

**Committee:** Governance, Audit and Performance Committee  
**Title:** Annual Governance Statement 2020/21  
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**Date:**  
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## Summary

1. The Council should approve a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government 2016. The Annual Governance Statement should then explain how the Council has complied with the code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015. Once approved, the AGS will form part of the Statement of Accounts.

## Recommendations

2. Committee are requested to approve the Local Code of Corporate Governance 2021 and the Draft Annual Governance Statement 2020/21 for publication with the Statement of Accounts.

## Financial Implications

3. None

## Background Papers

4. None

## Impact

Communication/Consultation	The draft Annual Governance Statement 2020/21 has been prepared in consultation with the Corporate Management Team and Senior Managers
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Situation

5. The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
6. The Council should approve a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government 2016. The Annual Governance Statement should then explain how the Council has complied with the code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015. Once approved, the AGS will form part of the Statement of Accounts.
7. In line with the CIPFA/SOLACE framework, the statement should be “an open and honest self-assessment” of the Council’s performance across all of its activities and:
  - Describes the key elements of the Council's governance arrangements, covering all 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
8. Relevant staff across the organisation who are accountable for the delivery of various governance arrangements have contributed to the 2020/21 AGS.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Failure to assess the corporate governance arrangements of the Council may lead to non-compliance with Accounts and Audit Regulations	1 = Little or no likelihood Timetable is established for the preparation of the Annual Governance Statement	3 = Significant risk or impact due to statutory requirement.	The Annual Governance Statement is reviewed by GAP Committee

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

# Local Code of Corporate Governance 2021

Governance is about how local government bodies ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Uttlesford District Council is committed to the practice of good governance; ensuring good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users.

## The Principles of Good Governance

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) provide a framework for developing and maintaining a Local Code of Corporate Governance and for discharging accountability for the proper conduct of public business, to support the publication of an Annual Governance Statement.

The CIPFA/SOLACE guidance *Delivering Good Governance in Local Government* (2016) identified seven Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a Local Code of Governance. Each principle is translated into a range of specific requirements that should be reflected in the Local Code.

These seven principles are:

- **Core Principle A** – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- **Core Principle B** – Ensuring openness and comprehensive stakeholder engagement
- **Core Principle C** – Defining outcomes in terms of economic, social and environmental benefits
- **Core Principle D** – Determining the interventions necessary to optimise the achievement of the intended outcomes
- **Core Principle E** – Developing the entity’s capacity, including the capability of its leadership and the individuals within it
- **Core Principle F** – Managing risks and performance through robust internal control and strong public financial management
- **Core Principle G** – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Uttlesford District Council’s (UDC) Local Code of Governance has been prepared in accordance with the CIPFA/SOLACE Guidance. The following section describes how UDC complies with each of the core principles and the supporting principles to deliver the best outcomes for the local communities it represents.

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

**Summary:** The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the Council can demonstrate the appropriateness of all its actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Supporting Principle	Evidence
<p><b>1. Behaving with Integrity</b></p> <ul style="list-style-type: none"> <li>- Ensuring councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council.</li> <li>- Ensuring councillors take the lead in establishing specific standard operating principles or values for the Council and its staff and that these are communicated and understood. These should build on the Seven Principles of Public Life (also known as the Nolan Principles)</li> <li>- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.</li> <li>- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</li> </ul> <p><b>2. Demonstrating strong commitment to ethical values</b></p> <ul style="list-style-type: none"> <li>- Seeking to establish, monitor and maintain the organisation’s ethical standards and performance</li> <li>- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation</li> <li>- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</li> <li>- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.</li> </ul> <p><b>3. Respecting the Rule of Law</b></p> <ul style="list-style-type: none"> <li>- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Code of Conduct for Members</a></li> <li>- <a href="#">Code of Conduct for Officers (HRP 38)</a></li> <li>- <a href="#">Articles of the Constitution</a></li> <li>- <a href="#">Members Registers of Interests</a></li> <li>- <a href="#">Member Registers of Gifts (listed under individual Councillors)</a></li> <li>- <a href="#">Members Gifts &amp; Hospitality Guidance</a></li> <li>- <a href="#">Officer Registers of Interests and Gifts &amp; Hospitality</a></li> <li>- <a href="#">Annual reports of GAP and Scrutiny Committee to Full Council</a></li> <li>- <a href="#">Standards Committee</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy (including Bribery Act)</a></li> <li>- <a href="#">Comprehensive Equality Policy (including Equality &amp; Diversity Objectives)</a></li> <li>- <a href="#">Equality Impact Assessments</a></li> <li>- <a href="#">Whistle blowing Policy</a></li> <li>- <a href="#">Modern Slavery Act Statement</a></li> <li>- <a href="#">Council and Cabinet Working Groups</a></li> <li>- <a href="#">Minutes detailing declarations of interests</a></li> <li>- <a href="#">Procurement Policy</a></li> </ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.</li> <li>- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> <li>- Dealing with breaches of legal and regulatory provisions effectively</li> <li>- Ensuring corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Transparency</a></li> <li>- <a href="#">Local Government Ombudsman Report</a></li> <li>- <b>Member Induction (extensive induction programme was delivered in 2019/20)</b></li> <li>- <b>Staff U-Perform Policy (HRP 12)</b></li> <li>- <b>Job Description/Specifications</b></li> </ul>

## Core Principle B – Ensuring openness and comprehensive stakeholder engagement

**Summary:** The council is run for the public good and therefore should ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Supporting Principle	Evidence
<p><b>1. Openness</b></p> <ul style="list-style-type: none"> <li>- Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness</li> <li>- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.</li> <li>- Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</li> <li>- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</li> </ul> <p><b>2. Engaging comprehensively with institutional stakeholders</b></p> <ul style="list-style-type: none"> <li>- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>- Developing formal and informal partnerships to allow for resources to be used more efficiently</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Plan</a></li> <li>- <a href="#">Scrutiny</a></li> <li>- <a href="#">Minutes of Committee Meetings</a></li> <li>- <a href="#">Committee meetings open to the Public and broadcast live on Council Website</a></li> <li>- <a href="#">Public Questions at meetings</a></li> <li>- <a href="#">Petitions</a></li> <li>- <a href="#">Consultation Strategy</a></li> <li>- <a href="#">Current Consultations</a></li> <li>- <a href="#">Complaints about Councillors</a></li> <li>- <a href="#">Compliments, Suggestions and Complaints</a></li> <li>- <a href="#">Customer Charter</a></li> <li>- <a href="#">Customer Services</a> (no face to face contact in 2020/21 due to Covid 19)</li> <li>- <a href="#">Budget Book and Statement of</a></li> </ul>

Supporting Principle	Evidence
<p>and outcomes achieved more effectively</p> <ul style="list-style-type: none"> <li>- Ensuring that partnerships are based on: trust; a shared commitment to change; a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit</li> </ul> <p><b>3. Engaging with individual citizens and service users effectively</b></p> <ul style="list-style-type: none"> <li>- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</li> <li>- Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement</li> <li>- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</li> <li>- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account</li> <li>- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>- Taking account of the impact of decisions on future generations of taxpayers and service users</li> </ul>	<p><b>Accounts (Draft only 2019/20)</b></p> <ul style="list-style-type: none"> <li>- <a href="#">Medium Term Financial Strategy</a></li> <li>- <a href="#">Scrutiny Annual Report to Full Council</a></li> <li>- <a href="#">Transparency</a></li> <li>- <a href="#">Covid 19 Information</a></li> <li>- <a href="#">Community Involvement and Engagement Strategy</a></li> <li>- <a href="#">Uttlesford Futures</a></li> <li>- <a href="#">Access to Information</a></li> <li>- Meeting Agenda publication deadlines adhered to</li> <li>- Dates of Meetings published on website in advance</li> <li>- <a href="#">Council Media and News</a></li> </ul>

### Core Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

**Summary:** The long-term nature and impact of many of the Council’s responsibilities means that it should be sustainable. Decisions should further the Council’s purpose, contribute to intended benefits and outcomes, and remain within the limits of the Council’s authority and resources. Input from all groups of stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Supporting Principle	Evidence
<p><b>1. Defining outcomes</b></p> <ul style="list-style-type: none"> <li>- Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions</li> <li>- Specifying the intended impact on, or changes for, stakeholders including citizens and service</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Plan</a></li> <li>- <a href="#">Performance Management Reporting to GAP Committee</a></li> <li>- <a href="#">Covid 19 Performance Reporting to GAP Committee</a></li> </ul>

Supporting Principle	Evidence
<p>users. It could be immediately or over the course of a year or longer</p> <ul style="list-style-type: none"> <li>- Delivering defined outcomes on a sustainable basis within the resources that will be available</li> <li>- Identifying and managing risks to the achievement of outcomes</li> <li>- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul> <p><b>2. Sustainable economic, social and environmental benefits</b></p> <ul style="list-style-type: none"> <li>- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</li> <li>- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</li> <li>- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</li> <li>- Ensuring fair access to services</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Service Planning Documents</b></li> <li>- <a href="#">Corporate Risk Management Strategy and Register</a></li> <li>- <a href="#">Local Development Scheme</a></li> <li>- <a href="#">Budget Book and Statement of Accounts</a> (Draft only 2019/20)</li> <li>- <a href="#">Medium Term Financial Strategy</a></li> <li>- <a href="#">Reports from Leader and Members of the Executive to Full Council</a></li> <li>-- <a href="#">Financial Regulations</a></li> <li>- <a href="#">Contract Rules</a></li> <li>- <a href="#">Internal Audit Plan</a></li> <li>- <a href="#">Treasury Management Strategy</a></li> <li>- <a href="#">Local Plan</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy (including Bribery Act)</a></li> <li>- <a href="#">Comprehensive Equality Policy (including Equality &amp; Diversity Objectives)</a></li> <li>- <b>Equality Impact Assessments</b></li> <li>- <a href="#">Climate Crisis Strategy</a></li> <li>- <a href="#">Commercial Strategy</a></li> <li>- <a href="#">Economic Development Strategy</a></li> <li>- <a href="#">Health and Wellbeing Strategy</a></li> <li>- <a href="#">Homelessness and Rough Sleeping Strategy</a></li> <li>- <a href="#">Capital Strategy</a></li> </ul>

## Core Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

**Summary:** The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs robust decision-making mechanisms to ensure that its desired outcomes are achieved in a way that provides the best trade-off between the various types of resource inputs, whilst still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Supporting Principle	Evidence
<p><b>1. Determining interventions</b></p> <ul style="list-style-type: none"><li>- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided</li><li>- Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</li></ul> <p><b>2. Planning interventions</b></p> <ul style="list-style-type: none"><li>- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</li><li>- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li><li>- Considering and monitoring risks facing each partner when working collaboratively, including shared risks</li><li>- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances</li><li>- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li><li>- Ensuring capacity exists to generate the information required to review service quality regularly</li><li>- Preparing budgets in accordance with objectives, strategies and the medium-term financial plan</li><li>- Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</li></ul> <p><b>3. Optimising achievement of intended outcomes</b></p>	<ul style="list-style-type: none"><li>- <a href="#">Committee Terms of Reference</a></li><li>- <a href="#">Corporate Plan</a></li><li>- <a href="#">Corporate Risk Management Strategy and Register</a></li><li>- <a href="#">Medium Term Financial Strategy</a></li><li>- <a href="#">Role of Statutory Officers</a></li><li>- <a href="#">Governance, Audit and Performance Committee</a></li><li>- <a href="#">Code of Conduct for Members</a></li><li>- <a href="#">Code of Conduct for Officers (HRP 38)</a></li><li>- <a href="#">Committee Terms of Reference</a></li><li>- <a href="#">Officer Scheme of Delegation</a></li><li>- <a href="#">Protocol for relations between Members &amp; Officers</a></li><li>- <a href="#">Compliments, Suggestions and Complaints</a></li><li>- <a href="#">Complaints about Councillors</a></li><li>- <a href="#">Performance Management Reporting to GAP Committee</a></li><li>- <a href="#">Covid 19 Performance Reporting to GAP Committee</a></li><li>- <a href="#">Committee Reporting timetable</a></li></ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints</li> <li>-Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> <li>- Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</li> <li>-Ensuring the achievement of ‘social value’ through service planning and commissioning</li> </ul>	

**Core Principle E – Developing the Council’s capacity, including the capability of its leadership and the individuals within it**

**Summary:** The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. The Council must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has operational capacity for its requirements, as a whole. Because both individuals and the environment in which the Council operates will change over time. There will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in the Council is strengthened by the participation of people of many different types of backgrounds, reflecting the structure and diversity of the communities it represents.

Supporting Principle	Evidence
<p><b>1. Developing the Council’s capacity</b></p> <ul style="list-style-type: none"> <li>- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>- Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently</li> <li>- Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> <li>- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> </ul> <p><b>2. Developing the capability of the Council’s leadership and other individuals</b></p>	<ul style="list-style-type: none"> <li>- <a href="#">Articles of the Constitution</a></li> <li>- <a href="#">Committee Terms of Reference</a></li> <li>- <a href="#">Officer Scheme of Delegation</a></li> <li>- <a href="#">Protocol for relations between Members &amp; Officers</a></li> <li>- <b>Staff U-Perform Policy (HRP 12)</b></li> <li>- <b>Staff Briefings</b></li> <li>- <b>Senior Manager Meetings</b></li> <li>- <b>Staff Voice and Surveys</b></li> <li>- <b>Officer Induction Programme and Training Programme</b></li> </ul>

Supporting Principle	Evidence
<ul style="list-style-type: none"> <li>- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</li> <li>- Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> <li>- Ensuring that there are structures in place to encourage public participation</li> <li>- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</li> <li>- Holding staff to account through regular performance reviews which take account of training or development needs</li> <li>- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Member Training and Induction</b></li> </ul>

## Core Principle F – Managing risks and performance through robust internal control and strong public financial management

**Summary:** The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting Principle	Evidence
<p><b>Managing risk</b></p> <ul style="list-style-type: none"> <li>- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</li> <li>- Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul> <p><b>2. Managing performance</b></p> <ul style="list-style-type: none"> <li>- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</li> <li>- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook</li> <li>- Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (or, for a committee system) encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</li> <li>- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>- Ensuring there is consistency between specification stages (such as budgets) and post</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Corporate Risk Management Strategy and Register</a></li> <li>- <a href="#">GAP Committee Minutes</a></li> <li>- <a href="#">Scrutiny Committee Minutes</a></li> <li>- <b>Committee Agendas published before deadlines</b></li> <li>- <a href="#">Internal Audit reports to GAP Committee</a></li> <li>- <a href="#">Performance Management Reporting to GAP Committee</a></li> <li>- <a href="#">Covid 19 Performance Reporting to GAP Committee</a></li> <li>- <a href="#">Internal and External Audit Plans to GAP Committee</a></li> <li>- <a href="#">Budget Forecast Outturn reports to Cabinet</a></li> <li>- <a href="#">Treasury Management Strategy</a></li> <li>- <a href="#">Investment Board</a></li> <li>- <a href="#">Reports from Leader and Members of the Executive to Full Council</a></li> <li>- <a href="#">Access to Information</a></li> </ul>

Supporting Principle	Evidence
<p>implementation reporting (eg financial statements)</p> <p><b>3. Robust internal control</b></p> <ul style="list-style-type: none"> <li>- Aligning the risk management strategy and policies on internal control with achieving objectives</li> <li>- Evaluating and monitoring risk management and internal control on a regular basis</li> <li>- Ensuring effective counter fraud and anti-corruption arrangements are in place</li> <li>- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</li> <li>- Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and; that its recommendations are listened to and acted upon</li> </ul> <p><b>4. Managing data</b></p> <ul style="list-style-type: none"> <li>- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</li> <li>- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</li> <li>- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul> <p><b>5. Strong public financial management</b></p> <ul style="list-style-type: none"> <li>- Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</li> <li>- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Data Protection – Privacy Policy and web pages</a></li> </ul>

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

**Summary:** Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on those actions completed, but also ensuring that stakeholders are able to understand and respond as the Council plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting Principle	Evidence
<p><b>1. Implementing good practice in transparency</b></p> <ul style="list-style-type: none"> <li>- Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</li> <li>- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</li> </ul> <p><b>2. Implementing good practice in reporting</b></p> <ul style="list-style-type: none"> <li>- Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</li> <li>- Ensuring members and senior management own the results reported</li> <li>- Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</li> <li>- Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate</li> <li>- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations</li> </ul> <p><b>3. Assurance and effective accountability</b></p> <ul style="list-style-type: none"> <li>- Ensuring that recommendations for corrective action made by external audit are acted upon</li> <li>- Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon</li> <li>- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> <li>- Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</li> <li>- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met</li> </ul>	<ul style="list-style-type: none"> <li>- <a href="#">Transparency</a></li> <li>- <a href="#">Annual Internal Audit Report</a></li> <li>- <a href="#">External Audit Annual Audit Letter</a> (not available for 2020/21)</li> <li>- <a href="#">Budget Book and Statement of Accounts</a> (Draft only 2019/20)</li> <li>- <a href="#">Reports from Leader and Members of the Executive to Full Council</a></li> <li>- <a href="#">Compliments, Suggestions and Complaints</a></li> <li>- <a href="#">Complaints about Councillors</a></li> <li>- <a href="#">Articles of the Constitution</a></li> <li>- <a href="#">Counter Fraud &amp; Corruption Strategy (including Bribery Act)</a></li> <li>- <a href="#">Comprehensive Equality Policy (including Equality &amp; Diversity Objectives)</a></li> <li>- <a href="#">Whistle blowing Policy</a></li> <li>- <a href="#">Petitions</a></li> <li>- <a href="#">Consultation Strategy</a></li> <li>- <a href="#">Current Consultations</a></li> <li>- <a href="#">Access to Information</a></li> </ul>

# ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021

## 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 2021 and up to the date of approval of the Statement of Accounts.
- 2.5. It should be noted that from March 2020, the Council was affected by the Covid-19 pandemic and the initial impact of the outbreak of Covid-19 was emerging at the time of the completion of the 2019/20 AGS. Inevitably, the pandemic continued to affect service delivery across the organisation and the subsequent responses, actions and effects on the Council are included throughout this 2020/21 statement.

### 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 2020/21
<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 to reinforce the Council's commitment to promoting equality and fairness among its local communities, staff and members, the Council approved a new <a href="#">Uttlesford Equality, Inclusion and Diversity Policy</a> in December 2020. Uttlesford District Council has adopted the Equality Framework for Local Government as its key delivery tool. The Equality Standard Working Group is responsible for the monitoring of progress and the assessment of the attainment of the various outcomes of the equality framework. The Equality Impact Assessment has been updated to include Health Questions (EqHIA) and Equalities training has been offered to all staff and Councillors at UDC.</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. During 2020, the Council has also engaged with the Local Government Association to support Member relationships.</li> <li>✓ The Council is currently engaging Member's views on training in relation to the role of the Standards Committee, Code of Conduct and the Nolan principles in guiding those in public office</li> <li>✓ HR Policies have been reviewed during 2020/21 in response to the Covid-19 pandemic to ensure that the workforce were able to work flexibly, safely and from home whenever they could.</li> <li>✓ During 2020/21, the Council's Governance Review Working Group has been looking at the governance system in place at</li> </ul>

Good Governance Principle	Uttesford Council Key Elements 2020/21
	<p>UDC (structure for decision making i.e., the Leader/Cabinet or Committee model). Recommendations from the Group are expected in July 2021.</p> <ul style="list-style-type: none"> <li>✓ The Council also commissioned the Centre for Governance and Scrutiny to conduct two short reviews during 2020/21. The first was a general review of the scrutiny function which emphasised the importance of focused scrutiny work and effective relationships between the executive and scrutiny. Separately, a review of local plan scrutiny was carried out which made recommendations about how scrutiny can add value to the process.</li> <li>✓ Declarations of Interest remain a standing item on all Committee, Cabinet and Full Council agendas.</li> <li>✓ The Council's <a href="#">Counter Fraud and Corruption Strategy</a> and Policies (refreshed in 2019) set out the Council's Fraud Response Plan, Bribery Act Policy, Prevention of Money Laundering Procedures, Whistleblowing Policy, Gifts and Hospitality Guidance, and policies for specific fraud types. The manager responsible for Counter Fraud changed during 2020, and the Strategy is due to be reviewed during 2021.</li> <li>✓ The <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 GAP Committee in October 2020. This information is also reviewed quarterly by the Council's Corporate Management Team, in order to share any lessons learnt.</li> <li>✓ GAP 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 September 2020.</li> <li>✓ To cover the vacancy of the Monitoring Officer, an interim arrangement has been in place since June 2020.</li> <li>✓ Ethical Investment Policy did not proceed in 2020/21 and is an action in the corporate plan delivery plan 2021/22.</li> </ul>
<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 2020</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</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>2021/22, Fees and Charges 2021/22, Spend over £250, Council Investments etc. is available online.</p> <ul style="list-style-type: none"> <li>✓ As a result of Covid 19, the Council moved to remote meetings in 2020/21 as provided for by The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.</li> <li>✓ Council Cabinet and Committee meetings are open to the public via Zoom 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.</li> <li>✓ The Modgov system is used by the Council 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>✓ A full record of decisions made in and supporting material presented to Committees, Cabinet and Full Council is published online.</li> <li>✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are issued in advance/made available online as appropriate.</li> <li>✓ Covid 19 urgent decisions were taken by the Leader of the Council and the Director of Finance &amp; Corporate Services (Section 151 Officer) to administer the expanded business rate reliefs and emergency grant schemes under the legislation: 'Local Authorities use their discretionary relief powers under S47 of the Local Government Finance Act 1988 (as amended) to administer the following financial support to local businesses'. All decisions applied under these powers were published online along with the associated reports giving full details of the reliefs and grants.</li> <li>✓ Following receipt of a letter from the Inspectors examining the Local Plan, the Council withdrew the plan from examination following a meeting of Full Council on 30 April 2020. The Council started work on a new Local Plan during Summer 2020 which involved setting up the governance arrangements in the form of Local Plan Leadership Group and Scrutiny Committee's consideration of the process, as well as the consultation arrangements in the form of an updated <a href="#">Statement of Community Involvement</a> and new <a href="#">Consultation and Engagement Strategy</a>. Consultation on the first stage of the Local Plan commenced in Autumn 2020 and concluded in April 2021. This innovative consultation took the form of asking the public and other stakeholders' views on 9 different themes, a <a href="#">Community Stakeholder Forum</a> introduced each theme with a discussion around the topic. This format was intended to be accessible and</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>allow consultees who do not normally get involved in the planning system do so more easily. It also allowed the public and others to input into the plan on the issues to be addressed through the plan, at an early stage.</p>
<p><b>Principle C</b>  <b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b></p>	<p>✓ In July 2020 <a href="#">Stansted Airport Ltd appealed</a> against the Council's refusal of its planning application for infrastructure and increased passenger throughput. In accordance with the Council's scheme of delegation, officers instructed leading counsel to act for the LPA. Expert witnesses were engaged to advise on the matters that were cited in the resolution of the Planning Committee in its meeting on 24 January 2020 and in the decision notice: concerns about air quality, noise and carbon emissions, informing the Statement of Case submitted prior to the Inquiry. The SoC stated that the Council would present expert evidence that the appeal should be dismissed unless the Panel of Inspectors were satisfied that a planning condition or conditions could ensure that the effects of concern to the LPA would remain within both existing policy and statutory thresholds and more stringent thresholds likely to be introduced by 2033. The hearing sessions closed on 12 March. In its closing submissions the LPA reiterated the position set out in its SoC. STAL argued that the condition sought was unnecessary, and submitted a claim for its costs, based on this and other allegations of unreasonable behaviour. The claim was robustly rebutted by leading counsel in written submissions following the close of the hearings. The main parties also responded to an invitation by the Inspectors post hearings to address the implications of the Government announcing, on 20 April 2021, two firm commitments in relation to the reduction of carbon emissions: the Government will target a reduction in carbon emissions of 78% by 2035 compared to 1990 levels and; the 6th Carbon Budget will incorporate the UK's share of international aviation and shipping emissions (IAS). The Inspectors' decisions on the appeal and the costs claim were received on 26 May 2021. The appeal has been allowed and STAL's costs in full have been awarded against the Council. The Council is currently reviewing the decision and any potential further actions that may be available to it.</p> <p>✓ The Council approved a <a href="#">Climate Change Strategy</a> in February 2021 to sets a clear direction for tackling climate change and its key priorities.</p> <p>✓ A summary of the potential issues and risks facing the Council with regard to <a href="#">EU Exit</a> was presented to GAP Committee in October 2020. UDC is a member of the Essex Resilience Forum (ERF), through which pan-Essex issues relating to EU Exit are discussed. The Council's Chief Executive sits on the ERF Board as the district Council lead. The Council has been</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>giving consideration to the issue of EU Exit since Summer 2018, initially focusing on issues arising in connection with the importation of foods of animal origin through the Border Control Point (BCP) at Stansted Airport.</p> <ul style="list-style-type: none"> <li>✓ <a href="#">Uttlesford Norse</a> 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.</li> <li>✓ The <a href="#">Health and Wellbeing strategy</a> is in place and partner agencies deliver projects under the priorities that have been identified. Throughout the Covid 19 pandemic the <a href="#">Uttlesford Health and Wellbeing Board</a> have met virtually to discuss the projects that have been able to be delivered whilst keeping a watchful brief on any immerging health issues for the district. There is continued representation on the County Wide Health and Wellbeing Board and the Essex Health Protection Board officer's meetings. The strategy is due to be renewed in 2021/22.</li> <li>✓ <a href="#">Uttlesford Community Safety Partnership</a> has produced a Strategic assessment for the District which has informed 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. There is a rotating partnership chairperson, voted in on an annual basis to ensure all statutory partners take responsibility. The Chair for the coming year is from the probation service; the opportunity has also been taken to refresh the TOR. 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 at Safer Essex and strong links with the OFPCC allowing the Council to have both a County and District wide view of immerging issues. PREVENT training has taken place for all UDC employees.</li> <li>✓ <a href="#">Safeguarding</a> training has taken place for all employees at UDC and the safeguarding policy has been updated to reflect current legislation. Strong links are in place with both the adult and children's safeguarding boards. Safeguarding officer links with the licensing department to ensure safeguarding regulations for taxi drivers is adhered to.</li> <li>✓ The <a href="#">Children's and Families Group</a> is linked to the Children's Partnership Board at County level. The TOR has been updated to include the facilitation of the Children's Wellbeing Service (Virgin Care) Board meeting, as many of the partners are involved in both meetings. A delivery plan with the identified priorities focusses the work of the group. A working group has</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>been established to focus on data collection and analysis for the wider group.</p> <p>✓ 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 and various minority groups. Assessments accompany key decisions and many can be found on the Council's committee system.</p>
<p><b>Principle D</b>  <b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	<p>✓ The Council's <a href="#">Medium-Term Financial Strategy (MTFS)</a> sets out the predicted financial position for the next 5 years 2020 - 2025; this was approved by Council in February 2020. Covid 19 impacted significantly on the Council's financial position and a complete review of the MTFS was carried out in October and included the new Commercial Investments, plus support for the Climate Change agenda and the Economic Recovery Plan. The revised MTFS (2021 – 2026) was approved by Council in December 2020.</p> <p>✓ Business rates expanded reliefs and the emergency grants provided by the Government to support businesses and organisations during the pandemic were approved as urgent decisions by the Leader of the Council and the Section 151 Officer. This enabled officers to distribute the funds to support the local economy in line with the Government guidance; the committee timetable did not allow for these to be approved through the normal process.</p> <p>✓ 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 are reviewed by Scrutiny Committee prior to approval by Council in February 2021. The Financial position and predicted outturn, for the Capital and Revenue net expenditure is reported to Cabinet on a quarterly basis.</p> <p>✓ The following <a href="#">Cabinet Working Groups</a> were set up by the Cabinet in 2020/21 to gather information and advise on various matters of importance in the district, including:</p> <ul style="list-style-type: none"> <li>• Governance Board for Garden Communities</li> <li>• Housing Board</li> <li>• Investment Board</li> <li>• Museum Management Working Group</li> <li>• Local Plan Leadership Group</li> </ul> <p>✓ The <a href="#">Highways Panel</a> is made up of members of Uttlesford District Council and Essex County Council and is responsible for making recommendations and setting priorities for highway</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>schemes in the areas.</p> <p>✓ Following receipt of a letter from the Inspectors examining the Local Plan, the Council withdrew the plan from examination following a meeting of Full Council on 30 April 2020. The Council started work on a new Local Plan during Summer 2020 which involved setting up the governance arrangements in the form of Local Plan Leadership Group and Scrutiny Committee's consideration of the process, as well as the consultation arrangements in the form of an updated <a href="#">Statement of Community Involvement</a> and new <a href="#">Consultation and Engagement Strategy</a>. Consultation on the first stage of the Local Plan commenced in Autumn 2020 and concluded in April 2021. This innovative consultation took the form of asking the public and other stakeholders' views on 9 different themes, a <a href="#">Community Stakeholder Forum</a> introduced each theme with a discussion around the topic. This format was intended to be accessible and allow consultees who do not normally get involved in the planning system do so more easily. It also allowed the public and others to input into the plan on the issues to be addressed through the plan, at an early stage.</p> <p>✓ <a href="#">Corporate Plan Delivery Plan</a> - Cabinet were due to approve the CPDP 2020/21 at their April 2020 meeting, which was cancelled due to the outbreak of Covid 19. It was revised in light of the evolving public health emergency and limitation to essential spend only, and was approved by Cabinet in May 2020, having also been considered by the Scrutiny Committee. The CPDP was further updated due to the subsequent ongoing public health emergency and a revised version was approved by Cabinet in October 2020, having been reviewed again by Scrutiny Committee. This revised version reflected the reduced financial uncertainty arising from the Covid19 pandemic and allocation of funding to two significant corporate projects: climate crisis action plan and the economic recovery plan. Quarterly reporting was not possible during 2020/21 due to the constraints on resources but a final review of progress and achievements against the CPDP was considered by Cabinet at their meeting in March 2021.</p> <p>✓ <a href="#">PIs / Covid PIs</a> - In addition to UDC's existing corpus of quarterly performance indicators, a new set of PIs (termed Covid-19 PIs) were introduced in light of the Covid-19 pandemic in April 2020 to monitor how the pandemic had affected service delivery, and more broadly, how services were performing during the current circumstances. Indicators were selected by considering which aspects of service delivery were potentially going to be particularly affected by the pandemic. Some Covid-19 PIs were already being monitored within normal quarterly reporting, however their inclusion as Covid-19 PIs involved more frequent weekly or monthly monitoring. This regular review has</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>enabled the identification of additional factors affecting performance. Weekly reports are prepared for UDC's Gold Command, and six data reports have also been presented to Governance, Audit &amp; Performance Committee for review. The corpus of Covid-19 PIs has also been reviewed by the Performance Team on a quarterly basis to ensure their ongoing efficiency and effectiveness in presenting informative data relating to service delivery. Whilst year-on-year comparisons do in some instances indicate a longer-term reduction in service performance during the pandemic (e.g., in collection of NNDR), Covid-19 PI data does attest that services overall have performed well throughout the 2020/21 year despite the difficult circumstances and pressure on resources.</p> <ul style="list-style-type: none"> <li>✓ The Community Response Hub was set up to ensure residents had a point of contact throughout the Covid 19 pandemic. Working in partnership with the Council for Voluntary Services Uttlesford (CVSU) and Volunteer Uttlesford, the Council offered help with shopping, GP appointments, prescription deliveries etc. Shielding data for the District was received on a weekly basis from central government and acted upon accordingly. Weekly SITREPs (Situation Reports) were held at a County Level with Essex County Council and also with the NHS. Internal SITREPs were also established on a weekly basis. The Hub continues to help local residents and has strong links with the Essex Wellbeing Service.</li> <li>✓ <a href="#">Uttlesford Economic Recovery Plan</a> was approved by Council in December 2020. The Plan was developed in response to the economic impact of Covid 19 and sets out the planned expenditure of £1m over three years to assist with recovery across four areas of focus: Business support; Information, advice and guidance (to individuals as well as businesses); Skills and training; and Job creation. In addition to making its own budget provision for economic recovery, the Council working with other authorities across mid and north Essex through an Economic Board, has pooled a proportion of the discretionary Additional Restrictions Grant government support to fund complementary initiatives procured on behalf of the six authorities. The Council is represented on NEEB by the Portfolio Holder for Economic and Corporate strategy.</li> <li>✓ An annual update on the <a href="#">Uttlesford Leisure PFI contract</a> for the 2020/21 financial year was presented to GAP Committee in February 2021. It provided a summary of the history, structure and governance of the contract, as well as an overview of how the Covid-19 pandemic has affected the Uttlesford Leisure Centres and the future landscape of the Uttlesford Leisure PFI contract, considering the challenges for the 2021/22 year and the remaining concession years.</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>✓ In October 2020 the Armed Forces Covenant Fund Trust (AFCFT) formally withdraw a grant to Debden Village Hall Trust (DVHT) for the establishment of a new village hall. The decision was based on the lack of progress since the grant was awarded some years earlier. The grant was originally paid to Uttlesford District Council, who erroneously paid it in full to DVHT. Discussions are ongoing with the AFCFT to establish arrangements for recovery of the grant from DVHT.</p> <p>✓ In February 2021, GAP Committee requested that Internal Audit undertake a review of the Council's governance arrangements for grants to community organisations. The outcome of this report was presented to GAP in June 2021.</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>	<p>✓ The Council enabled approx. 70% of their staff to work from home during the Covid 19 pandemic and for those who were unable, appropriate Covid-19 safety measures were put in place, including shielding and redeploying vulnerable staff. No staff were furloughed. This enabled the Council to not only respond to the extra challenges that the pandemic brought about but was also able to deliver the 'business as usual' services to our residents, whilst ensuring our staff remained safe and mitigating the risk of spreading the virus at work and in the community.</p> <p>✓ The Council has undertaken two staff surveys during the year and held corporate and local Staff Voice sessions so that the impact of the pandemic on our staff can be evaluated and appropriate action plans devised.</p> <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.</p> <p>✓ A 'Listening Event' was held for the Community in March 2021 to look at any barriers that may exist due to Race and to allow ideas and discussion around how as a District Council we could work better with our residents. These events will continue to cover all protected characteristics. An independent oversight group has been initiated to have an overview of the equalities work undertaken by UDC and to comment and advise where necessary. An initial staff network group will be held in May 2021 to help ensure that Equalities is embedded throughout the organisation and that all staff have a voice.</p>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<p>✓ The Council participates in a number of partnerships including: <a href="#">Local Strategic Partnership (LSP) – Uttlesford Futures</a>, <a href="#">Community Safety Partnership</a>, North Essex Parking Partnership</p>
<p><b>Principle F</b>  <b>Managing risks and performance through robust internal control and strong financial management</b></p>	<p>✓ The Council responded to the initial Covid-19 emergency by implementing a Gold, Silver and Bronze command structure in line with the Civil Contingencies Act 2004 Framework and engaging with the Essex Resilience Forum. A lessons learned exercise was undertaken following the initial emergency and during 2020/21, the Council updated its <a href="#">Emergency Planning Response, Framework and Policy</a> in November 2020 which was further updated in January 2021 following a validation exercise. The purpose of the plan is to provide procedures and guidance to enable the Council to effectively respond to and recover from an emergency event. A training programme is also developed to ensure that officers who have a response role understand what is required of them.</p> <p>✓ In alignment with UDC’s <a href="#">Risk Management Policy</a>, the 2020/21 <a href="#">Corporate Risk Register</a> was refreshed by the Corporate Management Team, and risk wording redrafted in light of the Covid 19 pandemic. Whilst this review did not involve the introduction of any new corporate risks, each risk was also reviewed by considering if previously identified current controls and further actions still remained the same. Risks scores were also revisited. This update was presented to Governance, Audit &amp; Performance Committee in November 2020, and the update was noted by the Committee. The 2021/22 Corporate Risk Register will be reviewed by Governance, Audit &amp; Performance Committee in June 2021.</p> <p>✓ The management for Internal Audit and Counter Fraud changed in November 2020, with the role subsequently being shared between Chelmsford City Council and Uttlesford District Council, with the Audit Manager providing 18 hours per week to UDC.</p> <p>✓ The Council took part in the mandatory 2020/21 Cabinet Office data matching NFI Exercise to prevent and detect fraud. In addition, in 2020/21, to assess and identify the level of fraud and error in Covid 19 Grant schemes, the Council have also utilised Spotlight &amp; NFI tools in line with Government guidance for pre and post payment assurance. The Council’s arrangements for Covid 19 Grants and Loans will be subject to Internal Audit review in 2021.</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>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
	<ul style="list-style-type: none"> <li>✓ Assistant Director of Resources makes regular reports to Cabinet of financial position, budget setting and monitoring medium term forecasts the annual report and statement of accounts and any other financial matters. CMT also review quarterly.</li> <li>✓ Cyber Security – the Council were able to mobilise staff at the onset of the Covid-19 pandemic and manage and maintain the same level of IT access for staff while remote working was adopted. In the lead up to the pandemic, IT had already begun implementing Microsoft cloud solutions to allow for a more flexible and modern ways of working. During the pandemic, IT were able to focus efforts on pursuing their rollout. IT have monitored and implemented security policies to ensure the protection of Council property and data as each of these new systems have come onboard. UDC IT are in the process of raising a project to look at broadening the use of this Council-wide and ensure the correct security measures are maintained and improved where necessary. Despite the changes in the way the Council has worked during the pandemic and possibly for the future, IT have been able continue achieving the high levels of cyber security as supported by various accreditations achieved and continue to maintain, including PSN.</li> <li>✓ The <a href="#">Information Governance Annual Report</a> was presented to GAP Committee in September 2020, which provided assurance with regards to Data Protection and Information Governance matters. Positive steps had been taken by the Council following the introduction of the Data Protection Act 2018 specific areas for improvements were identified.</li> <li>✓ The <a href="#">Investment Board</a> has 11 Councillors plus 2 independent members and met 3 times in 2020/21 recommending 7 investment opportunities to Cabinet. Of those, for various reasons, three did not proceed. In December 2020 the Board received the first version of the ‘quarterly’ valuation report for the portfolio, some amendments were requested to the format and these are being incorporated into the end of year valuation report.</li> <li>✓ Covid 19 impacted significantly on the Council’s financial position and a complete review of the MTFS was carried out in October and included the new Commercial Investments, plus support for the Climate Change agenda and the Economic Recovery Plan. The revised MTFS was approved by Council in December 2020.</li> <li>✓ <a href="#">Treasury Management Practices</a> and <a href="#">Financial Regulations and Contract Procedure Rules</a> were approved by Council in April 2020.</li> </ul>

Good Governance Principle	Uttlesford Council Key Elements 2020/21
<p><b>Principle G</b>  <b>Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</b></p>	<ul style="list-style-type: none"> <li>✓ 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>.</li> <li>✓ The AGS is presented to the Leader and Chief Executive, approved by GAP and published alongside Statement of Accounts.</li> <li>✓ Annual reports summarising the work of GAP Committee and Scrutiny Committee were presented to Council in April 2020.</li> <li>✓ GAP 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 October 2020 Committee meeting.</li> <li>✓ GAP 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 September 2020.</li> </ul>

#### 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** also that ensures that senior managers and members are fully briefed on key issues, which includes regular reporting to the GAP Committee.
- A **comprehensive risk management process** which ensures the Corporate Risks across the Council are captured and reported to Corporate Management Team and Members.
- 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 4.7 below, which detail areas for improvement during 2021/22.

#### 4.4. Effectiveness of Other Organisations

**Uttlesford Norse** 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. Uttlesford Norse governance arrangements are subject to an internal audit review in 2021.

**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. An annual update on the contract for 2020/21 was presented to GAP Committee in February 2021. It provided a summary of the history, structure and governance of the contract, as well as an overview of how the Covid-19 pandemic has affected the Uttlesford Leisure Centres and the future landscape of the Uttlesford Leisure PFI contract, considering the challenges for the 2021/22 year and the remaining concession years.

**North Essex Parking Partnership** – The Council is a member of the North Essex Parking Partnership, which was formed with Colchester Borough Council, Braintree District Council, Epping Forest District Council, Harlow District Council and Tendring District Council with effect from the 1st April 2011. The Partnership is governed by a Joint Committee, on which each partner Council has a representative. The Joint Committee produces its own accounts which summarise the surplus/deficit for each year as well as the reserves held at each year-end. NEPP governance arrangements are subject to an internal audit review in 2021.

#### 4.5. Internal Audit Opinion

In giving an opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the organisation is reasonable assurance there are no major weaknesses in the Council's risk management, control and governance processes.

In forming the opinion for 2020/21, the Audit Manager has had to take into account various factors, such as the impact of resourcing changes during the year on full plan delivery, the impact of Covid 19 and limitations of historical knowledge prior to November 2020. However, on balance, whilst these factors must be taken into account when placing reliance on the opinion below, based solely on the internal audit work undertaken for the year ended 31st March 2021, it is the Audit Manager's opinion that overall, the Council's systems for control, risk and governance are generally adequate with some improvements required. Medium risk rated weaknesses identified in individual assignments are not significant in aggregate to the system of internal control, high risk rated weaknesses identified in individual assignments are isolated to specific system or

processes, and none of the individual assignment reports have an overall classification of critical risk.

#### 4.6. External Audit and Inspectorates

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 is being investigated by a third party and once that has concluded an Uttlesford District Council investigation will be undertaken. This will be outsourced to a firm of lawyers with experience in this type of allegation. Until the whole process has concluded, the Council understands that BDO will 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. These issues could impact on the 2020/21 audit sign-off as BDO cannot complete 2020/21 until the 2019/20 issue has been resolved and the auditor's opinion for that year concluded and reported to the Council.

On 30 November 2020 the Section 151 Officer presented a report to Members setting out the revised draft accounts following the external audit ([Link to the GAP report](#)). His comments were: *"This report is written by the Director of Finance and Corporate Services who is the designated Section 151 Officer. Whilst the report has been shared with BDO they have had no input into it and the report must therefore be read in that context. Whilst no material issues, in respect of the financial element of the 2019/20 audit have been identified, the external auditors (BDO) have been unable to sign off the accounts due to concerns around an internal investigation and the impact that may have on the Annual Governance Statement, which forms part of the accounts pack. In summary, there have been two financial errors identified, totalling £125,000 which have been corrected in the revised draft (by comparison, in 2018/19 there were two errors, totalling £2.148m). In addition, there have been twelve narrative and formatting changes plus rounding and casting corrections to ensure consistency throughout the document. It is evident from the above that, in the view of the Section 151 Officer, the 2019/20 financial audit has achieved a better outcome than the 2018/19 one. The 2018/19 audit achieved an 'unmodified audit opinion', which is a new audit term for unqualified."*

#### 4.7. Areas for improvement or monitoring during 2021/22:

Key improvement/ review area	Action to be taken in 2021/22	Responsible Officer
To ensure that the Council aligns effectively and efficiently with the Fighting Fraud and Corruption Locally Framework 2020.	Undertake a review of the Council's Counter Fraud Strategy and the framework for managing the risk of fraud.	Audit Manager
Implementation of recommendations from the Governance Review Working Group.	Review action plan from Governance Review Working Group	Democratic Services Manager

Key improvement/ review area	Action to be taken in 2021/22	Responsible Officer
Financial Management Code	To complete a self-assessment against standards in the Code, develop action plan for any improvements identified and agree with Management before reporting results to Members.	Assistant Director - Resources
Governance Arrangements relating to the Uttlesford Moving Forward Programme	To consider the governance arrangements of the Uttlesford Moving Forward Programme and any impact on the Council's control framework.	Chief Executive
Member Training and Induction	Resume training for Members, including in relation to the role of the Standards Committee, Code of Conduct and the Nolan principles in guiding those in public office.	Monitoring Officer

## 5. 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: 2021