

ANNUAL GOVERNANCE STATEMENT 2022/23

Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Delivering Good Governance in Local Government Framework (2016) (the Framework) requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:

- their business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for; and
- resources are used economically, efficiently, and effectively to achieve agreed priorities which benefit local people.

This report provides detail and commentary on the design and the operating effectiveness of the governance arrangements put in place by the Council to ensure the above.

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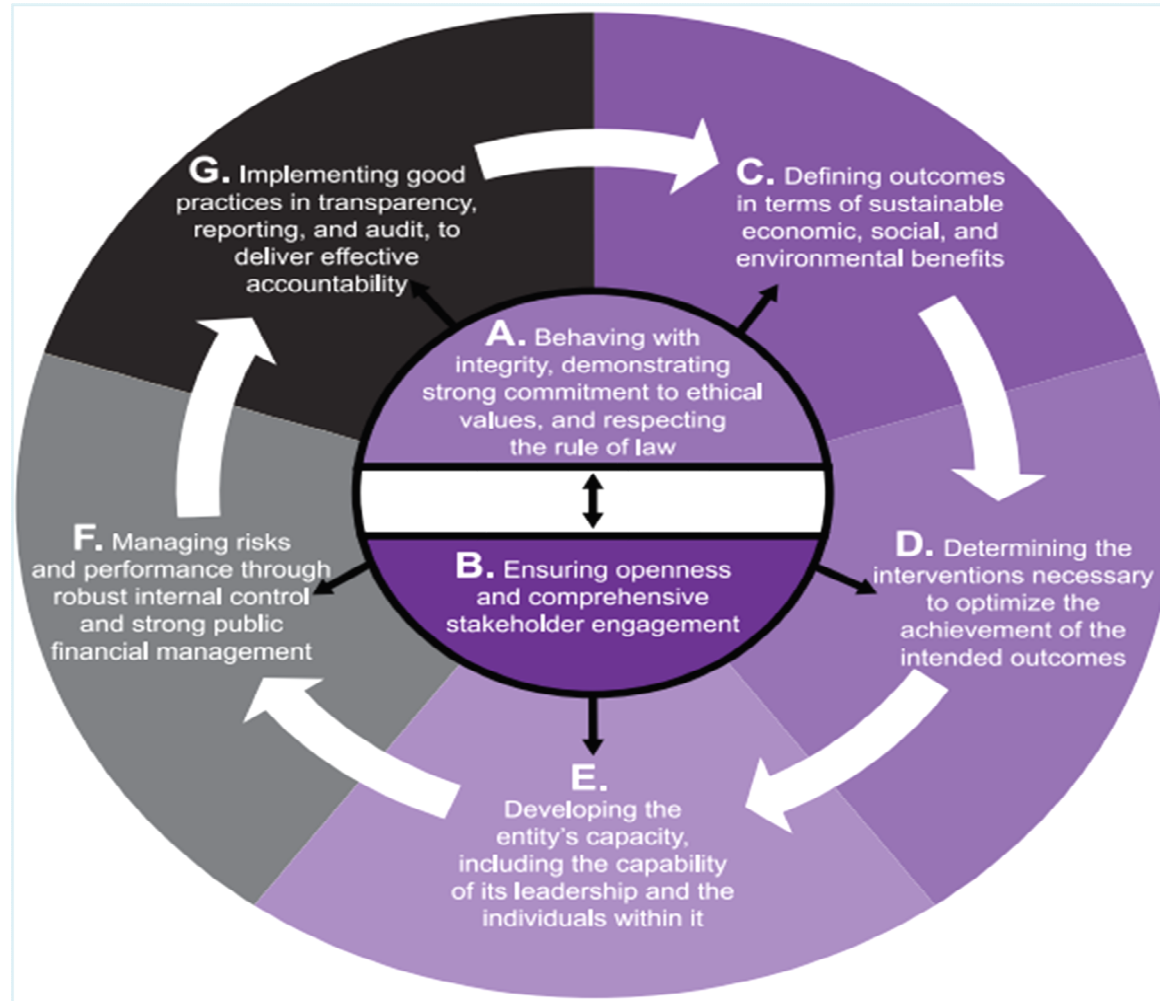
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Section 1: The core principles of good governance per the CIPFA/SOLACE framework



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Section 2: Overview of the governance framework and responsibilities for good governance

Scrutiny and Review

Cabinet, and other Scrutiny committees develop and review Council policies and call in decisions for scrutiny.

Governance and Assurance reviews the operation of the internal control framework for the Council.

Corporate Management Team

Head of the Paid Service is the Chief Executive and is responsible for all Council staff and leading an effective corporate management team.

The Corporate Director of Resources is the Council's Chief Finance Officer s151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money.

The Council's Monitoring Officer is the Operational Director Assurance and is responsible for ensuring legality and promoting high standards of public conduct.

Risk Management

Risk registers identify both Operational and Corporate/Strategic risks.

Key Corporate/Strategic risks are reviewed by CMT and Governance and Assurance Committee every quarter.

Monitoring established of Council committees and key partnerships.

Decision Making

All meetings are held in public.

Decisions are recorded on the Council website

The Council has adopted the Code of Corporate Governance (in accordance with the CIPFA and SOLACE guidance) and is published as part of the Constitution.

Audit and Assurance

External Audit

Internal Audit

Counter Fraud and Corruption

Contract and Partnership monitoring and management

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The Council has delegated responsibility to the Governance and Assurance Committee to:

- Review the Council's corporate governance arrangements against the CIPFA / SOLACE good practice from time to time through review of the Local Code of Corporate Governance
- Receive required assurances regarding the design and operation of the integrated governance, risk management, and internal control frameworks
- Based on the above, approve the Annual Governance Statement
- Make any recommendations to Full Council as needed on proposed changes to the member code of conduct
- Through its Standards Sub-Committee hear allegations of misconduct against members and to make necessary recommendations

Other key council bodies that have a significant role to play within the governance framework include [Full Council](#), the [Cabinet](#), and [other committees and bodies](#).

Internal corporate governance structure

Overlaying all of the above, during 2022/23 a **new strengthened and focused internal corporate governance structure** became operational from September 2022. The new internal corporate governance structure provides a more structured approach to the way the Council plans to meet the aims and ambitions of the Redbridge Plan 2022-26.

The new governance approach replaced the single Corporate Leadership Team (CLT) meetings and created four new groups focused on governance and assurance aspects and arrangements as follows:

- **Corporate Strategy Group** – This group focused on how the Council defines, and responds to, its priorities. This is the forum where strategic intentions have been discussed, refined, and agreed.
- **Corporate Performance Group** – This group focused on monitoring and managing how effectively the Council is delivering on its priorities and ensuring it is working as an effective organisation. This group has provided ongoing monitoring and challenge over performance in services, programmes, and finance.
- **Leadership Group** – This group focused on the way the Council is led and works in partnership with others. This group is key to communication, change, and delivery across the organisation and thereby is a key part of the governance framework to deliver effective consultation and engagement

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- **Corporate Assurance Group** – This group focused on receiving information and assurance over the core governance and statutory functions of the organisation that must be managed. During 2022/23 the group has received information on and assurance around core governance arrangements regarding (amongst others):
 - Risk Management
 - Information Governance
 - Health and Safety, including the actions being taken to respond to the Social Housing Regulator’s notice
 - Key social care information including safeguarding
 - Contract standing orders waivers

During 2022/23 supporting governance boards have also been established to support the above and therefore further support and decision making. Each board is chaired by either the Chief Executive or a Corporate Director. These are:

- **Land and Property Board** – to enhance governance and oversight to review, improve, develop, and oversee the Council’s use of land and property assets, including developing and monitoring the capital programme
- **Change and Improvement Board** – to support change and modernisation of the organisation through a range of cross-cutting organisational programme

In addition, a **Workforce Board** is being established to oversee all matters relating to staff development and training and culture change and arrangements for assurance over these aspects.

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Section 3: How the Council met the core good governance principles in 2022/23

Detail on how the Council has met the core good governance principles in 2022/23 is set out below. The detail below is con:

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law:

In 2022/23 the Council demonstrated it sufficiently met this principle through:

- Having member and staff Codes of Conduct in place throughout the year. The Council implemented the new Members' Code of Conduct which was effective from 6 May 2022. Full training was provided to Members on the code
- Training all new staff and members on codes of conduct and required standards of behaviour as part of induction.
 - Mandatory training for all members on safeguarding, probity in planning and licensing
 - Mandatory training for staff on Health and Safety, Anti-Fraud and Corruption, Information Governance, and aspects of equalities, diversity, and inclusion. Compliance rates monitored, reported, and increasing appropriately through the year
- Continuing to require all staff and members regularly declare whether they have any relationships or interests that could give rise to conflict of interest, or the perception of a conflict of interest. Also requiring all staff and members to declare offers of gifts, and hospitality made and received. Members declarations are published on the Council's webpage. The Monitoring Officer oversaw requests for dispensations to members with disclosable pecuniary interests
- Having clear mechanisms in place through the Governance and Assurance Committee to deal with matters relating to member conduct and standards of behaviour. There were no major issues arising in the year.
- Defining the Council's values and behaviours as excellence, honesty, collaboration, and fairness which staff are required to adhere to. These have been embedded into the staff performance and development scheme from September 2022 onwards
- Having a counter fraud and corruption strategy and policy suite setting out how we will look to prevent, identify, and act against fraud. Having an action plan of counter fraud activity that implements the strategy.

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Principle B - Ensuring openness and comprehensive stakeholder engagement

In 2022/23 the Council demonstrated it sufficiently met this principle through:

- Taking decisions openly and transparently, with a presumption of decisions made publicly using private, confidential reports only when absolutely necessary and legally allowed
- Regularly publishing forward plans of the decisions to be made by Cabinet and Council
- Having consultation and engagement mechanisms to consulting with staff and the public. Continuing to take action to address the equalities, diversity, and inclusion issues reported to it by staff in 2021. Further work on this will continue in 2023/24 in particular to measure and analyse progress made to determine next priority actions
- Continue to work and engage with key stakeholders. These include but are not limited to:
 - The Community Safety Partnership
 - The Redbridge Schools Forum
 - The Health and Wellbeing Board
 - Resident consultation and engagement fora

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

In 2022/23 the Council demonstrated it sufficiently met this principle through:

- Developing and publishing the corporate plan, the Redbridge Plan 2022 – 2026 in July 2022
- Developing and publishing the annual 2023/24 balanced budgets and providing an updated medium-term financial strategy with data on the Council's financial resilience given increased reserves and direction of travel
- Embedding social value considerations into procurement of works, goods, and services

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- Reporting on the Council's progress on delivery of plans to address climate change issues
- Undertaking environmental impact assessments before major works

Principle D - Determining the intervention necessary to achieve intended outcomes

In 2022/23 the Council demonstrated it sufficiently met this principle through:

- Developing and agreeing the new corporate plan, the Redbridge Plan 2022 – 2026 in July 2022
- Beginning to develop service plans in a standard templated form that underpin the delivery of the Redbridge Plan. Further work on this will continue in 2023/24
- Developing the key strategies and policies required to direct resources and activity required to achieve required outcomes and fulfil legal obligations through the work of the Corporate Strategy Group
- Defining and regularly reporting on indicators of success and good performance and so whether the Council is working toward achieving the outcomes as set out in the Redbridge Plan. Further work on this will continue in 2023/24 around public performance reporting
- Identifying, managing, and reporting every quarter on key strategic risks faced by the Council
- Oversight and scrutiny committee providing constructive challenge and debate on key policies as part of decision making

Principle E - Developing capacity, including the capability of leadership and individuals within the Council

In 2022/23 the Council demonstrated it sufficiently met this principle through:

- Training new members when elected and inducting new staff to ensure awareness and acceptance of key policies and processes
- Delivering a series of mandatory training on key subjects, as well as an ongoing offer of other key training offers to support skills and knowledge of staff around HR, staff management, project management, IT and other learning and personal development topics

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- Having a mandatory staff development and performance scheme supported by ongoing development courses supported by external specialist training and development companies
- Having an apprenticeship scheme, and engaging in the National Graduate Development Programme to develop the Council's own pool of staff

Principle F - Managing risks and performance through strong internal control, and financial management

In 2022/23 the Council demonstrated it sufficiently met this principle through:

- The maintenance of a risk management strategy and policy, supported by strategic and operational risk registers. Regularly reporting on risk management to senior management through the Corporate Assurance Group and also to the Governance and Assurance Committee as the body charged with assuring itself of robustness of risk management
- Regularly reporting budgetary control reports to senior management and members, setting out the current and forecast financial situation, progress on delivering savings, and where needed mitigating recovery plans. Achieving a positive end of year financial outcome
- Assessing it met or partially met the national good practice standards in financial governance and management. Further improvement actions have been completed since the initial assessment and other actions are ongoing into 2023/24
- Updating the medium-term financial strategy and position at mid-year and reporting to senior management and members
- Regularly reporting performance on key indicators to senior management through the Corporate Performance Group. Further improvement work on this will continue in 2023/24
- Updating senior management and members on Treasury Management activity and demonstrating the risks inherent in investing and borrowing were well managed
- Assessing the risk management and internal control environment through a programme of independent assurance reviews by the Internal Audit team
- Having a Shareholder Reference Group to ensure decisions now made on the future of all Council-owned companies and receive updates on the operation and performance of live companies

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- Further developing the Corporate Health and Safety Audit and Assurance Framework and regular reporting to the Corporate Health and Safety Board and Corporate Assurance Group. Further improvement work on this will continue in 2023/24
- Addressing the issues identified around compliance with the Housing Standard and key statutory health and safety obligations. Improvement work on this continues into 2023/24
- Assessing the current maturity and capability and capacity of the Council's arrangements to meet the good practice resilience standards and thereby effectively meet its obligations under the Civil Contingency Act. Further improvement work on this will continue in 2023/24.

Principle G - Implementing good practices in transparency, reporting and audit to deliver effective accountability

In 2022/23 the Council demonstrated it sufficiently met this principle through:

- Having a presumption of open, public reporting and decision making and reporting confidentiality only when absolutely essential. Publishing of meeting minutes, key decisions, registers of interest and gifts and hospitality on our website. Collating and publishing on the website spend over £500 and other requirements of the Transparency Code
- Having Information Governance policies and procedures, supported by mandatory information governance training for staff, now 95% completed. Publicly reporting the performance from key Information Governance and Data Protection arrangements, including on its performance on responding to Subject Access Requests for personal data, Freedom of Information Act requests for Council data, and reporting on breaches. Further improvement action around timeliness of responses and management of third parties who handle Council data will continue in 2023/24
- Assessing the risk management and internal control environment through a programme of independent assurance reviews by the Internal Audit team and having arrangement in place to address the recommendations for improvement action are acted on
- Reporting on the results of the latest work of the external auditor concluding whilst changes are needed to the latest accounts audited these are not significant or fundamental problems with the Council's financial management or financial standing
- Reporting on the effectiveness of our corporate governance arrangements and processes through the Annual Governance Statement.

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Other assurances

The **Director Assurance Statements** completed by all Operational and Corporate Directors giving their assessment of the effectiveness of internal control and governance arrangements within their remits. This therefore provides a means to assess compliance with all core principles. The Director Assurance Statements assess that generally internal controls and governance arrangements are good or adequate. Where there are issues, management has set out the improvement actions to be taken in 2023/24.

Another source of independent assurance to the Council, is the work of the **Internal Audit team**. The Head of Audit and Investigations' 2022/23 Annual Internal Audit opinion is that the outcomes from the Internal Audit work completed in year provides limited assurance given the balance between the numbers of adverse opinions (i.e., limited assurance) and non-adverse opinions (i.e., reasonable, or substantial assurance). The annual opinion in 2021/22 was of limited assurance, and therefore the overall assurance category has remained the same. The Head of Internal Audit and Investigations' Annual Internal Audit opinion is based on the outcomes of all 2022/23 Internal Audit work and therefore does not imply all the Council's governance, risk management and internal control arrangements provide limited assurance. Limited assurance opinions issued do not all relate to governance (i.e., there were several issued around service-level internal control arrangements).

Key governance areas where internal audit work has identified further improvements needed include:

- Embedding the new service planning approach and developing and embedding a new commissioning approach (this is to provide further assurance over Principle D around determining the required interventions)
- Re-establish public performance reporting (this is to provide further assurance over Principle B around openness, principle G around transparency)
- Continuing to develop and embed robust programme and project management arrangements, including oversight and assessment of benefits realised (this is to provide further assurance over Principle F around managing performance)
- Ensuring the Corporate Health and Safety Audit and Assurance Framework operates to the extent needed and addresses key health and safety issues where there is not sufficient assurance (this is to provide further assurance over Principle F around managing risk)
- Ensuring there is clear measurement and analysis of progress made addressing the equalities, diversity, and inclusion issues reported to it by staff in 2021 (relating to principle (this is to provide further assurance over Principle B around opening and stakeholder engagement)

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- Ensuring high priority recommendations are implemented in a more timely way (this is to provide further assurance over all principles where related).

There has not been any identified instance of significant fraud that indicates significant breakdown, absence, or circumvention of internal control.

The Council self-referred to the **Regulator for Social Housing** and it served a regulatory notice in 2022/23 for breaching the Home Standard regarding statutory checks for fire, electrical, asbestos, and water safety. These issues relate to Principle A around complying with the law. In response the Council rapidly put in place a programme to rectify these issues and regularly reported the progress being made to senior management and members, as well as the Regulator. The Regulator has been satisfied the Council is taking effective action and good progress is being made. Improvement action is continuing into 2023/24.

From Regulators and inspectors including **Ofsted** which judged **10 schools as good or outstanding, and one requires improvement)** **Children's social services** was judged in April 2022 as **continuing to provide a high-quality service**.

Other sources of positive assurance considered when compiling the Annual Governance Statement include:

- **No formal reports issued by the Section 151 Officer. The Monitoring Officer's annual report** to the Governance and Assurance Committee in April 2023 identified no adverse issues (i.e., in reference to core Principle A: behaving with integrity, commitment to ethical values, and respecting the rule of law)
- **No Standards (Hearings) Sub-Committee meetings held in 2022/23** to hear allegations of breaches of the Member Code of Conduct. 17 Code of Conduct complaints were received in 2022/23 but none progressed to investigation (i.e., again in reference to corporate Principle A)
- **During 2022/23 there were not any proven cases of significant fraud** against the Council that could indicate a significant breakdown in the systems of control or governance (i.e., in reference to core Principle A (as above) and core Principle F: managing risks and performance through strong internal control and financial management)
- **No objections from local electors received** (i.e., in reference to core Principle A (as above), and Principle B - Ensuring openness and comprehensive stakeholder engagement)
- **95 cases referred to the Local Government Ombudsman in 2022/23** and of which 17 were upheld (18%) (i.e., in reference to Principles A and F as above).

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Section 4: Implementation of previous year's Annual Governance Statement improvement actions

The 2021/22 Annual Governance Statement including improvement actions identified as necessary to the governance arrangements. The progress made implementing the actions is set out below.

	Area for Improvement	Action(s)	Target Date	Action owner	Progress at end of 2022/23
1	Programme and Project Management assurance over change and innovation	Fully establish and embed a programme management office to support the delivery of cross-cutting programmes on transformation, change, innovation, and creativity in the council and making connections between programmes to add value	31 March 2023	Julian Ellerby – Director of Strategy	The PMO has continued to be developed and begin activity around approach, governance, best practice, and support to the organisation to deliver programmes and projects. Further action taken and in progress
2	Financial governance	Continue to build on positive end of year financial position and the improvements in financial management achieved, focussing on the joint endeavour across all areas of the council to deliver good financial governance, in preparation for the formal assessment against the Financial Management Code	31 March 2023	Ian Ambrose – Operational Director of Finance and CLT	Assessment of financial governance arrangements against the Financial Management code complete and improvement action plan being progressed. Further action taken and in progress
3	Council-owned companies	As companies continue to develop and operate, continue to strengthen the arrangements for discharging as shareholder, investor, lender, and client.	31 March 2023	Julian Ellerby – Director of Strategy and CLT	The Shareholder Reference Group met three times in 2022/23 and considered updates on all of the Council's companies exercising oversight as shareholder, investor, lender, and client. Further action taken and in progress

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	Area for Improvement	Action(s)	Target Date	Action owner	Progress at end of 2022/23
4	Business Continuity and Emergency Planning	Create a functioning and effective Business Continuity and Emergency Planning service / capability from September 2022, to ensure it can manage disruptions to the Council's operating environment and more widely respond to and manage events that threaten the borough's residents and physical environment.	31 August 2022	John Richards – Head of Community Safety	In-house team now established. Action plan to increase compliance resilience standards / develop more robust arrangements. Further action taken and in progress
5	Health and Safety	Embed the Corporate Health and Safety Team's second line of assurance framework to provide the Council with an assurance view from its health and safety subject matter experts over the management of key health and safety risks across the organisation.	31 March 2023	Mark Baigent – Corporate Director of Regeneration and Culture	The Corporate Health and Safety Team's Audit and Assurance Framework has further developed in 2022/23. It needs fully embed the improvements made and ensure the controls to ensure the required core H&S actions are completed and arrangements are in place to the extent needed to provide Council sufficient assurance. Further action taken and in progress
6	Core corporate governance processes that support business as usual service delivery	Refresh and reinvigorate core, corporate governance arrangements and processes to ensure they are the best fit for the Council going forward to help it deliver its outcomes. This includes ensuring the effective implementation of planned actions agreed in Internal Audit reports issued	31 March 2023	Julian Ellerby – Director of Strategy and CLT	Improvements have been made around service / business planning with new plans for 2023/24 to 2024/25 being developed imminently. Performance management reporting to CPG has been refreshed in the year around the priorities and outcomes in the Redbridge Plan. Public reporting to be developed early in 2023/24.

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	Area for Improvement	Action(s)	Target Date	Action owner	Progress at end of 2022/23
		in 2021/22 around service / business planning, performance management, engagement, business intelligence, staff / workforce development and wellbeing.			The BI team continues to develop. Staff and workforce development being addressed through new staff development scheme introduced in 2022 and the soon to be established. Further action taken and in progress
7	Local Code of Corporate Governance and a supporting Assurance Framework	Review and refresh the Local Code of Governance to reflect the new corporate plan and the core corporate governance processes that support business as usual service delivery. Supplementing the above, develop an underpinning assurance framework where needed.	31 March 2023	Pervinder Sandhu - Operational Director of Assurance and CLT	Local Code of Corporate Governance updated and approved by CAG and Governance and Assurance Committee. To be considered further by the General Purposes Committee and then Full Council in June 2023. The supporting assurance framework to be developed for 2023/24. Further action taken and in progress

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Section 5: Improvement actions for 2023/24

Based on the above, the following are the key improvement actions to be taken in 2023/24. These actions are identified by Internal Audit work **and** other governance and assurance activity in 2022/23.

	Governance area	Action to be taken in 2023/24	Action owner	Target date
1	Housing H&S statutory compliance and responding to the Housing Regulator	Implement the required improvements to processes and procedures to ensure there is robust and sufficient assurance the Council is meeting its statutory obligations for Health and Safety related to Housing services.	Carol Hinvest - Operational Director of Housing	In advance of Housing Regulator re-inspection in late 2023
2	Financial Governance	Fully implement the improvement actions identified following the assessment against the CIPFA Financial Management Code in 2022/23 as per the agreed timelines.	Corporate Leadership Team	31 March 2024
3	Commissioning	As part of the Shaping our Future workstream, this will develop a strategy for commissioning and define the approach as to how the Council will commission against defined outcomes (e.g., per the outcomes in the updated corporate Redbridge Plan and directorates' supporting business plans).	Mark Baigent - Corporate Director of Regeneration and Culture (as workstream sponsor)	31 October 2023 for then operating thereafter
5	Emergency Planning and Resilience	Implement the action plan to further meet the resilience standards and so enhance the Council's capability and capacity around emergency planning and emergency response	Corporate Leadership Team	31 March 2024 (with milestone actions)

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	Governance area	Action to be taken in 2023/24	Action owner	Target date
				throughout the year)
6	Service planning and performance management	<p>All services to have suitable service plans for the 2023/24 year and beyond to ensure all services have demonstrable links between corporate priorities and targeted outcomes per the Redbridge Plan.</p> <p>Develop and implement the new performance reporting approach for public reporting on the achievement of the targeted outcomes and priorities in the Redbridge Plan.</p>	Julian Ellerby - Corporate Director of Strategy	<p>Service plans in place 31 May 2023</p> <p>New performance reporting: 31 July 2023</p>
7	Health and Safety	Continue to enhance the Corporate Health and Safety Audit and Assurance Framework and ensure it addresses all improvement areas highlighted by the Internal Audit review in 2022/23.	Mark Baigent - Corporate Director of Regeneration and Culture	31 March 2024 (with milestone of separate actions throughout the year)
8	Workforce and organisation development	Establish the Workforce Board to oversee all matters relating to staff development and training and culture change and arrangements for assurance over these.	Julian Ellerby - Corporate Director of Strategy	In place from 30 June 2023 and then operating thereafter

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Section 6: Agreement of the Annual Governance Statement

This statement has been considered by the Leader of the Council and the Chief Executive and is considered an accurate reflection of the Council's governance arrangements.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Agreed by:

Councillor Jas Athwal: Leader of the Council	Signed:	Date: 31/05/2023
Claire Symonds: Chief Executive Officer	Signed:	Date: 31/05/2023