

ANNUAL GOVERNANCE STATEMENT 2023 / 2024

INTRODUCTION

Peterborough City Council (the Council) is committed to ensuring that:

- business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for, and
- resources are used economically, efficiently, effectively, and equitably to deliver agreed priorities and benefit local people

The Council needs to put effective governance arrangements in place to ensure it meets those commitments. The Council has developed a Code of Corporate Governance (the Code), which sets out the framework for ensuring the core principles of good governance are met by the Council.

Good governance is about ensuring that an organisation is effectively and properly run. It requires sound financial controls to be in place and for decisions to be taken, for the good of the people of Peterborough, in an inclusive and open way. It requires high standards of behaviour that support good decision making, collective responsibility, individual integrity, openness, and honesty. It is fundamental to showing that public money is well spent, as without good governance the Council will struggle to improve services and deliver its objectives. The Council's Code details the measures in place to ensure effective governance across the Council.

As part of its commitment to good governance the Council has:

- established governance arrangements which are consistent with the seven principles of the CIPFA / SOLACE Framework
- revised the Code in the light of organisation changes and changes in the Council's control environment
assessed how the Council complies with the Code

Regulation 6(1) of the Accounts and Audit (England) Regulations 2015 requires the Council to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). This AGS has been prepared to meet that requirement. It explains how the Council has complied with the Code and provides an overview of how the Council's governance arrangements have operated during 2023 / 2024. It also identifies any gaps in compliance with the Code and the steps planned to address them.

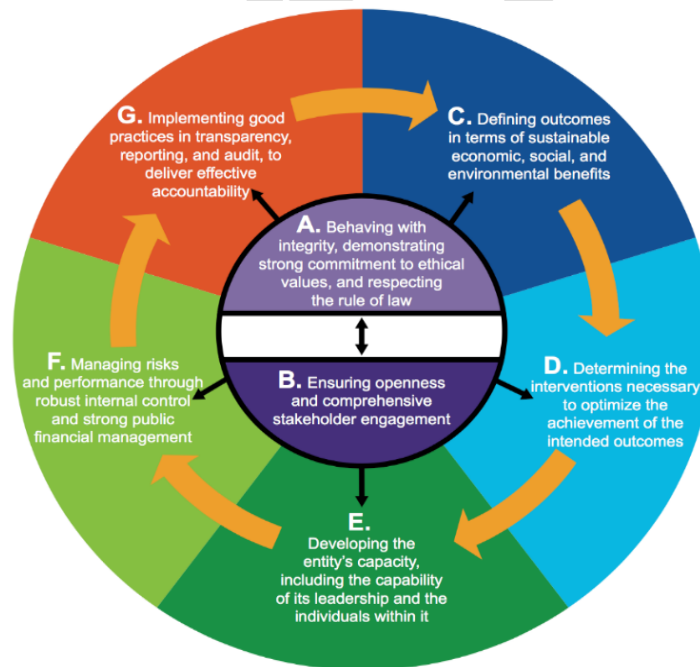
The AGS is reviewed by the Audit Committee when they consider both the draft and final Statements of Accounts and is approved by the Audit Committee in advance of them approving the Statement of Accounts.

THE COUNCIL'S GOVERNANCE FRAMEWORK

The Council's governance framework is consistent with the seven principles of the CIPFA / SOLACE Framework, which are:

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

At the core of the framework are the principles of behaving with integrity and ensuring openness.



THE COUNCIL’S GOVERNANCE FRAMEWORK

The Council’s governance arrangements build on the principles in the above framework. The key elements are detailed below. This is not an exhaustive list; it sets out examples of how the core principles of good governance have been met during 2023 / 2024:

CORE PRINCIPLE	
<p>A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<ul style="list-style-type: none"> • Appropriate processes in place to ensure declarations of interest are made, conflicts of interest are avoided and gifts and hospitality for officers and members are recorded. • Staff behaviour is governed by the Officer Code of Conduct. • Members are also subject to a Code of Conduct. • The Council has published a complaints procedure under which complaints are responded to by the Heads of Service within each department before central escalation if not resolved. • Confidential concerns can be raised through the Whistleblowing Policy. • A Counter Fraud Strategy has been established to deliver raised awareness of fraudulent activities and to provide proactive solutions to minimise the risks of fraud. • The Council is managed by a Cabinet system as set out in the Council’s Constitution, which shows the scheme of delegation between elected Members and Officers. • The scrutiny process as detailed in the Constitution enables those who are not Cabinet members to call in key decisions. • Member and Officer Relationships, governed by the Member Officer Protocol in the council’s constitution, are generally mutually supportive and based on openness, honesty, trust and appropriate challenge, vital for the effective governance of the Council. • The Chief Executive is the Head of Paid Service and is supported by the Corporate Leadership Team. Cabinet portfolios are assigned on a function basis rather than directorate and subject to appropriate officer support. • The Executive Director of Corporate Services and s.151 Officer is the nominated Chief Financial Officer in accordance with Section 151 of the Local Government Act 1972.

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	<ul style="list-style-type: none"> • Internal Audit work in line with the Public Sector Internal Audit Standards and demonstrated full compliance with these standards. • The Director of Legal and Governance is the Monitoring Officer and is responsible for ensuring the Council acts in accordance with the law and the Constitution. • The system of internal control is based upon a framework of comprehensive financial regulations and procedures. Control is based on regular management information, management supervision, and a structure of delegation and accountability. • As part of respecting the law, the Council is compliant with the Regulation of Investigatory Powers Act (RIPA). Routine updates when RIPA is used and reported through to Audit Committee.
<p>B: Ensuring openness and comprehensive stakeholder engagement</p>	<ul style="list-style-type: none"> • The Council vision and values linked to its strategic objectives are set out in its approved Corporate Strategy. • All Council meetings are open to the public, except exempt items in line with legislation. • Forward Plans are published monthly for all key decisions. • The Council is a constituent Council of the Cambridgeshire and Peterborough Combined Authority which is responsible for a number of powers devolved from central government. • There has been decoupling of shared services from Cambridgeshire County Council. Many benefits have been obtained from shared arrangements over recent years and the Council has now developed its own expertise in key areas. • The Council publishes its Pay Policy Statement; its Constitution; Council, Cabinet and Committee reports; and Payments over £500. All are available on its website. • The Council has continued to work closely with the Independent Improvement Panel to achieve a position of Financial Sustainability.
<p>C: Defining outcomes in terms of sustainable</p>	<ul style="list-style-type: none"> • The Centre for Governance and Scrutiny, in concert with the Local Government Association, has completed a review of the governance arrangements. • The risk register is considered by the Audit Committee and the Corporate Leadership Team.

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<p>economic, social and environmental benefits</p>	<ul style="list-style-type: none"> • The Medium-Term Financial Strategy sets out how services are delivered within the Council’s financial resources, including how the Council is delivering innovative solutions to provide environmental and economic benefits to the citizens of Peterborough. The MTFs also identifies budget gaps for the next three years. The strategy is updated quarterly. • Significant changes to services are supported by an Equality Impact Assessment.
<p>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<ul style="list-style-type: none"> • The Audit Committee includes Co-opted Independent Members, who are not elected Councillors, to help boost the Committee’s level of scrutiny and challenge, and the Committee is now chaired by an independent member. • Performance management is undertaken across all areas, whether relating to individuals, processes or projects. Lessons learnt from mistakes are acted upon. • Service Plans have been developed for all areas of the Council, which will act as a focal point for ongoing internal and external performance monitoring.
<p>E: Developing the entity’s capacity including the capability of its leadership and the individuals within it</p>	<ul style="list-style-type: none"> • The Council has a Chief Executive (as Head of Paid Service), Chief Financial Officer (s.151 Officer), and Monitoring Officer in post, who are supported by the Corporate Leadership Team. • A performance management framework is in place which covers all officers through “Our Conversations”. Regular meetings and 1:1’s are held at all levels. • Work continues on the development of a Workforce Strategy and leadership development programme. • The national agreement on pay and conditions of service is implemented as is the commitment to pay the Living Wage for its entire staff and the Council is also seeking to achieve this through its contractual arrangements. • Key partners who provide essential Council services are subject to independent oversight by the Cabinet Shareholder Committee which provides review and scrutiny of entities the Council has an interest in Council owned entities.
<p>F: Managing risks and performance through</p>	<ul style="list-style-type: none"> • There is continuous monitoring and reporting of risk.

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<p>robust internal control and strong public management</p>	<ul style="list-style-type: none"> • New Members receive extensive induction training before and after the Annual Meeting of Council. Separate training is provided for specific Committee needs. • All Cabinet meetings consider key matters including those on risk and performance and these are detailed in the Forward Plan. All reports are signed off by Finance and Legal officers before publication. • The Annual Budget is supported by commentary detailing its deliverability and is supported by an appropriate reserves policy. The final accounts are prepared in accordance with professional standards and subject to External Audit. • The Chief Internal Auditor produces an Annual Audit Opinion for the year which sets out independent views on the status of the internal control environment, based on the works the service has performed, together with assurance obtained from other activities. This is submitted to Audit Committee. • Information governance and compliance with the various policies, for example General Data Protection Regulation are regularly monitored through mandatory training.
<p>G: Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> • The Council complies with the Transparency Agenda and publishes senior officer salaries and invoices over £500 on its web site. • Clear protocols and robust processes are in place to allow Internal Audit and External Audit to undertake their activities to look to scrutinise and protect the authorities' interests.

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COUNCIL	SCRUTINY	REGULATORY	OTHER	PARTNER BOARDS
Full Council Cabinet	Adults and Health Children and Education Climate Change and Environment Growth Resources and Communities	Licensing Licensing Act 2003 Sub Planning and Environmental Protection	Appeals and Planning Audit Constitution and Ethics Employment	Joint Cambridgeshire and Peterborough Health and Wellbeing Board Shareholder Cabinet

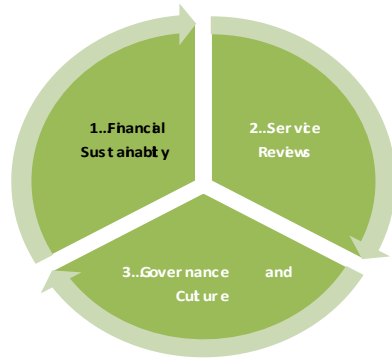
OVERVIEW OF THE GOVERNANCE ARRANGEMENTS			
COUNCIL, CABINET AND LEADER	SCRUTINY	DECISION MAKING	RISK MANAGEMENT
<ul style="list-style-type: none"> • Provide leadership, approve the budget, develop and set policy • Approve the Constitution which sets out how the Council operates • Agree City priorities, developed in consultation with residents and stakeholders 	<ul style="list-style-type: none"> • Scrutiny Committees review Council policy and can challenge decisions • Audit Committee and the Constitution and Ethics Committee reviews governance and promotes and maintains high standards of conduct by Councillors 	<ul style="list-style-type: none"> • All decisions are made in compliance with the law and the Council Constitution • Meetings have been held in public or access has been arranged for the public to attend virtual meetings • Decisions are recorded on the Council website 	<ul style="list-style-type: none"> • Risk Management Strategy ensures appropriate management of risks • Risk registers identify strategic and operational risks

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CORPORATE LEADERSHIP TEAM

- The Head of Paid Service is the Chief Executive and is responsible for all council staff and leading an effective chief officer team (CLT)
- The Executive Director for Corporate Services and s.151 Officer is the Council's Chief Financial Officer and is responsible for safeguarding the Council's financial position and ensuring value for money
- The Director of Law and Governance and Monitoring Officer is the Council's monitoring officer who is responsible for ensuring legality and promoting high standards of conduct in public life.

As well as administering services directly through the Council, a number of alternative service provision is in place through local partnerships and Council owned companies. This provides some freedoms which the Council cannot obtain as a local authority. Where these have been established, there is a requirement for performance to be monitored through regular reports to the Shareholder Cabinet Committee



FINANCIAL SUSTAINABILITY

Actions taken to improve our financial governance during the year has enabled the Council to improve its financial resilience

- Financial sustainability has been at the core of establishing sound governance and resilience going forward. Stemming from prior austerity the Council has taken many steps to improve its finances.
- Strict intervention prevented due to engagement with Department for Levelling Up, Housing and Communities (DLUHC). The Council has, and is still, facing challenges with supporting rising service demand and increasing costs within a restricted budget envelope.
- The Council remain under review by government but working closely with an Independent Improvement Panel (IP) in place to support the Council to a position of Financial Sustainability.
- To further complement the works of the Independent Improvement Panel the Financial Sustainability Working Group that has representation from all political parties for formal buy in to budget proposals; savings.
- Establish ment of a balanced budget (but still a journey to go on)
- Introduction of a 3-year Medium Term Financial Strategy (MTFS).



SERVICE REVIEWS

The Council had a swathe of commercial entities which as part of the Improvement Plan have been reviewed to ensure that they remain fit for purpose, with appropriate corporate governance and remain relevant to meeting the needs of PCC.

- For added transparency and impartiality, CIPFA were commissioned to undertake the external reviews. Extensive recommendations have been produced and reported through to CLT, FSWG and the Audit Committee chair. All agreed actions, if not already implemented are being followed through in 2023.
- Key outcomes have seen services brought back in-house (Norfolk Property Services and Opportunity Peterborough); while others have seen improved and reinstated Member representation on Boards (Medesham Homes, Peterborough Investment Partnership and Peterborough Limited).
- With PCC being able to demonstrate its desire and application to change, we have also provided training on the improved role of Members on commercial entities at the Local Government Association Conference.

Other existing internal service areas have also had a root and branch review to ensure they can deliver

- As part of the initial reviews of the Council a number of initial service reviews were undertaken, including Planning; Building Control; and Housing.





GOVERNANCE AND CULTURE	
Governance is the “golden thread” which weaves through all the areas of the Improvement Plan. Key changes established include:	
Collaboration across political groups	
	<ul style="list-style-type: none"> • LGA Peer mentoring as allowed the Council to establish key actions to deliver ongoing governance improvements identified from experienced professionals • The Independent Improvement Panel has linked up with all political parties • Elections have been held with thirds out over a 4 yearly cycle. Following separate governance reviews, a recommendation was put to Members to hold all out elections every 4 years. A free vote was put forward and the decision made to retain the status quo. • Balancing the budget has been key. A separate Financial Services Working Group (FSWG) made up of representations of all political parties enable for difficult conversations and final consensus.
Decision making	
	<ul style="list-style-type: none"> • The Council had an inconsistent Forward Plan- this has been overhauled • Key decisions in excess of £500,000 all are referred through CLT, Cabinet Policy Forum before they get to decision at Cabinet.
Improvement Panel	
	<ul style="list-style-type: none"> • Representatives on the Improvement Panel are Chief Officers from successful Councils / organisations to enhance challenge and scrutiny. Reports are produced and submitted internally and externally every 6 months.
Risk Management	
	<ul style="list-style-type: none"> • Realignment of risk management in the business removed a level of conflict with Internal Audit and with dedicated resource identified it has allowed for a fundamental review of how it is delivered. Strategic vs Operational still needs addressing.



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. The review of effectiveness is informed by assurance across the Council as well as the work of the Directors and Heads of Service within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Internal Audit Opinion, and by comments made by the external auditors and other review agencies and inspectorates. During 2023 / 2024, the works undertaken by the Internal Audit team was sufficient to be able to form the view for the Annual Internal Audit Opinion that there was a sound governance framework from which those charged with governance could gain reasonable assurance. The system of internal control is subject to regular review by Internal Audit. The work of the service is informed by the Council's risk registers, with the allocation of audit resources controlled through an annual risk- based operational plan, which is agreed by Audit Committee.

In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms. Following the approval of revised Terms of Reference for the Audit Committee, there are increased governance reports provided to ensure effective scrutiny can be delivered. As well as previous annual reports on Internal Audit; Fraud and Irregularities; and Insurance provisions, the Committee now receives detailed summary reports covering Risk Management, Information Governance and Procurement activities. In ascertaining the significance of the control issues, we have defined a series of factors to be considered, as follows:

- The issue has seriously prejudiced or prevented achievement of a principal objective.
- The issue has resulted in a need to seek additional funding to allow it to be resolved or has resulted in significant diversion of resources from another aspect of the business.
- The issue has led to a material impact on the accounts.
- The Audit Committee has advised that it should be considered significant for this purpose.
- The Chief Internal Auditor has reported on it as significant, for this purpose, in the annual opinion on the internal control environment.
- The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation.
- The issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer. The previous AGS also reported on issues of note which do not merit categorising as significant but require attention and monitoring to maintain and improve the system of internal control. As with significant issues these may have been brought forward from previous statements if the issues have not been finally resolved.

The Council undertook an assessment of the Council's compliance with the principles of the Financial Management Code. This self-assessment completed by the Finance compared the Council's financial management arrangements to the principles set out by

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CIPFA. A number of recommendations / actions have been identified. Similarly, Executive Directors have completed Annual Assurance Statements in respect of governance and internal control arrangements for their Directorates. Levels of embedded governance vary and identified improvements to governance arrangements and internal control are also incorporated into the governance issues below.

SIGNIFICANT GOVERNANCE ISSUES

The Annual Governance Statement identifies governance issues and risks for the Council to address. Previous years set out a number of issues to be addressed (see below for progress)

Ref.No.	Governance Issue	Description	Lead	Commentary
22.01	Business Continuity	All departmental Business Continuity Plans to be regularly reviewed / tested during 2022/2023. Regular updates will be provided to the Corporate Leadership Team	Assistant Director of Digital and Data Services	<p>Business Continuity has been an ongoing project across the Council. Reminders were issued to Departments in summer 2023 for BCP to be updated and linked to emergency planning documents.</p> <p>The Council has been targeted by cybercrime previously and with ongoing technological changes, remain a key threat to continuity. ICT is central to virtually all service provision and as a result, dependent on this service being delivered. Testing remains paramount and an action plan has now been established.</p>
22.02	Balanced budget and financial sustainability	The Council will continue to monitor its budget spending throughout the	Executive Director of Corporate Services and S151 Officer	The Council has a current budget which is balanced, and significant progress has been made in year to achieve future

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		year and establish a MTFS early to enable for a balanced budget to be approved and moved towards financial sustainability in line with the Improvement Plans.		<p>sustainability. There remains ongoing volatility e.g. cost of living, inflationary factors on contracts and borrowing rates, and increased service demand within many areas. This will remain an ongoing pressure for current and future years.</p> <p>Suitable contingency plans have been established to regularly monitor the budget to allow for early warnings of pressures to enable intervention and remedial action.</p>
22.04	Loss of key staff	As part of any restructures identified above or retirement and staff leaving, there will be a requirement to ensure that knowledge is not lost to the organisation. Appropriate workforce plans will be established	Corporate Leadership Team	All departments have established Service Plans. The second iteration have been produced for 2024/2025. As part of works with Human Resources and outcomes from a Council wide survey, an overarching Workforce Plan is under development for inclusion.
22.05	Social Care integration	Continue to work towards greater integration between social care and health in order to maximise finite resources	Executive Directors of Children's & Adult Services and Director of Public Health	Integration of systems remain at the forefront of delivering efficiency savings. Ongoing reviews are in place to ensure that systems remain appropriate.
22.06	Information Governance	There is a need for continued vigilance in relation to the handling and access to data	Assistant Director of Digital and Data Services	Cyber security training mandatory and has been undertaken by 100% of the

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		whether internally or the ability for it to be accessed from outside the Council	Director of Law and Governance and Monitoring Officer	workforce. Disabled accounts where training not undertaken in the timescale. Other training delivered in relation to data protection to managers. Ongoing training has been provided to all employees within the Council. An annual report on Information Governance will be included on the Audit Committee agenda in July 2024.
22.07	Climate Change	The Council has an ambitious strategy to meet climate change targets. There is a need for this to be regularly challenged and monitored	Executive Director, Place and Economy	The Council has launched a number of initiatives in order to address the challenges of climate change and meet its target of net zero carbon emissions by 2030. These include: (1) An annual Council Carbon Management Action Plan which is a detailed document clearly indicating progress against the reduction in carbon emissions challenge, which acts as a useful tool to measure progress and highlight successes (2) The 2019 Climate Change Working Group was replaced by the Climate Change and Environment Scrutiny Committee in July 2022. This committee deals with the challenges of climate change and the urgent need for reduction in carbon emissions (3) A project has been put in place (externally funded) to produce a city-wide Climate Change Adaptation

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				Plan (4) Dialogue is in place with schools, residents, parish councils and businesses to engage and develop plans to decarbonise the city (5) The Climate Change Action Plan 2023 commits to the production of a roadmap for achieving net zero emissions. This should in turn provide information on where we are now, and progress required to achieve the target. (6) Additionally, the Councils climate change work is overseen by the cross-council Economy and Inclusive Growth Portfolio Board
22.08	Project Management	Effective project management arrangements are required to assist in the ambitious Corporate Strategy and changes expected across the Council	Assistant Director of Digital and Data Services	Separate arrangements have been developed as part of the Improvement Programmes to oversee projects. Toolkits are being developed to ensure consistent approaches are in place.
22.09	Solar Power Assets (ex-Empower)	With the decision to bring the solar panels etc. back in-house there is a need to ensure that there are accurate records, valuations in place to enable appropriate impairments to be	Executive Director of Corporate Services and S151 Officer	Issues have been included within the draft final accounts. These are with the External Auditors for approval / sign off. (NB: EY have recently raised new questions in relation to the treatment of Empower).

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		recorded in the Councils records / accounts		
22.10	Performance reporting	Continue to review and embed performance reporting through committees and Corporate Leadership Team to meet expectations set out in the Improvement Plans	All Directors	Performance reports are produced for CLT. Overall performance is not yet fully embedded across the Council and there is a review in train as to what are seen as appropriate KPIs / outcomes for
22.11	Good governance and decision making	External reviews have identified a number of areas for improvement in decision making. Changes will be implemented to streamline and make decisions more transparent (as identified in the Improvement Plan). The Councils Local Code of Governance will be refreshed during 2022	Director of Legal and Governance and Monitoring Officer	The Local Code of Governance has been refreshed through a senior officer working group. The external review of governance has been completed and a number of actions established.
22.12	Equalities	The Council has established an Action Plan to look to develop and embed appropriate policies and processes to	All Directors	EDI has been linked across with County throughout and is now being separately. While there is good coverage in place, it remains as an area for better take up and integration.

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		deliver improvement in equality and diversity		
22.13	Council Controls	Managers embrace internal audit recommendations and implement in line with agreed timescales	Chief Internal Auditor	Internal Audit follow up recommendations throughout the year. Any outstanding issues are referred through to the appropriate Director for action. This will be a recurring governance issue to be addressed each year, albeit with different audits.

NEW AREAS 2022/2023:

Ref.No.	Governance Issue	Description	Lead	
01	Decoupling	<p>Decision taken to uncouple a number of services which are shared with County.</p> <p>This could lead to a number of services areas being under-resourced / under-staffed for a period of time of more staff are on County side.</p> <p>There is a requirement that the newly appointed</p>	Executive Director of Childrens / Adult Services	<p>The separation from County has been completed and posts are being filled. There are a number of areas where the resources remain stretched and these need to addressed.</p> <p>Appointments have been made to all senior positions.</p>

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		Executive Directors keep up to date with the decoupling project so that service requirements remain to the fore and that any risks identified are mitigated expediently to ensure service continuity and prevent failure.		
02	Debt Management	Debt levels fluctuate through the year. There is a need to maintain effective arrangements between THE COUNCIL / SERCO to ensure appropriate enforcement and collection arrangements are in place to minimise the loss of monies	Executive Director of Corporate Services and S151 Officer (Finance)	There have been a number of improvements introduced into the process. The collection of debt, currently with Serco, reverted to the Council when the service was brought inhouse in April 2024.
03	Priorities Board	Following agreement of each Board's Terms of Reference, ensure that effective challenge on each service delivery is in place to meet the Corporate Strategy priorities. This will be assisted through the	All Directors	There is a consistent approach introduced for all Boards. Regular reports are produced for CLT and the Improvement Panel.

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		Delivery Unit and regularly reported to CLT		
04	Governance	<p>Complete the implementation of recommendations which arose from external reviews of:</p> <ul style="list-style-type: none"> • External organisation • Core governance <p>Review other governance activities and policies as appropriate including:</p> <ul style="list-style-type: none"> • Scrutiny model • Scheme of delegation • Whistleblowing 	Director of Legal and Governance and Monitoring Officer	<p>Actions plans are now established, and steps are being taken to implement those changes. These include Shareholder Committee arrangements, reviews of companies, committee terms of reference and the delivery of training to ensure compliance and understanding.</p>
05	Income Generators	<p>Review the viability of services which provide income to the Council (e.g., Clare Lodge). As part of the review there should be a comprehensive fees and charges review.</p> <p>Establish a Fees and Charges Policy which determines the purpose</p>	Executive Director of Corporate Services and S151 Officer (Finance)	<p>Routine reviews of fees and charges have been established to ensure discretionary services are not being subsidised by Council. A separate policy has been established</p>

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		of charging and the level of cost recovery necessary for the various services provided.		
06	Asset Management Strategy	Regular reporting on progress to deliver the strategy – covering disposals, acquisitions etc. should be provided to the various decision makers to ensure that the AMS is being effectively managed.	Executive Director of Corporate Services and S151 Officer	Thorough scrutiny is in place of all disposals so that a balanced approach is taken. The AMS is agreed by Council each year
07	Company structures and joint ventures	A full review of current arrangements, including implementation of all recommendations in the CIPFA Governance Paper. Some existing companies will be discontinued if no longer fit for purpose.	Director of Legal and Governance and Monitoring Officer	Linked to 04 above, there has been a full review of officers / Members on all companies and separate training provided as appropriate.
08	Risk Management	Works are required for ongoing development of key strategic risks for monitoring by CLT and Audit Committee. There is also a need to develop an online training tool to	Executive Director of Corporate Services and s151 Officer (ICT area)	A new Risk Manager has been appointed. Development and introduction of a revised RM framework together with the necessary training tools for the business. Regular reports are provided to CLT

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		assist managers in understanding this area		
09	Consultation	Refresh our methods and policies which are used as part of consultation with stakeholders. Particular focus should be on how the Councils engages with hard-to-reach communities	Executive Director of Corporate Services and s151 Officer (Communications area)	ongoing
10	Staff Capacity and Capabilities	With the increased frequency of reporting of service performance to CLT and various Committees, the Council will also revisit its approach to a staff appraisal process. There is no formal performance or appraisal process for staff, so it is difficult to determine if staff meet their priorities and objectives. Exit interviews may or may not happen.	Executive Director of Corporate Services and s151 Officer (Human Resources area)	A revised appraisal process – Our Conversations – has been implemented from April 2024.
11	Financial Management	The Council will refresh its Financial Regulations and Contract Rules to	Executive Director of Corporate Services	Financial Regulations have been revisited and are due to be presented to Audit Committee in July 2024.

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		ensure that they meet the latest delegations, constitutional needs, and best practice. Appropriate training and user guides will be developed for all Managers together with Inductions	and s151 Officer (Finance area)	Contract Rules will be refreshed to take into account the Procurement Act.
12	Health and Safety	Health and Safety arrangements appear weak. More resources are required and a higher prominence and visibility throughout the organisation.	Executive Director of Corporate Services and s151 Officer (Human Resources area)	There has been a recruitment drive within Property Services to enhance the Health and Safety service which has predominantly been led by County. The separation from County will continue to drive this forward.
13	Corporate Strategy / Plans	The Corporate Plan has now been approved and service plans have been drafted. Performance management is improving but it is not yet embedded within the organisation. Work has progressed well on the Corporate Plan and values, but Service Plans need further development and must be	ALL Directors	Ongoing dialogue and workshops with employees drive the embedding and understanding of the corporate values across the Council.

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		embedded in everything we do		
14	Financial Performance	External Audit (EA) has not yet signed off for 2021/22 and 2022/23, so there is no confirmed external review of the control environment. This remains urgent. A robust timescale is required for this to be achieved in a timely fashion.	Executive Director of Corporate Services and s151 Officer (Finance area)	<p>PSAA completed consultation and issued new fees on 30/11/23. PCC new cost for EA for 2023/24 accounts is £322k.</p> <p>This is set aside as a pressure for the budget. Additional questions / challenges are raised by EA which are being addressed.</p>

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NEW AREAS 2023/2024:

Ref.No.	Governance Issue	Description	Lead	
01	Engagement with communities and voluntary sector	<p>There is a need for more robust oversight and support through our engagement. Our relationships with community organisations and voluntary bodies are strong, although not embedded across the council.</p> <p>The Council should develop a strategy and plan to reset our approaches to engaging with and listening to communities, and then ensure this is adopted across the organisation to enable reaching Hard to Reach Groups.</p>	Place and Economy	
02	Equality Impact Assessments	Although the Council has an agreed policy and defined process for the completion of EIAs, the process isn't fully embedded.	HR	

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03	Workforce Planning	Continue to develop training plans for all services. Develop arrangements for recruiting and retaining the workforce in difficult, hard to fill, areas.	HR	
04	Performance and Service Planning	Embedding Service Plans within Departments	CLT	
05	ICT Continuity Arrangements (cyber)	Continue with proactive measures in relation to clear approach for dealing with cyber-attacks.	ICT	
06	Corporate Vision	The Corporate Strategy has been in place for 2 years. A review is required to ensure that remains relevant and that the priorities and outcomes remain clear and appropriate.	CLT	
07	Capital Expenditure	The Council introduced a moratorium on capital spend as a result of the higher costs for borrowing. Furthermore, there is a need to review business cases to ensure that	Corporate Finance Capital Review Group	

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		projects are appropriately identified and deliver value for money.		
08	Procurement Act Implementation	Legislation to be introduced in 2024 will impact on the arrangements for oversight and delivery of procurement. The Council needs to continue to prepare for it, including a revision to the contract rules, and raise awareness with our stakeholders, contractors and officers.	Corporate Services	
09	IFRS 16	Changes are required to ensure compliance with the implementation and treatment of international reporting standards	Finance	
10	Improvement Panel Continuation	External scrutiny has been in place while the Council went through significant change. The Council should decide whether to continue with that collaboratory approach	Cabinet	
11	Internal Audit Recommendations	Ongoing implementation of recommendations	IA	

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12	OFSTED Review	Following its OFSTED inspection, the Council needs to deliver against the agreed Action Plan. Regular reporting through to Council.	Children's Services	
13	Hilton Hotel	Following the developer for the site being put into administration, the Council needs to evaluate the option appraisals to protect the public purse and council's interests.	Finance, Property Cabinet	

SUMMARY

The Council has in place appropriate governance arrangements which we are confident will protect its interests and provide necessary assurances to our citizens and stakeholders. However, like all organisations we cannot stand still and thus we propose to continue to take steps to address the above matters to enhance further our governance arrangements. A number are reflected in our Improvement Plans. We are satisfied that the steps described address the need for improvement identified in the Council's review of effectiveness and will monitor their implementation and operation, not only as part of our next annual review, but also continually throughout the year.

CERTIFICATION

As Leader and Chief Executive, we have been advised on the implications of the results of the review of effectiveness of the Council's governance framework, by the Audit Committee and Cabinet.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within Peterborough City Council to ensure effective internal control is maintained. We are also

APPENDIX A

satisfied that there are appropriate plans in place to address any significant governance issues and will monitor their implementation and operations as part of our next annual review.

Signed:

Matt Gladstone, Chief Executive

Date:

Signed:

Councillor Dennis Jones, Leader of the Council

Date:

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