checked by the Monitoring Officer or Chief Financial Officer as appropriate prior to consideration at committee.

The progress of each corporate priority is monitored via a set of performance measures and reported to Cabinet each quarter. In addition to tracking progress against the delivery of the corporate plan, performance across all Council services is monitored through the year to highlight achievements and identify areas for improvement and this is also reported to the Cabinet each quarter.

The Balancing the Budget programme continues to enhance the financial resilience of the Council by ensuring resources are being used effectively and efficiently and through the development of commercial and entrepreneurial skills and services.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the separation of duties, management supervision, appropriate staffing structure including appropriately skilled, trained and qualified staff, and a system of delegation and accountability.

The Medium-Term Financial Strategy (MTFS) and HRA 30 year Business Plan provides the framework for the Council's financial planning, ensuring that resources are aligned with strategic priorities. It is reviewed at least annually (more often if financial risks are heightened) with the projected funding needs and financial pressures identified to support long-term sustainability.

Overall, the Council's governance arrangements ensure that decisions are made based on thorough analysis and are subject to ongoing scrutiny and challenge, both at an officer and Member level, contributing to the achievement of intended outcomes.

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

*The sub-principles are:*

- *Developing the entity's capacity*
- *Developing the capability of the entity's leadership and other individuals*

The Council supports both Members and Officers to develop the skills, knowledge and

capacity required to deliver effective governance and high-quality services. Newly elected Members undertake an induction programme, including briefings with key officers, to support their understanding of the Council's functions and responsibilities. Ongoing development is provided through the Modern Members Programme, which offers training tailored to Members' roles, including budget management, legislative updates and topical briefings. The programme is reviewed and developed in response to Member feedback.

For officers, the Council's Workforce Strategy – People, Even Better – sets out a framework for building a modern, skilled, and inclusive workforce aligned with the Council's Corporate Plan. It focuses on five key priorities: ways of working, attracting and retaining the best people, engagement and communication, inclusion and wellbeing, and organisational development.

The Council uses a HR Management system to support workforce planning (aligned with annual service and financial planning), training, development and the implementation of the Council's competency framework structure. The Council's Competency Framework provides a map of the behaviours, as well as the skills, that are valued and recognised by the Council.

Performance management is supported through a suite of HR policies and the REAL Conversations approach – a rolling programme of one-to-one meetings between managers and staff covering objectives, development, wellbeing and engagement.

Staff feedback informs ongoing improvement. For example, the 2024 staff survey identified a need to further embed an inclusive culture, which led to specific actions incorporated into the EDI Action Plan and monitored by the Officer Equality Group. The 2025 staff survey has been conducted across April and May 2025, and its findings will similarly inform future action.

The Chief Executive and Leader meet regularly to maintain a collaborative relationship whilst recognising their distinct leadership roles. Prior to the government's Local Government Reorganisation initiative which will see new unitary authorities replace the current two tier system of local government in Hertfordshire by April 2028, the Council was planning for a LGA Peer Review in 2025/26. This is now under review.

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

*The sub-principles are:*

- *Managing risk*
- *Managing performance*
- *Robust internal control*
- *Managing data*
- *Strong public financial management*

Risk management and corporate governance have been subject to internal audit during 2024/25, with both receiving positive audit outcomes. The Council's Risk Management Policy is supported by a guide available to all staff and training is provided periodically. Strategic risks are linked to the Council's priorities and recorded on a Strategic Risk Register, which is reviewed quarterly by senior officers and reported to the Audit Committee. Operational risk

registers are also maintained at service level. Each risk is assigned to a designated risk owner. Report templates prompt officers to consider risks, including financial, social and environmental implications, in decision making. The Corporate Risk Group meets quarterly to oversee the development of the Council's risk management arrangements.

Service planning takes place on an annual basis. This year the process has been adjusted in response to feedback from services to ensure better alignment with budget setting and the end of the financial year.

At business unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year. This process is usually undertaken across April and May. Whilst some improvement actions have been identified, none of these constitute a significant governance concern. The improvement actions will be monitored via the Corporate Governance Group.

The Council's internal financial control is supported by documented Contract Procedure Rules (formerly Contract Standing Orders) and Financial Regulations, which are regularly reviewed. They set out the procedures that the Council has adopted for financial planning, budgeting, risk management, auditing, treasury management and procurement of goods and services. The Contract Procedure Rules have recently been updated to reflect the requirements of the Procurement Act 2023 and Financial Regulations are due to be reviewed in 2025.

Balancing the budget remains a high strategic risk for the council given the uncertainty around the medium to longer term financial position and is thus captured as a governance improvement action later in this document.

The Council is a member of the Hertfordshire Shared Anti-Fraud Service, which provides a fraud prevention and investigation function and supports training, awareness and policy development in line with best practice. The service reports quarterly to the Audit Committee. The Council expects the highest standards of conduct from all those it works with and is currently updating its anti-fraud and whistleblowing policies with the help of the Shared Anti-Fraud Service.

Information governance is overseen by the Council's Information and Records Governance Manager (who is also the designated Data Protection Officer). Monitoring is carried out through the Corporate Governance Group, with any significant issues escalated to senior management. A suite of policies is in place to ensure the safe and lawful collection, storage and use of data. Data protection e-learning is available through the Council's digital training platform.

Cyber security is recognised as an increasing area of risk for the sector. The risk is monitored through the Strategic Risk Register and highlighted as an area for further improvement activity within this AGS.

The Housing Revenue Account (HRA) Business Plan is the Council's strategic plan for managing and maintaining its housing stock. It sets out the Council's short-to-medium term plans and priorities for its housing management services and provides a long-term perspective on stock investment and financial planning. The Business Plan is reviewed regularly to reflect changing circumstances and local priorities. The HRA Business Plan was reviewed in 2023/24 and the HRA MTFS in 2024/25 in response to increasing financial pressures. This intervention enabled the Council to set a financially sustainable budget for the HRA for 2025/26, but with

an increased savings target for the next three years of circa £6Million in total. It will be necessary to complete the actions as set out in the 2025/26 HRA Budget report for the 2025/26 Business Plan revision, to ensure that current spending plans are sustainable over the medium and longer term. The business plan is due to be published in November 2025 (this forms an enhancement activity as detailed later in this report).

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

*The sub-principles are:*

- *Implementing good practice in transparency*
- *Implementing good practice in reporting*
- *Assurance and effective accountability*

Reporting on performance, value for money, the stewardship of resources and the assessment of robust corporate governance arrangements are provided throughout the year through:

- Quarterly financial monitoring reports to Cabinet
- Quarterly corporate performance reports to Cabinet
- Annual publication of Statement of Accounts
- Publication of the Annual Governance Statement
- Publication of the Council's Annual Report
- Internal reporting of Financial KPI's to the Council's Senior Leadership Team quarterly

Compliance with regards to the publications commitments detailed in the Local Government Transparency Code 2015 is monitored throughout the year by Corporate Governance Group.

The Council's internal audit provision is delivered by the Shared Internal Audit Service hosted by Hertfordshire County Council. A summary of 2024/25 arrangements and the Head of Internal Audit opinion is set out in an earlier section of this Statement. Medium and high priority actions arising from internal audits are monitored to completion by the Audit Committee.

To support service delivery improvements, the Council welcomes constructive challenge as a result of scrutiny from internal/external audit activity as well as the work programme of Overview and Scrutiny Committee and other external review agencies and inspectorates.

The Council was subject to an RSH inspection in 2024/25 and achieved a C2 grading. This is a positive outcome (the second highest available) but some points to address were identified. A Provider Improvement Plan has been developed and will be reviewed with the regulator at regular meetings. This has been identified as a key governance action for 2025/26.

The Council has two wholly owned subsidiary companies, Queensway Properties LLP and Marshgate Ltd, both of which operate under their own internal governance structures but remain accountable within the Council's overall governance framework. The Council is also a shareholder in Hertfordshire CCTV Partnership Ltd (CCTV) and is a member of Swingate LLP, which has been established as a joint venture.

At the time of writing, the external audit for 2024/25 was underway.

With the exception of the action identified under Principle A, above, the review has found that arrangements reflect those summarised in the Council's Local Code of Corporate Governance.

### **Governance Improvement Actions 2023/24**

Following the review of governance in 2023/24, the previous AGS identified some key areas where work would be undertaken to strengthen governance arrangements. Progress against those actions is set out below.

#### General Fund Asset Management

Work is ongoing to strengthen the Council's asset management arrangements. Progress has been made in clarifying service responsibilities, improving contract management, and preparing procurement activity to secure key compliance and maintenance services.

A Facilities Management Strategy is under review to define service standards and responsibilities, and a more formalised training plan is being developed for both the Facilities and Estates teams.

A programme of remedial works will be established once procurement is complete, ensuring statutory and compliance actions are addressed.

The Estates Commercial Review remains active, alongside a departmental restructure to ensure the service is adequately resourced.

Key actions currently underway include:

- Continuation of the Estates Commercial Review
- Review of the Facilities Management Strategy
- Development of a formal training plan for Facilities and Estates teams
- Procurement of key electrical, fire, mechanical, and soft services contracts
- Completion of the Estates department restructure
- Strengthening corporate landlord and occupier responsibilities framework

General Fund asset management arrangements continue to be monitored through the strategic risk register and statutory officers receive regular reports regarding compliance.

#### Balancing the Budget: To ensure that the Council has sufficient resources to fund its medium and long-term service plans and corporate priorities

2025/26 savings have been identified and approved by Council in February 2025 and 99% of savings identified for 2024/25 have been delivered.

Commercialisation: To ensure that the Council's ambitious Co-operative Commercial and Insourcing Strategy can be achieved

Teams across the Council continue to support the development of commercial workstreams, with a range of teams presenting proposals at the working group meetings, showing the extent to which a commercial culture has established. A number of insourcing opportunities have been explored and business cases submitted where appropriate. Fees and charges for 2025/26 for both the General Fund and Housing Revenue Account have been approved. Contract management training has been provided and was well received.

Responding to socio-economic impacts:

Action taken includes:

- Continued use of UKSPF funds to support projects within the town and use of Social Value Portal to provide funding for local skills development and key local investment priorities.
- Household support funding is being used to fund community cafes which act as warm and cool spaces.
- Development of strong networks with young people's services, education providers, businesses, and organisations across Stevenage. The Council also continues to work with partners to increase access to funding, share learning and best practice and to co-ordinate activity where appropriate (e.g. Mission44).
- The Cost of Living information hub on the Council's website has continued to be updated and work is ongoing with partners including Citizen's Advice and the Money Advice Unit to offer residents a comprehensive advice and support service
- The Terms of Reference for Stevenage Together partnership have been reviewed. The partnership and subgroups continue to take a strategic approach to issues that influence the quality of life of those who live and work in Stevenage.
- A successful application has been made for the Warm Homes: Social Housing Fund to retrofit and decarbonise a portion of the Council's housing stock. Additionally, an expression of interest has been submitted in relation to the Warm Homes: Local Grant to retrofit private homes across the town. These initiatives will help to reduce Council, tenant and resident costs.

IT Resilience and Cyber Security: to continue to implement the IT Strategy and Action Plan to enhance IT infrastructure, cyber security and IT resilience

The Council has invested in additional resources for the Shared ICT service and the restructure to improve resilience and capacity will be completed in 2025/26. Work to achieve PSN certification and Cyber Assessment Framework Accreditation remains ongoing but overall cyber resilience continues to grow incrementally in the meantime as individual measures within the frameworks are achieved. The Cyber Treatment Plan produced for the Council by the National Cyber Security Department has been completed. The cyber security policies have also been reviewed.

Health and Safety: Continue to enhance and embed health and safety compliance and performance

Internally conducted audits have been completed and action plans agreed and monitored. The health and safety risks continue to be monitored by the H&S strategic group and key issues escalated. There are currently three high risks, which are also components of risks detailed in the Strategic Risk Register, all of which have mitigating actions planned and underway.

Council Housebuilding and Acquisitions Programme: To ensure the Council can deliver new council owned homes as programmed

There has been good progress on schemes and new schemes are progressing in early design stages and will be assessed for viability as the design develops. There has also been successful receipt of a first tranche of grant funding from Homes England and exploration of other bid opportunities.

Repairs and Voids

An improvement plan for the Repairs service is being implemented following an independent review and a Community Select Committee scrutiny carried out in 2023/24. Good progress is being made on the workstreams – a review of staffing resources has been completed and recruitment to key management roles concluded in Q4 of 2024/25. Policies and procedures are being worked on including a protocol between the Repairs and Maintenance and Housing Asset Management teams to ensure repair requests are managed efficiently. The procurement of support contractors is in progress with contract mobilisation expected during 2025/26. Having good quality, cost effective and well managed contractors alongside the core in-house trades will help ensure the service can carry out repairs in a timely manner. In 2025/26 there will also be a focus on ensuring clear and effective processes are in place to ensure consistency and efficiency of service delivery. In the longer-term, delivery of improvements to housing systems will enable more efficient ways of working which in turn will support increased productivity of the workforce.

Progress has also been made with the Voids Improvement Plan in 2024/25 with the future delivery model having been agreed in principle and a new Voids Policy and Lettable Standard approved. In 2025/26 a mobilisation plan for an in-house Voids team will be worked up to enable a small team established during the year to enable completion of void works supported by external contractors for which the procurement process commenced in 2024/25 will be concluded in early 2025/26.

Corporate Capacity: To ensure the Council has the capacity to carry out all of its priorities as well as provide its core services and implement new government requirements as they arise

The Workforce Strategy was approved by Cabinet in September 2024. The HR team continue to work with service leadership teams to prioritise recruitment and associated support plans.

Social Housing Regulation Act: To deliver the proposals set out in the Social Housing Regulation Act

The Regulator of Social Housing inspection took place in September 2024 and the Council achieved a C2 rating. A post inspection plan has been developed and will be monitored through to completion (this is identified as a governance improvement action in this year's Annual Governance Statement).

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

Contractors have been appointed and remedial works continue to be identified and progressed. Fire risk remedial numbers are reported to Cabinet via the Performance Scorecard and show an improving position. Monitoring of compliance also takes place via Corporate Compliance Group, SLT and reports provided to the statutory officers. Overall there has been positive progress.

Climate Change: To ensure Stevenage can meet the government's net zero target for the town by 2050

Action taken includes:

- The Climate Change Annual Update has been presented to SLT, Cabinet and Environment & Economy Select Committee, and the Council emissions annual report is in progress. The Climate Action Plan Tracker remains available online and has been updated throughout the year.
- The Council has successfully applied for funding from the Warm Homes: Social Housing Fund to retrofit and decarbonise housing stock. Additionally, an expression of interest has been submitted in relation to the Warm Homes: Local Grant to retrofit private homes across the town.
- The Climate Change Risk Assessment has been completed and approved by SLT but the team are working in amendments and complements and are aiming to produce a new CCRA during 2025. The team are also coordinating efforts for the production of a Climate Change Adaption Plan.
- Regarding the SBC Local Plan, the Regulation 19 consultation opened in November 2024 and the Planning Policy and Climate Action teams have been working closely in each consultation round to provide a response and update, if required.
- Social Value considerations for procurement processes have continued to be implemented, as well as a Stevenage Green Business Grant which has been awarded to local businesses to implement greener solutions by purchasing and installing new products and equipment to reduce their carbon footprint.

Digital Switchover: To ensure that there is no disruption as a result of the changeover from analogue to digital lines

This remains a strategic risk but the national deadline for switching from analogue to digital lines has been delayed to January 2027 and progress has begun to be made in the meantime, so the overall risk has reduced. There are broadly three main workstreams: Independent Living Schemes, Housing, and other non-housing lines. The testing of the first independent living scheme careline transfer was successful and it is the target to complete the transfer for all independent living sites in 2025. IT are managing non-housing conversion of lines and are also targeting completion in 2025, ahead of the new deadline. A working group has been set up comprised of Housing Management, Asset Management and IT to ensure that the approach for other (non careline) Housing lines is aligned with the activity taking place for non-housing elements of the wider estate.

Court Cost Management: To enhance arrangements for managing court costs

A process is being established between finance and shared legal services to ensure collection and recording of court costs takes place.

In addition to the actions referred to above, the 2023/24 AGS also referred to improvement activity that was planned in relation to a self-assessment against the seven 'characteristics of a well-functioning authority' as set out in the (at the time) draft Best Value Duty guidance to build on existing good practice. Progress against those improvement actions is detailed below.

### Best Value Self Assessment Actions

Action	Update
<b>Continuous Improvement</b>	
<ol style="list-style-type: none"> <li>i. In response to the Office for Local Government's (OfLoG) publication of local authority data, the OfLoG District Council Metrics will be added to the Council's Performance Management System in 2024/25 for quarterly monitoring and review by the Senior Leadership Team (SLT)</li> <li>ii. The Council will undertake a review of its approach to coordination of Government Single Data List returns to ensure that there is a central log of comparative data for key services</li> <li>iii. To enhance the Council's existing approach to using data to inform business insight, an assessment of all existing business insight tools will be undertaken</li> <li>iv. The SLT will continue to retain priority focus on workforce matters through its Workforce Strategy with specific focus on promoting the link between individual staff objectives (as captured through REALs) and the council's wider MSEB strategic priorities i.e. 'the golden thread'</li> <li>v. Audit of Service Assurance Statements to be added to the 2025/26 SIAS programme of work.</li> </ol>	<p>All applicable OfLoG measures have been incorporated into the Performance Management System (inPhase), however it was announced in December 2024 that OfLoG would be closed. Other benchmarking measures will be explored (e.g. LG Inform) as part of the work to explore other performance reporting systems and greater use of PowerBI as a primary business insight tool.</p> <p>The Workforce Strategy was approved in September 2024 and the use of REALs continues to support the cascading of the council's wider MSEB strategic priorities through to individual staff objectives.</p> <p>Service Assurance Statement template reviewed and updated April 2024. Possible future external / independent review remains under consideration.</p>
<b>Leadership</b>	
<ol style="list-style-type: none"> <li>i. The Council will implement a budget process development model for 2025/26 which is aligned with key outcomes identified in Service Plans</li> <li>ii. All Service Plans (currently held corporately) will be made accessible online to the SLT throughout the year via Microsoft Teams</li> </ol>	<p>Budget planning for 2025/26 has now concluded. A new process for budget development has been set out and is underway for 2026/27.</p> <p>Service plans are being made accessible to SLT and will continue to be going forward.</p>

<b>Governance</b>	
<ul style="list-style-type: none"> <li>i. To enhance Member knowledge and insight of Council matters, the Council will review the scrutiny subject topics for 2024/25 and identify opportunities for future Select Committees covering a range of subjects (including site visits and external visitors where appropriate)</li> <li>ii. Through the new Member training programme, a session on the importance of scrutiny and existing scrutiny functions will be arranged</li> <li>iii. Introduce a single annual performance and forecast review report for Stevenage Borough Council companies</li> <li>iv. Introduce a twice yearly SLT Complaints Report on key complaints themes identified through the Annual Complaints and Service Improvement Report</li> </ul>	<p>Scrutiny topics for 2024/25 were developed to ensure that they covered a range of subjects, supported by the Scrutiny Officer.</p> <p>A session with the Centre for Governance and Scrutiny provided a session for our newly elected Members on the essentials of scrutiny on 18 July 2024.</p> <p>This is currently reported in the end of year Monitoring Report General Fund, Housing Revenue Account, Capital, and Group Companies. Financial reporting and performance reporting has been aligned to be reviewed together.</p> <p>Complaints information is now being reported alongside the Corporate Performance Quarterly Reports.</p>
<b>Use of Resources</b>	
Undertake a review of the Council's approach to project management to ensure that the Council's ability to check the intended outcome of projects is assured and this is communicated to key stakeholders	Various project governance processes are in place. These will be tested further through the service level assurance process.

The Council remains committed to upholding the principles of Best Value, ensuring continuous improvement in the delivery of services while balancing quality, cost, and community outcomes. As governance requirements evolve, the Council continues to adapt its actions, ensuring they remain aligned with the core intent of the duty and guidance.

## Planned Improvement Activity for 2025/26

Significant internal control and governance issues identified as part of the 2024/25 review of governance are set out in the following Action Plan.

Enhancement activity is deemed significant if recommended for reflection in the Annual Governance Statement by the Shared Internal Audit Service following reviews of control arrangements to meet the Audit Plan, or if identified as key to the management of 'very high/high level' strategic risks or based on the findings of the review of compliance with the CIPFA/SOLACE governance principles. By adopting this approach, any concerns over key controls that have a material effect on corporate governance arrangements and the associated delivery of priority outcomes should be addressed.

Issue	Action (and target dates)	Owner
Local Government reorganisation / devolution <i>(strategic risk)</i>	<ul style="list-style-type: none"> <li>Review the capacity needed to engage effectively with the local government reorganisation process,</li> <li>Establish an internal governance structure to oversee the process,</li> <li>Following due consideration and engagement with local partners, ensure submission of required returns.</li> </ul> <p><i>Target date:</i> <i>Next submission due November 2025</i></p>	Chief Executive
HRA Business Plan <i>(strategic risk)</i>	<p>To ensure that medium to long-term viability of the HRA is sustainable, the following activity is planned:</p> <ul style="list-style-type: none"> <li>Undertake a full review of the HRA business plan and investigate saving opportunities identified through the MTFS November 2024 update.</li> </ul> <p><i>Target date:</i> <i>Review to be published November 2025</i></p>	Assistant Director for Housing and Neighbourhoods
IT resilience <i>(strategic risk)</i>	<p>To manage risks relating to IT resilience, the following work is planned:</p> <ol style="list-style-type: none"> <li>Build on existing cyber security training for Staff and Members,</li> <li>Gain Cyber Essentials certification.</li> <li>Gain PSN certification,</li> <li>Complete the Cyber Assessment Framework.</li> </ol> <p><i>Target date:</i> (a) <i>End of March 2026</i> (b) <i>End of March 2027</i></p>	Assistant Director for IT

Issue	Action (and target dates)	Owner
Balancing the budget ( <i>strategic risk</i> )	<p>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:</p> <ul style="list-style-type: none"> <li>• Find Balancing the Budget (BTB) savings and new revenue streams as part of the 2026/27 budget setting process,</li> <li>• Ensure robust budget monitoring and all costs are accurately forecast and profiled in year, providing budget monitoring reports to Cabinet.</li> <li>• Review of Fees and Charges for 2026/27 to contribute to the BTB savings.</li> </ul> <p><i>Target date:</i> <i>A process has been implemented for the 2026/27 budget and savings will be published for approval in Q3.</i></p>	Assistant Director Finance
Housing Property Services – Contract Compliance ( <i>internal audit programme</i> )	<p>To improve contract compliance within Housing Property Services, the following activity is planned:</p> <ul style="list-style-type: none"> <li>(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.</li> <li>(b) Embed improved documentation processes in relation to contract compliance.</li> </ul> <p><i>Target date:</i> (a) <i>Support contractors for repairs: Q1, Servicing and maintenance contract for lifting equipment: Q4</i> (b) <i>To be tested through 2024/25 internal audit programme</i></p>	Assistant Director Building Safety and Housing Property
Constitution review ( <i>review of governance principles</i> )	<p>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).</p> <p><i>Target date:</i> <i>Q2 2025/26</i></p>	Monitoring officer

Issue	Action (and target dates)	Owner
Regulator of Social Housing Inspection – Provider Improvement Plan ( <i>inspection outcome</i> )	Ensure completion of corrective actions identified in the post inspection action plan.  <i>Target date:</i> <i>Ongoing monitoring throughout the year, as per the Regulator of Social Housing's timetable</i>	Assistant Director Building Safety and Housing Property and Assistant Director for Housing and Neighbourhoods

The Council is committed to monitoring implementation of these actions as part of the next annual review.

## **Approval of Statement**

### **Approval of Statement by Chief Executive and Leader of the Council**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Strategic Leadership Team, relevant officers and the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. Areas to enhance the governance framework already addressed are summarised in this Annual Governance Statement. Areas to be addressed and ensure continuous improvement are set out in the table above on pages 22-24.

We propose over the coming year to take steps to address the above matters, 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 Richard Henry  
Leader of Stevenage Borough Council

Signed .....

Date .....

Tom Pike  
Chief Executive of Stevenage Borough Council