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# Annual Governance Statement

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2022/2023

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## Executive Summary

The Annual Governance Statement is a statutory document, which explains the processes and procedures in place to enable the Council to carry out its functions effectively. Regulation 6 (1) of the Accounts and Audit (England) Regulations 2015 requires all relevant bodies to prepare an Annual Governance Statement (AGS). The AGS reports publicly on the effectiveness of governance and internal control arrangements and how the Council has complied with its Local Code of Corporate Governance, including how it monitors effectiveness. The Governance Framework has been in place at Bedford Borough Council for the year ended 31 March 2023 and up to the date of approval of the annual statement of accounts.

Bedford Borough Council is committed to enhancing Bedford Borough as a place where people, communities and businesses can grow and realise their potential. This commitment was set out in the Council's [Corporate Plan 2022-2026](#), which describes how the Council will meet the challenges ahead and make the most of opportunities. To be successful the Council must have a solid foundation of good governance and sound financial management. The Council's Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. The Code is supported by a Governance Framework that sets out how and what the Council will seek to obtain assurance on. A copy of the Council's [Local Code of Corporate Governance](#) and [Governance Framework](#) are available on our website.

### Approval of the Annual Governance Statement

The Mayor and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management. We confirm we have been advised of the implications of the review by Senior Management and the Audit Committee and are satisfied that the steps outlined in this document will address the areas for improvement. Through the actions referred to in the Action Plan on page 21, we propose over the coming year to address the issues that have been identified, with a view to further enhancing our governance arrangements. These steps identify improvements that are needed and we will monitor their implementation and operation as part of our next annual review.

#### Signed on behalf of Bedford Borough Council:

*Tom Wootton, Elected Mayor*

x xx 2023

*Laura Church, Chief Executive*

x xx 2023

## Introduction

Bedford Borough Council is a Unitary Authority with a directly elected Mayor. The present Mayor was newly elected in May 2023 for a four-year term. The Mayor has executive powers and selects councillors to be on his Cabinet. Each Cabinet member takes on a portfolio of responsibilities for particular service areas.

In May 2023, the Borough elected 46 councillors for a four-year term to represent the 28 local wards across urban and rural parts of Bedford Borough. Across the area of Bedford Borough, there are also 47 parish and town councils. Following the elections, the make-up of the Council is as follows:

<b>Party</b>	<b>May 2023 seats</b>
Labour	14
Conservatives	13*
Liberal Democrats	13
Green	3
Independent	2

*\*this does not include Wyboston where a by-election will now take place, because the successful Conservative candidate was also elected as Mayor*

The Council's gross expenditure budget for 2022/2023 was £348.1 million. The net Budget for 2022/2023 was £142.7 million, from the following sources:

- Government Grant - £6.1 million
- Business Rates - £28.5 million
- Council Tax - £108.1 million

On 1 February 2023, the Council agreed the net budget for 2023/2024 of £158.450 million, requiring savings of £6.305 million.

The Council's Chief Executive joined in October 2021, so this was the first full year in post. During 2022/2023, the Council also appointed a permanent Monitoring Officer.

2022/2023 has continued to be financially challenging with demands arising from inflation, the cost of living crisis and the on-going recovery from the Covid-19 pandemic. Continuing to provide support and care for the most vulnerable residents, and a first-class service for all, remains the Council's priority and this informs decisions going forward.

It is recognised that recruitment and retention remains a significant challenge for the Council, so additional actions are being developed for 2023/2024 to tackle this issue.

The Performance Management Framework continued to operate effectively during the year. The outturn against the last year of the Corporate Plan 2017-2022 was reported to Executive on 19 October 2022 in the Annual Report for 2021/2022. Full Council agreed a new Corporate Plan 2022-2026 entitled 'Together Bedford Borough' on 16 March 2022.

The Council's ongoing Transformation Programme is aligned with the Council's Corporate Plan 2022-2026. The Transformation Programme sets out the changes to the operating model in relation to support and enabling activities and strategic core activities.

This Annual Governance Statement assesses the governance arrangements in place during 2022/2023.

## Code of Corporate Governance

### Scope of Responsibility

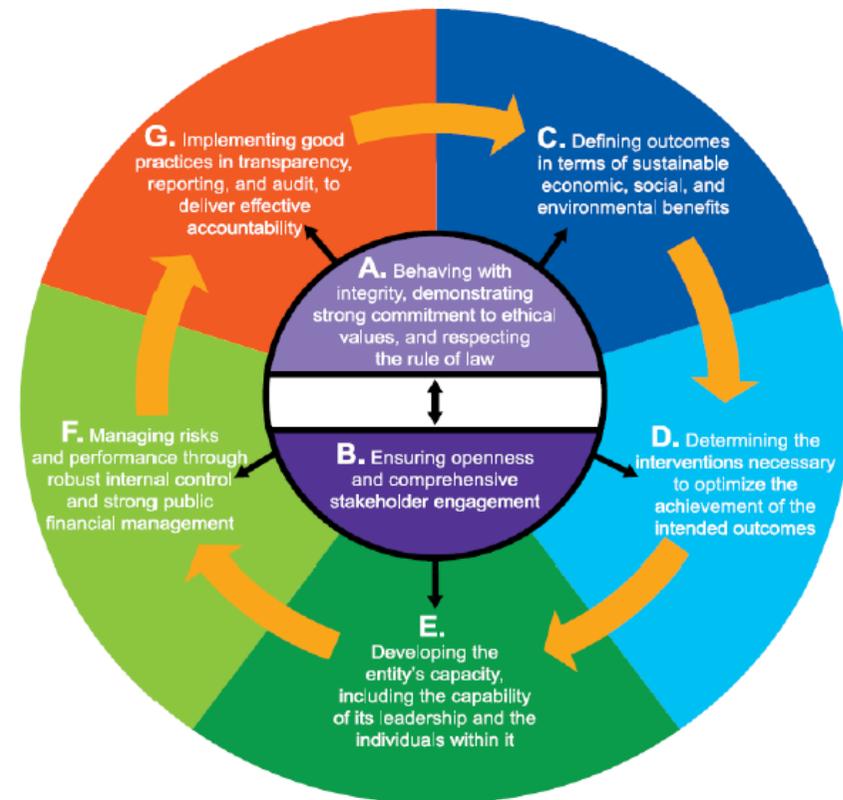
Bedford Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively in accordance with the Local Government Act 1999 and to also make arrangements to secure continuous improvement in the way in which its functions are exercised. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. The Management Team (MT), which comprises the Chief Executive and Directors supported by Statutory Officers (Section 151 Officer and Monitoring Officer), manage this task.

The Council has adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA), and Society of Local Authority Chief Executive's (SOLACE) Framework Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016. The Annual Governance Statement explains how the Council has complied with its Local Code and the requirements of the Accounts and Audit (England) Regulations 2015 (amended 2021), which requires all relevant bodies to prepare an Annual Governance Statement.

The Local Code of Corporate Governance was updated during 2022/2023, approved by the Audit Committee in March 2023, and ratified at Full Council on 22 March 2023.

The Council's [Local Code of Corporate Governance](#) sets out the principles of good governance and describes the arrangements the Council has put in place to meet each of these principles:



# Governance Framework



## The System of Internal Control

The governance framework described above comprises the systems and processes, culture and values, by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves. It 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.

The Council's governance framework addresses the way the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The Framework recognises that the Council's business focuses on its corporate priorities and seeks to facilitate delivery to local communities of the goals set out in the Corporate Plan.

The Council has designed systems and processes to regulate, monitor and control its activities in order to achieve its vision and objectives.

The system of internal control is a significant part of that framework; designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve the Council's aims and objectives, but it seeks to provide reasonable rather than absolute assurance of effectiveness.

The system of internal control is designed to identify, prioritise and manage the risks to the achievement of the Council's aims and objectives.

## Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by:

- The work of the Corporate Governance Working Group, who have responsibility for the development and maintenance of the governance environment;
- The Annual Internal Audit Assurance opinion, as provided by the Chief Officer for Internal Audit. The Audit Committee relies on the work of Internal Audit to ensure there is an adequate and effective internal control environment. This has remained a key source of assurance for the Council in 2022/2023;
- Comments made by the external auditors and other review agencies and inspectorates; and
- The Audit Committee's work programme, which ensures that the elements of the governance framework are in place, to ensure compliance with the principles. An annual report for the full calendar year 2022/2023 will be presented to Full Council in October 2023.

As part of the review of effectiveness, the Council's senior managers have completed assurance statements for each of their areas of control, acknowledging responsibility for risk management and internal control, and certifying compliance with the arrangements in place throughout 2022/2023. These assurance arrangements are consistent with the Governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

**The assurance statements provided by the Council's senior managers identified the following successes:**

- The Council has continued to deliver all critical services and remained compliant with statutory requirements despite significant pressures in social care and ongoing recruitment issues in several key service areas.
- With the appointment of the new Monitoring Officer, the Information Governance Board is now meeting regularly and a new terms of reference has been agreed.
- The Council has put in place a Workforce Strategy for the period 2022-2026 which sets out its bold ambition to empower and support staff to fulfil their potential and undertake their job in the best possible way thereby making the Council an employer of choice. Initiatives in place are an Apprenticeship Strategy a number of Staff Networks; wellbeing initiatives, and improved staff communications.

A number of **governance issues and weaknesses** were also identified:

- **Contracts register and contract monitoring:** There are ongoing concerns regarding contract management, including the capacity of managers and services to procure and manage contracts effectively and efficiently due to conflicting demands on staff resources. The Strategic Commissioning and Procurement (SCP) team have continued to play a key role in working with Directorates to record contracts entered into with the Council's e-procurement system to ensure all contracts are held in one single repository. Contract Procedure Rules (CPRs) have been strengthened to link the Council's finance system to the e-procurement system, with a unique reference, to aid in-contract monitoring and spend management with third parties. Work needs to continue to ensure compliance with CPRs is uniformly met across the organisation, and to improve understanding of how contract management and monitoring is being

delivered across the organisation, as this varies between service areas. Training on the use of the Council's procurement system has been updated, with a suite of standard contracts and guidance available on the intranet. The initial training programme has been delivered with one to one training now being delivered on an ad-hoc basis. A training session on contract management has been delivered to senior managers. A Local Government Association funded training course has been made available to interested officers. A Procurement Dashboard tool has been developed which enables expenditure to be analysed in a number of useful ways including by service, account code, budget holder, and supplier and whether a contract is in place.

- **Recruitment, Retention and Capacity:** Recruitment and retention of staff has continued to be a challenge, particularly in professional, technical and demand led service areas. This is affecting many local authorities and is anticipated to continue in 2023/2024. A recruitment and retention strategy is in development, and Personnel Services have prioritised actions to address immediate recruitment challenges, including offering Market Rate Supplements in some roles. A number of service areas have identified a lack of capacity, particularly at managerial level.
- **Risk Management:** Although the Strategic Risk Register is monitored regularly by Management Team, it has not been received and reviewed by the Executive during 2022/2023, therefore there has been limited overview and scrutiny of the key risks facing the Council.
- **Information Governance:** There are concerns about the capacity of managers and services to respond to Freedom of Information (FOI), Subject Access Request (SAR) and Environmental Information Regulations (EIR) requests within statutory time limits. The Data Protection Officer role and FOI arrangements are undergoing corporate review. Structural changes and capacity issues have been addressed in 2023/2024 with a view to refining processes to comply with Information Commissioner's Office recommendations.

Whilst the assurances mentioned above have been obtained from senior managers, to support the conclusion that the Council's governance arrangements are adequate, it is important that the following **specific assurances** be considered to support this Annual Governance Statement:

## Chief Executive

The Chief Executive is responsible for the overall corporate and operational management of the Council. The Chief Executive has considered these responsibilities within the context of this Statement, and can confirm that the Council has proper arrangements in place for the overall operation and management of the Council. The Chief Executive has no significant concerns to report.

New arrangements have been put in place for a regular meeting between the Chief Executive, Monitoring Officer and the Section 151 Officer so that any issues are addressed. During 2022/2023 the Council has had a permanent Monitoring Officer and also appointed a new deputy s151 Officer. Interim arrangements are in place for the s151 role.

The new Monitoring Officer has strengthened the role of the Information Government Board. The Council's Management Team also looks across a broad range of key areas such as risk and business continuity.

An area of focus has been to ensure that the Council has a full set of Service Plans for activity and to show alignment with the Corporate Plan. These are in place for the 2023/2024 financial year. This has also allowed an opportunity for key corporate service areas to look across the needs of the whole organisation.

2022/2023 has continued to be a tough financial challenge with demands from inflation, cost of living crisis and the on-going work around recovery from the Covid-19 pandemic.

The Council has continued to work through partnership, particularly in relation to health and social care through the Integrate Care Partnership and on some key areas such as economic development.

Continuing to provide support and care for the most vulnerable residents, and a first-class service for all, remains the Council's priority and this will inform decisions going forward. The Council also had to respond to some significant changes for Adult Social Care including preparation for external assessment by the Care Quality Commission. In recognising some of the capacity challenges, an additional Chief Officer role has been added in to the Adult Social Care Directorate.

It is recognised that recruitment and retention remains a significant challenge for the Council, so additional action is being developed for 2023/2024 to tackle some of these issues.



## Chief Finance Officer (Section 151)

The Chief Finance Officer (CFO) role is responsible for the development and maintenance of the Council's financial governance, risk and control frameworks, which ensure that financial decision-making is both lawful and prudent. The CFO is also responsible, in accordance with Section 151 of the Local Government Act 1972, for the proper administration of the Council's financial affairs. The CFO has considered these responsibilities within the context of this Statement and can confirm that the Council's arrangements meet the requirement to be proper as set out in Section 151 of the Local Government Act 1972. Additionally, the Council complies with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) and the CIPFA Code of Practice on Local Authority Accounting for 2022/2023.

The interim CFO (from Nov 2022) presented her annual report on the adequacy of the current arrangements for the proper financial administration of the Council, to the Audit Committee on 14 March 2023. This included a description of the key controls in place.

The governance arrangements and system of internal control aim to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded, and that material errors or irregularities are either prevented or can be detected promptly. The CFO, in conjunction with the Finance Management Team, has reviewed the governance and effectiveness of the systems of internal control, informed by:

- regular scrutiny of financial and performance monitoring data;
- Internal audit reports on the systems of internal control; and
- self-assessment of the arrangements supporting the Annual Governance Statement.

The CFO is satisfied that internal control systems in operation during the year were adequate and that issues raised in the last AGS around embedding the Adult Social Care Debt Board,

strengthening processes for managing purchase cards, and clarifying data owners for Agresso (the Council's financial management system) have been implemented. The CFO also highlighted concerns about capacity in public audit and the impact this is having on the timeliness of presenting the financial statements and Value for Money Judgement. The revenue outturn for 2022/2023 showed a significant overspend, requiring additional controls to be put in place to monitor and manage the budget in 2023/2024 to reduce the risk of overspending in the future.

Full Council agreed the budget for 2023/2024 on 1 February 2023, requiring savings of £6.305 million and a one off allocation from reserves of £2.117 million to set a balanced budget. Financial performance is reported on a quarterly basis to Members.

Whilst the Council has robust financial management arrangements, the Medium Term Financial Strategy refresh presented to Council in March 2023, highlighted a funding gap of £9 million in 2024/2025, with a cumulative gap of £33.4 million by 2027/2028. These forecasts were based on a number of assumptions, the more significant of which relate to the potential impact of Fair Funding Review including a business rates baseline 're-set' resulting in reduction in retained rates, uncertainty around the New Homes Bonus, and increased service pressures such as continued increase in demand for social care.

Funding the gap requires significant savings. The Council's Transformation Programme was approved on 28 October 2020 to meet the funding gap over the medium-term, and was updated for the 2023/2024 budget. Delivery of the programme has been based on a number of key themes; efficient business processes harnessing investment in technology, supplier engagement to explore new and more cost effective ways of procuring services, agile working, and Directorate Service Proposals that look at what and how specific services are delivered. Effective arrangements need to be put in place to ensure that the Council achieves a balanced budget in 2024/2025 and will be in a position to deliver sustainable public services over the medium-term.

## Monitoring Officer

The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council. The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the Council and/or Executive has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989. The Monitoring Officer has considered these responsibilities, within the context of this Statement, and to the best of their knowledge has no significant concerns to report and has had no reason to submit a report in accordance with the above. The Council had changes of Monitoring Officer in 2022/2023; the most recent appointed 30 January 2023.

The Monitoring Officer has responsibility for dealing with borough, parish and police and crime commissioner complaints.

The Monitoring Officer has responsibility for keeping the Council's Constitution updated. In 2022/2023, through the Constitution Review Working Group, the Council agreed a work programme to update further parts of the Constitution. These changes were agreed by Council on 22 March 2023.

The Standards Committee on the 14 March 2023, considered its work programme over this year and there were no significant matters highlighted for consideration by the members. In accordance with the Constitution, the Standards Committee monitors standards of conduct of Members and advises the Council, where necessary, on probity issues.

The Monitoring Officer is satisfied that the Council has robust processes for decision-making but this can always be strengthened further.

Based upon the complaints received and dealt with over the year, the Monitoring Officer is not aware of significant concerns regarding Member conduct. There have been a very small number of complaints alleging a breach of the Member Code of Conduct during the past year.

The previous AGS action plan highlighted that the Council's Constitution was being reviewed and updated, to take into account management restructures and to ensure that it is fit for purpose. The target date was revised to 31 March 2023. Due to the changes in Monitoring Officers, this work is almost completed but will be finalised into the new municipal year. The outstanding action is to finalise the Officer Scheme of Delegation to reflect the current senior management structure.

The current Monitoring Officer has focused on reviving the Information Governance Board and regular meetings are now back in place. The Management Team and Board have agreed refreshed Terms of Reference and an action plan has been agreed to progress best practice within the Council. The Board is attended by the relevant senior officers of the Council. The current Monitoring Officer is also working with services to update the documents and policies that form part of the Governance documents of the Council.

As this is an election year, the Monitoring Officer was appointed Deputy Returning Officer to support the Returning Officer in delivering a well-run and lawful election.



## Chief Officer for Internal Audit

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards (PSIAS), the Chief Audit Executive (the Chief Officer for Internal Audit at the Council) is required to provide independent assurance and an opinion on the adequacy and effectiveness of the Council's risk management and control framework. The internal audit service delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity and makes recommendations for the improvement of management of risk and control.

The Audit Committee approved the Internal Audit Plan for 2022/2023 in March 2022. The Chief Officer for Internal Audit is satisfied that sufficient work has been undertaken during 2022/2023 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements to manage its systems of internal control and its governance processes, including risk management. The Chief Internal Auditor's annual report for 2022/2023, will be presented to the Audit Committee on 28 June 2023, with an opinion on the effectiveness of these arrangements:

*"The opinion on the Council's Internal Control environment, based upon the audit work undertaken, is that overall it provides good controls, in most but not all areas, with a low risk of not achieving objectives and that the key controls in place are adequate and effective, such that reasonable assurance can be placed on the operation of the Council's functions."*

It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute.

During 2022/2023 Internal Audit completed its annual self-assessment against the Public Sector Internal Audit Standards (PSIAS) 2013, revised in 2017. The results of the self-assessment,



confirming substantial compliance, will be reported to the Audit Committee at its meeting in June 2023.

All key financial systems were audited in 2022/2023, and audit reports were provided to management and the outcomes reported to the Audit Committee. Outstanding high priority recommendations relating to Adults Social Care Payments were reported to the Audit Committee during 2022/2023 and were monitored until they were resolved.

Internal Audit assessed the Council's corporate governance arrangements by measuring them against the requirements of the governance framework outlined in the CIPFA/SOLACE publication "Delivering Good Governance in Local Government".

This included an audit of the Council's Risk Management and Performance Management arrangements, both of which received a Substantial Assurance audit opinion. The Risk Management Strategy was updated during the year and approved by Executive in June 2022. The operational risk registers were all updated during 2022/2023. The Strategic Risk Register, although monitored regularly by Management Team, has not been received and reviewed by the Executive during 2022/2023, and this has been included in the action plan at page 23.

## Anti-Fraud and Corruption

The Council is committed to the prevention and detection of fraud and has established a robust framework in this regard which includes:

- Anti-Fraud Strategy
- Fraud Risk Register
- Corporate Confidential Reporting Policy
- Bribery and Anti-Money Laundering Policies

The Chief Officer for Internal Audit attends Audit Group meetings with other Local Authorities, which share fraud intelligence, and the Council is a member of the National Anti-Fraud Network (NAFN) receiving regular fraud alerts. The Council also participates in the bi-annual national Fraud Initiative (NFI) and the annual CIPFA Fraud Survey; the results of which are reported to the Audit Committee each year.

## External Audit

The Council's external auditors (Ernst Young LLP) are still finalising their audit of the 2021/2022 Statement of Accounts for Bedford Borough Council and Bedfordshire Pension Fund. The last external audit opinion on the Council's accounts was given in December 2021, which was an unqualified opinion on the Council's 2020/2021 accounts. EY concluded that the Council has effective arrangements to secure Value for Money.

In their draft Audit Results Report for 2021/2022, presented to the Audit Committee in June 2023, external audit did not identify any significant control observations, however they did report that they had identified weaknesses in controls in evidencing the existence of school equipment.



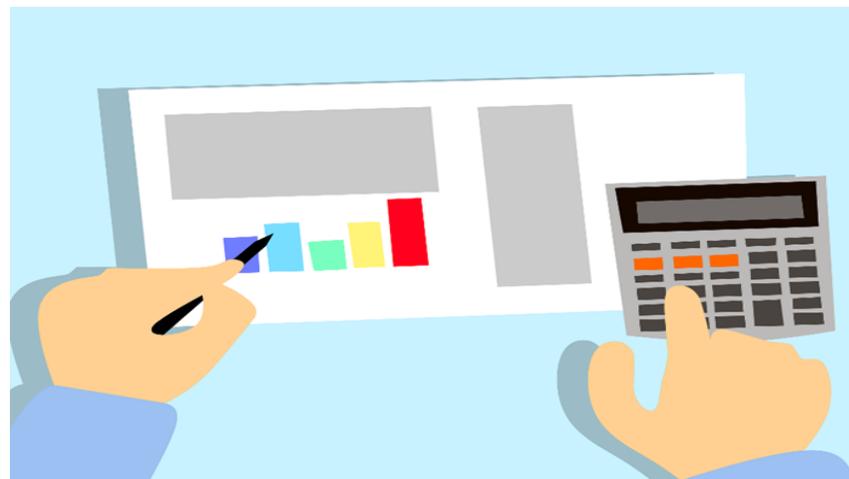
## Other assurances

### CIPFA Financial Budget Monitoring Review

The Council has continued to enhance the robustness of budget management processes, to enable more informed and timely resource management decisions.

Budget monitoring meetings are held with Portfolio Holders, Directors, Chief Officers and Finance to discuss and analyse the monthly forecasts for revenue and capital budgets. The breadth and inclusivity of the discussions at Budget Monitoring meetings has continued to improve in 2022/2023, with Budget Holders more informed and able to give greater insight into their budgets and forecasts to ensure better financial decisions are made.

This was particularly important in 2022/2023 due to significant inflationary pressures relating to energy costs, demand in children's placements, temporary accommodation and other key contracts. The Council implemented a range of cost reduction strategies to reduce the projected overspend including funding capital projects from internal borrowing instead of revenue budgets and releasing reserves to fund one-off costs whilst maintaining the General Fund Balance at an appropriate level.



### CIPFA Financial Management Code

The CIPFA Financial Management Code translates the principles of good financial management into a series of financial standards that comprise leadership and accountability, governance and financial management, medium term financial planning to inform and ensure financial resilience, monitoring financial performance to address emerging issues through to financial reporting. Taken together these financial management standards underpin the effective governance of the use and control of resources utilised by the Council in pursuance of its stated objectives.

2021/2022 was the first full year of compliance. The Council complies with the requirements of the Financial Management Code. Most statements are 'Green' but there are five 'Amber'-rated statements reflecting opportunities for strengthening existing practice and/or ensuring that existing practice is embedded across the Council. There are no 'Red' statements, or areas of non-compliance. The full report on compliance with the Code for 2022/2023 was considered by the Audit Committee in March 2023 as part of the Chief Finance Officer's report on the financial administration of the Council.

## Corporate Plan and Transformation Programme

The process for reporting against the Corporate Plan has continued throughout 2022/2023, closely aligned to the delivery of the Transformation Programme. Quarterly (key indicator) performance reports and a monthly dashboard of high-level performance indicators is provided to the Executive and Management Team for review and intervention. Overview and Scrutiny Committees also review performance on a regular basis. The outturn for the last year of the Corporate Plan 2017-2022 was reported to Executive on 19 October 2022; this included information on the successes and challenges throughout the year. The Performance Management Framework has continued to operate effectively during the year.

Full Council agreed a new Corporate Plan 2022-2026 entitled 'Together Bedford Borough' on 16 March 2022. The first report against the Corporate Plan 2022-2026 will be in September 2023 and will focus on Place, People, and Communities, it has 4 interconnected goals (Develop Places, Enhance Prosperity, Support People and Empower Communities), with 12 supporting priorities and two further overarching themes i.e. Climate Change Emergency and Wellbeing. A new performance framework (key indicators) to support this plan has been developed and will be reported to Cabinet in September 2023.

The Council's ongoing Transformation Programme is aligned with the Council's Corporate Plan 2022-2026. The Transformation Programme sets out the changes to the operating model in relation to support and enabling activities and strategic core activities. How these are organised (structures), delivered (commissioned / procured) and process re-engineered (digital operating model) will reduce the cost of delivery and better meet the needs of residents and businesses.

## Overview and Scrutiny

The Overview and Scrutiny (O&S) Committee process has provided challenge and has monitored the Council's policies and performance on an ongoing basis.

During 2022/2023 the Members of O&S have continued to work together, adopting a non-political approach, developing and using their knowledge and expertise, and that of others to the best effect. An evidence-based approach to the O&S work has been instrumental in achieving good results.

There have been contributions from a range of stakeholders, including voluntary sector organisations, officers and Members of the Council. Key areas have been considered by the [overview and scrutiny committees](#) such as Transition of Care from Children's to Adult's Services, Mental Health Act Reform, Council Transformation Programme, 0 -19 Healthy Child Programme, Planning Review, Maternity Services and Primary Care access; and many more key areas affected residents of Bedford Borough. There has also been joint scrutiny between overview and scrutiny committees to work collaboratively with issues crossing over one or more committee work programmes.



## **Audit Committee**

In May 2022, CIPFA published its Position Statement on Audit Committees in Local Authorities and Police 2022, setting out the purpose, model, core functions and membership of the audit committee. The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The Audit Committee carried out a self-assessment of its effectiveness in September 2022, which resulted in a number of actions including the consideration of appointing an independent member to the committee.

Following the elections in May 2023, the new members of the audit committee have received induction training on effective audit committees.

## **Member Training and Development**

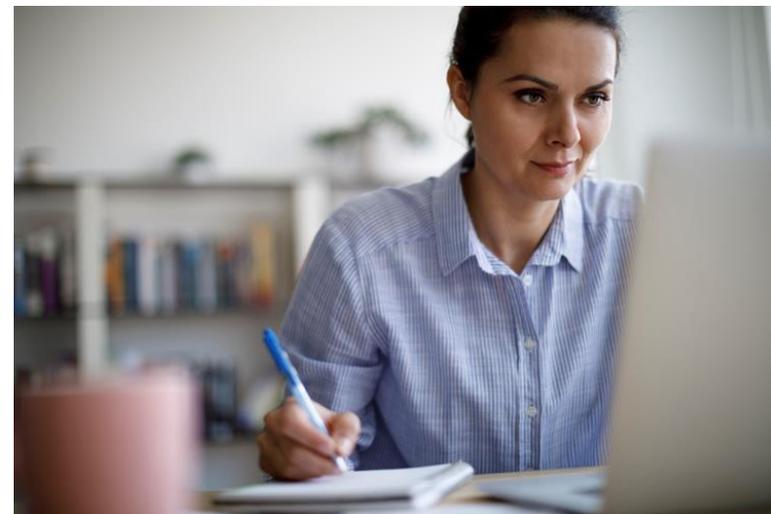
The Council is committed to supporting the development of all Elected Members to enable them to perform effectively in their current roles and to develop to meet future challenges. A full Member Induction and Development Programme is being delivered to all Councillors, including the newly elected Councillors, to receive full support in understanding the role of a Borough Councillor to better support the residents of the Borough. This includes statutory training such as Planning and Licensing legislation and processes.

## **Staff Training and Development**

Statutory, mandatory and essential continuous professional development training requirements within service areas are determined by Chief Officers through the completion of a training needs analysis on an annual basis. This is informed by development needs identified through the Council's annual Performance Development Review process. The Chief Executive is also subject to an annual performance review by a member panel.

### **Online Learning Platform**

The Council's online learning platform, BBOLT, offers an innovative and accessible approach to satisfy the learning needs of our agile workforce. The wide range of e-learning courses available via BBOLT offer the core of the Council's staff training programme, including statutory, mandatory, essential CPD and personal development training. It also provides an online booking functionality for in-person or virtual classroom training.



## Staff Engagement

The Council has in place a Workforce Strategy for the period 2022-2026 which sets out the Council's bold ambition to empower and support staff to fulfil their potential and undertake their job in the best possible way and to make sure the Council is an employer of choice.

Initiatives within the strategy that are already in place are an Apprenticeship Strategy to maximise apprenticeships within the Council and the use of the apprenticeship levy; a number of Staff Networks; Staff Recognition Scheme and wellbeing initiatives such as an Employee Assistance Programme, a Work Well page on the intranet, the introduction of Wellbeing Champions and a Workplace Mental Health Action Plan.

In addition staff engagement and collaboration actions are in place including, Staff Pulse Surveys, the Big Conversation, Bedford Leaders, One Team Hour a general One Team and a One Team which spotlights on activities and achievements within specific services across the Council.

## Stakeholder Engagement

To provide services that are best suited to its customers, the Council listens to its citizens and stakeholders. Consultation around an issue helps tailor services, and meet the needs of the community. Consultation helps garner views and preferences, help understand possible unintended consequences of a policy or decision, or to get views on implementing change. This ensures that decisions and policies are made from a strong evidence base.

During 2022/2023, the following key public consultations were conducted:

- Leisure Vision Consultation
- Community Safety Consultation
- SEND Transport Consultation
- Homes of Multiple Occupancy Consultation
- Wixam Station Consultation
- Fair Cost of Care Consultation
- Carers Strategy Consultation
- SEND Wootton Lower School Consultation
- Little Barford Conservation Consultation
- Cost of Living Consultation
- Budget Consultation 2023/24
- Community Infrastructure Consultation
- Contact Centre Customer Satisfaction Consultation
- Free School Admissions Consultation
- Winter Warm Spaces Consultation



## Complaints

In 2022/2023, the Council responded to 447 complaints at stage 1 and 54 complaints at stage 2 of our Corporate Complaints Procedure. Additionally, 23 complaints were addressed via our Adult Social Care Complaints Procedure and 38 were addressed via our Children's Social Care Complaints Procedure. In total, 81.5% of complaints were responded to within the prescribed timescales. The Council identified some learning outcomes from the complaints received and these have been incorporated into changes in service provision.

The Local Government & Social Care Ombudsman (LGSCO) Annual Review Letter for 2021/2022 was presented to Executive on 23 September 2022. The LGSCO recorded 47 decisions/outcomes during 2021/2022 against this Council. Eight were upheld, compared to five in 2020/2021.

## Health and Safety

Health and Safety risk management is integrated within the Council's Constitution through its Financial and Contract Procedure Rules, its overall Risk Management Policy, Corporate Asset Plan, Contract Procedure Rules, Corporate Plan, the management of human resources, organisational development and change management, and is included in all the Council's management systems when and where appropriate.

The Council's Corporate Safety Steering Group, attended by a representative from each Directorate, meets every four months to review the effectiveness of health and safety management systems, arrangements and organisation within each Directorate. The group is also open to Trade Union and non-Trade Union Health and Safety representatives.



Each Directorate provides a written report through its nominated Directorate Health & Safety Coordinator on its status in respect of the implementation of this Corporate Health & Safety Policy and progress against the respective Directorate Reports and Actions Plans, as appropriate.

## External Reviews

### OFSTED

Foxgloves Children's Home was rated as 'Outstanding' by OFSTED in July 2022.

In an Ofsted inspection in September 2022, Bedford Training and Assessment Centre, the Council's apprenticeship provision, was rated as 'Inadequate', with weaknesses identified in Leadership and Management. The Council completed its response to the Ofsted report in January 2023 and took the decision to cease being an Apprenticeship Training Provider.



In February 2023 there was a joint inspection by OFSTED, CQC and HMICFRS of the Local Safeguarding Partnership.

Headline findings were:

- Children and their families benefit from a comprehensive range of universal and targeted early help services in Bedford, and the majority of children have timely early support when they need it.
- Partner agencies appropriately access targeted early help for families at the right time, and this is making a positive difference for most children.
- Children have good access to emotional well-being and mental health support, alongside effective interventions from the Adolescent Response Team (ART) and the Bedfordshire Police Education and Diversion Team.
- A lack of capacity by partner agencies in the Integrated Front Door (IFD) results in some children not having a timely response to meet their needs. Not all information about children and their families is requested or shared quickly enough between partner agencies.
- Neither individual agencies nor the Bedford Borough Safeguarding Children's Partnership (BBSCP) have sufficient oversight of the effectiveness of early help and the IFD, given the increase in children's contacts and the need for help and support.

The Council is to respond with its written statement of actions by 6 July 2023.

## Governance Conclusion, Governance Issues in 2022/2023 and Action Plan

This Statement is intended to provide reasonable assurance. It is stressed that no system of control can provide absolute assurance against material misstatement or loss. The governance framework has been in place at Bedford Borough Council for the year ended 31 March 2023 and up to the date of approval of the annual statement of accounts.

Following the review of the Council's governance arrangements, by the Chief Officer for Internal Audit, **five** significant issues have been identified for 2022/2023 that need to be addressed to ensure continuous improvement in the Governance Framework. The Council will complete the following key actions to address these issues (more detail at pages 21-23):

- **Contracts register and contract monitoring** – strengthen arrangements for managing contracts and the contracts register;
- **Recruitment and Retention** – implementation of a new recruitment and retention strategy, and apprenticeship strategy;
- **Capacity** – review of process, capability and spans of control to support efficiencies and capacity pressures;
- **Risk Management** – strengthen overview and scrutiny of the key risks facing the Council ; and
- **Information Governance** - review of Data Protection Officer role and FOI arrangements.

The aim is to address these issues during the 2023/2024 financial year, by way of an action plan as tabled below, which will be subject to monitoring by the Corporate Governance Working Group and Audit Committee.

## 2022/2023 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

Issue No.	Issue Identified	Comments / Summary of Action Proposed
1 (22/23)	<p><b>Contracts Register and Contract Monitoring</b></p> <p>Continuing from last year, there are ongoing concerns regarding contract management, including the capacity of managers and services to procure and manage contracts effectively and efficiently due to conflicting demands on staff resources. There are still examples where services areas do not have a complete list of contracts they manage, instances of expenditure with no formal contract in place, and being unable to locate original signed contracts either in the contracts register or in the relevant service area, particularly in the case of older contracts.</p> <p><b>Work needs to continue to ensure compliance with CPR's is uniformly met across the organisation, and to improve understanding of how contract management and monitoring is being delivered across the organisation, as this varies between service areas.</b></p> <p>Room for improvement in contract monitoring and management was also highlighted in the 2021/2022 and 2020/2021 AGS action plans.</p>	<p><b>In Progress</b></p> <p>The Strategic Commissioning and Procurement (SCP) team continue to work with service areas on an ongoing basis to reconcile contracts within services to the Council's procurement system (In-tend) ensuring ensure all contracts are held in one single repository.</p> <p>Training on use of the In-tend system is on BBOLT (the council's staff training portal) with a suite of standard contracts and guidance available on the SCP intranet resource page. The initial training programme has been delivered with one to one training now being delivered on an ad-hoc basis. The current Procurement Strategy is in the Service Plan for update – this will become a Commissioning &amp; Procurement strategy.</p> <p>The Procurement Dashboard tool has been developed which enables expenditure to be analysed in a number of useful ways including by service, account code, budget holder, and supplier and whether a contract is in place or not for the expenditure. This allows the potential for identification of where savings may be possible. This spreadsheet is updated monthly and reviewed by SC&amp;P officers regularly.</p> <p>A training session on contract management was presented to senior managers at the Bedford Leaders meeting in October (2022). A LGA funded training course (entitled contract management capability programme) has been made available to interested officers, with a further training module on contract management/ monitoring now on BBOLT. A new training module (pointing officers to Government Commercial Function online webinar training) will be updated on BBOLT.</p> <p>Whilst considerable progress has been made on training and support during 2022/2023, this is a high priority for Management Team and has been added to the Management Team work programme to develop and deliver further work on commission and managing contracts.</p> <p><b>Responsible Officer:</b> Management Team and the Chief Officer for Commercial Services &amp; Business Transformation</p> <p><b>Revised Target date: 31 December 2023</b></p>

**2022/2023 ANNUAL GOVERNANCE STATEMENT ACTION PLAN (CONT.)**

Issue No.	Issue Identified	Comments / Summary of Action Proposed
2 (22/23)	<p><b>Recruitment and Retention</b></p> <p>Recruitment and retention of staff has continued to be a challenge, particularly in professional, technical and demand led service areas. This is affecting most local authorities and is anticipated to continue in 2023/2024. As a result, most service areas have identified a lack of capacity, particularly at managerial level. Capacity and resilience in many areas is now at or below its limit and will not be able to absorb further reductions.</p>	<p><b>In Progress</b></p> <p>The establishment project focusing on recruitment and retention has started. A Talent Specialist has commenced on assignment and has started work on the following activities as part of the discovery phase of the project:</p> <ul style="list-style-type: none"> <li>• Developing employer branding goals and Employee Value Proposition (EVP)</li> <li>• Exploring development of a talent pool</li> <li>• Sourcing passive candidates to fill roles by utilising social media and networks</li> <li>• Reviewing the recruitment process to improve the candidate and manager experience</li> <li>• Reviewing and improving the pay benchmarking process</li> </ul> <p>The Manager for HR Transactions &amp; Traded Services attended Management Team on 25 May 2023 to update on the project and seek approval to purchase a LinkedIn Recruiter licence for a 12-month period, to enable the Talent Specialist to find candidates for Council vacancies and advertise roles direct to any LinkedIn member. A decision was reached to purchase a licence.</p> <p>Furthermore, the regional recruitment site for Children’s Social Workers has launched, right to work checks are now digital and a contract for advertising services has been awarded and is set to start from 1 June 2023.</p> <p><b>Responsible Officer:</b> Manager for HR Strategy &amp; Workforce Development and Manager for HR Transactions &amp; Traded Services</p> <p><b>Target date: 31 December 2023</b></p>

**2022/2023 ANNUAL GOVERNANCE STATEMENT ACTION PLAN (CONT.)**

Issue No.	Issue Identified	Comments / Summary of Action Proposed
<p><b>3 (22/23)</b></p>	<p><b>Capacity</b> As a result of recruitment and retention challenges, most service areas have identified a lack of capacity, particularly at managerial level. Capacity and resilience in many areas is now at or below its limit and will not be able to absorb further reductions.</p>	<p><b>In Progress</b> Work is ongoing through the Operating Model workstream to review process, capability and spans of control to support efficiencies and capacity pressures. Quarterly pulse surveys are giving a wider view of what is happening across the Council will response from Management Team for each survey. Management Team continue to keep this area under review. The need for additional capacity in Adult Social Care has been recognised with an additional Chief Officer role for a 2-year period. Embedding of work on recruitment and retention should lead to improvements in capacity and resilience. A further review will be completed in Q4 to identify any further actions.</p> <p><b>Responsible Officer:</b> Management Team</p> <p><b>Target date: 31st March 2024</b></p>
<p><b>4 (22/23)</b></p>	<p><b>Risk Management</b> Although the Strategic Risk Register is monitored regularly by Management Team, it has not been received and reviewed by the Executive during 2022/2023; therefore there has been limited overview and scrutiny of the key risks facing the Council.</p>	<p><b>In Progress</b> The Strategic Risk Register will be presented to the Executive on 21 June.</p> <p><b>Responsible Officer:</b> Interim Assistant Chief Executive (Finance)</p> <p><b>Target date: 30 June 2023</b></p>

**2022/2023 ANNUAL GOVERNANCE STATEMENT ACTION PLAN (CONT.)**

Issue No.	Issue Identified	Comments / Summary of Action Proposed
5 (22/23)	<p><b>Information Governance</b></p> <p>There are concerns about the capacity of managers and services to compile responses to Freedom of Information (FOI), Subject Access Request (SAR) and Environmental Information Regulations (EIR) requests within statutory time limits.</p>	<p><b>In Progress</b></p> <p>The Data Protection Officer and FOI arrangements are undergoing corporate review. Structural changes and capacity issues are being addressed throughout 2023/2024 with a view to refining processes to comply with Information Commissioner’s Office recommendations.</p> <p>The Council is developing the Customer Feedback Team so they can provide a seamless service across the following functions:</p> <p>complaints regarding corporate and statutory services,</p> <ul style="list-style-type: none"> <li>• Freedom of Information Act (FOI request),</li> <li>• Subject access request (Data Protection Act),</li> <li>• Environmental Information Regulations (EIR request), and</li> <li>• Member Enquiry Support.</li> </ul> <p>To support colleagues and stakeholders in meeting our legal and corporate objectives, the Council will implement a new case management system and process, which will take effect on Wednesday 12 July 2023. This will enable us to log, track and manage requests and complaints more effectively.</p> <p><b>Responsible Officer:</b> Chief Officer for Legal and Democratic Services (Monitoring Officer), and Chief Officer for Assessment, Applications &amp; Business Support</p> <p><b>Target date: 31 July 2023</b></p>

## Finding out more

If you would like further copies, a large-print copy or information about us and our services, please telephone or write to us at our address below.

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**01234 267422**



**Bedford Borough Council**

Borough Hall

Cauldwell Street

Bedford MK42 9AP



[laura.church@bedford.gov.uk](mailto:laura.church@bedford.gov.uk)



[www.bedford.gov.uk](http://www.bedford.gov.uk)