

Annual Governance Statement for the Financial Year 2023/24

Scope: Welwyn Hatfield conducts a review of its system of internal control, and prepares and publishes an Annual Governance Statement (AGS) in each financial year.

Effective Date:

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Policy Owned by: Executive Director, Finance and Transformation

Statute:

- i) Local Government Act 1972;*
- ii) Local Government Act 1999*
- iii) Localist Act 2011*
- iv) Local Audit and Accountability Act 2014*
- v) Accounts and Audit Regulations 2015*

Related Policies & documents

[Welwyn Hatfield Constitution](#)
[Local Code of Governance – Welwyn Hatfield Borough Council](#)

1 Scope

- 1.1 Welwyn Hatfield Borough Council (The Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 The Council is responsible for ensuring arrangements are in place for the good governance of its affairs and facilitating the effective exercise of its functions including risk management.
- 1.3 The Council has adopted a Local Code of Governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016.
- 1.4 This statement explains how the Council has complied with the Code and also how it meets the requirements of Regulation 6 of the Accounts and Audit (England) Regulations 2015 in relation to the review of the Council's internal control system and publication of a statement on internal control.

2 The Purpose of the Governance Framework

- 2.1 The governance framework, which has been in place for the financial year 2023/24, is made up of procedures and values which the Council is directed by, and how it engages with the community.
- 2.2 The governance framework is designed to reflect the principles set out in the Council's adopted [Local Code of Governance](#). The principles are shown below in **diagram 1**:

Diagram 1



3 The Council's Governance Arrangements

3.1 The Council operates a Leader and Cabinet style of political management. For the 2023/24 municipal year, the Cabinet was made up of six Executive Members from the joint administration and the Leader of the Council. Each Executive Member of the Cabinet looks after a portfolio of services, working closely with the respective directors and heads of service.

3.2 The Cabinet for 2023/24 financial year is shown in the below table:

Position	Councillor	Areas of responsibility
Leader of the Council	Councillor Paul Zukowskyj	<ul style="list-style-type: none"> • Climate Change • Performance Management • Business Excellence • Safeguarding • Transformation
Deputy Leader of the Council, Executive Member Housing	Councillor Lynn Chesterman OBE	<ul style="list-style-type: none"> • Planned Maintenance (Housing) • Repairs • Housing Options • Housing Development • Housing Allocations • Independent Living • Income and Home Ownership • Quality Assurance • Building Services • Compliance
Executive Member Environment	Councillor Sandreni Bonfante	<ul style="list-style-type: none"> • Environment Services • Landscape and Ecology • Environmental Health • Parking and Playground • Neighbourhood and Enforcement • Street Wardens • Community Safety Partnership • Community Partnerships (excl. community safety, sports partnership) • Private Sector Housing • CCTV
Executive Member Governance	Councillor James Broach	<ul style="list-style-type: none"> • Elections • ICT Services • Governance Services • Digital • HR • Equality and Diversity • Member Development • Hackney Carriages • Licensing • Legal Services • Risk Management

Executive Member Community	Councillor Max Holloway	<ul style="list-style-type: none"> • Community Grant • GLL, (Youth and sports Partnership) • Campus West • The Hive • Mill Green Museum and Roman Baths • Customer and Cemeteries • Comms • Marketing and Website • Community Outreach
Executive Member Resources	Councillor Duncan Jones	<ul style="list-style-type: none"> • Business Centres • Internal Audit and Fraud • Finance • Revs and Bens • Estates • Economic Development • Procurement
Executive Member Planning	Councillor Jane Quinton	<ul style="list-style-type: none"> • Planning Policy • Estates Management Scheme • Development Management • GIS • Regeneration • Building Control • Resilience (Emergency Planning)

3.3 The [Constitution](#) sets out how the Council functions, how decisions are made and the procedures that are followed to ensure these are efficient, transparent, and accountable to the local community.

3.4 The Council's Committee structure is set out in **diagram 2**.

3.5 The Cabinet is supported by the Chief Executive and Executive Directors. The Council's Management Structure is set out below in **diagram 3**.

3.6 Cabinet members can take decisions using Executive Member Decision Notices (EMDN) which speed up the decision-making process where appropriate. EMDNs are published on the Council website and are subject to call-in.

3.7 The Senior Leadership Team is led by the Chief Executive (Head of Paid Service), supported by Directors, the Monitoring Officer and the Human Resources & Organisational Development Manager.

3.8 Key performance indicators (KPI) are published on the Member Hub, and updates on progress and performance are provided to Cabinet Panels and the Overview and Scrutiny Committee as appropriate.

Diagram 2

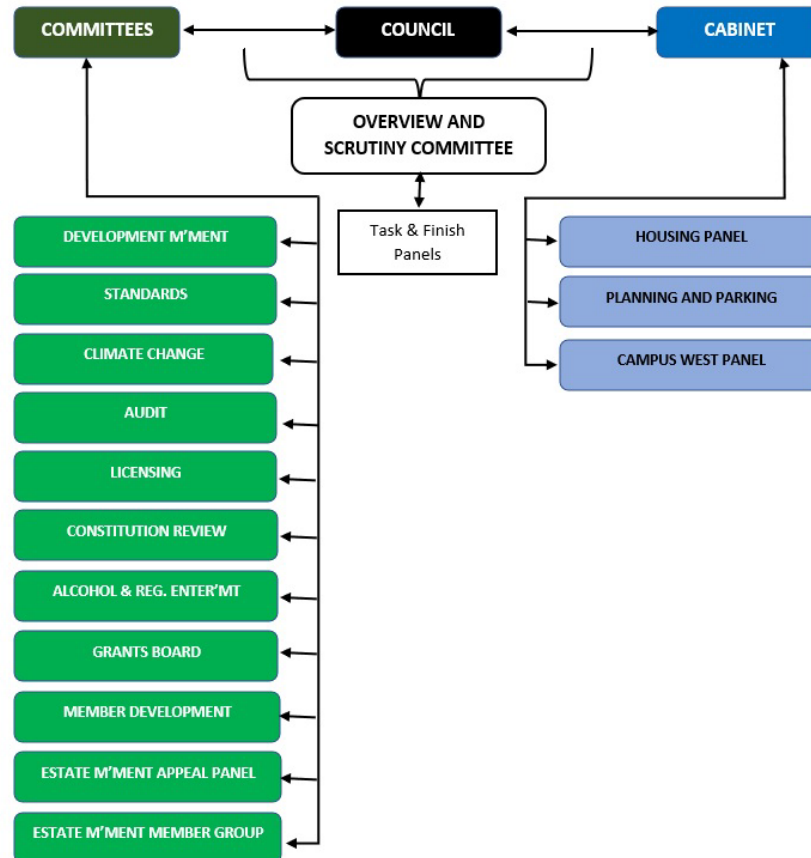
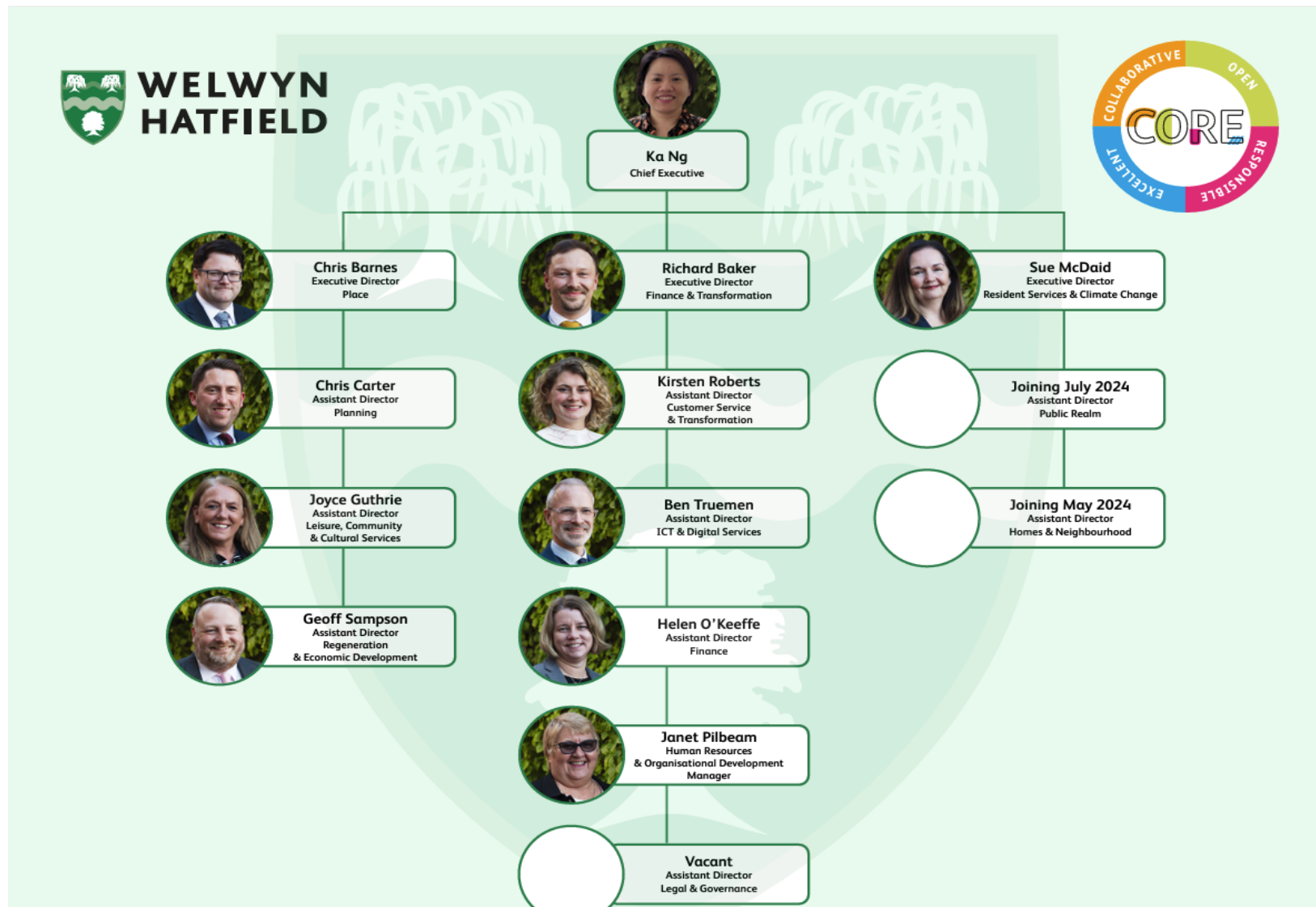


Diagram 3



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- 3.9 Internal governance arrangements are monitored by the Corporate Governance Group. The Corporate Governance Group is chaired by the Chief Executive and its membership includes the Monitoring Officer, the Deputy Monitoring Officer, the Section 151 Officer, the Deputy Section 151 Officer, Directors, Human Resources and Organisational Development Manager, the Chair of the Operational Health and Safety Board, Shared Internal Audit Service, Shared Anti-fraud Service and representatives from Governance. Key internal corporate groups are included in the Group.
- 3.10 The Constitution Review Group considers the effectiveness of the Council arrangements set out in the constitution. The Constitution Review Group is chaired by the Leader of the Council and made up of councillors from all political groups. Some minor changes may be made by the Monitoring Officer using their delegated powers; or if the changes are more substantial, then changes will be taken to Full Council for approval.
- 3.11 The Forward Plan is published monthly to provide residents and members with notice of key decisions due to be taken.
- 3.12 Risk reports are reviewed periodically by the Audit Committee.

4 Review of Effectiveness

- 4.1 The Council is required to prepare an AGS to report publicly on the extent to which it complies with the principles of good governance. The following paragraphs set out the Council's assessment of the key elements of the governance framework for 2023/24 using the CIPFA/SoLACE Delivering Good Governance framework to guide this review.

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

- 4.2 The Council's political and managerial leadership take the lead in a culture that encourages openness, support and respect.
- 4.3 The [Constitution](#) sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to the local community. The Constitution is available on the Council's website.
- 4.4 The Constitution sets out how decisions are to be lawfully made.. The Constitution contains the following key sections:
- Part 3 – Responsibilities for Functions
 - Part 4 – Rules of Procedures

These documents set the framework for the conduct of the business of the Council, including delegated powers, financial regulations, and contract procedure rules.

- 4.5 In relation to behaviour, the Constitution sets out the following key elements:

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- [The Code of Conduct for Members](#)
 - [The Local Code of Guidance for Members and officers involved in planning matters](#)
 - [The Officers Code of Conduct](#)
 - [The Protocol on Member/Officer Relations](#)

- 4.6 The Council adopted the Local Government Association Model Councillor Code of Conduct (the Model Code), which was published in December 2020. All elected Members undertake that they will observe the Code of Conduct and receive training on it.
- 4.7 The Standards Committee is responsible for promoting and maintaining high standards of conduct by Members and Co-Opted Members and for advising and assisting Town and Parish Councils and their Councillors to maintain high standards of conduct within those councils. The Committee hears and determines complaints about Members and Co-Opted Members referred to it by the Monitoring Officer. The Monitoring Officer carries overall responsibility for legal compliance with the Code. Breaches of these rules are dealt with under the Arrangements for dealing with complaints about the Code of Conduct for Councillors.
- 4.8 The Standards Committee is also responsible for arranging training for Members and Co-Opted Members on matters relating to the Members' Code of Conduct.
- 4.9 Members are required to register their interests in accordance with the Localism Act 2011 and to register any changes to their interests within 28 days. In the circumstances set out within the Act and the Members Code of Conduct, Members are required to declare their interests at meetings.
- 4.10 The Employee Code of Conduct sets out the requirements of staff to abide by. Each employee is required to comply with the Employee Code of Conduct with further guidance available from senior managers. Breaches of these rules are dealt with under the Council's disciplinary procedures.
- 4.11 The [Whistleblowing Policy](#) contains an external and internal whistleblowing number and email address. The policy covers any malpractice or wrongdoing by any employee, contractor, supplier, consultant or partner of the Council in their work for the Council. The council also maintains an [Anti-Fraud & Corruption Policy](#) as well as an [Anti-Bribery Policy](#) and [Anti-Money Laundering Policy](#). These policies are regularly reviewed, and approved by committees where necessary.

Supporting principle B: Ensuring openness and comprehensive stakeholder engagement.

- 4.12 The Council welcomes public participation in meetings as set out in the Council's Procedure Rules. In 2023, Council agreed a change to the Council's constitution to allow members of the public to submit questions to Committee meetings four working days ahead of the meeting instead of five
- 4.13 A schedule of council meetings is available on the Council's website.
- 4.14 Information requests received by the Council are processed by the Freedom of Information (FOI) Team. In 2023, 877 information requests were processed by the team; the average

response time to requests was 11 days and 96% of all requests were responded to within 20 working days.

- 4.15 The Council complies with the UK General Data Protection Regulation and the Data Protection Act 2018 (DPA) requirements when handling residents, partners, and customers' data, and maintains procedures to ensure compliance. Regular training for staff is on the Council's Learning Management System. Policies and procedures have been produced to support council staff on securely managing the data they handle. Data Protection and Information Governance training for Members is provided.
- 4.16 The Council's approach to Data Protection is overseen by the [Data Protection](#) Officer. Data Protection information relating to performance indicators, statistics and activity is provided to and reviewed by the Corporate Governance Group.
- 4.17 Information management policy and procedures are in place and are reviewed regularly.
- 4.18 The Member Information Hub keeps all councillors informed on a wide range of issues so they can better serve their constituents. Recordings of member training sessions are uploaded to the Members Information Hub to allow members to review training material as required.
- 4.19 Residents can engage with the Council by email, telephone and digital platforms, including by the [have your say](#) webpage. Citizens can engage with their ward councillors at their monthly surgeries.
- 4.20 The Council launched a Transformation Strategy in December 2022. The Strategy focused on 5 key themes: Technology and Automation, Data and Performance, Culture and Workforce, Customer Experience and Channel Shift and Project Management and Service Improvement.
- 4.21 [Think Digital](#) sets out how the Council use modern and innovative digital methods to support service delivery, drive change and efficiency, and put customers at the heart.
- 4.22 Council meetings are accessible by webcasting, as well as in person, with meetings available to view on the council website for up to six months after the meeting has taken place.
- 4.23 An Annual Statement of Accounts is published to inform stakeholders and service users of the previous year's achievements and outcomes.
- 4.24 The Council commit to ensuring any weaknesses in Internal and External Audit Reports are addressed.

Supporting principle C: Defining outcomes in terms of sustainable, economic, social and environmental benefits.

- 4.25 The Council recognises the long-term impact of its decisions and adopts a medium-term corporate plan and an annual budget to support outcomes. Individual service areas develop their own service plans.
- 4.26 The Council will engage with other bodies on matters that may have a sustainable economic, social or environmental benefit to the borough such as Hertfordshire County Council, and East & North Hertfordshire Health Trust.

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- 4.27 The Council agreed a new [Corporate Plan](#) for 2021-2024 in March 2021, which helped outline the council's vision and Corporate Plan going forward.
- 4.28 The [Medium-Term Financial Strategy and Financial Governance Framework](#) set out the Council's financial forecasts, risks, challenges and strategies for the period 2023/24–2026/27. This is reviewed annually and supports the Council's overall direction and provides details of financial strategies to deliver objectives. It is a crucial component of the council's strategic planning framework.
- 4.29 In addition, the Council co-ordinate and chair the Local Strategic Partnership, known locally as the [Welwyn Hatfield Alliance](#).
- 4.30 In March 2021 the then Cabinet adopted a [Climate Change Strategy](#), which was developed by the Climate Change Sub-group. An [Action Plan](#) which details the actions that the council and its partners are taking to tackle climate change, and is regularly reviewed by the Sub-Group and the Council's climate change officers group. The Climate Change Sub-Group will be reviewed in 2024 as part of a wider Constitution review.
- 4.31 The Council has a clear, published Procurement and Commercial Improvement Strategy 2021-2025.

Supporting principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

- 4.32 Cabinet Members meet regularly with the Senior Leadership Team to discuss the strategic direction, plans and progress of the Council. Corporate targets are individually owned by the Council's services teams and are performance managed. These are monitored and exception reported through quarterly meetings of an internal performance clinic attended by senior Members and officers.
- 4.33 Performance clinics also include a summary of financial and budgetary performance data for both capital and revenue spending. They review complaints data for all services, local public relations and media activity involving the Council. Performance information, audit, risk and finance information is used to identify any areas of concern and plan required interventions.
- 4.34 Key Decisions are monitored on a regular basis and are open to scrutiny. The Council's [Forward Plan](#) provides the Overview and Scrutiny Committee (OSC) with proposed and recently made executive decisions for scrutiny. In June 2023, the OSC Members held a workshop and identified a number of areas for scrutiny as part of the Committee's work programme for the year. All Members are also able to view Executive Member Decision Notices and Officer Delegated Decisions are published online. These arrangements are flexible enough to enable Members to intervene by way of the call-in procedure or the calling of extraordinary meetings at any point in the year.
- 4.35 Performance management systems and individual appraisals set the objectives for the year for services and individual members of staff. The outcomes of these are regularly reviewed. The Council has a planned and agreed annual cycle of meetings. Members may intervene by calling in a decision.

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- 4.36 Both the Monitoring Officer and Section 151 Officer have statutory powers of intervention and are members of the Senior Leadership Team.

Supporting principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it.

- 4.37 The Head of Paid Service is responsible for the organisation of the Council's staff. The Council has a performance management system with each member of staff being set targets at the start of the year with regular appraisals on these.
- 4.38 Benchmarking exercises are undertaken comparing performance with other authorities. Reviews of structures are undertaken when required.
- 4.39 The Council considers collaborative working with other authorities and bodies to increase capacity and improve efficiency.
- 4.40 Induction training on a range of topics for new members is provided after their appointment to the council. Members have been able to utilise virtual training opportunities. This programme is overseen by the Member Development Steering Group.

Supporting principle F: Managing risks and performance through robust internal control and strong public financial management.

- 4.41 The Council has a Risk Management Policy and Strategy embedding risk management processes and procedures of the Council. Risk registers are maintained at both strategic and operational levels.
- 4.42 The Strategic and Operational Risk Registers are maintained on a corporate risk management system and are reviewed once every quarter to ensure that they reflect the risks facing the Council and ensure mitigation measures are in place. Strategic and operational risk information is taken to performance clinics, SLT and Audit Committee.
- 4.43 The Council has a robust budget setting process with the budget and medium term financial strategy agreed annually by the Council. A Budget Task and Finish Group is set up annually to scrutinise the budget proposals. Regular budget update reports are provided to the relevant committees. Treasury Management, Investment, and Capital Strategies are updated annually and approved by Full Council.
- 4.44 All Council expenditure is governed by [Financial Regulations](#) contained in the Constitution which set out the rules and procedures for managing budgets and assuring appropriate stewardship of funds.
- 4.45 The Council's External auditors are required to produce an Annual Audit letter which is presented to the Audit Committee which contains the audit of the Council's financial statements; and an assessment of the Council's arrangements to achieve value for money in its use of resources.

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- 4.46 The terms of reference for the [Audit Committee](#) can be found in the Constitution. To effectively discharge these responsibilities, the Committee may require any officer to attend meetings to receive explanations on any matter it is considering.
- 4.47 Internal audit services have been provided by the Hertfordshire [Shared Internal Audit Service](#) (SIAS). SIAS has undertaken a work programme approved by the Audit Committee and has compiled an annual report on the overall adequacy of the Council's internal control environment and highlights any issues which are judged to be relevant to the preparation of the Annual Governance Statement.
- 4.48 The Council has an [Anti-fraud and Anti-Corruption policy](#) in place that sets out its arrangements for dealing with fraud and corruption. The councils anti-fraud functions are undertaken by the [Shared Anti-fraud Service](#).

Supporting principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

- 4.49 The Council is committed to openness and publishes information [online](#) in accordance with the Local Government Transparency Code. The Freedom of Information Act 2000 also requires the council to adopt a Publication Scheme. Information is regularly published in line with the Council's publication schedule.
- 4.50 Committee reports are considered in open session (Part 1) with a minimal number of reports considered in closed session (Part 2), subject to the provisions of Schedule 12A Local Government Act 1972. The report template contains sections for relevant implications such as legal and financial and must contain explanations of the reason behind decisions. Decision making framework and access to information are included in the Constitution.
- 4.51 All Committee agendas and background papers are published using Modern.Gov five clear days prior to the meeting.
- 4.52 Minutes are published within 10 days.
- 4.53 Cabinet decisions are taken in public apart from those containing Part 2 information.
- 4.54 The Council's accounts are published in accordance with the Accounts and Audit Regulations 2015, along with the statutory public inspection notice.
- 4.55 Reports are regularly produced for managers and Members on the Council's performance in responding to certain requests, such as those made under FOIA/EIR.
- 4.56 The Corporate Governance Group meets regularly and monitors Council compliance with the Governance Framework, including areas for improvement, as part of the AGS process.
- 4.57 Members' Allowance details are published on the Council's website.
- 4.58 Recommendations for corrective action made by external and internal audit are acted upon by the Council. An annual work plan is agreed with the External and Internal Auditors to test the Council's response to major legislation and the soundness of its financial and governance processes.

5 Review and Assurance Mechanisms

Internal Audit - Annual Audit Coverage

- 5.1 The work of the SIAS assists the statutory officers in discharging their duties effectively, including providing updates on internal audits. An annual report is presented to the Audit Committee which includes an opinion on the overall adequacy, reliability, efficiency, compliancy and effectiveness of the Council's internal control environment, recommending improvements where necessary.

Internal Audit - 2023/24 Audit Report

- 5.2 The Client Audit Manager's Annual Internal Audit Report and Assurance Statement was reported to the Audit Committee in June 2023. The SIAS 2023-24 Internal Audit Plan Report has been presented to the Audit Committee.

The Council's External Auditors

- 5.3 External auditors provide an external review function through the audit of the annual accounts, assessment of value for money, and certification of grant claims. The Annual Audit and Inspection Letter is circulated to all Members and formally reported to the Audit Committee.

External reviews

- 5.4 The Local Government and Social Care Ombudsman resolve complaints in the public sector and provides annual statistic on performance. No public interest reports were published.

Financial Management and Code

- 5.5 Strong financial management is an essential part of ensuring public sector finances are sustainable, and CIPFA launched a Financial Management Code to support this.
- 5.6 The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

Management Assurance Statement

- 5.7 Each Executive/Service Director and all Assistant Directors are required to complete and submit a declaration of compliance, in the form of a Management Assurance Statement, at the end of each financial year to help inform the AGS.

6 Issues Identified in the previous years' progress

- 6.1 In the 2022/23 Annual Governance Statement the Council identified three actions on which to make progress. The paragraphs below provide an update on those actions, and other governance issues that have occurred in 2022/23.

Social Housing Regulation changes

- 6.2 There are a number of changes that were introduced through the Social Housing (Regulation) Act 2023 which have impacted on the council as a landlord of council housing, including the Housing Ombudsman's New Complaint Handling Code and requiring an individual to lead the oversight of consumer regulation and to drive the housing safety

agenda. Actions have already been undertaken, such as a working group being established to identify the requirements of the Act and produce a matrix/action plan, and are being undertaken to help address the issue, such as through a training programme for housing professionals. Policies are under review and changes have been drafted for the updates to the Complaints Handling Code released during the year. The first tenant satisfaction measures survey was completed during the year. We will be publishing progress against the implementation of the code and tenant feedback.

Damp and Mould in housing

- 6.3 Following the tragic death of Awaab Ishak in Rochdale, who died because of prolonged exposure to mould in his home, the Regulator of Social Housing and the Department for Levelling Up, Housing and Communities wrote to all social housing providers and private sector housing enforcement teams in November 2022. The purpose was to emphasise the importance of landlords and enforcers acting on damp and mould in social and privately rented properties, and to seek assurance as to the measures and approach being taken to address this important issue.
- 6.4 As a result of the increased awareness of the risks from exposure to damp and mould in housing, the council has seen an increase in the number of cases reported. Actions are currently being undertaken, such as reviewing the progress of all damp and mould cases regularly and any works needed during the void process ; or have already been undertaken, such as an investment programme created, developing an action plan and the establishment of Officer Task and Finish Groups; to help the council address this issue. The actions are managed by the council's OHSB and the progress is being monitored by the Cross-Party Housing Maintenance Member Board.
- 6.5 An internal audit of both the council's approach to damp and mould in its own properties, and the enforcement of damp and mould issues in the private housing sector was undertaken during the year, and recommendations from this have and are being implemented during 2024/25.

Operational Health and Safety Board (OHSB) (work programme monitoring, including Building Safety Act 2022 and the Fire Safety (England) Regulations 2022)

- 6.6 The Operational Health and Safety Board has continued to oversee health and safety across the organisation including the oversight of key performance indicators and monitoring progress against the action plans for the implementation of the building safety act and fire safety regulations. The Council contacted the Building Safety Regulator in year to register the required building by the statutory deadline.
- 6.7 A Health and Safety Action Plan was put in place for the year, which was also monitored by the OHSB, including the review of a number of Health and Safety Policies completed in year. There were no significant matters to report to the Corporate Governance Group. The council undertook all required actions.

7 Issues identified in the reporting year & Action Plan 2024/25

- 7.1 The Corporate Governance Group have considered the actions required to respond and action any key areas identified for action over the next 12 months. These are set out below:

Action	Lead Officer
Action plan on compliance with the Social Housing (Regulation) Act 2023, Consumer Standards	Sue McDaid
Housing Ombudsman’s Complaint Handling Code <ul style="list-style-type: none"> Update of the Complaints policy and self assessment 	Kirsten Roberts
Damp and Mould: <ul style="list-style-type: none"> Continued focus on raising awareness amongst residents and acting on cases reported to the Council Prepare for the outcome of the Government consultation on Awabb’s Law 	Sue McDaid
Financial Sustainability <ul style="list-style-type: none"> Focus on ensuring medium-term sustainability given the ongoing financial pressures and medium term funding forecast 	Richard Baker
Temporary Accommodation Costs <ul style="list-style-type: none"> Continue to take measures to try to limit unrecoverable costs where a homelessness duty is owed 	Chris Barnes

8 Monitoring

8.1 The Annual Governance Statement is produced annually.

9 Certification

9.1 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, the Standards Committee and the Governance Group and the plan to ensure continuous improvement of the system is in place.

9.2 We propose over the coming financial year to take steps to further enhance our governance arrangements. We will continue to monitor our governance arrangements until the time of the next annual review.

Signed

Ka Ng
Chief Executive

Councillor Max Holloway
Leader of the Council