

**Annual Governance Statement – Mid-Year Update and Code
of Corporate Governance Refresh**

Final Decision-Maker	Audit, Governance and Standards Committee
Lead Director	Angela Woodhouse, Director of Strategy, Insight and Governance
Lead Officer and Report Author	Angela Woodhouse, Director of Strategy, Insight and Governance
Classification	Public
Wards affected	All

Executive Summary

This report provides the Committee with an update on those matters identified in the Annual Governance Statement for 2022-23 as requiring action. The report also includes an updated version of the Local Code of Corporate Governance for approval

Purpose of Report

Noting and decision.

This report makes the following recommendations to this Committee:

- a) That the update on progress with the current Annual Governance Statement Action Plan, at Appendix A, be noted; and
- b) The Updated Local Code of Corporate Governance at Appendix B be approved.

Timetable

Meeting	Date
Audit, Governance and Standards Committee	13 November 2023

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Effective corporate governance arrangements ensure the Council’s priorities are understood and delivered.</p>	Director of Strategy, Insight and Governance
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>Effective corporate governance arrangements ensure the Council’s cross cutting objectives are understood and delivered.</p>	Director of Strategy, Insight and Governance
Risk Management	The most significant risks from the Corporate Risk Register are included within the action plan in the Annual Governance Statement.	Director of Strategy, Insight and Governance
Financial	Carrying out the actions identified in the action plan helps to ensure that the Council maintains high governance standards.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Director of Strategy, Insight and Governance
Legal	Section 6(1) of the Accounts and Audit	Monitoring Officer and

	<p>Regulations 2015 requires all local authorities to:</p> <p>a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and</p> <p>(b) prepare an annual governance statement;</p> <p>Under the Council's Constitution one of the functions of the Committee is to oversee the production of the Council's Annual Governance Statement. The Annual Statement demonstrates measures are in place to ensure good governance arrangements which enable the Council to meet its statutory requirements.</p>	MKLS Team Leader (Planning)
Privacy and Data Protection	<p>Maintaining high standards in relation to privacy and data protection have been identified in the Annual Governance Statement as a key part of the governance framework and carried forward into the action plan and update.</p>	Corporate Insight, Communities and Governance team
Equalities	<p>Good governance will ensure the Council is adhering to the public sector equality duty. The recommendations do not propose a change in service therefore will not require an equalities impact assessment</p>	Equalities & Communities Officer
Public Health	No implications	Public Health Officer
Crime and Disorder	No implications	Director of Strategy, Insight and Governance
Procurement	No implications	Director of Strategy, Insight and Governance
Biodiversity and Climate Change	Environmental impact is included in the review of the governance arrangements	Biodiversity and Climate Change Officer

2. INTRODUCTION AND BACKGROUND

- 2.1 The Annual Statement of Corporate Governance for 2022-23 was considered and approved by the Audit Governance and Standards Committee in July 2022 before being signed by the Leader and Chief Executive. The statement contained an Action Plan for 2023-24. This report provides an update on the progress made against the Action Plan as set out in Appendix A.
- 2.2 The actions outlined in Appendix A arose from areas identified in the corporate governance statement as requiring additional action to maintain the Council's governance standards.
- 2.3 Several areas were identified for action including:
- Key Corporate Risks
 - Review of the Constitution
 - Training for Councillors and Officers to prepare for a four yearly election cycle
 - Nolan Principles refresh and Carbon Literacy Training for Members
 - Reviewing and Updating the Workforce Strategy
 - Ensuring public and stakeholder engagement on the Town Centre Strategy
- 2.4 Progress has been made across all actions as outlined in Appendix A. Introducing Triple Bottom Line accounting is an accounting framework which draws the attention of decision makers to include social, environmental factors alongside financial factors when making decisions. This can be summarised as the three Ps: People, Planet and Profit. The idea was instigated by the Leader and officers have begun progressing work to create a framework, many tools are already in place to ensure we have balanced decision making. This will bring those together alongside training to ensure we make decisions that are in the best interest of people, the planet and financially sound (profit).
- 2.5 Corporate Risks are regularly reviewed by the Corporate Leadership Team and Councillors as part of the quarterly financial and performance monitoring reports. Controls have been put in place to mitigate risk, however there remains a great deal of uncertainty.
- 2.6 The Workforce Strategy was overdue for a refresh/rewrite, a workshop has been held with the Wider Leadership Team with a particular focus on the workforce of the future and the way we work and plan to work, addressing issues such as recruitment and retention, productivity and culture as well as our role as an anchor institution in the Borough.
- 2.7 Democracy and General Purposes are reviewing the arrangements for Overview and Scrutiny and Policy Advisory Committees in light of the reduction in Councillors in 2024 and whether the current arrangements could be improved. To start the work a Member workshop has been scheduled for the 20 November 2023 to feed into a discussion and review

by Democracy and General Purposes at their meeting that evening. The review will look at how we ensure decision making is transparent, inclusive and effective as well as its burden in terms of Councillor time and resource.

- 2.8 One session has been held for Councillors on Carbon Literacy and the feedback was positive from those who attended, in-line with feedback on timing of training and Member availability we are organising a second session on a Saturday in the new year. Training has also been organised on the Nolan principles for 1 February 2024 as an evening in-person session.

Code of Corporate Governance Update

- 2.9 Annually the Code of Corporate Governance is refreshed to ensure it remains up to date. The updated code is attached at Appendix A. Tracked changes are shown on the document, changes reflect an update to plans, policies and the Council's values for staff.
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3. AVAILABLE OPTIONS

- 3.1 The Committee could decide not to consider the Action Plan update provided at Appendix A, however the Action Plan is a key part of the Committee's governance remit. The Committee can also request further information to seek assurance on the progress of the Action Plan if required. The Committee is asked to review and agree the refreshed code of governance.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 As stated in section 3.1 considering the Action Plan and code of corporate governance is a key part of the Committee's governance remit. The Committee is asked to note the update provided on the actions developed as a result of the annual review of governance and approve the refresh of the code following officer review.
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5. RISK

- 5.1 Effective governance mitigates risk, the action plan includes key corporate risks which are also reported to Policy Advisory Committees and the Cabinet on a quarterly basis.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The Committee is invited to provide feedback on progress with the Action Plan.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 This report has been provided to update the Audit, Governance and Standards Committee and will be publicly available via the Committee papers on the Council's website. Any recommendations for further action by the Committee in regard to the Action Plan will be carried forward.
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8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Annual Governance Statement Action Plan Update
 - Appendix B: Updated Local Code of Corporate Governance
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9. BACKGROUND PAPERS

None.