
Annual Governance Statement

2021/2022

Contents

Executive Summary	3
Introduction	4
Code of Corporate Governance	5
Governance Framework	6
The System of Internal Control	7
Review of Effectiveness	7
Governance Conclusion, Governance Issues in 2021/2022 and Action Plan	19
2021/2022 Annual Governance Statement Action Plan	20
Ongoing Actions from the 2020/2021 Annual Governance Statement Action Plan	25
Ongoing Actions from the 2019/2020 Annual Governance Statement Action Plan	26



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 2022 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 2017-2021](#), extended to 2022, now updated by the [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 20, 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 will 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:



Dave Hodgson
Elected Mayor of Bedford Borough

7 December 2022



Laura Chuch
Chief Executive, Bedford Borough Council

6 December 2022

Introduction

Bedford Borough Council is a Unitary Authority with a directly elected Mayor. The present Mayor was re-elected in May 2019 for a four-year term. The next Council elections will take place in May 2023. The Mayor has executive powers and selects some councillors to be on his Executive. Each Executive member takes on a portfolio of responsibilities for particular service areas.

The Council elects 40 councillors for a four-year term to represent the 27 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 in May 2019, the make-up of the Council including the Elected Mayor is as follows:

- 15 Liberal Democrats
- 11 Labour
- 12 Conservatives
- 2 Green Party
- 1 Independent

The Council's gross expenditure budget for 2021/2022 was £319.5 million of which £176.9 million funding is the Dedicated Schools Grant. The net Budget for 2021/2022 was £121.8 million, from the following sources:

- Government Grant - £5.9 million
- Business Rates - £20.5 million
- Council Tax - £95.4 million

During 2021/2022, the Council agreed the budget for 2022/2023 on 2 February 2022, requiring savings of £4.511 million.

The Council's Chief Executive of twelve years retired in April 2021. The Council had interim arrangements to cover the position from April 2021 to September 2021. A permanent Chief Executive started in October 2021.

A significant restructure was implemented in 2021 and these changes are currently being embedded. New ways of working will be a continual process over the current financial year and will build on the existing work of the transformation programme, recognising the continued tough financial challenge, not least the recent impact of the Covid-19 pandemic and significant legislative changes.

During 2021/2022, the Council continued to meet the challenges of the 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 will inform decisions going forward.

The Performance Management Framework has 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 for 2022-26, on 16 March 2022.

As part of the 'Together Bedford Borough' transformation programme, the Council completed a number of service re-designs during the year; aiming to better meet the needs of residents and businesses.

The Annual Governance Statement assesses the governance arrangements in place during 2021/2022.

Code of Corporate Governance

Scope of Responsibility

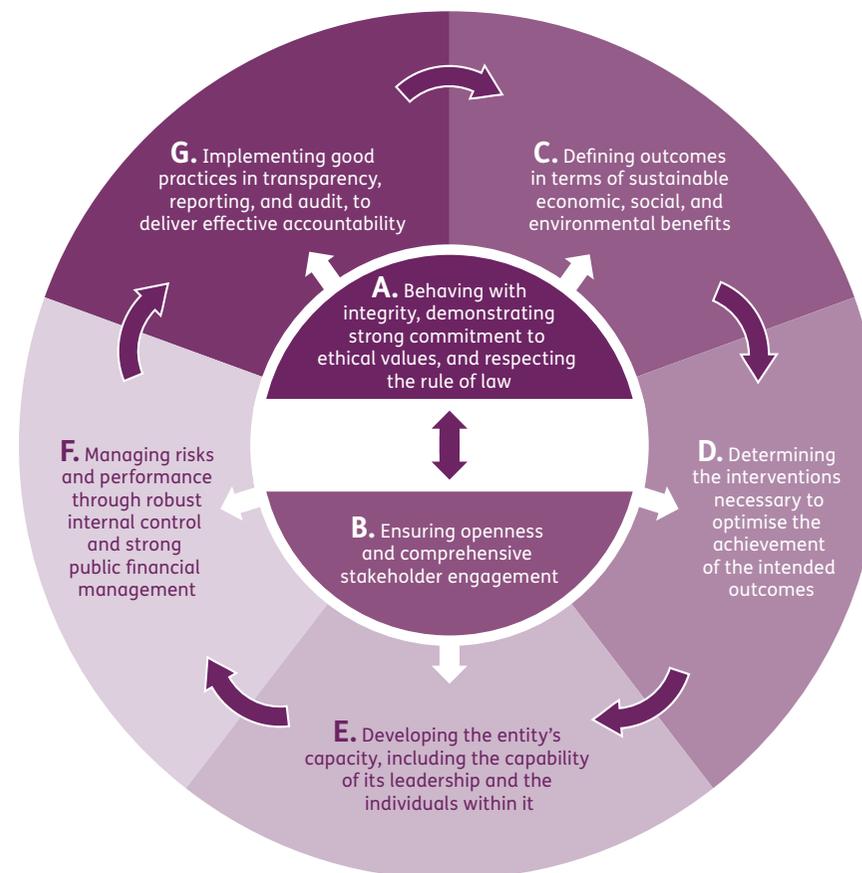
Bedford Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively in accordance with the Local Government 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 (the Section 151 Officer and the Monitoring Officer), manages this task.

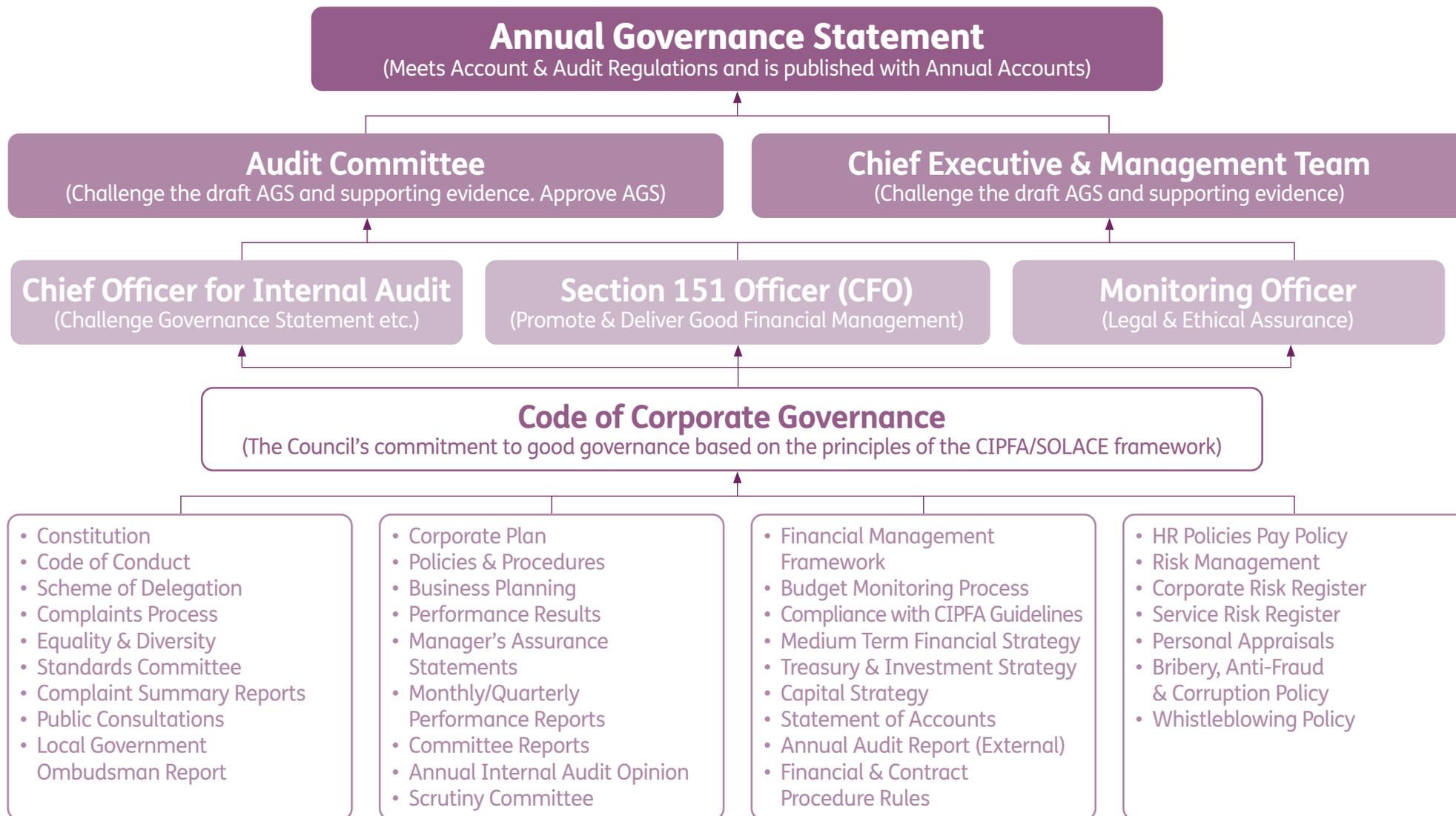
The Council has adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA), and the Society of Local Authority Chief Executive's (SOLACE) Framework Delivering Good Governance in Local Government Guidance Notes 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 2021/2022, approved by the Audit Committee in March 2022, and was ratified at Full Council on 13 July 2022.

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 2021/2022;
- Comments made by the external auditors and other review agencies and inspectorates; and
- The Audit Committee's work programme, which reviews that the elements of the governance framework are in place, to ensure compliance with the principles. An annual report for the full calendar year 2021/2022 was presented to Full Council on 12 October 2022.

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 2021/2022. 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 implementation of new software (LiquidLogic) for recording and managing case information, and for making payments in relation to Adults and Childrens Social Care, has improved reporting mechanisms considerably;
- Partnership working has improved during the pandemic. The acute pressure faced by organisations has brought us closer together; and
- Ofsted reviewed the Council's Childrens Services November 2021, and the outcome was 'Good' in all four areas reviewed.

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

Contracts register and contract monitoring:

Service areas have highlighted weaknesses in monitoring, management and documentation of contracts. There are 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. This is consistent with the findings of external and internal audit work in 2021/2022. Room for improvement in contract monitoring and management was also highlighted in the 2020/2021 AGS action plan. The Strategic Commissioning and Procurement team are working with service areas to reconcile contracts within services to the Council's procurement system (In-tend) to ensure all contracts are held in one single repository. Guidance on entering contracts onto the procurement system, and contract management training is also being developed. A review of Strategic Commissioning and Procurement arrangements has been included in the Internal Audit Plan for 2022/2023 and this will include a review of the management of contract documentation and how expenditure is managed and reviewed against contracts.

Recruitment:

Partly compounded by the Covid-19 pandemic and a wider issue in the public sector, a shortage of suitably skilled and qualified staff meant recruitment was a challenge for much of the year, particularly in adults' social care, transport, the planning service and HR. This is anticipated to continue in 2022/2023. A recruitment and retention strategy is in development, and Personnel services have prioritised a number of actions to address immediate recruitment challenges. The external review of the Council's planning service, by the Planning Advisory Service, also acknowledged recruitment difficulties. Temporary staff have been appointed to the vacant posts within the Development Management Team. Resources have been agreed to fund additional posts within the service and re-grade others, and recruitment is underway.

Capacity:

The Council has provided Covid-19 response and recovery, business as usual and responded to a number of significant legislative changes such as the Integrated Care System. Some areas have identified a lack of capacity, particularly at managerial level. Delivery of Transformation and the Operating Model has reduced managerial and team leader posts, and transferred some activities from central support services such as HR and Finance. Capacity and resilience across all service areas now needs to be reviewed. Work is ongoing through the Operating Model workstream to review process, capability and spans of control to support efficiencies and capacity pressures.

Complaints:

The Council has seen an increase in the number of complaints and the complexity of issues it is responding to, again partly due to the pandemic and ongoing recruitment and capacity issues.

It is likely that there will be an increase in decisions upheld by the Ombudsman for the year 2021/2022. Reinforcement of complaints good practice will be made at Management Team, Directorate Senior Leadership Team and team meetings. A refresh of complaint policies, procedures and guidance is underway.

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

During 2021/2022, the Council had two interim Chief Executives and appointed a permanent Chief Executive in October 2021. 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.

A significant restructure was implemented in 2021 and these changes are currently being embedded. New ways of working will be a continual process over the current financial year and will build on the existing work of the transformation programme, recognising the continued tough financial challenge, not least the recent impact of Covid-19 and significant legislative changes.

A feature of 2021/2022 has been the role of the Council in the Integrated Care Partnership and ensuring that there is appropriate governance and participation. Further implications will continue to develop.

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 will look at all areas of its business to ensure that it operates as efficiently as possible as the organisation continues to evolve and continues to meet the needs of local people. During 2022, the Council has taken on additional responsibilities in relation to Ukrainian Refugees.

The Council is also considering how a phased return to the workplace for staff could happen in the future, although the priority continues to be the safety of staff and members. During 2021/2022, most staff continued to work from home. The Council has developed a new Agile Working Policy and also reflected on the importance of wellbeing and supported a well-being champion programme.

The Council has adopted a new Corporate Plan and work is now underway to ensure that it is delivered.



Chief Finance Officer (Section 151)

The Chief Finance Officer (CFO) role at the Council 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 2021/2022. The CFO presented his annual report on the adequacy of the current arrangements for the proper financial administration of the Council, to the Audit Committee on 15 March 2022. This included a description of the key controls in place.

The governance arrangements and system of internal control aims 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. In conjunction with his management team, the CFO has reviewed the governance and effectiveness of the systems of internal control, informed by:

- Regular scrutiny of financial and other 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 effective although there is a need to embed the Adult Social Care Debt Board, strengthen processes for managing purchase cards, and to clarify data owner responsibilities for Agresso (the Council's financial management system). The CFO also highlighted the reduction in capacity in Finance, after the restructure in 2021, and the need to prioritise tasks at peak times, as a potential governance risk.

Full Council agreed the budget for 2022/2023 on 2 February 2022, requiring savings of £4.511 million to set a balanced budget. Financial performance is reported on a quarterly basis to Members. While the Council has robust financial management arrangements, in the Medium Term Financial Strategy refresh presented to Full Council on 16 March 2022, there was a funding gap of £6.1 million in 2023/2024 and £5.6 million in 2024/2025, with a cumulative gap of £17 million by 2026/2027. These forecasts were based on a number of assumptions, the more significant of which relate to: Council Tax yield increases due to growth in dwelling numbers, a business rates baseline 're-set' resulting in a reduction in retained rates, uncertainty around the New Homes Bonus, and increased service pressures such as continued increase in demand for adult social care.

Funding the gap requires significant savings targets to be met. The Executive initially approved the Council's Transformation Programme on 28 October 2020 to meet the funding gap over the medium term. This has been updated as part of the 2022/2023 budget setting process. The plans for the delivery of the Programme are well under way with a number of key themes; efficient business processes harnessing the Council investment in technology, continued supplier engagement to explore new and more cost effective ways of procuring services, building on those changes that have arisen during the Covid-19 pandemic, such as greater agile working, and Directorate Service Proposals (DSPs) that look at what and how specific services are delivered.

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 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 has no significant concerns to report and has had no reason to submit a report in accordance with the above.

In 2021/2022, the Monitoring Officer continued her review of the efficiency and effectiveness of all arrangements relating to Council and Committee meetings, working groups, and the required officer support. The Standards Committee has monitored standards of conduct of Members and advised the Council on probity issues. Entries made in the Register of Members' Interests were reviewed by the Monitoring Officer and reported back to the Standards Committee.

The Monitoring Officer is satisfied that the Council has robust processes for decision-making but this can be strengthened further. During the Covid-19 pandemic, meetings were conducted remotely, to ensure the business of the Council could continue in accordance with the Virtual Meeting Regulations. There have been some ICT issues with accessibility of members and public to meetings, which have in the main been addressed, however, issues remain due to poor internet connections of individuals. Physical access is provided for all who wish to attend in person.

The Monitoring Officer does not have 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 but this is increasing. Some may require further investigation.

The Monitoring Officer is not overly concerned about an increase in complaints, because from experience, this is usually the case in an election year.

The AGS action plan for 2019/2020, included in the 2020/2021 AGS, 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. This was delayed due to the Covid-19 pandemic, but is now in progress. The target date has been revised to 31 March 2023.

The Monitoring Officer had also previously highlighted the need for improvements to Information Governance, included in the 2019/2020 AGS action plan. The target date was also extended due to the pandemic, to 31 December 2021, and the action has now been completed. There is now an Information Governance Board in place that meets regularly. The Board is well attended by the relevant officers of the Council. The role of the Board is to establish the longterm information governance strategy of the Council, in addition to monitoring progress and providing assurance that information risk is being properly assessed, controlled and mitigated.



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 opinion on the adequacy and effectiveness of the Councils' risk management and control framework, and through the internal audit service deliver an annual programme of risk based audit activity, including counter fraud and investigation activity and make recommendations for the improvement of the management of risk and control.

The Audit Committee approved the Internal Audit Plan for 2021/2022 in March 2021. The Chief Officer for Internal Audit is satisfied that sufficient work has been undertaken during 2021/2022 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements. The Chief Internal Auditor's annual report for 2021/2022, was presented to the Audit Committee on 29 June 2022, therefore providing the independent assurance that key risks (financial and non-financial) are adequately controlled and providing an opinion on the effectiveness of these arrangements. It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute.



During 2021/2022 Internal Audit completed its annual self-assessment against the Public Sector Internal Audit Standards (PSIAS) 2013, revised in 2017. In the previous year, the Internal Audit service was externally reviewed against the PSIAS, by another Council's audit service, confirming substantial compliance. The results of the self-assessment were reported to the Audit Committee at its meeting in June 2022.

All key financial systems were audited in 2021/2022, and audit reports were provided to management and the outcomes reported to the Audit Committee. Outstanding high-risk recommendations relating to Adults Social Care Payments were reported to the Audit Committee during 2021/2022 and will continue to be monitored until they are 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", reporting the results to the Audit Committee.

This included an audit of the Council's Risk Management arrangements, which received a Substantial Audit opinion. The Risk Management Strategy was updated in November 2020, and reviewed on 9 June 2021 and 23 September 2022. The operational risk registers were all updated during 2021/2022.

The Strategic Risk Register was updated and approved by the Executive during 2021/2022 and monitored regularly by Management Team. Risks arising from the Covid-19 pandemic continued to be monitored by the Joint Executive and the Management Team, in a specific Covid-19 risk register.

The Covid-19 pandemic affected all of the 2021/2022 financial year. Central government introduced various financial support schemes, in the previous year, which were required to be administered by Local Authorities.

Given the large number and value of financial transactions involved, these financial support schemes introduced a heightened risk of fraud. Whilst Internal Audit carried out some specific targeted Covid-19 fraud work, this does not address all the potential risks of fraud posed by the Covid-19 pandemic. The Internal Audit team have remained alert to any Covid-19-specific risks in their day-to-day work, and have adjusted testing programmes to address the risks.

In terms of the Council's internal control framework the majority of the authorisation controls are electronic/system driven and Covid-19 did not impact on these in a significant way.

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 (November 2021)
- Fraud Risk Register (November 2021)
- Corporate Confidential Reporting Policy (June 2020)
- Bribery and Anti-Money Laundering Policies (March 2018)

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 biannual national Fraud Initiative (NFI) and the annual CIPFA Fraud Survey; the results of which are reported to the Audit Committee each year.

External Audit

In December 2021, the Council's external auditor (EY LLP) provided the Council with an unqualified opinion on the Council's 2020/2021 accounts, and their Auditor's Annual Report was received by the Audit Committee in March 2022.

EY also concluded that the Council has effective arrangements to secure Value for Money. Whilst external audit did not identify any significant reporting issues, they did report that they had identified:

- Inadequate controls over the maintenance of the contracts register; and
- Weaknesses in controls over the existence of school equipment.



Other Assurances

Corporate Plan and Transformation Programme

The process for reporting against the Corporate Plan has continued throughout 2021/2022, closely aligned to the delivery of the Transformation Programme. A monthly dashboard of high-level performance indicators is provided to the Management Team and Executive for review and intervention. Overview & Scrutiny Committees also review performance on a regular basis. The outturn for 2020/2021 against the Corporate Plan was reported to Executive on 15 September 2021; this included information on the successes and challenges throughout the year. The Performance Management Framework has continued to operate effectively during the year. The outturn for the last year of the Corporate Plan 2017- 2021, extended to 2022, was reported to Executive on 19 October 2022.

Full Council agreed its new Corporate Plan, on 16 March 2022. A new performance framework to support this plan is in development with the first annual report due to the Executive in September 2023. As part of the 'Together Bedford Borough' transformation programme, the Council completed a number of service re-designs during the year; aiming to better meet the needs of residents and businesses.

Full Council agreed the budget for 2022/2023 on 2 February 2022, requiring savings of £4.511 million.

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 2021/2022 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, and input, from a range of stakeholders, including voluntary sector organisations, officers and Members of the Council. Key areas have been considered by relevant committees in relation to the impact of the Covid-19 pandemic on service areas and resources, and through the health overview and scrutiny committee a consideration of the health implications of Covid-19 and specifically mental health and well-being. 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 has carried out a self-assessment of its effectiveness in September 2022.

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 comprehensive induction programme is offered to all new Members following their election to office including training on the Code of Conduct. Due to Covid-19 there has been no formal member training since February 2020 however, members have had training in how to use online meeting software. With the recent changes in the makeup of the Audit Committee, from May 2021, it was identified that the members would benefit from training on the role of the audit committee, and the skills required. This training was delivered in July 2021.

Staff Training and Development

Senior Officers' training and development needs are identified through the Council's Performance Development Review system. The Chief Executive and Directors are also subject to an annual performance review by a member panel.

BBOLT Staff Learning & Training Website

Workforce Development have been working on developing ways to improve the staff learning experience. Through the launch of BBOLT, the Council's Learning & Training website, the Council now offers an innovative approach to satisfy the learning needs of its agile workforce. BBOLT is the place to for staff to go to for staff digital and classroom training needs, including e-learning and booking virtual/face-to-face classroom training.



Stakeholder Engagement

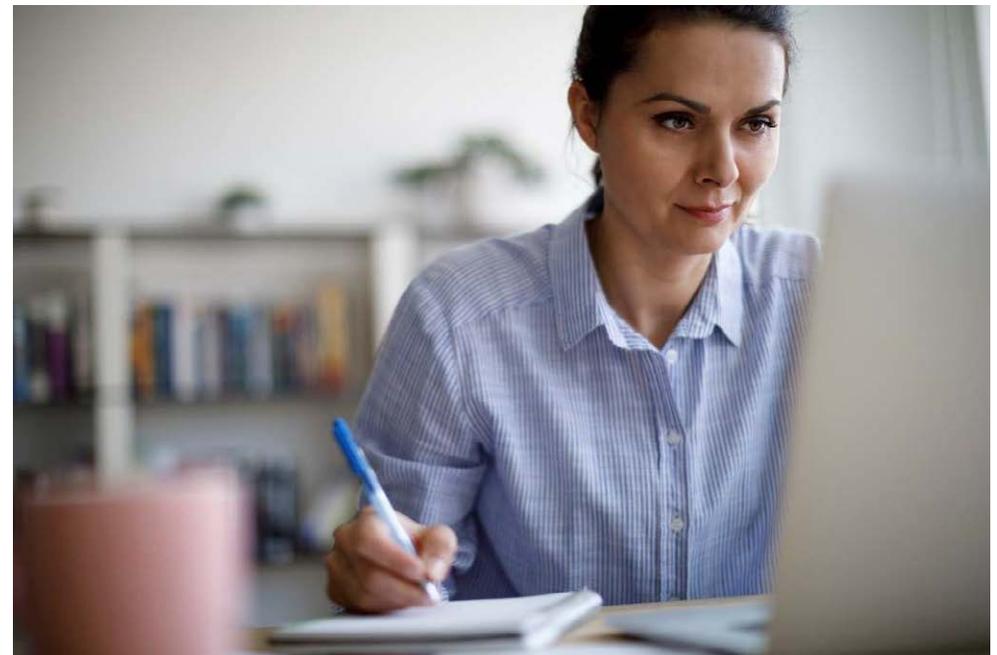
To provide services that are best suited to its customers, the Council listens to its citizens and stakeholders. Consultation around an issue helps tailor services, and meet the needs of the community. Consultation helps garner views and preferences, help understand possible unintended consequences of 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 2021/2022, the following key public consultations were conducted:

- Public Spaces Protection Order Consultation
- Budget 2022 Consultation
- Council Tax Reduction Scheme 2022/2023
- Corporate Plan 2021 Consultation
- Domestic Abuse Strategy Consultation
- Statement of Gambling Licensing Principles 2021
- Bedford Borough Design Guide Scoping Consultation
- Local Plan 2040
- Bus Travel Consultation
- Draft recommendations for new ward boundaries across Bedford Borough Council - Local Government Boundary Commission
- East West Rail
- Moving Traffic Offences
- Short Breaks

In 2021/2022, the Council responded to 411 complaints at stage 1 and 67 complaints at stage 2 of our Corporate Complaints Procedure. Additionally, 16 complaints were addressed via our Adult Social Care Complaints Procedure and 21 were addressed via our Children's Social Care Complaints Procedure. In total 81.4% of the complaints 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.



CIPFA Financial Budget Monitoring Review

The Council has enhanced the robustness of budget management processes, to enable more informed resource management decisions. The Council engaged CIPFA to work with the Finance Team to develop Budget Manager training focusing on principles and best practice and how this can be put into practice in terms of the Council's Financial Management system. Training was delayed after changing priorities due to the Covid-19 pandemic but completed in May 2021.

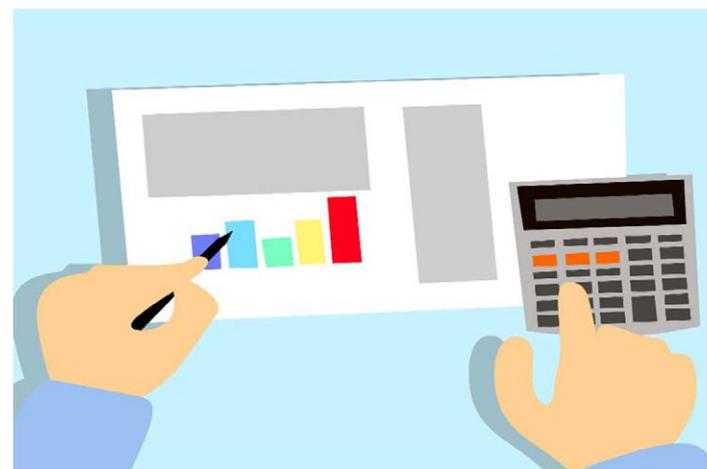
Training for budget managers to complete their own forecasts in Agresso, was developed and delivered by the Finance team in May 2021, with top-up training available monthly. The new way of working enables all Budget Holders to take more responsibility for their own forecasts, with support and challenge from Finance, enabling Finance to refocus their time and add value through horizon scanning and strategic planning. The breadth and inclusivity of the discussions at Budget Monitoring meetings has improved in 2021/2022, with Budget Holders more informed and able to give more insight into their budgets and forecasts.

The Council has invested a lot of time in ensuring it is fully compliant with Making Tax Digital, which came into effect on 1 April 2022. Financial processes now enable information to flow without manual intervention from the initial IT system entry to the financial system, connecting the Council's systems efficiently. The opportunity was taken to improve all financial information flows into Agresso. This also reduces error and time.

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 has reviewed, evaluated and concluded that it complies with the requirements of the Financial Management Code. Most statements are 'Green' but there are four '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 went to Audit Committee in March 2022 as part of the Chief Finance Officer's report on the financial administration of the Council.



External Reviews

OFSTED

In November 2021, Bedford Borough's Childrens Services were reviewed by Ofsted. The outcome was 'Good' in all four areas reviewed.

It was highlighted that Covid-19 has placed huge pressures on children and families in Bedford Borough. Despite this, services have adapted well to significant changes in demand. Leaders have made sure that support for children and families has continued. A relentless focus on strengthening practice has seen progress in most of the areas identified for improvement at the last inspection.

In an Ofsted inspection in July 2022, Foxgloves Children's Home was rated as 'Outstanding'.



Planning Advisory Service

In December 2021, at the Council's request, the Planning Advisory Service (PAS) of the Local Government Association undertook a further review of the Council's planning service.

The PAS review found that Bedford benefits from a core of experienced and dedicated Planning officers, with support from elected members. However, these officers were experiencing workload pressures and suffering from unmanageable caseloads due to a high number of vacancies.

PAS noted the impact this and other factors have had on performance, in particular the time taken to determine planning applications. They also noted that the Council was aware of these challenges and has recently provided additional resources to alleviate these pressures.

There were six priority recommendations and twelve longer-term recommendations for improvement, and the Council has agreed action on these, through an Executive Decision (see page 23 for actions on recruitment).



Governance Conclusion, Governance Issues in 2021/2022 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 2022 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 in 2021/2022 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 20-24):

- **Contracts register and contract monitoring** - strengthened arrangements for managing contracts and the contracts register;
- **Recruitment** - 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;
- **Complaints** - reinforcement of complaints good practice, and a refresh of complaint policies, procedures and guidance; and
- **Audit Committee** - a self-assessment of Audit Committee effectiveness using CIPFA best practice templates.

Ongoing actions from the 2020/2021 and 2019/2020 Annual Governance Statements:

- Completion of the implementation of the new Management Structure (appointing a permanent Chief Officer for Legal, HR, and the Monitoring Officer) (2020/2021 AGS);
- Wider training and support for Managers to enhance contract monitoring (2020/2021 AGS);
- Review and update of the Council's Constitution, to take into account the Senior Management restructure and to ensure that it is fit for purpose (2019/2020 AGS); and
- Implementation of the recommendations from the Ethics review (2019/2020 AGS).

The ongoing actions from the 2020/2021 and 2019/2020 Annual Governance Statements are included at the Action Plan at pages 25-27 of this statement.

The aim is to address these weaknesses during the 2022/2023 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.

2021/2022 Annual Governance Statement Action Plan

Issue No.	Issue identified	Comments / Summary of Action Proposed
<p>1 (21/22)</p>	<p>Contracts Register and Contract Monitoring</p> <p>Service areas have highlighted weaknesses in monitoring, management and documentation of contracts.</p> <p>There are 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>This is consistent with the findings of external and internal audit work in 2021/2022. Room for improvement in contract monitoring and management was also highlighted in the 2020/2021 AGS action plan (see next action).</p>	<p>In Progress</p> <p>The Strategic Commissioning and Procurement (SCP) team are working 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.</p> <p>Additionally 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 or not for the expenditure. This allows the potential of identification of where savings may be possible.</p> <p>A bespoke training session on contract management was developed by the SCP team and was presented to senior managers at the Bedford Leaders meeting in October, from there a training module on contract management/ monitoring will be placed on BBOLT to ensure staff who are responsible for managing contracted spend have access to training.</p> <p>A review of Strategic Commissioning and Procurement arrangements has been included in the Internal Audit Plan for 2022/2023 and this will include a review of the management of contract documentation and how expenditure is managed and reviewed against contracts. This audit work is currently in progress.</p> <p>Responsible Officer: Management Team and the Chief Officer for Commercial Services & Business Transformation</p> <p>Target date: 31 March 2023</p>

2021/2022 Annual Governance Statement Action Plan *continued*

Issue No.	Issue identified	Comments / Summary of Action Proposed
1 (21/22) cont. c/f 20/21	Contracts Register and Contract Monitoring cont. The Chief Finance Officer and the Enabling (Property Services) team has identified that there is a need to enhance contract monitoring in line with Contract Procedure Rules. (Issue carried forward from 2020/2021 AGS)	<p>Complete</p> <p>The In-tend e-procurement system training is ongoing. Specific contract management training courses have been identified and are being implemented (see above).</p> <p>A suite of standard contracts and guidance is available on the SCP intranet resource page. Additionally work has now been completed on new procedures linking Agresso purchase orders with an In-Tend contract reference number to aid in-contract monitoring and spend management with third parties. The requirement to enter this contract reference number on purchase orders raised has been communicated in new procedures and will be monitored on a spot-check basis.</p> <p>The Council has also recently entered into a new contract with DocuSign for 3 years to support the drive towards better contract management in the Council through enabling e-signing and easier access to contract documentation.</p> <p>Responsible Officer: Management Team and the Chief Officer for Commercial Services & Business Transformation</p> <p>Target date: 31 December 2022</p>

2021/2022 Annual Governance Statement Action Plan *continued*

Issue No.	Issue identified	Comments / Summary of Action Proposed
2 (21/22)	<p>Recruitment</p> <p>Partly compounded by the Covid-19 pandemic and a wider issue in the public sector, a shortage of suitably skilled and qualified staff meant recruitment was a challenge for much of the year, particularly in adults' social care, transport, the planning service and HR. This is anticipated to continue in 2022/2023.</p>	<p>In Progress</p> <p>Recruitment continues to be difficult across most professions and sectors. Personnel services have been carrying out work to prioritise and address immediate recruitment challenges, which include the following:</p> <ul style="list-style-type: none"> • Introduced career grades for planning officers. Discussions are underway with Legal services to introduce something similar for Solicitors, as part of the 'grow our own' initiative; • Pay Benchmarking reviews have been undertaken and Market Rate Supplement payments introduced where necessary to help attract and recruit; • Development of a recruitment event day for certain job roles to simplify the application process and fast track recruitment, by interviewing on the day and taking up compliance checks; • Working with authorities in the region through the HR QSW Group to develop a regional recruitment site for Social Workers; • Creation of employee marketing videos; • Using agencies via the corporate agency contract for hard to fill permanent roles; • Reconfiguring the recruitment system to enable adverts to be shared via social media i.e. Twitter and LinkedIn; and • Greater usage of Instagram for advertising jobs. <p>In addition, as part of the Establishment Project with the Project Management Office, work will take place to develop a recruitment and retention strategy. This will be a 12-month project. There is a need to look to mobilise resource which will go through the Star Chamber process.</p> <p>Responsible Officer: Manager for HR Strategy & Workforce Development and Manager for HR Transactions & Traded Services</p> <p>Target date: 12 month project with date TBC</p>

2021/2022 Annual Governance Statement Action Plan *continued*

Issue No.	Issue identified	Comments / Summary of Action Proposed
2 (21/22) cont.	Recruitment cont. The external review of the Council's planning service, by the Planning Advisory Service, also acknowledged recruitment difficulties.	Complete An update report was taken to Executive on 23 September 2022, detailing the Planning service's response to the PAS recommendations. This detailed a number of planned actions in relation to recruitment including a marketing campaign. Temporary staff have been appointed to the vacant posts within the Development Management Team, and permanent recruitment is ongoing. The Council has provided additional resources in 2022/2023 to fund seven new posts and re-grade three others. Responsible Officer: Chief Officer for Planning, Infrastructure & EG Target date: 31 December 2022
3 (21/22)	Capacity Some areas have identified a lack of capacity, particularly at managerial level. Delivery of Transformation and the Operating Model has reduced managerial and team leader posts, and transferred some activities from central support services such as HR and Finance. Capacity and resilience across all service areas now needs to be reviewed.	In Progress Work is ongoing through the Operating Model workstream to review process, capability and spans of control to support efficiencies and capacity pressures. Management Team continue to keep this area under review. Responsible Officer: Management Team Target date: 31 March 2023
4 (21/22)	Complaints The Council has seen an increase in the number of complaints and the complexity of issues it is responding to, again partly due to the pandemic and ongoing recruitment and capacity issues. It is likely that there will be an increase in decisions upheld by the Ombudsman for the year 2021/2022.	In Progress A refresh of complaint policies, procedures and guidance is underway and on course for completion by 31 March 2023. The Complaints Service Manager attended management team on 6 October 2022 to advise on best practice for complaint response and resolution. Follow up meetings with the wider staff group are being arranged post presentation at Management team. All complaints are reviewed quarterly by management team. Responsible Officer: Director of Corporate Services Target date: 31 March 2023

2021/2022 Annual Governance Statement Action Plan *continued*

Issue No.	Issue identified	Comments / Summary of Action Proposed
5 (21/22)	<p>Audit Committee - CIPFA Position Statement</p> <p>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.</p> <p>The Audit Committee should carry out a self-assessment of its effectiveness.</p>	<p>Complete</p> <p>The Audit Committee carried out a self-assessment of its effectiveness at a training session with External and Internal Audit on 21 September 2022. The action plan from this self-assessment is on the agenda for Audit Committee on 5 December 2022.</p> <p>Responsible Officer: Audit Committee Target date: 31 December 2022</p>

Ongoing Actions from the 2020/2021 Annual Governance Statement Action Plan

Issue No.	Issue identified	Comments / Summary of Action Proposed
2 (20/21)	<p>Senior Management Restructure</p> <p>Following the approval of the new Senior Management structure at Full Council in March 2021, work is still ongoing to implement the structure, however most changes were implemented with effect from 1 July 2021. It is imperative that the new role of Chief Officer for Legal, HR, and the Monitoring Officer, which is a statutory requirement, and a key role for implementing and monitoring good governance controls, is recruited to without delay.</p>	<p>Complete</p> <p>The post of Chief Officer, Legal, Performance and Democracy was advertised w/c 29 August 2022. Interim arrangements are in place, with the Legal Services Team Leader acting as Interim Monitoring Officer and two other managers taking on additional responsibilities. They are currently reporting to the Chief Executive. Confirmation of the new Chief Officer for Legal, Performance and Democracy was made at Full Council on 12 October 2022 and it is anticipated that the new CO will start in the New Year.</p> <p>Responsible Officer: Management Team Target date: 30 November 2022 (Interim Arrangements in place)</p>

Ongoing Actions from the 2019/2020 Annual Governance Statement Action Plan

Issue No.	Issue identified	Comments / Summary of Action Proposed
2 (19/20)	<p>Council Constitution Review</p> <p>The Council's Constitution is currently being reviewed and updated, to take into account management restructures and to ensure that it is fit for purpose.</p>	<p>In Progress</p> <p>The Covid situation has led to a delay in the review of the Constitution due to lack of time and resources. The Constitution review has commenced. There have been reports to the Council's General Purposes Committee on 14 June and 1 November 2022, and the latest Constitution Review Working Group meeting was held on 4 October 2022. Further meetings are scheduled on 22 November and 7 December and an Interim report will go to General Purposes Committee on 10 January 2023. We will have completed a review of the Constitution by the end of the Municipal Year.</p> <p>Responsible Officer: Chief Officer for Legal and Democratic Services (Monitoring Officer)</p> <p>Revised Target date: 31 March 2023</p>
3 (19/20)	<p>Ethics Review</p> <p>An Ethics review was undertaken by BDO LLP and a number of recommendations were made including:</p> <ul style="list-style-type: none"> • Reviewing codes of conduct and the protocol between Members and Officers to improve officer/member relationships; • Formally defining organisational values and communicating these to all employees; 	<p>In Progress</p> <p>An amended Code of Conduct was approved by the Standards Committee on 14 June 2021, to include best practice in relation to bullying and harassment as set out in the LGA model code. The review of the Constitution, due to be completed by March 2023 if the General Purposes Committee and the Council approve of the proposed amendments, will include an update of how the Monitoring Officer will deal with allegations of a breach of the Code of Conduct.</p> <p>A Corporate Values Consultation was launched in June 2022. Staff were asked to vote for six values they felt are important to them while at work, from a shortlist of ten, which was drawn up from conversations with the Council's Change Champions and Bedford Leaders staff groups. This is helping to build a corporate culture that reflects and represents the workforce and the values that are important to them. The results of the vote were discussed at Bedford leaders in October 2022 with a focus on how to embed these values. This will be further communicated to staff shortly.</p>

Ongoing Actions from the 2019/2020 Annual Governance Statement Action Plan *continued*

Issue No.	Issue identified	Comments / Summary of Action Proposed
3 (19/20) cont.	Ethics Review cont. <ul style="list-style-type: none"> • Undertaking training on key ethical areas; and • Introducing a staff survey in 2020 as a means of gauging staff attitudes to key ethical and cultural matters 	<p>The induction training for new members in 2019 covered the Code of Conduct and Ethics for Members; however the Code of Conduct has now been amended (see above) to include best practice in relation to bullying and harassment. The induction programme will be updated for new members who join the Council following the elections in May 2023.</p> <p>The staff Covid-19 survey was carried out in July 2020 and the results were reported to the General Purposes Committee on 27 October 2020. A full staff survey has been carried out and was considered at General Purposes Committee on 14 September 2021.</p> <p>Responsible Officer: Chief Executive Revised Target date: 31 January 2023</p>

Notes

Notes

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.

Për Informacion

معلومات کے لئی

برای اطلاع

للمعلومات

Za Informacije

ਜਾਣਕਾਰੀ ਲਈ

Per Informazione

Informacja

তথ্যের জন্য



01234 267422



Bedford Borough Council
Borough Hall
Cauldwell Street
Bedford MK42 9AP



laura.church@bedford.gov.uk



www.bedford.gov.uk