

# GOVERNANCE STATEMENT 2022/2023

## Good Governance

Ethics and Values

Engagement

Development

Decision Making

Leadership

Risk Management

Reporting



Our Environment | Our People | Our Future

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## INTRODUCTION

Welcome to the Council’s Annual Governance Statement for 2022/2023.

As a public authority, the Council is responsible for ensuring that its business:

- ✓ Is conducted in accordance with the law.
- ✓ Operates to the highest standards in public life.
- ✓ Accounts for public resources in an open and transparent manner.

The Council also has a duty to secure continuous improvement in the way in which its functions and services are delivered and to achieve value for money for the Taxpayer.

To meet these objectives, the Council is expected to have the highest possible governance arrangements in place.

Governance is about how the Council runs its business and it underpins everything that the Council undertakes. Without robust arrangements, there is a greater risk that failures will occur.

Good corporate governance is essential in demonstrating that there is credibility and confidence in public services. Sound arrangements should be founded on:

- Openness
- Integrity
- Accountability
- Leadership

## The Council’s Governance Framework

The Council adopts a Local Code of Corporate Governance. This sets out the System, which details the associated policies, processes and regulations, etc. which make up the Governance Framework at the Council.

The Governance System is based on established national guidance and is formed on **seven principles**.

The Principles	What this means
<b>Principle 1:</b> Behaving with integrity	Elected Members and Council Officers acting in accordance with national standards regarding Public Office.
<b>Principle 2:</b> Engaging with stakeholders	Keeping residents, businesses and other interested parties, etc. informed and seeking feedback through consultation and engagement.
<b>Principle 3:</b> Setting clear objectives	Having medium term business and financial plans in place that provide for the sustainability and development of services.
<b>Principle 4:</b> Having positive interventions	The policies and procedures, such as terms of reference for decision-making, a change management process and an annual budget., which ensure that objectives are met.
<b>Principle 5:</b> Leadership and capacity	Clear direction from senior officers and that adequate, trained and empowered staff are in place to deliver services.
<b>Principle 6:</b> Managing risks and performance	Having robust internal control and strong financial management to ensure that risk is mitigated, data is secure, and performance is regularly monitored.
<b>Principle 7:</b> Good reporting and transparency	Assigning clear accountability and reporting lines, allowing access to information and reporting performance on a regular basis.



## Update and Review

The Code of Corporate Governance which demonstrates compliance with these principles, is reported to and reviewed by the Council’s Audit Sub Committee half yearly. The reports in [June 22](#) [Dec 22](#) provided a regular update on changes and on-going work, which ensured the Council’s Governance Framework remains fit for purpose.

**The detailed Framework and how the Council complies is detailed in [Appendix 1 \(the Local Code will be inserted\)](#)**

**This Framework was in place from 1 April 2022 and up to and including when this Statement was published, following a review by External Audit in [\(tbc\)](#)**

## A Changing Environment

Although the seven basic principles generally remain unchanged, ensuring compliance requires regular review. The Council operates in a changing environment where external factors can affect how it operates. In turn, this can affect its Governance System.

## Risks and Challenges

Governance is reviewed in the light of strategic risks and challenges facing the Council. The following key risks have been identified which could have an impact on the Council’s Governance Framework.

Risk	Challenge	Effect on Governance
<b>Continuing growth of the District and an increasing population</b>	The Council is a designated growth area with a Local Plan target of 13,000 new homes between 2010 and 2028. This is increasing the local population and changing the demographics of the District.	<b>Principle 2 &amp; 3</b> As more people contact the Council, it is providing opportunities for developing more efficient interaction with customers through digital channels, where this is preferred.
<b>Government Funding</b>	The continuing uncertainty of the Local Government Funding System beyond 2024. The Council is at risk, in particular from the ending of the New Homes Bonus.	<b>Principle 3 &amp; 6</b> The Council will need to maintain a sustainable financial position through its Medium-Term Financial Plan (MTFP) if it is to deliver the priorities in the Corporate Plan.
<b>Delivery of the Corporate Plan (2020 to 2024)</b>	An ambitious plan to achieve targets regarding the Climate, Environment, Transformation and the local economy.  The Council has approved detailed Transformation and Climate Action Plans to deliver its ambitions in these areas.	<b>Principle 4</b> This has brought the Transformation Agenda to the fore to enable change to be delivered.  <b>Principle 5</b> It has also focused the Council towards Organisational Development to ensure sufficient capacity, together with a skilled and informed workforce is available.
<b>Working Arrangements and Service Delivery</b>	The Council has implemented a new Flexible Working Policy and reviewing how it delivers services for all its customers and residents.	<b>Principle 2</b> The ways in which people are contacting the Council has changed. This is providing both opportunities and challenges to ensure Council services remain accessible.  <b>Principle 4</b> Organisational change is being processed through the Council’s Business Transformation Process.



## Developments in the Year

The risks identified above brought about a series of developments during 2022/23, in addition to other matters that arose. Resulting actions and on-going work are all designed to strengthen the Council's Code of Corporate Governance.

### Principle 1: Ethical Values

In the Council's Corporate Plan (2020 to 2024) are 3 key values to support its delivery - **Pride, Respect and Excellence.**

*Work has progressed to undertake an employee survey, to obtain feedback on ethics, values, and culture, together with obtaining a check on communications, morale, health, and well-being of staff.*

*It had been planned to initially undertake this survey back in 2020/21 but was postponed until a decision has been made on working arrangements post Covid-19.*

*New working arrangements have been implemented following approval of a Flexible Working Policy in March 2022.*

*It is now planned that the survey will be undertaken in 2023/24.*

### Principle 2: Engagement

The Corporate Plan contains two priorities to ensure consistency in approach in dealing with people who contact the Council using a Customer Service Standard, together with making greater use of technology to engage with residents. Progress against these priorities are monitored on a quarterly basis.

## Partnership Working

The Council works with a range of organisations in the public, voluntary and private sector to further not only its own service provision, but to deliver on its vision to make South Derbyshire a great place to live, visit and invest.

**The Council's principle partnership is the South Derbyshire Partnership which includes agencies from health, police, parish and county councils, together with local voluntary services and local businesses.**

**The Partnership works to a set of shared priorities which are designed to improve the local environment, economy and health of local people.**

**The Partnership is properly constituted and governed by a Board which monitors progress against agreed actions, together with the use of resources, with the Council taking a key role.**

### Customer Access

Following the Covid-19 Pandemic, customers have preferred to continue accessing our services digitally with the vast majority of contact being made by telephone, email and via our online webforms. Accessibility in reporting issues online has improved in 2022/23 with the introduction of waste and cleansing online webforms so customers can now report issues and book services 24 hours a day at a time convenient with them.

### Face to Face Contact

The Council's main reception remains open to the public during office opening hours. The numbers of visitors to the



main Civic Office have dropped dramatically in recent years with customers finding digital ways of accessing services more convenient with them.

Customers continue to be able to speak to a Customer Service Advisor face to face where required during all office opening hours.

**Intervention Planning:**

- **A change management process to guide Organisational and structural change.**
- **Service and Financial Planning Working Group to evaluate new spending proposals.**
- **Business Change Framework to assess major process changes and system developments.**

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*The new Flexible Working Policy was approved in March 2022 and implemented on 1st July 2022.*

*As part of this, the type and use of office accommodation, together with customer access are being reviewed at a service-by-service level.*

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### **Principle 3: Sustainable Outcomes**

To support a key priority in the Corporate Plan, the Council's Contract Procedural Rules were updated and approved in April 2021.

***This reflected the Council's commitment to Climate Change, providing guidance to ensure that environmental benefits are included in tender evaluation and contract management.***

### **Principle 4: Interventions**

The Council complies with a national Financial Management Code which contains a range of professional standards designed to ensure financial capacity and resilience.

### **Principle 5: Organisational Capacity**

A key action in the Council's Corporate Plan is develop capacity through a Modern Apprenticeship and Training Programme.

The Council has a target to employ up to 8 apprentices per year. The Council has achieved this target with 9 apprenticeships in in 2022/23.

The Council's capacity to deliver services is also enhanced through its partnership working and use of shared services.

### **Principle 6: Risk Management**

Work during the year focused on Governance and Ethics. The 6 audits undertaken during 2022/23 have been finalised, 4 had an assurance level of reasonable and 1 substantial rating.

Business Continuity arrangements are delivered in partnership with Derbyshire County Council. Business Continuity



planning exercises have taken place throughout the year with an updated plan created.

*Proposals for a long-term permanent solution for the Out of Hours and Emergency Contact Service will be explored during 2023/24.*

*Arrangements with the current external provider will continue during this time.*

**Principle 7: Reporting**

**Propriety in the Conduct of Council Business**

An indication of how well the Council is performing, is to review any propriety matters that arose in the year, i.e., how well does the Council, its Members and Officers behave compared to accepted standards, values and the rule of law.

An overview for 2022/23 is provided below.

- ✓ **Codes of Conduct:** no reported breaches
- ✓ **Register of Interests:** no issues raised
- ✓ **Whistleblowing:** no matters arose
- ✓ **ICT Security:** No major incidents reported.
- ✓ **Litigation:** none and no issues pending
- ✓ **Fraud and Corruption:** there were no reported incidents in the year, either internally or from external sources, against the Council.

**Reportable Incidents**

<p><b>Complaints to the Local Government and Social Care Ombudsman</b></p> <p>The Ombudsman’s most recent <a href="#">Report</a> highlighted 6 complaints about the Council in 2022/23, of which none were upheld.</p>	<p>The Ombudsman’s Office made decisions on 5 complaints about the Council in 2022/23. Of these complaints, 5 were closed after initial enquiries, 1 complaint was referred back for local resolution.</p>
<p><b>Health and Safety (H&amp;S)</b></p> <p>There were two reportable incidents under H&amp;S Regulations in the year. However, none of them required any further investigation by the HSE.</p>	<p>However, the Council undertook its own investigation in each case and updated procedures and training where this was necessary.</p>
<p><b>Data Protection</b></p> <p>In August 2022, the Data Protection Officer reported an incident to the Information Commissioner’s Office (ICO) regarding the disclosure of CCTV footage to a third party.</p> <p>The incident was not considered a data breach as no personal data could be identified, however the Data Protection Officer acted to inform the ICO in a report categorised as ‘For information only’.</p>	<p>Upon notification of the incident the Council investigated the specific chronology of the event and also undertook a wider investigation with the officers involved.</p> <p>On the 24 August 2022, the ICO wrote to the Data Protection Officer. Based on the description of the incident and the information contained in the DPO report, no further action was taken.</p>

**The Council’s Wider Role Post Covid**

The Council continues to uphold the wider Leadership role within the local community providing support to local



businesses and residents by administering and paying out various grants to local businesses and individuals from funding provided by the Government.

**Business Continuity**

Being able to maintain public services is vital in an emergency.

Under the Civil Contingencies Act 2004, the Council is required to have updated plans in place and to regularly review and test these plans alongside other agencies.

There were no major incidents which invoked business continuity arrangements.

**Internal Audit**

From its work, Internal Audit provide a form of assurance regarding the Council’s internal control environment.

During the year Internal Audit finalised 22 assignments, 19 attracted either a **'Substantial'** or **'Reasonable'** assurance rating.

1 has attracted a **'Limited'** assurance rating and 2 assignments were given a **'N/A'** assurance rating.

From the completed assignments a total of **77** recommendations were made; **60** of these were considered to present a **low risk**; **16** were considered to present a **moderate risk**; **1** was a **significant risk** recommendation and **no critical risk recommendations**.

The outcome of these audits, together with the implementation and tracking of recommended actions, are monitored by the Audit Sub-Committee.

**Opinion of Internal Audit**

**The Chief Audit Executive reported to the [Audit Sub Committee 21 June 2023](#)**

**“Based on the work undertaken during the year, I have reached the overall opinion that there is a **Satisfactory System of Governance, Risk, Internal Control** - Findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended.”**

**External Audit Opinion**

**To be inserted following Audit**

**Is Current Governance Effective**

The Council considers that its Code of Corporate Governance is effective and fit for purpose but is not complacent and continues to face challenges as highlighted in this Statement.

**Test of Effectiveness**

<b>The Local Code</b>	✓ Up-to-date and regularly reviewed.
<b>Work Plan</b>	✓ Completed during the year to strengthen Governance in response to risks and challenges.
<b>Financial Management</b>	✓ In all material aspects, the Council complied with CIPFA’s Financial Management Code.
<b>Internal Audit</b>	✓ The Chief Audit Executive reached an overall opinion in 2022/2023, that there is a satisfactory system of Governance, Risk and Internal Control. ✓ The Internal Audit Service generally conformed to the



	Public Sector Internal Auditing Standards.
<b>External Audit (Opinions)</b>	✓ <b>The Accounts and Financial Statements</b> Tbc.  ✓ <b>VFM and Governance</b> Tbc.
<b>On-going Development</b>	✓ An approved plan for 2022/23 to maintain good Governance.
<b>Propriety</b>	✓ No major issues and recommended actions arising from external reviews were implemented.

	from a staff survey.	in October 2023
<b>Workforce Development Strategy (P5)</b>	The existing Strategy is due for review in 2023/24.	It is proposed to review and update the Strategy in July 2023. After a period of consultation, it is tabled to be reported to the Finance and Management Committee in November 2023.

**Action Plan 2023/24**

The Council operates within a changing environment with constant development in ICT, together with demand on its services due to the significant growth of the District.

Consequently, besides on-going work already being progressed, the following reviews and action will be undertaken in 2022/23.

**The Action Plan**

Principle	Action	Progress
<b>Behaving with Integrity (P1)</b>	A new Councillor Code of Conduct based on a national model, is due to be implemented in May 2023.	A new Councillor Code of Conduct based on a national model, was considered and adopted by Annual Council on 18 May 2023.
<b>Demonstrating Ethical Values (P1)</b>	To undertake and review outcomes	The survey is due to commence

**And finally, Council commitment**

On behalf of the Council, we are satisfied that our current Governance arrangements remain effective and fit for purpose and that appropriate actions are in place to maintain good Governance at the Council.

We commend the good practice highlighted in this Statement but do not remain complacent given risks and challenges also highlighted. Based on the information reported to us, we therefore commend the Governance Statement for 2022/23 for approval.

**Dr Justin Ives (Chief Executive)**

**Councillor Robert Pearson (Leader of the Council)**

