

CHESTERFIELD BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2022/23

Scope of Responsibility

Chesterfield Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and 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, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Chesterfield Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government Framework 2016 edition*. This Statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31st March 2023 and up to the date of approval of the Statement of Accounts.

The governance framework

The key elements of the systems and processes that comprise the Council's governance framework are as follows: -

The Council's vision is "Putting our communities first". Chesterfield Borough Council identifies and communicates the authority's vision of its purpose and intended outcomes for citizens and service users via its Council Plan and Vision statement.

The Council Plan consists of 3 priorities: -

To make Chesterfield a thriving borough
To improve the quality of life for local people
To provide value for money services

The Council's values reflect the way the council wants to achieve its vision, these are: -

Customer focused: delivering great customer service, meeting customer needs,

Can do: striving to make a difference by adopting a positive attitude,

One council, one team: proud of what we do, working together for the greater good,

Honesty and respect: embracing diversity and treating everyone fairly.

Governance Arrangements

The Council Plan is cascaded down through, managers, meetings, service plans, team plans, budgets, the medium-term financial plan and employee performance development reviews. This flow ensures that resources are utilised for the achievement of the Council Plan and vision.

Chesterfield Borough Council has a formal Constitution in place that sets out how it operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. In addition, the Constitution sets out the roles and responsibilities of Members and Senior Managers.

- The Cabinet is the part of the authority which is responsible for most day to day decisions.
- The Overview and Scrutiny committees support the work of the Council by scrutinising the decisions made.
- The Standards and Audit Committee are responsible for maintaining and promoting high standards of conduct and for considering the effectiveness of the Council's risk management arrangements and the control environment. The Committee also reviews reports from internal and external audit and other inspection agencies and seeks assurance that action has been taken where necessary.

Changes to Future Governance Arrangements

The Local Government Boundary Commission completed a review of Chesterfield Borough Council's electoral arrangements during 2022. The following key changes will come into force from the 4 May 2023 election:

- A reduction in Council size from 48 to 40 members
- The average number of electors per councillor will rise from an average of 1,633 to 1,960 based on the reduction in councillor numbers and then rise year on year to 2,108 by 2027 due to housing and population growth

- Move from 19 wards to 16 wards with extensive ward boundary changes

The reduction in Council size by almost 20% means that following the election in 2023 there will need to be changes around governance arrangements and subsequently a re-alignment of the constitution.

Codes of Conduct / Standards

Formal Codes of Conduct are in place for Members and Officers and are available on the intranet and form part of induction procedures. To further enhance these high standards the Council has in place a Comments, Complaints and Compliments procedure, a Customer Services Charter, an Anti- Fraud, Bribery and Corruption policy and a Confidential Reporting (whistle blowing) Code. The Corporate Complaints Procedure was revised in November 2022 to improve the process for the public.

Statutory Responsibilities

The Chief Executive is the designated Head of Paid Service, with the statutory responsibility for the overall review of the Council's staffing and operation. The Chief Executive is monitored for performance in the delivery of political priorities which are in turn monitored and measured across all staff.

The Council's Monitoring Officer attends Corporate Leadership team meetings and is suitably qualified. The Monitoring Officer is responsible for all matters relating to the conduct of councillors and officers and to be responsible for the operation of the Council's Constitution.

The Chief Financial Officer is professionally qualified and experienced to undertake their roles and responsibilities and is supported by an experienced and appropriately qualified finance team. The Chief Financial Officer is a key member of the Corporate Leadership team and leads and directs a finance function that is fit for purpose. The Chief Financial Officer ensures compliance with S151 requirements. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

Financial Management

The Council has assessed its arrangements against the CIPFA Financial Management Code and is broadly compliant with these. Further work is being undertaken to embed the principles within the Code. CIPFA's Financial Management Code (FM Code) was published in October 2019 and provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that authorities are managing resources effectively, regardless of their current level of financial risk. The Code provides 6 principles against which to judge financial management (leadership, accountability, transparency, standards, assurance and sustainability). The principle of proportionality is embedded within the code and reflects a non-prescriptive approach.

The best use of resources and value for money challenge and assurance are obtained by scrutiny reports and reviews, reviewing service performance, benchmarking and monitoring budgets.

Internal Audit

Internal Audit is provided on a Consortium basis for Bolsover District Council, North East Derbyshire District Council and Chesterfield Borough Council. The Internal Audit function operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and conforms to the requirements of the CIPFA statement on the Role of the Head of Internal Audit 2019. The Head of the Internal Audit Consortium is a senior manager, professionally qualified and leads an appropriately resourced and experienced audit team. The latest external review of internal audit confirmed that the Consortium is compliant with the PSIAS.

Risk Management

Chesterfield Borough Council has a risk management strategy (recently refreshed), a risk management group and risk is considered as part of all Cabinet reports. The Strategic risk register is regularly reviewed and service risk registers are in the process of being reviewed and updated. The risk management process includes horizon scanning to identify new threats and opportunities at an early stage.

Organisational Development

In April 2021 Council approved an Organisational Development (OD) strategy and a subsequent programme of change activity was approved in October 2022, focused around four strategic themes: ICT Improvement, Customer Services, People and Resources and New ways of working. Projects are being delivered by teams made up of Programme and Project Managers, business analysts, project support officers and employees from different services across the council. A Project Management Office is being established to provide oversight of the projects which are being undertaken across the Council.

Key achievements so far include:

- ICT programme delivery
- Customer experience improvements
- Implementation of a number of service reviews and reshapes
- New ways of working
- Developing digital innovation in CCTV – safer streets initiative
- Introduction of new digital systems and concierge service at sports centres

Training and staff Development

To ensure compliance with relevant laws and regulations, internal policies and procedures Chesterfield Borough Council has a comprehensive induction package and provides training for staff and Members on a regular basis. The Constitution is underpinned by legal references. Training needs are identified through Member and employee performance and development reviews and continuous professional development is encouraged. There is an online learning tool that records all training and includes a comprehensive bank of training modules. Policies are readily available on the intranet to view.

CBC have celebrated national apprenticeship day. In the last 12 months CBC employees have studied and completed apprenticeships in a variety of subjects to help them with their future career development. The courses completed range from entry level to masters degree level.

Partnerships

The Council works with a number of partnerships to deliver its aims. Where the Council has entered into partnership arrangements it seeks to ensure that these promote the Council's vision of its purpose and intended outcomes for citizens and service users and that they are subject to appropriate governance and performance management arrangements.

The Council is a member of D2N2 Local Enterprise Partnership (LEP) and a non constituent member of the Sheffield City Region mayoral combined authority.

Building Control are now part of a limited company (The Derbyshire Building Control Partnership). There are a series of legal agreements that support the new company including a shareholder agreement and a service level agreement. A separate Board has been set up to govern the new company. The company is consolidating its position in the market and continues to outperform the budget forecast.

CBC along with Chesterfield Health and Wellbeing partnership and a range of partner organisations have joined forces to get dozens of warm spaces up and running as the cost of living continues to rise.

Economic Development

There is a large amount of economic development in the Borough aimed at increasing economic prosperity, creating jobs and revitalising the heart of Chesterfield. Regeneration projects currently underway include Chesterfield Waterside, Peak Resort, Northern Gateway, Staveley Corridor, Stephenson Memorial Hall refurbishment.

The Northern Gateway Enterprise Centre was officially opened in July 2022 and has a full complement of staff and services. A proactive marketing campaign to promote the centre is ongoing to let the remaining units.

No.1 Waterside Place opened in January 23. This is a new office building that provides office accommodation of the highest specification. This represents a major step forward for the £340 million Chesterfield Waterside regeneration scheme. The new building features six floors of 'Grade A' office space and has already drawn in new investment to the town.

Progress has been made in respect of the 11 Staveley Town Deal Projects put forward to be met from the £25.2 million secured from the Department for Levelling up Housing and Communities. Business cases have been produced and assessed for due diligence and most of the projects are now moving from planning to delivery phase. A robust monitoring system has been established to support the Town Deal Board and ensure projects can meet the conditions required for proceeding to contract.

In terms of the Stephenson Memorial Hall Refurbishment a series of enabling works to the buildings are in progress with the main works being due to commence on site in Summer 2023. The Pomegranate Theatre and Museum are temporarily closed to enable the multi-million pound renovation project that will create an enhanced customer experience.

The first stages of the £10.28 million Revitalising the Heart of Chesterfield scheme have begun with work starting on Packers Row. The scheme aims to transform the look, feel and flow of the town centre – creating a contemporary market town that has better connections between key public spaces, and a more attractive physical environment.

Climate Change

Progress in the delivery of the existing Climate Change Action Plan has been monitored and reported via the Council Plan performance monitoring arrangements, and through regular Overview and Performance Scrutiny sessions. The existing Climate Change Action Plan has largely been delivered.

Actions delivered in 2022/23 include: -

- Improvements to the Council's housing stock,
- supporting improvements to private sector rental properties,
- delivery of the Council's training programme at all levels of the Council,
- procurement and completion of significant research reports into the scoping and potential pathways for Council and borough-wide decarbonisation,
- embedding our innovative Climate Change Impact Assessment (CCIA) tool within our decision-making process. The CCIA tool in particular has attracted much interest from other local authorities many of which have sought advice on replicating the approach in their local area.

A new Climate Change Strategy 2023 - 2030 has been developed along with a Climate Change Delivery Plan, which details the year one activities (2023- 2024).

ICT

The Council's digital platform continues to be developed and the ICT Improvement programme continues to deliver targeted efficiencies.

- Complaints processes and private sector housing processes have been reviewed and incorporated into the digital platform programme.
- Our ICT infrastructure, cyber security and digital skills have been strengthened.
- Take up and usage of 'My Chesterfield', our customer portal, is rising each month.
- Bulky waste collections can now be booked and paid for online.
- The portal can also be used to provide information on council house rent bills and balances.
- Work is underway to replace the system that is used to collect commercial property rent and is expected to go live in late 2023.
- Work is also underway to ensure that 90% of our applications are cloud hosted, providing greater resilience. This project remains on track.
- A new access system has been introduced within our leisure centres which provides online access to book and cancel leisure services and onsite kiosk facilities for booking, payments and check-ins have been installed.
- Our theatre booking system has been replaced, making it easier for customers to book online and access their tickets directly from their phone.

Communication

Chesterfield Borough Council has a variety of means of communicating with all sections of the community and stakeholders including an internal and external Communication and Engagement Strategy, the Council's website, the publication of "Your Chesterfield" four times a year which includes "Our Homes" for tenants and leaseholders and an annual Community Engagement Programme.

We continue to improve our website accessibility and use a wide range of social media channels to increase communication channels.

This year the Council successfully administered a number of government schemes such as the £150 one off energy payments for most households in council tax bands A – D.

Housing

A lot of work has been undertaken to improve our council houses: -

- The £5.9 million work at Pullman Close, Mallard and Leander Courts in Staveley have been completed with tenants starting to move in. These are the latest and final independent living flats to undergo a complete modernisation. Each home has benefitted from a newly renovated kitchen and lounge area, whilst bathrooms have been converted into a wet room with a level access shower.
- The £1 million refurbishments at Brierley and Dixon Courts have been completed.
- Willowgarth Road improvements have taken place in respect of re-roofing, drainage works and new doors and windows.
- Work at Newlandale has also progressed well with new windows and doors being installed, communal areas in flats being painted, electrical work and rendering has now started.
- Local families are settling into their new homes following the completion of the biggest council housing development in the borough for a generation. A £4.1m development has seen 21 brand new properties constructed on the former places for people to live Brockwell Court site in Loundsley Green.

An Anti-Social Behaviour Strategy 2022 – 25 has been adopted.

Review of Effectiveness

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 Corporate Leadership Team within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The processes that have been applied in maintaining and reviewing the effectiveness of the governance framework include:

- Internal audit reviews of the governance, risk and control arrangements in place in accordance with the agreed internal audit plan.
- Monitoring Officer reviews and monitoring of the operation of the Council's Constitution.
- The work of the Risk Management Group.
- The Chief Financial Officer providing the Council and the leadership team, with financial reports and financial advice covering the whole range of Council activities.
- Reviews by external agencies such as the Council's external auditor
- The work of the Council's Standards and Audit Committee.

- The annual review of the Local Code of Corporate Governance.
- Reports received and considered by Cabinet in relation to the outcome of reviews by the external auditor and other review agencies.

Internal Audit Opinion 2022/23

The Head of the Internal Audit Consortium is responsible for the delivery of an annual audit opinion that can be used by the council to inform its governance system. The annual opinion concludes on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

“In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the council’s framework for governance, risk management and control for the year ended 2022/23. Sufficient work has been completed and assurances ascertained to be able to provide an unlimited opinion on the systems of governance, risk management and control in place. This year 6 substantial, 8 reasonable and 3 limited assurance reports have been issued. Managers are in the process of implementing the audit recommendations made”.

Assurance can never be absolute. In this context “reasonable assurance” means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas where improvements are required.

A Review of 2021/22 Governance Issues

As part of formulating the 2022/23 Annual Governance Statement a review of progress against the issues raised in 2021/22 has taken place. Positive progress has been made, but work is still ongoing in a number of areas so these issues have been raised again in the 2022/23 Statement. These actions will be delivered through the 2023/24 municipal year.

Significant governance issues

Whilst there are many areas of the Governance Framework that are operating satisfactorily, the work of internal audit and discussions with the Corporate Leadership Team have identified that there are some areas where action can be taken to improve the governance arrangements in place. The areas identified below either present significant future challenges and/or require further targeted improvements.

| No. | Issue Identified | Action to address |
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| 1. | <p>Financial Sustainability</p> <p>The Council’s financial position is being impacted by many factors including: -</p> <ul style="list-style-type: none"> • risks and uncertainties over future funding, • the cost-of-living crisis, • a period of exceptionally high inflation impacting on the cost of large scale projects and | <p>The Council is committed to making the changes needed in response to these challenges and to maintain the stability of services needed in extremely difficult circumstances by the careful management of the Council’s finances and the strengthening of financial resilience.</p> |

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| | <p>service procurement of supplies and services,</p> <ul style="list-style-type: none"> • Significant increase in utilities and fuel prices, • Substantial increase in salary costs following the in – year pay award and the rise in the living wage, • reductions across the Council’s income streams, particularly in areas such as, car parking, markets and town centre retail units, • Costs associated with climate change initiatives. <p>The Housing Revenue Account is also under pressure as rents increase by less than inflation.</p> | <p>Further work will be undertaken to ensure a balanced and financially sustainable Medium Term Financial Plan.</p> <p>There will also be: -</p> <ul style="list-style-type: none"> • Ongoing in year budget review and potential savings, • Horizon scanning activities to inform quarterly review of the MTFP – Identifying emerging pressures and opportunities, • Assessment of implications of external pressures as further details become available – feeding into MTFP and updating assumptions, • Responding to key Government consultation activity and lobbying where necessary for fair and improved funding settlements including new burdens, • Delivery of the 2022/23 savings plan and income targets, • Renegotiating utility contracts in 2022/23 into 2023/24. <p>Ensure there is a viable 40 year business plan for the Housing Revenue Account</p> |
| 2 | <p>Asset Management</p> <p>The Council needs to continue to improve the way in which it manages its assets: -</p> <ul style="list-style-type: none"> • Introduction of a new IT system, • Development of a 10-year maintenance plan based on condition surveys and supported by the budget, • Inclusion of climate change assessments, • Disposal of assets that are no longer required. | <p>Additional resource has been brought in at a high level to address the issues identified.</p> <p>Work has been done to draft a new Asset Management Strategy that is awaiting feedback and support information to progress. A redraft will be provided to the Senior Leadership team by the middle of May 2023 with a view to the Strategy then being approved by Council in July 2023. The draft strategy includes clear prioritisation of climate change modifications to the council buildings portfolio.</p> <p>Progress has been made in the disposal of assets that are no longer required. The income from disposals will be used for surveys and the repairs and climate work identified.</p> <p>A new IT system is to be introduced. A</p> |

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| | | <p>briefing note on the recommendation to proceed is about to be submitted to the Senior Leadership team for consideration.</p> <p>Condition surveys are due to be commenced for 2 major properties (including carbon reduction assessment) by the end of March 2023. A budget will then be needed to carry out the rest of the surveys, planned to be phased over three tranches over the next 18 months. The outcome of the reports will dictate the repairs plan, the disposal of some assets and also the climate reduction plan.</p> <p>Climate readiness is a key component of the asset condition surveys being undertaken in support of the development of a ten-year maintenance plan.</p> |
| 3 | <p>Workforce Capacity and Capability</p> <p>Ongoing budget challenges and service demands increasing due to the cost of living crisis mean that the Council will need to continue to manage workforce capacity and capability to be able to deliver the Council Plan.</p> <p>Throughout 2022/23 there have been recruitment difficulties and the loss of some key people within the organisation.</p> <p>The cost of living crisis has contributed towards workloads exceeding staff capacity.</p> | <p>The people plan 2019 – 23 has largely been implemented and the next people plan is under development. The plan aims to develop great leaders, manage change well, develop capacity and skills, support employee wellbeing and promote recognition and reward.</p> <p>The new People Plan will incorporate the learning from the Investors in People assessment in 2022.</p> <p>Hybrid working group and sub-group work will continue through 2023/24.</p> <p>A Training needs analysis for all directorates and services will be undertaken.</p> <p>Staffing structures will continue to be reviewed during 2023/24.</p> <p>A housing property reshape will take place to enable the delivery of the HRA capital programme.</p> <p>Vacancy control processes will continue to be followed ensuring that service demands can be met whilst managing budget.</p> |

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| 4 | <p>Procurement</p> <p>Work is still underway to improve procurement processes.</p> <p>A recent internal audit identified the following key issues: -</p> <ul style="list-style-type: none"> • The Head of Procurement post in the new structure was not filled during 2022/23, • The Procurement Service cannot prevent non-compliant spending due to Unit 4 (the accounting system) requiring development, • Services are not always involving the Procurement Unit with major spends, • Insufficient training of budget officers in respect of procurement legislation (internal and external). | <p>The Council's procurement processes will be improved by the following: -</p> <ul style="list-style-type: none"> • A Head of Procurement has been appointed and is due to start in April 2023, • Regular procurement meetings will be implemented across all key service areas. High risk service areas such as ICT, Housing and Regeneration already have regular meetings in place, • The Corporate Leadership Team to receive quarterly updates on procurement activity, risks and issues, • Training will be completed by central government during 2023 and will support officers to remain compliant with legislation, • Unit 4 is currently being upgraded. Additional functionality will be costed and a business case will be developed and approval to implement will be sought, • New reporting has been developed which targets non contract spend and identifies opportunities to reduce and limit tail spend corporately and by directorate. |
| 5 | <p>Health and Safety</p> <p>Good headway has been made this year with the appointment of a Strategic Health, Safety and Risk Manager that has increased capacity. Health & Safety issues are now at a more localised level.</p> <p>The new Strategic Health, Safety and Risk Manager has undertaken a review to ensure that there is a comprehensive corporate health and safety function in place.</p> <p>All managers have completed accident and investigation training.</p> | <p>Further improvements are planned for 2023/24 including further health and safety policy review work, auditing and inspection, increased in person training etc.</p> |
| 6 | <p>Cyber Risk and Network Security</p> | <p>Mandatory training will be enforced.</p> |

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| | <p>Whilst the IT Improvement Programme has progressed well the ever changing IT environment means that there is still work to be completed to manage the inherent risks.</p> | <p>The draft Disaster Recovery Policy will be finalised.</p> <p>Work will continue towards obtaining ISO 27001.</p> <p>IT Policies will be reviewed, updated and publicised.</p> <p>There will be full engagement in annual health checks and improvement plans.</p> <p>Cyber security desktop exercises will be undertaken and the arrangements to monitor the increased risk of cyber attacks will be kept under review.</p> <p>Horizon scanning activities will take place.</p> <p>Engaging with Information commissioner best practice and learning and development opportunities.</p> |
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We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Cabinet and the Standards and Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas identified for improvement form part of the 2023/24 Annual Governance Statement action plan.

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:

H Bowen
Chief Executive

Councillor P Gilby
Leader of Chesterfield Borough Council

Date:

On behalf of Chesterfield Borough