

# Annual Governance Statement for the year ended 31<sup>st</sup> March 2024

## 1. Scope of responsibility

- 1.1. Uttlesford District Council ('the Council') has a duty under the Local Government Act 1999 to make arrangements that ensure continuous improvement in the way it works in terms of economy, efficiency and effectiveness. This includes a responsibility to ensure that Council business is conducted in accordance with the law and that public money is safeguarded and properly accounted for.
- 1.2. To fulfil this responsibility, the Council must put in place proper arrangements for the governance of its affairs and carrying out its functions, which includes arrangements for managing risk.
- 1.3. The Council has approved and adopted a Code of Corporate Governance which is consistent with the seven principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government 2016*.
- 1.4. This statement explains how the Council has complied with the Code. It also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement. In line with the CIPFA/SOLACE framework, this statement is "an open and honest self-assessment", which:
  - describes key elements of the Council's governance arrangements, covering key corporate systems and the range of activities for which the Council is responsible.
  - describes processes applied in reviewing their effectiveness, and
  - lists actions proposed to deal with significant governance issues identified.

## 2. The purpose of the governance framework

- 2.1. The governance framework comprises:
  - the systems, policies, processes, culture and values by which the Council is directed and controlled; and
  - the Council's activities through which it accounts to, engages with and leads the community.
- 2.2. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.3. The system of internal control is a significant part of that 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 on-going process designed to:
  - identify and prioritise the risks to the achievement of the Council's policies, aims and objectives.
  - evaluate the likelihood of those risks being realised and the impact should they be realised; and
  - manage those risks efficiently, effectively and economically.



- 2.4. The governance framework outlined in this document has been in place at Uttlesford District Council for the year ended 31 March 2024.

### 3. The Governance Framework

- 3.1. The Council's Governance Framework has been set up over successive years and is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA/SOLACE principles of delivering good governance (as updated in 2016).
- 3.2. Key highlights from the Governance Framework in place at Uttlesford District Council are shown against each of the seven principles below. Further evidence of compliance with the principles can be found in the Code of Corporate Governance.

Good Governance Principle	Uttlesford Council Key Elements 2023/24
<p><b>Principle A</b>  <b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</b></p>	<ul style="list-style-type: none"> <li>✓ In line with Public Sector Equality Duty and the Council continues to provide equalities training has been offered to all staff and Councillors to reinforce the Council's commitment to promoting equality and fairness among its local communities, staff and members.</li> <li>✓ Member Code of Conduct forms part of the Council's constitution. Code of Conduct complaints are handled by the Monitoring Officer via engagement with our Independent Persons and the Standards Committee where appropriate. Local elections were held on 4 May 2023. A comprehensive induction programme for new and returning councillors was delivered, and expert external training was utilised in respect of dedicated committee training, as well as for underlying principled training for matters such as standards and governance.</li> <li>✓ Declarations of Interest remain a standing item on all Committee, Cabinet and Full Council agendas.</li> <li>✓ The Council's Counter Fraud Working Group who will provide operational oversight of the Council's counter-fraud activities across all areas. A new Audit Manager was appointed in 2023/24 and commenced employment with the Council on 30 October 2023 and has re-ignited and leads the CFWG.</li> <li>✓ The annual review letter <a href="#">annual review letter</a> from the Local Government Ombudsman and an annual summary of complaints and compliments relating to the Council's services, was presented to Audit and Standards Committee in September 2023. This information is also reviewed quarterly by the Council's Corporate Management Team, in order to share any lessons learnt.</li> <li>✓ A &amp; S also receives an annual Information Governance Report which covers data protection and information governance, including any instances of data breaches and the position with regard to Freedom of Information responses. This report was presented in November 2023.</li> </ul>



Good Governance Principle	Uttlesford Council Key Elements 2023/24
<p><b>Principle B</b>  <b>Ensuring openness and comprehensive stakeholder engagement</b></p>	<ul style="list-style-type: none"> <li>✓ The Council publishes information in line with Local Government Transparency Code 2015, including: <ul style="list-style-type: none"> <li>• <a href="#">Business Rates Transparency Information</a></li> <li>• <a href="#">Councillor Allowances</a></li> <li>• <a href="#">Decision Records and Notices</a></li> <li>• <a href="#">Expenditure Data</a></li> </ul> </li> <li>✓ The Council sets out its <a href="#">Access to Information</a> policy on its website.</li> <li>✓ Comprehensive information relating to the <a href="#">Council's Finance and Accounts</a>, including Statement of Accounts, Budget 2023/24, Fees and Charges 2023/24, Spend over £250, Council Investments etc. is available online.</li> <li>✓ Council Cabinet and Committee meetings are open to the public, and guidance on attending and speaking at public meetings is available online. As speaking rules differ for a number of meetings, specific instructions are provided in the agenda papers for each public meeting. Meetings are broadcast live and available to watch subsequently on YouTube via the council's website.</li> <li>✓ The Council continues to use the Modgov system to ensure that timely reports are submitted, approved, published and distributed to ensure Member's information needs and relevant statutory deadlines are met.</li> <li>✓ The Council continues to publish a full record of decisions made in and supporting material presented to Committees, Cabinet and Full Council online.</li> <li>✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are issued in advance/made available online as appropriate.</li> <li>✓ The Council continues to be making improvements to systems and processes in its development management function, both across officer and elected member level activity.</li> </ul>
<p><b>Principle C</b>  <b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b></p>	<ul style="list-style-type: none"> <li>✓ Cabinet approved a <a href="#">Climate Change Strategy and Action Plan</a> on 7 December 2022 which set a clear direction for tackling climate change and its key priorities.</li> <li>✓ The Council successfully completed recruitment to vacancies in the Climate Change Team, with the full team onboarded by mid January. At the end of March 2024, the Zero Carbon Communities Grant Scheme saw £185,666k made available in grants for local community projects delivering carbon emission reduction, community action on climate change, biodiversity restoration and</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2023/24
	<p>enhancement. 15 community projects have been supported across the district for delivery in 2024.</p> <ul style="list-style-type: none"> <li>✓ Further to the Local Walking and Cycling Infrastructure plan. This study will produce a report and network plan for walking and cycling in Uttlesford which identifies preferred routes for further development, taking account of forecast growth in the local plan, it will also provide a prioritised programme of infrastructure improvements for future investment. A public consultation is set to take place in autumn 2024.</li> <li>✓ In March 2023, the council invited feedback from residents and businesses on the piloting of a range of shared bike schemes in Saffron Walden. This engagement was undertaken as part of the town Clean Air Project which will be delivered over the next 2 years using grant funding from DEFRA. The project will be formally launch in April 2024.</li> <li>✓ The <a href="#">Health and Wellbeing strategy</a> has been revised and a new 4yr strategy is in place until 2028. Uttlesford Health &amp; Wellbeing Board is the key mechanism for driving joined up working at local level and works to deliver the strategy, helping to improve the health and wellbeing of residents of the district and to reduce health inequalities.</li> <li>✓ <a href="#">Uttlesford Community Safety Partnership</a> produces a Strategic assessment for the District which then informs the Delivery Plan for the coming year. The Partnership meets on a quarterly basis to review the plan and to ensure that the priorities are being met through partnership diversionary projects and targeted projects where appropriate. There is a rotating chairperson, voted in on an annual basis, to ensure all statutory partners take responsibility. Links are strong with the police through their tasking process and with County Wide Community Safety colleagues through the Essex Community Safety Network. There is also attendance by officers and the Communities portfolio holder at Safer Essex and there are strong links with the OFPCC allowing the Council to have both a County and District wide view of immerging issues.</li> <li>✓ The Council's Safeguarding policy is set to be reviewed to reflect Government legislation. Online safeguarding training has been included in the induction process for all staff. ✓ The Council carries out <a href="#">equality and health impact assessments</a> on its services, policies, functions, strategies and procedures to ensure the Council does not discriminate in the way it provides services and employment and that, where possible, it does all it can to promote equality and good relations for the community</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2023/24
<p><b>Principle D</b> <b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	<p>and various minority groups. Assessments accompany key decisions, and many can be found on the Council's committee system.</p> <ul style="list-style-type: none"> <li>✓ The Council's <a href="#">Medium-Term Financial Strategy (MTFS)</a> sets out the predicted financial position for the next 5 years 2023 -2028; this was approved by Council in February 2023.</li> <li>✓ The MTFS and annual budgets for the General Fund, Capital Programme and Housing Revenue Account along with the associated Strategies for Investments, Capital and Treasury Management were reviewed by Scrutiny Committee prior to approval by Council in February 2023. Financial position and predicted outturn, for the Capital and Revenue net expenditure is reported to Cabinet on a quarterly basis with a draft presented in June 2023.</li> <li>✓ Cabinet working groups will be considered by Cabinet on 27 June 2023 in order for Terms of Reference to be re-approved and membership for 2023/24 to be established.</li> <li>✓ . The Regulation 18 Consultation was approved at Full Council in an extraordinary council meeting on 30 October 2023. This is intended to be a 'preferred option' draft which has the potential to reduce the time required for the latter stages of the plan. Completion of the whole process is expected by spring 2026.</li> <li>✓ A new <a href="#">Corporate Plan</a> is in place with updates on progress against key objectives reported regularly to Scrutiny Committee.</li> <li>✓</li> <li>✓ In March 2023, the Chief Executive requested that Internal Audit undertake a review of the Council's Standards Complaints process. The Audit identified a need to review the Standards Complaints process with particular attention to the triage process. A new Head of Legal Services/Monitoring Officer has been appointed who will drive forward any changes/improvements in the process.</li> </ul> <p>Following the appointment of a new Internal Audit Manager, Internal Audit has undertaken follow up Audit for Limited Assurance Audits to assess the effectiveness of the revised process to provide independent assurance over the improvement in the control framework.</p>
<p><b>Principle E</b> <b>Developing the Council's capacity, including the capability of its leadership and the individuals within it</b></p>	<ul style="list-style-type: none"> <li>✓ During 2022/23, a permanent Assistant Director of Environmental Services/Housing and Head of Legal Services were recruited. However, the Assistant Director of Environmental Services/Housing resigned from the post in March 2024 and an Interim Strategic Director Housing Health and Communities was engaged to provide continuity and improvement of service.</li> <li>✓ The Council has undertaken staff surveys during the year which has given useful feedback to plan our future way of working, balancing this against service/customer needs.</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2023/24
	<p>✓ The Council's individual performance review system is known as U-Perform. It is an ongoing process of discussion and feedback between manager and employees. It enables managers to monitor employee performance and deal with any concerns or issues the employee may be facing. It is also an opportunity to recognise an employee's efforts and support personal development and career aspirations and future plans regarding work. U-Perform outcomes are also used to determine whether an employee moves to the next spinal column within their grade and receive a salary increase (until they reach the top of their grade). The process is overseen and moderated by the Chief Executive and Directors. Following a review of U-Perform. The Council will be moving to a new performance Appraisal Scheme (U-Perform) and Values and Behaviours at the end of the 2023/24 financial year.</p> <p>✓ Blueprint Uttlesford was launched in February 2022 and is UDC's change programme focusing on the next five years and beyond. It is the mechanism to deliver the Council's bold and wide-ranging ambitions for improving outcomes for residents and delivering the best services possible as set out in the authority's annually reviewed 5 Year Corporate Plan, and to do so sustainably within available resources, as set out in the council's annually reviewed 5-year Medium Term Financial Strategy and annually set Budget. It sits alongside broader multi-agency strategies and partnerships in which the council is a participant, contributing to their delivery, reflecting their priorities and shaping their strategic direction. 2023/24 was the first year of delivery against the schedule of savings and achieved £1.224 million to be incorporated in the 2024/25 budget.</p>
<p><b>Principle F</b> <b>Managing risks and performance through robust internal control and strong financial management</b></p>	<p>✓ In alignment with UDC's <a href="#">Risk Management Policy</a>, the 2023/24 <a href="#">Corporate Risk Register</a> was by the corporate management team with particular regard being paid to those risks whereby the potential likelihood of them occurring or the impact of the pandemic could adversely affect service provision. During the 2023/24 year, new risks were introduced and existing risks reviewed. Nothing was done during the 2022/23 financial year in regard to risk due to a lack of resources and change in personnel. These are now scheduled for review as a priority.</p> <p>✓ The Council conforms to the governance requirements of the 2016 CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The current year accounts have been managed and prepared in line with the updated standards and principles set out in the CIPFA financial management standards.</p> <p>✓ The Director of Finance makes regular reports to Cabinet of the financial position, this includes budget setting and monitoring medium term forecasts, the final outturn annual report and the statement of accounts, plus any other financial matters that impact the Council. CMT also review all reports quarterly.</p>



Good Governance Principle	Uttlesford Council Key Elements 2023/24
	<p>✓ Cyber Security – the council predominantly continued to work from home through 2023/24 and managed and maintained the same level of IT access and system security for staff. There is now a more hybrid way of working with hot-desking available over our 3 sites. Additional security measures have been introduced and current measures expanded to ensure the protection of Council property and data by UDC IT in line with the guidance from the National Cyber Security Centre.</p>
<p><b>Principle G</b> <b>Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</b></p>	<p>✓ As detailed above and in the Local Code of Corporate Governance, a vast array of information is accessible to the general public via the Council's <a href="#">website</a>.</p> <p>✓ The AGS is presented to the Leader and Chief Executive, approved by Audit and Standards Committee and published alongside Statement of Accounts.</p> <p>✓ Annual reports summarising the work of A&amp;S Committee and Scrutiny Committee were presented to Council in July and October 2023 respectively.</p> <p>✓ A&amp;S Committee receives annually the Local Government Ombudsman's Annual Review Letter. At the same time, the committee receives an annual summary of complaints and compliments received by the Council. This report went to the September 2023 A&amp;S Committee meeting.</p> <p>✓ A&amp;S Committee also receives an annual Information Governance Report which covers data protection and information governance, including any instances of data breaches and the position with regard to Freedom of Information responses. The Information Governance Annual Report 2023/24 was presented to A&amp;S in November 2023.</p>

#### 4. Review of effectiveness

- 4.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:
- the work of the Corporate Management Team who have responsibility for the development and maintenance of the governance environment.
  - the work of Cabinet and the Committees, including the Governance, Audit and Performance Committee and Scrutiny Committee
  - the Internal Audit Annual Report
  - comments made by the external auditors and other inspection agencies.
- 4.2. As well as the annual review, the governance and control frameworks are maintained and reviewed by a series of comprehensive processes throughout the year. These include:



- A **robust Internal Audit function** where the planned work is based on identified key risk areas. The Council's Internal Audit Service arrangements should conform to Public Sector Internal Audit Standards
- An **embedded reporting system for internal audit issues** ensures that senior managers and members are fully briefed on key issues, which includes regular reporting to the GAP Committee.
- A **comprehensive budget monitoring process** that is reported monthly to budget holders, quarterly to CMT and six-monthly to Cabinet.

4.3. The outcome of the review is presented in 5.1 below, which details areas for improvement during 2023/24.

#### 4.4. Effectiveness of Other Organisations

**Uttlesford Norse Services Ltd (UNSL)** is joint Venture between UDC and the Norse Group for the provision of planned and responsive repairs for Housing along with facilities and cleaning services, which became fully operational on the 1 April 2020. The Norse Group, a wholly owned subsidiary of Norfolk County Council is the largest local authority trading company in the UK.

At the end of 2023/24 the Council gave formal notice to UNSL that the Council had decided not to enact the extension to the joint venture agreement and that existing arrangements would end in March 2025.

- **Uttlesford Leisure PFI** - on behalf of UDC, 1Life Management Solutions Limited operate three leisure centres under the Uttlesford Leisure PFI Contract: Lord Butler Leisure Centre; Great Dunmow Leisure Centre and Mountfitchet Romeera Leisure Centre. The authority finances the PFI agreement through a Unitary Charge which is paid to the Project Company (Linteum Uttlesford Limited) in monthly instalments throughout the duration of the contract. In May 2023 it was identified that parts of the Lord Butler Leisure Centre roof was constructed using reinforced autoclaved aerated concrete (RAAC), its structural behaviour differs significantly from traditional reinforced concrete and is susceptible to structural failure when exposed to moisture. All partners of the PFI worked together during 2023/24 using expert consultants and contractors to make the structure safe and repair work was carried out in February 2023. Regular inspections will be carried out every 3 years, as per expert industry advice to monitor the integrity of the roof.

#### 4.5. Internal Audit Opinion

The annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance.

The Internal Audit opinion is based on the audits and follow-up work completed since the last annual report and opinion to Audit and Standards Committee in June 2023.





Resourcing has had a significant impact on the delivery of the planned audit programme and Internal Audit does not have sufficient evidence to raise the opinion.

Internal Audit has identified good practice in areas of Corporate Governance (e.g. the Blueprint Uttlesford Programme) which represent a necessary development in the Council's programme processes.

Risk management is not embedded within the organisation although action is now underway to address this.

Follow-up work showed improvements in previously audited systems but other work pressures and resource issues have allowed some agreed actions to slip.

For the year-ended 31<sup>st</sup> March 2024, the opinion is that the adequacy and effectiveness of the Council's arrangements is **Limited Assurance** – a number of control weaknesses, several of which are high may put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage.

#### 4.6. External Audit

BDO were provided with information that has relevance to their consideration of the Council's 2019/20 Annual Governance Statement and arrangements for use of resources (UoR). This was investigated by a third party and has been concluded. Until the whole process was concluded, the Council understood that BDO would be unable to issue their opinion on the 2019/20 Statement of Accounts (because the opinion includes reference to the Annual Governance Statement) or conclusion on the Council's arrangements for use of resources. However, there now appears to be a very protracted delay by BDO in reconciling their opinion. These issues are now also impacting on the 2023/24 audit sign-off as BDO cannot complete years 2023/24, 2022/2023 and 2020/21 until the 2019/20 issue has been resolved and the auditor's opinion for that year concluded and reported to the Council.

#### 4.7. Other Inspectorates

5. In 2023, UDC reported three data breaches to the Information Commissioner's Office Impact. The council is currently awaiting a response from the ICO in relation to these breaches.

#### 5.1. Review of Actions from 2022/23 Annual Governance Statement:

2023/23 AGS	Action taken in 2023/24 to address the issue
To monitor improvements in UDC's internal governance arrangements with UNSL.	Following a review of operational services the Council gave formal notice to UNSL in March 2024 that the Council had decided not to enact the extension to the joint venture agreement and that existing arrangements would end in March 2025

2023/23 AGS	Action taken in 2023/24 to address the issue
Ensure implementation of control improvements identified by independent assurance providers (such as Internal Audit and other inspectors) promptly and in full, to ensure that weaknesses do not persist.	The Council has developed an action plan with CMT and SMT to ensure prompt reporting of breaches to the relevant governing body and to the relevant committee for transparency.
To undertake an independent assessment of the Council's approach to Corporate Risk Management, to identify any organisational improvement opportunities to ensure that the Council's risk management approach is proportionate and robust.	The Corporate Risk Register needs to be updated and reported to Audit and Standards Committee and Cabinet quarterly
Monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered.	The new Audit Manager has reignited the Council's Counter Fraud Working Group who will provide operational oversight of the Council's counter-fraud activities across all areas of the Council. The Audit Manager in collaboration with the Monitoring officer have updated policies and procedures in place so they are compliant with current legislation.
The Standards Complaints procedures need updating following the issues identified during the Internal Audit review.	The Monitoring Officer has reviewed the current standards complaints procedure in conjunction with the Independent Persons and a revised procedure will be presented to Audit and Standards in spring 2025

## 5.2. Areas for improvement or monitoring during 2024/25

Area	Action to be taken in 2024/25	Responsible Officer
<b>External Audit</b>	The Council should promptly respond to enquiries made by BDO as they seek to complete their audit work and sign-off 2019/20, 2020/21/ 2021/22 and 2022/23 accounts by the statutory deadline in order to ensure it cannot be held responsible for any further delays.	Strategic Director of Finance, Commercialisation and Corporate Services
<b>Risk Management</b>	Update the risk register and risk policy and present to cabinet for approval to ensure senior managers refer to the register as part of their	Director of Business Performance and People



Area	Action to be taken in 2024/25	Responsible Officer
	service planning and risk appraisals where applicable.	
<b>Partnerships</b>	To engage in high level discussions with Essex Police on the need to create a new Local Strategic Partnership/Responsible Authorities Group	Interim Strategic Director Housing, Health and Communities

## 6. Certification

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year. We did not find any matters that needed addressing during our review other than those that were previously identified and have been progressed.

Signed.....  
Leader of the Council

Signed.....  
Chief Executive  
Date: 2024