

Committee: Governance, Audit and Performance Committee

Title: Local Code of Corporate Governance 2022 and Draft Annual Governance Statement 2021/22

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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 2022 and the Draft Annual Governance Statement 2021/22 for publication with the Statement of Accounts

Financial Implications

3. None

Background Papers

4. None.

Impact

Communication/Consultation	The draft Annual Governance Statement 2021/22 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 2021/22 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 2022

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>1. Behaving with Integrity</p> <ul style="list-style-type: none">- 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.- 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)- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.- 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. <p>2. Demonstrating strong commitment to ethical values</p> <ul style="list-style-type: none">- Seeking to establish, monitor and maintain the organisation's ethical standards and performance- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values- 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. <p>3. Respecting the Rule of Law</p> <ul style="list-style-type: none">- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations- 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.- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<ul style="list-style-type: none">- Code of Conduct for Members- Code of Conduct for Officers (HRP 38)- Articles of the Constitution- Members Registers of Interests- Member Registers of Gifts (listed under individual Councillors)- Members Gifts & Hospitality Guidance- Officer Registers of Interests and Gifts & Hospitality- Annual reports of GAP and Scrutiny Committee to Full Council- Standards Committee- Counter Fraud & Corruption Strategy (including Bribery Act)- Equality Policy (including Equality & Diversity Objectives)- Equality Impact Assessments- Whistle blowing Policy- Modern Slavery Act Statement- Council and Cabinet Working Groups- Minutes detailing declarations of interests- Procurement Strategy- Committee Terms of Reference

Supporting Principle	Evidence
<ul style="list-style-type: none"> - Dealing with breaches of legal and regulatory provisions effectively - Ensuring corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> - Transparency - Local Government Ombudsman Report - Member Induction (extensive induction programme was delivered in 2019/20) - Staff U-Perform Policy (HRP 12) - Job Description/Specifications

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>1. Openness</p> <ul style="list-style-type: none"> - Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness - 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. - 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 - Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action <p>2. Engaging comprehensively with institutional stakeholders</p> <ul style="list-style-type: none"> - 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 - Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively 	<ul style="list-style-type: none"> - Corporate Plan - Scrutiny - Minutes of Committee Meetings - Committee meetings open to the Public and broadcast live on Council Website - Public Questions at meetings - Petitions - Consultation Strategy - Current Consultations - Complaints about Councillors - Compliments, Suggestions and Complaints - Customer Charter - Customer Services - Budget Book and Statement of

Supporting Principle	Evidence
<ul style="list-style-type: none"> - 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 <p>3. Engaging with individual citizens and service users effectively</p> <ul style="list-style-type: none"> - 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 - Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement - Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs - Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account - Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity - Taking account of the impact of decisions on future generations of taxpayers and service users 	<p><u>Accounts</u></p> <ul style="list-style-type: none"> - Medium Term Financial Strategy - Scrutiny Annual Report to Full Council - Transparency - Uttlesford Futures - Access to Information - Meeting Agenda publication deadlines adhered to - Dates of Meetings published on website in advance - Council Media and News

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>1. Defining outcomes</p> <ul style="list-style-type: none"> - 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 - Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer - Delivering defined outcomes on a sustainable basis within the resources that will be available - Identifying and managing risks to the achievement of outcomes 	<ul style="list-style-type: none"> - Corporate Plan - Performance Management Reporting to GAP Committee - Covid 19 Performance Reporting to GAP Committee - Service Planning Documents - Corporate Risk Management Strategy and Register - Local Development Scheme

Supporting Principle	Evidence
<ul style="list-style-type: none"> - Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available <p>2. Sustainable economic, social and environmental benefits</p> <ul style="list-style-type: none"> - Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision - 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 - 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 - Ensuring fair access to services 	<ul style="list-style-type: none"> - Budget Book and Statement of Accounts - Medium Term Financial Strategy - Reports from Leader and Members of the Executive to Full Council - Financial Regulations - Contract Rules - Internal Audit Plan - Treasury Management Strategy - Local Plan - Counter Fraud & Corruption Strategy (including Bribery Act) - Equality Policy (including Equality & Diversity Objectives) - Equality Impact Assessments - Climate Crisis Strategy - Commercial Strategy - Economic Development Strategy - Health and Wellbeing Strategy - Homelessness and Rough Sleeping Strategy - Capital Strategy

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>1. Determining interventions</p> <ul style="list-style-type: none">- 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- 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 <p>2. Planning interventions</p> <ul style="list-style-type: none">- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered- Considering and monitoring risks facing each partner when working collaboratively, including shared risks- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances- 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- Ensuring capacity exists to generate the information required to review service quality regularly- Preparing budgets in accordance with objectives, strategies and the medium-term financial plan- Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy <p>3. Optimising achievement of intended outcomes</p> <ul style="list-style-type: none">- Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none">- Committee Terms of Reference- Corporate Plan- Corporate Risk Management Strategy and Register- Medium Term Financial Strategy- Role of Statutory Officers- Governance, Audit and Performance Committee- Code of Conduct for Members- Code of Conduct for Officers (HRP 38)- Officer Scheme of Delegation- Protocol for relations between Members & Officers- Compliments, Suggestions and Complaints- Complaints about Councillors- Performance Management Reporting to GAP Committee- Covid 19 Performance Reporting to GAP Committee- Committee Reporting timetable

Supporting Principle	Evidence
<ul style="list-style-type: none"> -Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term - 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 -Ensuring the achievement of 'social value' through service planning and commissioning 	

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>1. Developing the Council's capacity</p> <ul style="list-style-type: none"> - Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness - 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 - Recognising the benefits of partnerships and collaborative working where added value can be achieved - Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources <p>2. Developing the capability of the Council's leadership and other individuals</p> <ul style="list-style-type: none"> - 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 - Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body 	<ul style="list-style-type: none"> - Articles of the Constitution - Committee Terms of Reference - Officer Scheme of Delegation - Protocol for relations between Members & Officers - Staff U-Perform Policy (HRP 12) - Staff Briefings - Senior Manager Meetings - Staff Voice and Surveys - Officer Induction Programme and Training Programme - Member Training and Induction

Supporting Principle	Evidence
<ul style="list-style-type: none"> - 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 - 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 - Ensuring that there are structures in place to encourage public participation - Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections - Holding staff to account through regular performance reviews which take account of training or development needs - 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 	

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>Managing risk</p> <ul style="list-style-type: none"> - Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making - Implementing robust and integrated risk management arrangements and ensuring that they are working effectively - Ensuring that responsibilities for managing individual risks are clearly allocated <p>2. Managing performance</p> <ul style="list-style-type: none"> - Monitoring service delivery effectively including planning, specification, execution and independent post implementation review - 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 - 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 - Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement - Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements) <p>3. Robust internal control</p> <ul style="list-style-type: none"> - Aligning the risk management strategy and policies on internal control with achieving objectives - Evaluating and monitoring risk management and internal control on a regular basis - Ensuring effective counter fraud and anti-corruption arrangements are in place - Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor - 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 	<ul style="list-style-type: none"> - Corporate Risk Management Strategy and Register - GAP Committee Minutes - Scrutiny Committee Minutes - Committee Agendas published before deadlines - Internal Audit reports to GAP Committee - Performance Management Reporting to GAP Committee - Covid 19 Performance Reporting to GAP Committee - Internal and External Audit Plans to GAP Committee - Budget Forecast Outturn reports to Cabinet - Treasury Management Strategy - Investment Board - Reports from Leader and Members of the Executive to Full Council - Access to Information - Data Protection – Privacy Policy and web pages

Supporting Principle	Evidence
<p>4. Managing data</p> <ul style="list-style-type: none"> - Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data - Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies - Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring <p>5. Strong public financial management</p> <ul style="list-style-type: none"> - Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance - Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	

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>1. Implementing good practice in transparency</p> <ul style="list-style-type: none"> - 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 - 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 <p>2. Implementing good practice in reporting</p> <ul style="list-style-type: none"> - Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way - Ensuring members and senior management own the results reported 	<p>- Transparency</p> <p>- Annual Internal Audit Report</p> <p>External Audit Annual Audit Letter (not available for 2020/21)</p> <p>- Budget Book and Statement of Accounts</p> <p>- Reports from Leader and Members of the Executive to Full Council</p> <p>- Compliments, Suggestions and Complaints</p> <p>- Complaints about Councillors</p>

Supporting Principle	Evidence
<ul style="list-style-type: none"> - 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) - Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate - 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 <p>3. Assurance and effective accountability</p> <ul style="list-style-type: none"> - Ensuring that recommendations for corrective action made by external audit are acted upon - 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 - Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations - Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement - Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met 	<ul style="list-style-type: none"> - Articles of the Constitution - Counter Fraud & Corruption Strategy (including Bribery Act) - Comprehensive Equality Policy (including Equality & Diversity Objectives) - Whistle blowing Policy - Petitions - Consultation Strategy - Current Consultations - Access to Information

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

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 2022.

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 2021/22
Principle A Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	<ul style="list-style-type: none"> ✓ 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 Uttlesford Equality, Inclusion and Diversity Policy 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. ✓ 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. ✓ Member Training in relation to Standards Committee was undertaken during 2021/22. Code of Conduct training will follow in 2022/23. ✓ The Governance Review Working Group's recommendations were considered by Council in October 2021. The Group was disbanded and did not recommend a change in governance systems. Council also resolved for the Monitoring Officer to review the Scheme of Delegation and to report to GAP. The review is ongoing. ✓ Declarations of Interest remain a standing item on all Committee, Cabinet and Full Council agendas. ✓ The Council's approach to Counter Fraud was refreshed in 2021/22 to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. The 2022 Counter Fraud Strategy encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<p>and corruption. Supplementing the Strategy is an action plan which sets out how Counter Fraud Strategy will be delivered over the next year to March 2023, and by whom. A key part of this governance and delivery will be the Council's Counter Fraud Working Group who will provide operational oversight of the Council's counter-fraud activities across all areas of the Council, including those specifically recognised as high-risk areas i.e. Revenues, Benefits, Internal Audit, HR, Cyber Security/Information Governance, Democratic Services, Finance, Procurement, Housing, Insurance and Risk.</p> <ul style="list-style-type: none"> ✓ The annual review letter 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 September 2021. This information is also reviewed quarterly by the Council's Corporate Management Team, in order to share any lessons learnt. ✓ 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 will be presented in June 2022. ✓ Ethical Investment Policy was adopted by Full Council at its meeting in December 2021.
Principle B Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> ✓ The Council publishes information in line with Local Government Transparency Code 2015, including: <ul style="list-style-type: none"> • Business Rates Transparency Information • Councillor Allowances • Decision Records and Notices • Expenditure Data ✓ The Council sets out its Access to Information policy on its website. ✓ Comprehensive information relating to the Council's Finance and Accounts, including Statement of Accounts, Budget 2022/23, Fees and Charges 2022/23, Spend over £250, Council Investments etc. is available online. ✓ The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 that gave provision for remote meetings were not renewed by Government and Council, Cabinet and Committee meetings have been required to be conducted in-person since May 2021. A Covid-19 meeting protocol was implemented to ensure compliance with statutory requirements of the decision-making process, as well as the Council's own risk assessment. ✓ Council Cabinet and Committee meetings are open to the public, both in terms of limited in-person attendance in line with the Council's risk assessment and via Zoom, and guidance on attending and speaking at public meetings is available online. As speaking rules differ

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<p>for a number of meetings, specific instructions are provided in the agenda papers for each public meeting.</p> <ul style="list-style-type: none"> ✓ 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. ✓ A full record of decisions made in and supporting material presented to Committees, Cabinet and Full Council is published online. ✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are issued in advance/made available online as appropriate. ✓ In June 2022, the Council announced a new timetable for the Local Plan that envisages moving to the next milestone [launch of the Regulation 18 consultation] in November 2022 instead of May 2022, with completion of the whole process some nine months later than originally planned in April 2025 rather than July 2024. The main reason for this substantial change is the emergence of a potentially significant major site that may, once assessed, potentially be included in the site allocation element of the Local Plan. This new site did not come forward in the earlier 'call for sites' stage, but it is good practice for Councils even after that stage to continue in discussion with major local landowners, and to potentially include sites into consideration at a late stage if the landowners' intentions or appetites for development change. The decision to change the timetable this significantly reflects a balanced judgment between whether a potentially very different ultimate site allocation of houses to be built over a twenty year period but some nine months later than originally planned is worth the cost and risks associated with the additional time taken. This decision was taken following extensive officer assessment, and in discussion with members gained widespread cross-party support. ✓ The Council has throughout the latter part of the 2021/22 year been focusing extensively on making improvements to systems and processes in its development management function, both across officer and elected member level activity. This has led to a long and detailed implementation plan, which was drawn up (having drafted in additional expert capacity to support existing officers) following the external peer review carried out earlier by consultants brought in at the Council's request from the East of England Local Government Association [EELGA]. That EELGA review alongside internal management information showed a range of systemic problems with the authority's approach and the results it was generating. The analysis in the EELGA review, and the understanding amongst officers and members alike of both the specifics of the challenges and the right solutions to adopt were therefore already in place by the time that the Government decided to 'designate' Uttlesford, having considered certain specific and more narrow elements of performance that are essentially a subset of the existing focus provided by the EELGA review and which were already being actioned in the implementation plan that followed. The impact of the DLUHC decision to 'designate' Uttlesford in this way is

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	<p>that individuals submitting major applications could from that date [February 2022] choose whether or not to submit their application to be considered by the authority in the usual way, or else instead submit it directly to the Planning Inspectorate. As of June 2022, only two major applications have been submitted directly to the Planning Inspectorate instead of to the authority. Financial provision was made by the authority in respect of potential lost income from this choice open to major developers to the tune of £500,000 a year for the coming two financial years, although the early indications are, because of the small proportion of applicants availing themselves of the opportunity, that this financial provision will be largely unneeded. ‘Designation’ by Government is not a punitive action, it is one intended to focus minds on improvement, and has in Uttlesford’s case triggered additional priority support from the Planning Advisory Service [PAS]. This priority support from PAS is most welcome, and is complementing existing efforts through the implementation plan to the EELGA review, which as it covers the same ground, is also essentially serving as the action plan required in response to the ‘designation’.</p>
Principle C Defining outcomes in terms of sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> ✓ The Council approved a Climate Change Strategy and Action Plan in 2021/22 to set a clear direction for tackling climate change and its key priorities. ✓ The Health and Wellbeing strategy is in place and partner agencies deliver projects under the priorities that have been identified. The Uttlesford Health and Wellbeing Board met during 2021/22 to discuss the projects that have been able to be delivered whilst keeping a watchful brief on any immergeing 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 will be renewed in 2022/23. ✓ Uttlesford Community Safety Partnership 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. 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 immergeing issues. ✓ The Council's Safeguarding policy will be updated in 2022 to reflect Government legislation. Online safeguarding training has been included in the induction process for all staff. An internal Safeguarding Group has been established to ensure a corporate approach to the Safeguarding agenda.

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<ul style="list-style-type: none"> ✓ The Children's and Families Group is linked to the Children's Partnership Board at County level. The TOR has been updated to include the facilitation of the Essex Child and Family Wellbeing Service 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. ✓ The Council carries out equality and health impact assessments 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. ✓ In October 2020, the GAP Committee approved on behalf of the Council, the conduct of a full Community Governance Review of all its parishes under the Local Government and Public Involvement and Health Act 2007. This Review commenced in June 2021 and involved public consultation stages in accordance with the review timetable, as set out in the initial report to the GAP Committee. There is a duty on the Council, as a "principal authority" under the relevant legislation to have regard to the need to secure that any community governance for the area under review reflects the identities and interests of the local community in that area, and that it is effective and convenient. These were the guiding principles of the review. This has led to several revisions including the re-naming of a parish, re-aligning of some parish boundaries and a reduction in the membership size of two parish councils. These proposals were endorsed by the GAP Committee in November 2021 and the Legal Order enacting the changes was made in February 2022. Changes took effect from 1 March 2022, except the changes in the membership of parishes, as this takes effect at the next scheduled elections in May 2023.
Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> ✓ The Council's Medium-Term Financial Strategy (MTFS) sets out the predicted financial position for the next 5 years 2021 -2026; this was approved by Council in February 2021. The impact of Covid 19 reduced during 2021/22 and subsequently the impact on the Council's financial position. A review of the MTFS and the Council's Commercial Strategy was carried out in October 2021 to incorporate the updated guidance set out in the Prudential Code. The Code required Councils to incorporate a more robust risk-based approach to their borrowing for commercial assets, the key impacts of this were to increase our Minimum Revenue Provision (MRP) to 4% and hold a reserve to support any significant expenditure required to maintain the assets. ✓ 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

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<p>guidance; the committee timetable did not allow for these to be approved through the normal process.</p> <ul style="list-style-type: none"> ✓ The MTFS and annual budgets for the General Fund, Capital Programme and Housing Revenue Account along with the associated Strategies for Investments, Capital and Treasury Management were reviewed by Scrutiny Committee prior to approval by Council in February 2021. The Financial position and predicted outturn, for the Capital and Revenue net expenditure is reported to Cabinet on a quarterly basis. ✓ The following Cabinet Working Groups were set up by the Cabinet in 2021/22 to gather information and advise on various matters of importance in the district, including: <ul style="list-style-type: none"> • Community Achievement Panel • Community Services Review Working Group • Energy and Climate Change Working Group • Housing Board • Investment Board • Museum Management Working Group • Local Plan Leadership Group • Stansted Airport Advisory Panel • Strategic Infrastructure Delivery Group ✓ The Highways Panel is made up of members of Uttlesford District Council and Essex County Council and is responsible for making recommendations and setting priorities for highway schemes in the areas. ✓ Stansted Airport Ltd [STAL] appeal over their major planning application: <ul style="list-style-type: none"> • The Authority's application for Judicial Review was denied on 1st October 2021. Full Council agreed to the recommendations in a report from the Chief Executive on 6th October 2021 not to seek leave to appeal that decision, and to accept that this legal challenge was at an end. The authority has now settled its own costs of that High Court challenge, and as ordered, those of the two other interested parties, STAL and the Government. These costs were relatively modest, at under £100,000 • The Planning Inspectors found at the end of STAL's original appeal in favour of STAL and also ordered that the Council pays STALs reasonable costs thereof. Those costs have been the subject of exchanges and negotiation between the Council and STAL since the High Court challenge mentioned in 1 above was ended. On 15th June 2022, full Council agreed to recommendations in a report from the Chief Executive to offer STAL £1.4 million in settlement of their costs, and to pay £1

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<p>million on account. This matter is outstanding and the negotiations are ongoing.</p> <ul style="list-style-type: none"> The Council has, through its Scrutiny function, commissioned an independent expert to review the Stansted Appeal, and the Council's handling of this matter generally, with a view to positively learning lessons to apply for the future. That independent expert report is almost complete, and will be considered by Members in July 2022, alongside an officer action plan to start implementing the learning that will emerge from this review. <p>✓ In June 2022, the Council announced a new timetable for the Local Plan that envisages moving to the next milestone [launch of the Regulation 18 consultation] in November 2022 instead of May 2022, with completion of the whole process some nine months later than originally planned in April 2025 rather than July 2024. The main reason for this substantial change is the emergence of a potentially significant major site that may, once assessed, potentially be included in the site allocation element of the Local Plan. This new site did not come forward in the earlier 'call for sites' stage, but it is good practice for Councils even after that stage to continue in discussion with major local landowners, and to potentially include sites into consideration at a late stage if the landowners' intentions or appetites for development change. The decision to change the timetable this significantly reflects a balanced judgment between whether a potentially very different ultimate site allocation of houses to be built over a twenty year period but some nine months later than originally planned is worth the cost and risks associated with the additional time taken. This decision was taken following extensive officer assessment, and in discussion with members gained widespread cross-party support.</p> <p>✓ The Council has throughout the latter part of the 2021/22 year been focusing extensively on making improvements to systems and processes in its development management function, both across officer and elected member level activity. This has been through a long and detailed implementation plan, which was drawn up (having drafted in additional expert capacity to support existing officers) following the external peer review carried out earlier by consultants brought in at the Council's request from the East of England Local Government Association [EELGA]. That EELGA review alongside internal management information showed a range of systemic problems with the authority's approach and the results it was generating. The analysis in the EELGA review, and the understanding amongst officers and members alike of both the specifics of the challenges and the right solutions to adopt were therefore already in place by the time that the Government decided to 'designate' Uttlesford, having considered certain specific and more narrow elements of performance that are essentially a sub-set of the existing focus provided by the EELGA review and which were already being actioned in the implementation</p>

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<p>plan that followed. The impact of the DLUHC decision to 'designate' Uttlesford in this way is that individuals submitting major applications could from that date [February 2022] choose whether or not to submit their application to be considered by the authority in the usual way, or else instead submit it directly to the Planning Inspectorate. As of June 2022, only two major applications have been submitted directly to the Planning Inspectorate instead of to the authority. Financial provision was made by the authority in respect of potential lost income from this choice open to major developers to the tune of £500,000 a year for the coming two financial years, although the early indications are, because of the small proportion of applicants availing themselves of the opportunity, that this financial provision will be largely unneeded. 'Designation' by Government is not a punitive action, it is one intended to focus minds on improvement, and has in Uttlesford's case triggered additional priority support from the Planning Advisory Service [PAS]. This priority support from PAS is most welcome, and is complementing existing efforts through the implementation plan to the EELGA review, which as it covers the same ground, is also essentially serving as the action plan required in response to the 'designation'.</p> <p>✓ Corporate Plan Delivery Plan - Cabinet approved the 2021/22 Delivery Plan at its March 2021 meeting, after consideration by the Scrutiny Committee. The delivery plan was caveated with the message that during the year it may become necessary to divert resources away to deal with pandemic-related issues. Quarterly update reports to Cabinet were reinstated for 2021/22 and in addition, the Scrutiny Committee conducted a mid-year review in October 2021.</p> <p>✓ PIs / Covid PIs – The Covid-19 indicators that were introduced in the 2020/21 year continued to be monitored and reported alongside the corporate basket throughout the height of the pandemic, with this process only ceasing in January 2022. The review of these indicators strengthened the authorities understanding of how the pandemic had affected service delivery, and more broadly, how services were performing given the restricted circumstances. 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 enabled the identification of potential factors that could have affected performance. The reporting and review of data was completed through both weekly corporate officer reviews and quarterly through the authority's Governance, Audit and Performance Committee. The Performance Team review all PIs on a quarterly basis to ensure their ongoing efficiency and effectiveness in presenting informative data relating to service delivery. On the whole, and despite the pandemic, performance indicator data has identified that services overall have performed well throughout the 2021/22 year despite the continued restricted circumstances and subsequent pressure on resources.</p>

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<ul style="list-style-type: none"> ✓ 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. The Hub continues to help local residents post-pandemic and is a central point for hosts and Ukrainian Refugees to access appropriate services. The Hub is represented at weekly meetings with Essex County Council and Government Agencies to ensure that Government legislation is adhered to. ✓ Uttlesford Economic Recovery Plan 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. ✓ An update on the Uttlesford Leisure PFI contract for the 2021/22 financial year was presented to GAP Committee in September 2021. This regular update provides a summary of the history, structure and governance of the contract, as well as an overview of the performance of leisure facilities provided through the contract. Particular regard has been paid to the phased re-opening of facilities during 2021/22 as the Covid-19 pandemic has understandably affected the Uttlesford Leisure Centres adversely. As the new year started usage began to increase and future reviews will focus on the actions that need to be taken to return to pre-pandemic levels of participation and attrition. ✓ 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. The audit highlighted several findings, including two high priorities relating to the Council's Grant Policy and Terms and Conditions of Funding. Following the implementation of the new Policy and award of grants for 2022/23, Internal Audit will undertake a formal follow up to assess the effectiveness of the revised process to provide independent assurance over the improvement in the control framework.
Principle E Developing the Council's capacity,	<ul style="list-style-type: none"> ✓ During 2021/22, a permanent Chief Executive and Director of Planning have been recruited. A review of the CMT structure has also

Good Governance Principle	Uttlesford Council Key Elements 2021/22
including the capability of its leadership and the individuals within it	<p>been undertaken and a CMT team building event held. Monitoring Officer appointment was confirmed by Council in July 2021.</p> <ul style="list-style-type: none"> ✓ The Council has undertaken two staff surveys during the year which has given useful feedback to plan our future way of working, balancing this against service/customer needs. ✓ 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. ✓ During 2021/22, the Council held listening events to look at any barriers that may exist for residents living in the district. The events will cover all protected characteristics, and this will help to inform the District Council as to how we could work better with our residents. A staff network group is being encouraged to help ensure that Equality, Diversity and Inclusion is embedded throughout the organisation and that all staff have a voice. An online training induction training programme for all staff and Councillors has been implemented. ✓ The Council participates in a number of partnerships including the Local Strategic Partnership, The Community Safety Partnership, The Health and Wellbeing Board, The West Essex Children's Partnership Board, The Essex Children and Adult Safeguarding Boards, One Health Care Partnership etc. ✓ Blueprint Uttlesford was launched in February 2022 and is UDC's change programme focusing on the next five years and beyond. It is the mechanism to deliver the Council's bold and wide-ranging ambitions for improving outcomes for residents and delivering the best services possible as set out in the authority's annually reviewed 5 Year Corporate Plan, and to do so sustainably within available resources, as set out in the council's annually reviewed 5-year Medium Term Financial Strategy and annually set Budget. It sits alongside broader multi-agency strategies and partnerships in which the council is a participant, contributing to their delivery, reflecting their priorities and shaping their strategic direction. This includes Uttlesford's Local Strategic Partnership, Health and Wellbeing Board, Community Safety Partnership, as well as larger-area initiatives such as the London-Cambridge Innovation Corridor, the West Essex and Herts One Health and Care Partnership, and the North Essex Economic Partnership.

Good Governance Principle	Uttlesford Council Key Elements 2021/22
Principle F Managing risks and performance through robust internal control and strong financial management	<ul style="list-style-type: none"> ✓ In alignment with UDC's Risk Management Policy, the 2021/22 Corporate Risk Register was reviewed regularly by the corporate management team with particular regard being paid to those risks whereby the potential likelihood of them occurring or the impact of the pandemic could adversely affect service provision. During the 2021/22 year, new risks were introduced to manage the impact of Brexit as well as a risk relating to contract management to support the authority's governance of third-party service provision. The Corporate Risk Register is reviewed by the Governance, Audit & Performance Committee every six months. ✓ 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. ✓ The Council took part in the mandatory 2020/21 Cabinet Office data matching NFI Exercise to prevent and detect fraud. In addition, to assess and identify the level of fraud and error in Covid 19 Grant schemes, the Council have also utilised Spotlight & NFI tools in line with Government guidance. Following the Pre and Post Payment Assurance sample (PPAS) process that the Council submitted to BEIS on the Cohort 1 Covid-19 Business Support Grant Schemes (Small Business Grant Fund, Retail Hospitality and Leisure Grant Fund, and Local Authority Discretionary Grant Fund), BEIS confirmed in March 2022 that the evidence provided had been verified and no substantive issues were identified over the eligibility of the businesses selected. PPAS will continue during 2022 for the remaining Grant schemes. ✓ 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. ✓ The Assistant Director of Resources makes regular reports to Cabinet of the financial position, this includes budget setting and monitoring medium term forecasts, the final outturn annual report and the statement of accounts, plus any other financial matters that impact the Council. CMT also review all reports quarterly. ✓ Cyber Security – the council predominantly continued to work from home through 2021/22 and managed and maintained the same level of IT access and system security for staff. Going forward, a more hybrid way of working will be developed with hot-desking being made available over our 3 sites, this will become available over the first quarter of 2022/23. With this, additional security measures will be introduced and current measures expanded to ensure the protection of Council property and data by UDC IT in line with the guidance from the National Cyber Security Centre. A number of projects have already

Good Governance Principle	Uttlesford Council Key Elements 2021/22
	<p>been undertaken to assist with the heightened threat of the cyber landscape and to maintain the high levels of cyber security.</p> <ul style="list-style-type: none"> ✓ The Information Governance Annual Report 2021/22 is in development and due to be presented to CMT and GAP in June 2022. ✓ The Investment Board has 11 Councillors plus 2 independent members, of which 1 was vacant for most of the year, with advertising of the vacancy scheduled for 2022/23. The Board met 3 times in 2021/22. No new acquisitions were recommended with only Chesterford Research Park and Little Canfield Business Park being the subject of funding requests. The Board received quarterly valuation reports throughout the year. ✓ The impact of Covid 19 reduced during 2021/22 and subsequently the impact to the Council's financial position. A review of the MTFS and the Council's Commercial Strategy was carried out in October 2021 to incorporate the updated guidance set out in the Prudential Code. The Code required Councils to incorporate a more robust risk-based approach to their borrowing for commercial assets, the key impacts of this was to increase our Minimum Revenue Provision (MRP) to 4% and hold a reserve to support any significant expenditure required to maintain the assets. ✓ Contract Procedure Rules (CPR) were updated at the beginning of the 2021/22 financial year. The CPR's have all references to the EU removed and replaced with PCR 2015 terminology, these were approved by Council in July 2021.
Principle G Implementing good practices in transparency, reporting, and audit, to deliver effective accountability	<ul style="list-style-type: none"> ✓ 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 website. ✓ The AGS is presented to the Leader and Chief Executive, approved by GAP and published alongside Statement of Accounts. ✓ Annual reports summarising the work of GAP Committee and Scrutiny Committee were presented to Council in July and October 2021 respectively. ✓ 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 September 2021 GAP Committee meeting. ✓ 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. The Information Governance Annual Report 2021/22 will be presented to GAP in June 2022.

4. Review of effectiveness

- 4.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:
- the work of the Corporate Management Team who have responsibility for the development and maintenance of the governance environment
 - the work of Cabinet and the Committees, including the Governance, Audit and Performance Committee and Scrutiny Committee
 - the Internal Audit Annual Report
 - comments made by the external auditors and other inspection agencies
- 4.2. As well as the annual review, the governance and control frameworks are maintained and reviewed by a series of comprehensive processes throughout the year. These include:
- A **robust Internal Audit function** where the planned work is based on identified key risk areas. The Council's Internal Audit Service arrangements should conform to Public Sector Internal Audit Standards
 - An **embedded reporting system for internal audit issues** ensures that senior managers and members are fully briefed on key issues, which includes regular reporting to the GAP Committee.
 - A **comprehensive budget monitoring process** that is reported monthly to budget holders, quarterly to CMT and six-monthly to Cabinet.
- 4.3. The outcome of the review is presented in 4.9 below, which details areas for improvement during 2022/23.

4.4. Effectiveness of Other Organisations

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

During 2021/22, Internal Audit undertook a review which focussed on UDC's internal governance arrangements with UNSL. The review identified several significant findings, including a critical risk regarding health and safety, and high priority findings relating to the Council's oversight of UNSL safeguarding arrangements, the need to define and clarify roles and responsibilities, and the need for improvement in key communication between the Council and with UNSL. A Treatment Response Plan was developed by UDC to address these issues. In March 2022, the Chief Executive reported to GAP that following management investigation into the handling of health and safety aspects, improvements have been delivered in the reporting and monitoring of health and safety requirements. Internal Audit undertook an initial follow up assessment of the implementation of the original recommendations in May 2022, and discussions have highlighted that the majority are work in progress and therefore it is not yet possible for Internal Audit to provide independent assurance that the control environment has significantly improved. A final follow up assessment will be undertaken in August

2022 and reported to GAP in September 2022. More detail is provided in the Internal Audit Annual Report 2021/22.

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 2021/22 was presented to GAP Committee in September 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 2022/23 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. A 2021/22 Internal Audit identified that the governance arrangements covering UDC's arrangement with NEPP are transparent, accountable and decisions taken are published on the public domain. NEPP arrangements are due for renewal in 2022.

4.5. Internal Audit Opinion

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

The work undertaken during 2021/22 has enabled the Audit Manager to form a reasonable conclusion on the Council's control framework, risk and governance arrangements. For the year-ended 31st March 2022, the opinion is that the adequacy and effectiveness of the Council's arrangements is **Limited Assurance** – a number of control weaknesses, including one critical and several high priority, have been identified in individual assignments during 2021/22, which may put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage.

Internal Audit reached this conclusion because the medium and high risk rated weaknesses identified in individual assignments are considered to be significant in aggregate to the system of internal control, but discrete parts of the system of internal control remain unaffected. The critical rated weakness identified is also not considered to be pervasive to the system of internal control. Further detail can be found in the Internal Audit Annual Report.

4.6. External Audit

BDO were provided with information that has relevance to their consideration of the Council's 2019/20 Annual Governance Statement and arrangements for use of resources (UoR). This 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 have impacted 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. It is likely that there will also be a corresponding delay in the sign-off of the 2021/22 Statement of Accounts.

On 30 November 2020 the Section 151 Officer presented a report to Members setting out the revised draft accounts following the external audit. 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." Whilst the outstanding issue does not relate directly to the Council's finances, it does mean that the Council's last audited and approved financial balances were 2018/19. Consequently, the intervening years annual opening balances are unaudited estimates and therefore subject to change upon final external inspection.

4.7. Other Inspectorates

The Council has throughout the latter part of the 2021/22 year been focusing extensively on making improvements to systems and processes in its development management function, both across officer and elected member level activity. This has led to a long and detailed implementation plan, which was drawn up (having drafted in additional expert capacity to support existing officers) following the external peer review carried out earlier by consultants brought in at the Council's request from the East of England Local Government Association [EELGA]. That EELGA review alongside internal management information showed a range of systemic problems with the authority's approach and the results it was generating. The analysis in the EELGA review, and the understanding amongst officers and members alike of both the specifics of the challenges and the right

solutions to adopt were therefore already in place by the time that the Government decided to ‘designate’ Uttlesford, having considered certain specific and more narrow elements of performance that are essentially a sub-set of the existing focus provided by the EELGA review and which were already being actioned in the implementation plan that followed. The impact of the DLUHC decision to ‘designate’ Uttlesford in this way is that individuals submitting major applications could from that date [February 2022] choose whether or not to submit their application to be considered by the authority in the usual way, or else instead submit it directly to the Planning Inspectorate. As of June 2022, only two major applications have been submitted directly to the Planning Inspectorate instead of to the authority. Financial provision was made by the authority in respect of potential lost income from this choice open to major developers to the tune of £500,000 a year for the coming two financial years, although the early indications are, because of the small proportion of applicants availing themselves of the opportunity, that this financial provision will be largely unneeded. ‘Designation’ by Government is not a punitive action, it is one intended to focus minds on improvement, and has in Uttlesford’s case triggered additional priority support from the Planning Advisory Service [PAS]. This priority support from PAS is most welcome, and is complementing existing efforts through the implementation plan to the EELGA review, which as it covers the same ground, is also essentially serving as the action plan required in response to the ‘designation’.

4.8. Review of Actions from 2020/21 Annual Governance Statement:

2020/21 AGS	Action taken in 2020/21 to address the issue
To ensure that the Council aligns effectively and efficiently with the Fighting Fraud and Corruption Locally Framework 2020.	The Council’s approach to Counter Fraud was refreshed in 2021/22 to ensure it is in line with best practice, CIPFA’s guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. The 2022 Counter Fraud Strategy encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Supplementing the Strategy is an action plan which sets out how Counter Fraud Strategy will be delivered over the next year to March 2023, and by whom. A key part of this governance and delivery will be the Council’s Counter Fraud Working Group who will provide operational oversight of the Council’s counter-fraud activities across all areas of the Council.
Implementation of recommendations from the Governance Review Working Group.	The Governance Review Working Group’s recommendations were considered by Council in October 2021. The Group was disbanded and did not recommend a change in governance systems.

2020/21 AGS	Action taken in 2020/21 to address the issue
	Council also resolved for the Monitoring Officer to review the Scheme of Delegation and to report to GAP. The review is ongoing.
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.	A formal self-assessment was not completed due to resourcing constraints, however, the MTFS was reviewed against the updated Prudential Code and 2022/23 MTFS prepared in line with these changes.
Governance Arrangements relating to the Uttlesford Moving Forward Programme	Superseded by change of Chief Executive and move to Blueprint Uttlesford Programme.
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.	Member Training in relation to Standards Committee was undertaken during 2021/22. Code of Conduct training will follow in 2022/23

4.9. Areas for improvement or monitoring during 2022/23

Area	Action to be taken in 2022/23	Responsible Officer
UNSL (Uttlesford Norse)	To monitor improvements in UDC's internal governance arrangements with UNSL.	CMT
Control Environment	Ensure implementation of control improvements identified by independent assurance providers (such as Internal Audit and other inspectors) promptly and in full, to ensure that weaknesses do not persist.	CMT
Review of Corporate Risk Management	To undertake an independent assessment of the Council's approach to Corporate Risk Management, to identify any organisational improvement opportunities to ensure that the Council's risk management approach is proportionate and robust.	Audit Manager/CMT
Counter Fraud Strategy Action Plan	Monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered.	Audit Manager
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.	S151 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: 2022