

Stratford-on-Avon District Council Annual Governance Statement 2023/24

1. Scope of Responsibility

Stratford-on-Avon District Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it is used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council must put in place proper arrangements for the governance of its affairs and facilitate the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has prepared this Annual Governance Statement (AGS) in accordance with the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, [2016 edition]. In doing so, the Council has had regard for seven key principles of good governance:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

A formal review in relation to the Council's compliance against the CIPFA/SOLACE framework was reported to the Audit & Standards Committee on 23 November 2020. That review concluded that the Council had achieved significant progress and it was awarded a "substantial" opinion.

2. COVID-19

Following the initial emergency responses in 2020/21 to the COVID-19 pandemic, support for businesses and residents continued in subsequent years with the work undertaken in 2023/24 focusing on winding up these schemes and the auditing and reconciliation of payments.

3. Joint Working with Warwick District Council and other councils

The authority continues to work collaboratively on several projects with Warwick including spatial planning, refuse collection together with a number of shared arrangements, including Business Rates and Legal Services. Wychavon continue to undertake the recovery of excess charge notices for off-street parking and the County undertakes the internal audit function and provides payroll services.

Stratford-on-Avon District Council Annual Governance Statement 2023/24

4. Ukraine Conflict

February 2022 saw the start of the war in the Ukraine with Russia. There have been global, financial and humanitarian consequences that have led to additional support being requested from councils in regard to Homes for Ukraine Scheme. The continuing war heightens the risk of financial uncertainty globally and directly for the Council in terms of inflation, investment returns, and increased demand for housing support.

5. Local election and change in administration

Following the elections in May 2023 there was a change to the political leadership of the authority. This necessitated a full review of the Council Plan and the objectives of the council over the next four years. This will be reflected in the Service Plans of the authority and shape the delivery of services into the future.

6. Appointment of a new Monitoring Officer

During 2023/24 two members of the Management Team retired, one of which was the Monitoring Officer which is a statutory appointment under section 5 of the Local Government and Housing Act 1989. Interim arrangements ensured cover for this role until the successor took up their position in August 2023.

7. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable but not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks arising and their impact should they be realised and, in that case, to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2024.

8. The Governance Framework

Identifying and communicating the Council's vision of its purpose and intended outcomes for residents and service users

The Council Plan was revised during 2023 and recommended for approval by The Cabinet on 4 December 2023, and formally approved by Council on 11 December 2023. The following Council Plan 2023-2027 vision was approved;

We are an ambitious, fair, inclusive, and responsible organisation which will put our communities at the heart of everything we do.

The Council will be recognised as a leader for supporting the health and wellbeing of our residents, protecting our environment, delivering sustainability, and innovation.

By proactively working with our partners the Council will strive to deliver cohesive communities that are well built, in the right place and served by appropriate infrastructure.

The Council will support existing business to thrive and seek to attract new businesses to create valued jobs and opportunities.

Stratford-on-Avon District Council Annual Governance Statement 2023/24

The plan sets out aims and objectives within six key areas together with nineteen objectives. The key areas are;

Residents and Communities - We will act in the best interest of our communities throughout our District understanding their needs to make responsible decisions.

Delivery of Service - We will use your money responsibly in delivering the best services possible.

Climate Change - The time to act is now, we will lead the fight against climate change.

Health and Wellbeing - Health and wellbeing will be at the heart of the decisions we make.

Housing - We will strive to deliver affordable well built and maintained homes.

Local Economy - We will create a larger, stronger, greener and more inclusive economy.

Reviewing the Council's vision and its implications for the Council's governance arrangements

The Council adopted a corporate governance code based on the CIPFA/SOLACE model in 2012. This was reviewed against the 2016 edition and improvements implemented. The Code itself is a commitment to high standards of corporate governance and acknowledges the relationship between the vision and the Corporate Strategy.

Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring they represent the best use of resources

The new Council Plan was approved by Council on the 11 December 2023 and following that the specific actions required to implement the Council Plan have been proposed and these will be reviewed on an annual basis over the duration of the plan. The Council Plan Actions will be incorporated into individual Service Plans across the authority alongside the Key Performance Indicators (KPI's) that are part of the Council's Performance Management Framework that was approved at The Cabinet on 4 March 2024.

The Council has a Medium-Term Financial Strategy (MTFS) which is reviewed annually. This Strategy was approved in February 2023 and ensured that the required resources were identified and incorporated to produce a budget that was achievable and sustainable. This was reviewed throughout 2023/24, alongside with the budget process, to produce the 2024/25 budget and associated MTFS through to March 2029. This allowed for the development of the new Council Plan and ensured it was financed to meet its objectives.

The Service Plans are the basis from which service budgets are built. The management of these budgets is delegated to the relevant member of the Management Team with revenue monitoring being undertaken by The Cabinet.

Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

The roles and responsibilities of the executive, non-executive, scrutiny and officer functions, along with the delegations from The Cabinet and the Council, are set out in the Council's Constitution and Leader's Statement. The Council has 41 Councillors who were elected on 4 May 2023 to serve for four years.

Under the current arrangements, there are member role profiles and an officer/member protocol that sets out the respective responsibilities and relationships of officers and members. The Constitution is kept under regular review with oversight from the Audit and Standards Committee. The document is reviewed fully every 4 years.

Stratford-on-Avon District Council Annual Governance Statement 2023/24

The Council's Constitution is under on-going review by the Council's Monitoring Officer who is delegated to make some minor or statutory amendments to the constitution but also seeks approval from Council via the agreed democratic process for any necessary or more fundamental changes in order to keep the document up to date and fit for purpose.

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

The Council has set out a code of conduct in the Constitution for members and officers together with a member/officer protocol that sets out the expected behaviours and responsibilities of both.

The Monitoring Officer is also responsible for maintaining the Member and Officer Register of Interests on behalf of the Council.

All members and officers are aware that the Monitoring Officer will provide advice as and when required.

In April 2021 the Council formally adopted the Local Government Association Model Councillor Code of Conduct and regular reports are prepared for Audit and Standards on member Code of Conduct matters as well as other key areas required by the committee and general good governance.

Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are to be taken and the processes and controls required to manage risks

The Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure transparency of decision making. The Constitution is kept under regular review, with oversight from the Audit and Standards Committee. The financial regulations have not been amended as part of the current review of the Constitution.

A risk management framework has been established, which has been supplemented by advice from Warwickshire County Council. The provision of such advice is now built into the service level agreement for audit services. Operational risks form part of the individual service plans and high-level risks are identified in the corporate strategic risk register. This is periodically reviewed by the Management Team.

Ensuring the Council's financial arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

The nominated Section 151 Officer, the Head of Resources has responsibility for ensuring there are arrangements in place for the proper administration of financial affairs. The Council meets the five principles laid out in the CIPFA statement on the Role of the Chief Finance Officer, with the exception of responsibility for Asset Management.

Undertaking the core functions of an audit committee as defined in CIPFA's Audit Committees – Practical Guidance for Local Authorities

As referred to above, the Council's Audit and Standards Committee operates to agreed terms of reference which define its functions and responsibilities. These are published in the Constitution.

The Audit and Standards Committee's terms of reference in relation to governance matters are consistent with the arrangements outlined in the CIPFA guidance.

Stratford-on-Avon District Council Annual Governance Statement 2023/24

Ensuring compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful

The Monitoring Officer and the s151 Officer play key compliance roles. The report author identifies the legal and financial implications and these may be checked by a member of the legal or the finance team. Those with the most significant implications are checked by both the Monitoring Officer and the s151 Officer.

The Council has improved its resilience through its internal audit function that is provided by Warwickshire County Council. A programme of risk-based audits is carried out by the Risk and Assurance Service. A summary of work and the detail of unsatisfactory audits are reported to the Audit and Standards Committee.

Whistleblowing and receiving and investigating complaints from the public

The Council has a whistleblowing code that has been benchmarked against the best practice recommended by Public Concern at Work. This is publicised throughout Elizabeth House. A confidential register of complaints received and their outcome is held by the Monitoring Officer who provides a regular update to the Audit and Standards Committee.

Complaints from members of the public are addressed according to the corporate complaints procedure which was reviewed, updated and publicised in March 2024 following internal audit suggestions for best practice in 2023.

Any complaints escalated to and determined by the Local Government and Social Care Ombudsman are published on its website.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

Although no longer in existence, the Council performs to the standards of the West Midlands Local Government Association Member Charter as a reflection of the high quality of training. Each member undergoes an induction programme and there is a programme of training structured to meet members' needs in their different roles.

Following the elections in May 2023 there was a significant change to the number of members that had not previously undertaken a member role. As a result, there was a need for member training that covered all areas of council business, including democracy, finance, planning, enforcement and legal. This training has continued and a formal training programme is being established to ensure members have the opportunity to develop their knowledge and skills needed to perform well in their role. Also the Member Development Working Group (MDWG), consisting of nominated members and officers, meets regularly to review training and development requirements for members.

For 2023/24 the Chief Executive received an appraisal from a member panel. All the Heads of Service received appraisals from the Deputy Chief Executive which set out their agreed development needs for the forthcoming year. Key training needs are set out in the Corporate Training Plan.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council has mapped its stakeholders and forms of consultation through the Community Engagement Strategy. The Council also conducts specific consultation programmes to ascertain the views of samples of residents and from the local business sector. Targeted consultation programmes are conducted on selected matters such as tourism.

The Council also has a Forward Plan which complies with the legal requirements and allows interested parties to express their views on Key Decisions.

Stratford-on-Avon District Council Annual Governance Statement 2023/24

Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the Council's overall governance arrangements

Any partnership that involves a financial commitment or a formal decision making arrangement is reviewed by the Council's legal and financial officers. Any proposal to delegate decision making is reported to the Leader of the Council (in their report to Annual Council) or to The Cabinet..

9. Review of Effectiveness

The Council has responsibility for conducting a review of the governance framework at least annually, including the system of internal control. The review of effectiveness is informed by the work of the members of the Management Team who have responsibility for the development and maintenance of the governance environment, internal audit reports and reports from the external auditor and other review agencies and inspectorates.

The review of effectiveness has been co-ordinated by the members of the Management Team who assessed the following:

- (i) The approach of the Council to establishing its principal statutory obligations and organisational objectives;
- (ii) The approach of the Council to identifying principal risks to the achievement of those obligations and objectives;
- (iii) The key control frameworks that the Council has in place to manage its principal risks;
- (iv) The results of external and internal audits and inspections;
- (v) Identified areas of weakness stemming from the above analysis.

In carrying out its review, the Management Team considered the following:

- (1) Internal Audit reports for 2023/24 with a 'limited' opinion;
- (2) Strategic Risk Register;
- (3) Council Plan Priorities;
- (4) Major Change Initiatives.

10. Analysis

At its meeting in July 2023, the Audit and Standards Committee considered the Annual Governance Statement for 2022/23. This identified areas for improvement with regard to governance matters which needed to be addressed during the following year. As part of producing the 2022/23 Governance Statement, these areas of improvement have been reassessed. Where addressed, these areas can be removed from the Annual Governance Statement. Any issues which are still valid are carried forward and included within the draft Statement for 2023/24.

a) Issues identified in the 2022/23 Annual Governance Statement

The 2022/23 Annual Governance statement identified the following new issues to be addressed:

- Procurement, following limited assurance audits;
- The retirement of two members of the Management Team, one a statutory officer;
- Preparations for all out elections May 2023;
- Reassessment of the Council Plan.

Stratford-on-Avon District Council Annual Governance Statement 2023/24

b) Financing of Local Government

The Comprehensive Spending Review of Government spending has again been delayed. As a consequence, local government has had one year Finance Settlements for 2019/20, 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25. With one year settlements, there continues to be much uncertainty over future funding. This makes it very difficult to plan for the Council's finances especially now that inflation increased over a relatively short time and remained higher than anticipated for longer. The Council's Medium Term Financial Strategy is based on prudent assumptions.

Response to Internal Audit Reports

During 2023/24 there were no "Limited" assurance internal audit reports issued. However, two remained the focus of work that were highlighted in previous years which included Procurement and Business Continuity.

- Procurement was addressed during 2023/24 with solutions to the three main areas of procurement concern. This included temporary accommodation, the appointment of temporary staff, and construction and property related expenditure. This, together with additional resources agreed as part of the 2024/25 budget, saw an Audit assurance opinion of Moderate in February 2024.
- Business Continuity has continued to be worked on and there have been extensive reviews of Business Continuity Plans and Emergency planning. This was finally concluded in early 2023/24 with a substantial audit assurance opinion.

c) Litigation

There were no new significant litigation issues affecting the Council during 2023/24.

**Stratford-on-Avon District Council
Annual Governance Statement 2023/24**

11. 2023/24 Governance Issues

Issues to Address	Plans and Progress	Responsible
(i) Management of the authority		Chief Executive/ Deputy Chief Executive
Successful recruitment following the retirement of two heads of service, one being the statutory post of Monitoring Officer.	The positions created by the retiring Heads of Service have been successful recruited to. Temporary arrangements were put in place to cover the notice period before the Monitoring Officer took up the position in August 2023. A management development programme was used to create an effective Management Team.	
(ii) All out elections May 2023		Chief Executive/ Management Team
Following the Local Government Boundary Commission for England's review, elections were held in May 2023 on 39 electoral wards to appoint 41 members	The Council put in place a temporary but robust staffing structure and recruited to the Democratic Services Manager's position. The project plan implemented successfully delivered the all-out district and parish elections. This plan would be tested again with the Police and Crime Commissioner election in May 2024, and the General Election in July 2024.	
(iii) Change in the authorities Administration following the elections.		Monitoring Officer
Following a significant change in the number of Councillors following the election, it was evident that there would be a need for significant member training.	An extensive training programme was implemented and this has continued to become a formal regular Member Training and Development programme to ensure members have the opportunity to develop their knowledge and skills needed to perform well in their role.	

**Stratford-on-Avon District Council
Annual Governance Statement 2023/24**

Issues to Address	Plans and Progress	Responsible
(iv) Review of the Council Plan following the all out Elections		Chief Executive
The new Council Plan following the all-out elections and change in administration.	The new administration revised the Council Plan for the period 2023 to 2027. This was approved by The Cabinet and Council in December 2023. The development of the specific actions to implement the Council Plan were agreed along with the funding of £2.2m for the Council Plan and Change Programme.	

12. Conclusion

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

Signed.....

Councillor Susan Juned, Leader of the Council

Signed.....

David Buckland, Chief Executive