

Annual Governance Statement – 2022/23 Financial Year

1. Executive Summary and Approval

- 1.1 Each year the Council produces an Annual Governance Statement (“AGS”) that explains how it manages its corporate governance arrangements, makes decisions, manages its resources and promotes values and high standards of conduct and behaviour.
- 1.2 The Annual Governance Statement reports on:
- How the Council complies with its own governance arrangements;
 - How the Council monitors the effectiveness of the governance arrangements; and
 - Improvements or changes in governance arrangements proposed for the forthcoming year.
- 1.3 The Internal Auditor’s opinion on the Council’s internal control environment:

Overall, for the financial year 2022/23, the auditors are able to provide Moderate Assurance that there is sound system of internal control, designed to meet the Council’s objectives and that controls are being applied consistently.

- 1.4 As the Leader of the Council and the Chief Executive we have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 1.5 It is our opinion, based upon the content of this AGS that the Council’s governance framework is robust and that the governance arrangements have proved to be highly effective during 2022/23.

1.6 The Council has previously recognised a number of governance issues in previous Statements, all of which have now been resolved.

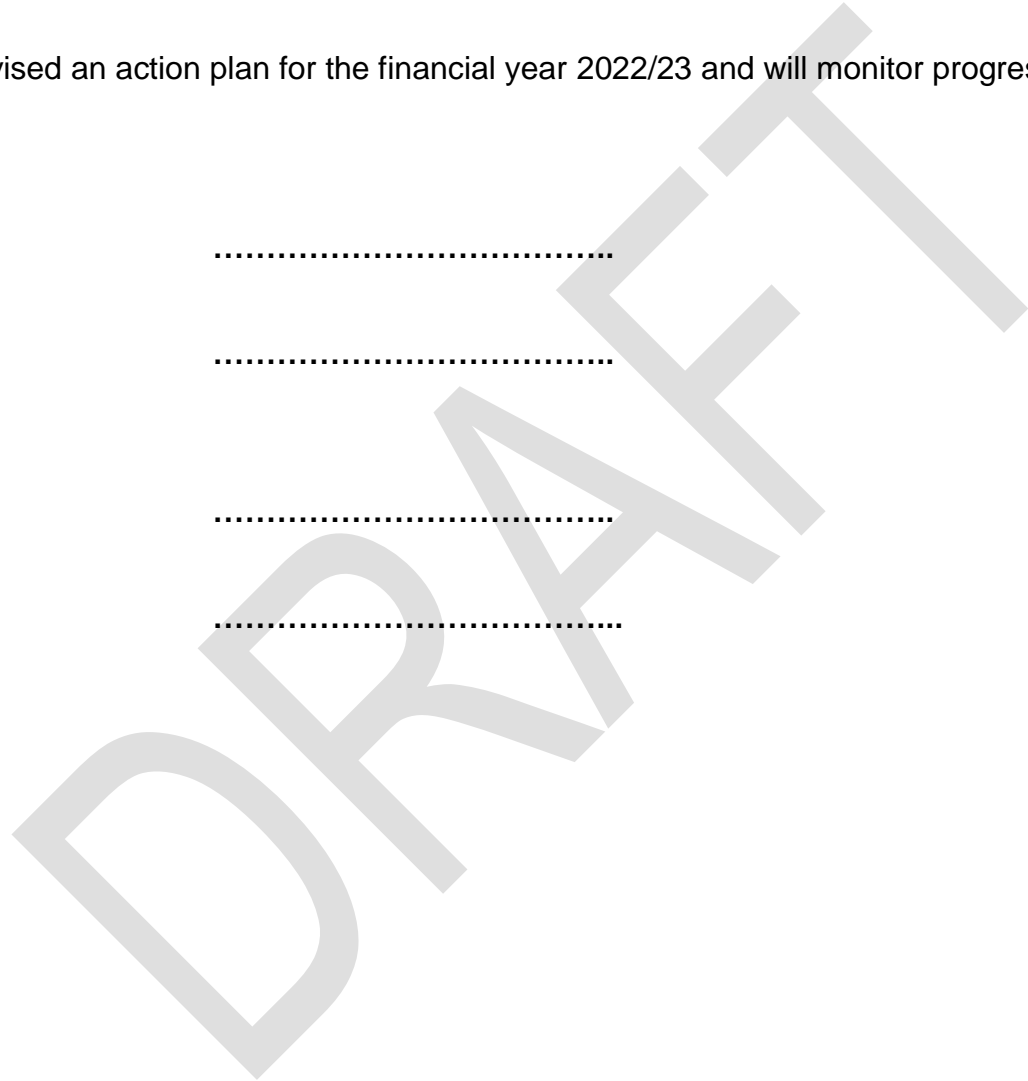
1.7 The Council has devised an action plan for the financial year 2022/23 and will monitor progress during the year.

Leader of the Council

Date

Chief Executive

Date



2. Introduction

- 2.1 Oxford City 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. It also 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.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs to facilitate the effective exercise of its functions, including arrangements for the management of risk.
- 2.3 The Accounts and Audit (England) Regulations 2015 (“the Regulations”) require that:-
- The Council must conduct a review, at least once a year, of the effectiveness of its system of internal control;
 - Findings of this review should be considered by the Council;
 - The Council must approve an Annual Governance Statement; and
 - The Annual Governance Statement must accompany the Statement of Accounts.

- 2.4 This statement is guided by CIPFA Bulletin 06 Application of the Good Governance Framework and describes the Council’s governance framework, the steps taken to ensure that it is effective and establishes key actions that will be put in place to ensure the ongoing effectiveness of its arrangements.
- 2.5 The Audit and Governance Committee has delegated authority to undertake these duties on behalf of the Council. This statement explains how the Council meets the requirements of the Regulations.
- 2.6 Once approved by the Audit and Governance Committee the AGS will be signed by the Leader and the Chief Executive. It will then be published alongside the Statement of Accounts.
- ## 3. The Purpose of the Governance Framework
- 3.1 The governance framework comprises the systems, processes, cultures and values by which the authority is directed and controlled and activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 3.2 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 and not absolute assurance of effectiveness. The system of internal control is based on an on-going 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 being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

- 3.3 The governance framework has been in place at the Council for the year ended 31st March 2023 and up to the date of the approval of the accounts.

4. Policies, Procedures, Laws and Regulations

- 4.1 The Head of Law and Governance is designated as the Council's Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations.
- 4.2 The financial management of the authority is conducted in accordance with the relevant provisions of the Constitution and the Council's Finance Rules. The Council has designated the Head of Financial Services as the Chief Finance Officer in accordance with section 151 of the Local Government Act 1972.
- 4.3 The Council has robust policies and procedures relating to the use of resources and the corporate governance framework, including Finance Rules, Contract Rules,

Scheme of Delegation, IT strategy, Avoiding Bribery Fraud and Corruption Policy and Whistleblowing Policy.

5. The Governance Framework

Council Strategy 2020/24

- 5.1 The Council Strategy 2020-2024 came into force on 1 April 2020, replacing the Corporate Plan 2016-2020. The Council Strategy 2020/24 sets out, at a high level, the aims for the council and what outcomes it aims to have achieved by the end of 2024.
- 5.2 The strategy highlights the developments and changes the Council wants to make and as such does not include current ongoing areas of work that might be considered business as usual.
- 5.3 The Council Strategy 2020-2024 is a public document and is presented in a way that is easy for people to understand.
- 5.4 The Council's vision is "Building a world-class city for everyone". By creating successful places in which to live and work, supporting its communities and addressing the climate emergency, it aims to build a fairer, greener city in which everyone can thrive.
- 5.5 The Council has set four key priorities over the next four years – all of equal importance. The four priorities are all

interconnected, and the Council will work to achieve them in a joined-up way:

- Pursue a zero carbon Oxford
- Enable an inclusive economy
- Support thriving communities
- Deliver more affordable housing

5.6 The Council is committed to a “customer-first” approach. It works innovatively and efficiently as a flexible and customer-focused team offering high quality services that meet people’s needs. It works to tackle inequality through its employment practices and the ways in which services are delivered aim to provide equality of opportunity and access for all.

5.7 The Council’s investments and policy-making are all designed to address the social and financial inequalities across Oxford. The Council values diversity and seeks to build a greater sense of togetherness across the city’s communities. It wants to ensure all of Oxford’s citizens, including those who are harder to reach, have fair opportunities and a real share in the city’s future.

5.8 The Council works in partnership with others – other councils, businesses, communities, the voluntary sector, Oxford’s universities, the Government and other public sector bodies to ensure the way it shapes services and directs investments is joined-up with others.

5.9 The Council uses its commercial assets for the benefit of local people. It uses the wholly-owned companies and

the commercial properties it owns to create jobs, support the local economy and provide additional funds that support delivery of public services. This is called the “Oxford Model”.

5.10 The Council is a campaigning organisation, working actively to engage with residents, businesses, stakeholders and Government and use its influence to help achieve the aims set out in the Strategy.

5.11 For each of its four priorities, the Council has set out the outcomes it would like to see achieved over the four years, and some of the headline actions it believes will be required to help deliver this.

5.12 The Council Strategy 2020-24 is complemented by an annual business plan that sets out the key priorities and specific actions and milestones the Council will undertake for the year ahead and reports on progress against agreed key performance indicators. This strengthens the prioritisation of key areas of work and supports collaboration among officers and with external partners. Business Plans have been produced for each year of the current four-year Strategy together with an updated on progress made against the prior year’s Business Plan. All documents are published on the [Council's website](#). Work has now started to develop the next four-year Council Strategy 2024-28.

5.13 The Council makes use of 'Smartsheets' to assemble information on performance and it reports this monthly to the Corporate Management Team together with financial

information and risk with quarterly monitoring reports to Cabinet.

- 5.14 The project management process supporting the Council's Capital Programme has continued to evolve and develop. The Project Management Office (PMO) supports the Development Review Group and Asset Review Group which provide scrutiny of projects before they reach the Council's Development Board for formal decision taking. The Housing Supply Board similarly is providing reports into the Development Board which maintains scrutiny of the whole Capital Programme.
- 5.15 The Organisational Change Board has oversight of a number of projects under the Fit For the Future Programme of an ICT or transformation nature. The Board meets on a monthly basis to receive updates on projects together with receiving business cases for new projects which are subject to scrutiny through the 'front door of change' process. Feedback from this Board together with feedback from the Communities Change Board which undertakes a similar role for projects arising in the Communities Directorate, together with the feedback from the Development Board on projects of a capital nature are reported to CMT monthly for awareness and sign off.

Review of Corporate Risks

- 5.16 The Council maintains a corporate risk register that reflects strategic and operational risks that have been identified as well as proposed actions to mitigate or

manage those risks in the council's activities. The Audit and Governance Committee and the Cabinet receive a quarterly report on progress against the risk registers. A full refresh of the Corporate Risk Register is planned for 25th September 2023.

Partnerships

- 5.17 The Council works with a wide range of organisations through a number of city and county-wide partnerships to deliver its corporate objectives.
- The Leader is a board member of OxLEP. Oxfordshire Local Enterprise Partnership ("OxLEP") which since its launch in March 2011, has played a key role in driving forward a dynamic, growing and sustainable economy for Oxfordshire. OxLEP meets quarterly.
 - The Leader and the Chief Executive represent the Council in the Oxford Strategic Partnership ("OSP") which was founded in 2003 and brings together senior representatives from the public, business, community and voluntary sectors. The OSP helps to provide direction for the city's future, respond to local priorities and engage more effectively with local concerns. This partnership for the city promotes collaboration and openness and provides opportunities to access funding and share resources more easily. Currently the partnership contains several key organisations and individuals, all with a specific interest or experience in improving quality of life across the Oxford. The OSP meets quarterly.

- The Leader of the Council is a board member of Future Oxfordshire Partnership, formerly known as the Oxfordshire Growth Board. The Future Oxfordshire Partnership is a joint committee of the six councils of Oxfordshire together with key strategic partners and meets four times a year. Its purpose is to coordinate local efforts to manage economic, housing and infrastructure development in a way that is inclusive and maximises local social and environmental benefits.
- The Leader chairs the Zero Carbon Oxford Partnership (which the City Council established in 2020 and provides the secretariat for), bringing together key organisations in the city to coordinate action to reduce carbon emissions.
- Both the Leader and Chief Executive attend the Oxfordshire Inclusive Economy Partnership which brings together businesses and, councils and the universities to coordinate action on tackling economic inequalities.
- In 2022, the Leader participated along with other leaders from Councils within the Oxford to Cambridge region in the Oxford to Cambridge Arc Leadership Group and as one of three Oxfordshire representatives on the Arc Leadership Executive Group. In December 2022 this was replaced by the Oxford to Cambridge Partnership with the Leader as Oxfordshire's representative on the Shadow Board. The Partnership brings together leaders from local government, Local Enterprise Partnerships, Universities and England's Economic Heartland to champion the region as a world leader of innovation

and business, acting to achieve environmentally sustainable growth that brings benefits to communities now and in the future.

- The Leader chairs the Fast Growth group of councils that in 2022/23 included Cambridge, Milton Keynes, Norwich, and Peterborough, with regular meetings attended by fellow leaders and senior officers.
- The Leader serves on the Executive Board of the District Councils Network and was elected as Vice-Chair in March 2023.
- The Leader and Chief Executive also attend regular informal system-wide meetings at a countywide level with other leaders and officers.

5.18 Other formal countywide partnerships which have member representation from the Council include the Oxfordshire Resources and Waste Partnership, the Oxfordshire Health and Well Being Board, the Health Improvement Board and the Children's Trust.

The Council's Companies

5.19 During the year 2019/20 the Council's three housing companies (Oxford City Housing Limited (OCHL) (Company number 10212716), Oxford City Housing (Investment) Limited (OCH(I)L) (Company number 10370637) and Oxford City Housing (Development) Limited (OCH(D)L) (Company number 10370647)) continued to develop their co-joined operation with a view to increasing affordable housing availability in Oxford and becoming a significant supplier of housing in their own right. OCHL is wholly-owned by the Council,

and OCH(I)L and OCH(D)L are both wholly-owned subsidiaries of OCHL. The company has recently rebranded itself and now trades as OX Place.

5.20 During 2021/22 the investment company OCH(I)L took handover of an additional 17 dwellings from the housing scheme at Barton Park, taking the cumulative total now managed by the company to 134 at year end. Further properties from the third phase of Barton Park are expected to be handed over in the 2023/24 financial year with the balance of the 354 social rent properties to be delivered to OCH(I)L in a final phase the following year. Gross profit for the year derived from rental income was £709k compared to £727k in 2021/22. The value of operational property held at year end was £21.6 million up from £19.6 million at the end of the financial year 2021/22

5.21 During the year OCH(D)L completed 73 units, 41 for social rent and 32 were sold as shared ownership dwellings for Oxford key workers. Profit for the year was £3.4 million compared to £4.1 million in 2021/22.

5.22 Gross profit for the OCHL group of three companies totalled £4.1 million down from £4.7 million last year. The profit was mainly derived from property sales by the development company.

5.23 With regard to the Council's two wholly-owned direct services companies – Oxford Direct Services Limited (Company number 10719214) ("ODSL") and Oxford Direct Services Trading Limited (Company number

10719214) ("ODSTL") – the year 2022/23 represented their fourth year of trading.

5.24 ODSL holds "Teckal" status, and as such can enter into contracts with the Council without the requirement to comply with the Public Contract Regulations 2015. The Council therefore let a substantial service contract to ODSL, under which many of the Council's statutory and other direct service operations are to be performed by ODSL, with effect from 1st April 2018. This involved a "TUPE" transfer of some 670 Council staff to the employment of ODSL. In return, with effect from the same date and to support ODSL's operation, the Council entered into a support services contract with ODSL under which ODSL receives a range of key support services. ODSL trades exclusively with third parties and in its first year of operation has provided commercial waste collection services to its commercial clients.

5.25 At the time of writing the AGS the accounts for both ODS and OX Place have yet to be prepared and signed off for 2022/23. Financial accounting issues arose in 2021/22 from the implementation of a replacement Housing Management System, which disrupted the availability of financial information especially in relation to housing repairs and maintenance. As a result the ODS company accounts for 2021/22 have only recently been signed off by the auditors and the preparation of the 2022/23 company accounts has only just commenced. Initial indications is that profit before tax is estimated at £3.4 million for the 2 ODS companies combined which is £1 million higher than budgeted.

5.26 The Council also is a 50% partner in Oxwed LLP with a joint 50% partner, Nuffield College Developments 1 Ltd. The Council originally set up Oxford West End Developments Limited as a joint venture with Nuffield College. During 2021/22 the work of the Company was transferred into a Limited Liability Partnership, OxWED LLP whose partners are Oxford City Council and Nuffield College Developments 1 Ltd, a wholly owned subsidiary of Nuffield College. OxWED LLP is now tasked with formulating the development plans and seeking planning permission for the site, following which strategic infrastructure will be installed, and onward sale of plots for development of housing and commercial properties will be made, with dividends in respect of these sales forecast to be returned to the shareholders over the next 4 to 5 years. The loss in the LLP for the period 2022/23 totalled £3.2 million.

5.27 In 2011 the Council entered into a Joint Venture (“JV”) with Grosvenor Developments Ltd, known as Barton Oxford LLP (BOLLP) to enable the delivery of a new housing development at Barton Park. When construction is complete the 885 home development will include 354 homes for social rent which will be purchased and managed by OCH(I)L.

5.28 At the end of the financial year 2022/23 the first Phase of the scheme of 237 dwellings 95 of which are affordable had been completed. The second phase, of 207, homes of which 83 were affordable had commenced with 77 completed at the end of January 2023. Contracts have recently been exchanged for the

development of Phase 3 consisting of a further 435 dwellings with the final phase yet to commence.

5.29 Each of the Council’s companies held regular Board meetings throughout the year 2022/23. In addition representatives of the housing companies and the direct service companies attended periodic reporting meetings with their shareholders. For the year 2022/23 these shareholder meetings are to be regularised into quarterly reporting meetings and combined with the scrutiny function , reporting on the activities of all interests of the Council in wholly owned companies and joint ventures, at which decisions on matters reserved for the shareholder can be made.

Data Protection

5.30 Through leaving the Covid-19 pandemic, cost of living crisis and the Ukrainian refugee programme there has been a need for the Council to review its current practices and respond to new data sharing arrangements. It has undertaken the following activities in respect of data protection governance:

- Enforced the completion of the online iLearn mandatory data protection training for officers (two modules rather than one depending on type of job role held) as part of their induction and then annually.
- Engaged with county-wide local authorities on the provision of housing for Ukrainian refugees to allow for the sharing of data to provide support for both hosts and guests.

- Engaged with the Local Government Association on the response to the Covid-19 Public Inquiry.
- Established and published a revised information retention schedule, ensuring that this process is managed as the Council's ICT team migrate users over to Microsoft Office 365.
- Ensured that data is used properly whenever the delivery of further support to individuals is contemplated as part of the Council's response to the cost of living crisis

Council Housing

- 5.31 The Council owned housing stock totals 7833 units which comprises 7327 of general needs social rented properties, 57 general needs affordable rent properties, 292 sheltered accommodation units, 58 shared ownership property, 15 fixed term secure tenancy properties and 69 properties used as homeless temporary accommodation. The Council also has 15 properties leased to external organisations and a further 700 leaseholder properties.
- 5.32 During the financial year 2022/23 the Council successfully collected 102.10% of rental income due in respect of its rented housing.

Constitution

- 5.33 The Constitution sets the Council's governance framework, setting rules, principles and procedures to enable the Council to take decisions and conduct its

business effectively, including executive arrangements, committee structures, finance and contract rules, schemes of delegation and clear opportunities for public and councillor engagement in Council decision making.

- 5.34 The statutory roles of the Head of the Paid Service, Monitoring Officer and Section 151 Officer are described in the Constitution, as are the responsibilities for providing robust assurance on governance, ensuring lawful expenditure in line with approved budgets and procurement processes.

- 5.35 The Constitution is reviewed annually to take account of changes to regulations and other developments in the Council's governance arrangements. In addition, any ad hoc changes in year can be taken to Council for approval as required.

- 5.36 The revisions approved by the Council in March 2023 included amendments to implement gender neutral pronouns, basic governance arrangements for the Constitution Working Group and to ensure wording around Cabinet Member decisions complied with the law. The more significant amendments:

- Clarified the Leader's position that appointments to boards of joint ventures is the responsibility of SJVG
- Strengthened the section on conflicts to include decision making i.e. Council decision makers shouldn't be the same individuals taking decisions for the companies.

- Included a list of matters delegated by the Leader to individual Cabinet members (and date). Currently there is only one delegation to an individual Cabinet Member.
- Included provision for the Chief Executive to delegate urgency powers to an Executive Director in exceptional circumstances, when there is a conflict of interest which would preclude the Chief Executive from making the decision.

5.37 The Monitoring Officer retains delegated authority to make minor and consequential amendments to the Council's Constitution, to include correcting clerical mistakes and ensuring it follows the law. The Monitoring Officer also has delegated authority to change Part 4 of the Constitution (who carries out executive responsibilities) and Part 6 (roles of Cabinet members) to reflect the wishes of the Leader of the Council.

Standards

- 5.38 The Council has arrangements in place to enable the public to make a formal complaint that a councillor, parish councillor or co-opted member has failed to comply with the Members' Code of Conduct. The Council recruited four independent persons for a four year term each from 25 November 2019, and will recruit once again before November 2023.
- 5.39 The Standards Committee met three times during 2022/23 to oversee the numbers of complaints about councillors and any requests for dispensations, which

allow a member to participate and vote on an item notwithstanding the existence of disclosable pecuniary interest. The Committee have continued to appoint a parish council representative as a non-voting member of the Standards Committee up to May 2026.

5.40 The Standards Committee has a role in advising the Monitoring Officer on the Council's arrangements for training councillors. While the Committee did not review the training plan during 2022-2023, a draft proposal of the Member Induction Programme following the May 2024 local election will be reviewed by November 2023, and will include the continuation of the delivery of most member training and briefing sessions remotely via Zoom and Microsoft Teams.

Members' Allowances Scheme

- 5.41 The Council's Members' Allowances Scheme forms Part 26 of the Council's Constitution. The scheme will operate for four years, until the end of March 2027.
- 5.42 There was an internal audit carried out of the procedures for the operation of the Members' Allowances Scheme during 2022/23 and spot checks continue to be undertaken periodically on the allowances paid to members

Dispensations for Members

- 5.43 The Localism Act 2011 requires that the Members of the Council must disclose Pecuniary Interests as defined in

the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. Individual dispensations, which allow a member to participate and vote notwithstanding the existence of a disclosable pecuniary interest, can be granted at the discretion of the Monitoring Officer.

5.44 On 21 March 2022, the Council granted generic dispensations to all Members for a period of four years from 01 October 2022 in respect of:

- Determining an allowance (including special responsibility allowances), travelling expense, payment or indemnity given to Members;
- Housing: where the Member (or spouse or partner) holds a tenancy or lease with the Council as long as the matter does not relate to the particular tenancy or lease of the Member (their spouse or partner);
- Housing Benefit or Universal Credit: where the Councillor (or spouse or partner) receives housing benefit and/or Universal Credit;
- Any Ceremonial Honours given to Members - Mayor-making, conferring the title of alderman/woman or admitting freemen/women;
- Setting the Council Tax or a precept under the Local Government and Finance Act 1992 (or any subsequent legislation); and
- Setting a Local Council Tax Reduction Scheme or Local scheme for the payment of business rates (including eligibility for rebates and reductions) for the purposes of the Local Government Finance Act 2012 (or any subsequent legislation).

Procurement

- 5.45 The Council has an established contract register and pipeline which is updated on a daily basis and reflects the council contracts with a value exceeding £5000. The Council's Procurement Team has transferred the Council's contract register and pipeline into SharePoint to enable better contract management and monitoring of the Council spend. The register enables the Council to fulfil its obligations under the transparency agenda. The contract register and pipeline is a live document meaning that as soon as a contract is updated on SharePoint it is published on the Council's website.
- 5.46 A new Procurement Strategy was approved in November 2022 by the Council's Cabinet to run for 3 years until October 2025.
- 5.47 Officers from the Council's legal and procurement teams have recently undertaken an exercise to review the legal and procurement process flows. Part of this review will include a review of all standard forms of terms and conditions. Other contract templates are consistently reviewed and updated when required. This is on-going and will reflect updates to any regulations
- 5.48 Officers in the Procurement Team have reviewed the government's Green Paper "Transforming Public Procurement", published in December 2020 and have highlighted the potential changes and impact to the Council's Finance Panel. Officers will continue to monitor the situation – the Procurement Bill is with the Government. It is expected that the new procurement

regulations will come into effect during 2024, 6 months' notice will be provided. The Council's Procurement Team is monitoring progress and attending the Super User sessions hosted by the Cabinet Office.

5.49 Section 19 of the Constitution which contains the Council's Contract Rules has been reviewed in 2023 and will be reviewed yearly.

5.50 Transparency reporting (any spend over £500) is undertaken and published to the Council's website quarterly.

Member Training

5.51 During 2021/22 the Council conducted a review of its established framework for inducting and training councillors and adopted a Member Training and Development Scheme 2020-24. This work was overseen by the Standards Committee. The Scheme aims to equip all elected members with the basic skills, knowledge and resources they need to perform their duties and responsibilities as a councillor during their term of office.

5.52 A key change from the previous framework is the expansion of the compulsory induction programme for new members to include a wider range of training topics such as finance, safeguarding and values and behaviours. This expanded induction programme was delivered following the May 2022 local elections and sessions were well attended. A similar set of training

following the May 2024 local election is currently being organised, with an expansion to other training sessions, including Equality, Diversity and Inclusion, and a robust introduction/refresher to the Council.

5.53 The Scheme also includes an indicative programme of optional training to support Members with their specific roles and responsibilities, such as training on appointments, audit, chairing, leadership, media and scrutiny.

5.54 Members are able to access externally facilitated training sessions with the agreement of their Group Leader. Advertisements from the Local Government Association (LGA) and Local Government Information Unit (LGIU) are circulated by Committee and Member Services to all members.

Officer Training

5.55 Council officers are encouraged to access internal training courses as well as specific professional development. We make use of the apprenticeship levy fund for some internal development. All new starters are required to undertake the corporate induction and to understand key policies on data protection, code of conduct and ICT security, as well as to undertake safeguarding awareness training as a minimum. Appraisals are conducted in relation to the performance of each member of staff on an annual basis and we have recently provided training for all people managers on managing and motivating performance and our next organisation-wide initiative is digital skills.

Inclusion and Diversity

- 5.56 Work is underway for the Council's workforce equalities report for the 2023 submission. Work on promoting an inclusive culture has been happening through regular lunch and learn sessions for officers with topics including Ramadan, Holocaust Memorial Day and neurodiversity. The Council is building contacts in local communities to encourage more interest in jobs with the Council as well as building relationships with local schools. A key priority for the Council is to develop more inclusive recruitment practices.

Appointments

- 5.57 The Appointments Committee is responsible for appointing Executive Directors and Assistant Chief Executives and for undertaking the recruitment and selection process for the Chief Executive and designation of Head of Paid Service, Chief Finance Officer and Monitoring Officer and recommending these appointments to Council. The Committee also receives reports from the Chief Executive on senior management arrangements, to include any change. The Committee did not meet in 2022/23 but the interim Monitoring Officer was appointed by Full Council.
- 5.58 The appointment of councillors to outside bodies such as trusts, charities and community associations is the responsibility of the Leader of Council, who chooses to seek Cabinet agreement to nominations. The Council

currently has representatives on a total of 56 outside bodies. Those appointed to charities and trusts generally serve as trustees of those organisations which comes with a particular set of responsibilities. Guidance to assist Council representatives on these organisations is provided upon appointment to ensure that all appointees understand their role and responsibilities in representing the Council on the organisation.

Decision Taking

- 5.59 All decision reports are subject to a robust clearance procedure to ensure that decision makers are presented with the best organisational advice and that the risks and legal, financial, environmental and equalities implications of proposals are identified and explained. All decision reports to the Cabinet are accompanied by a risk register and, where equalities impacts are identified, an equality impact assessment. Report writing guidelines and clear deadlines are in place to guide report authors and this guidance was updated and refreshed in 2019/20. The Council's Forward Plan provides at least a four month forward view of upcoming decisions to assist councillors and the public in engaging with Council decision making. The Council also maintains a focus on ensuring that decisions taken by officers are recorded and published on the Council's website.

Scrutiny

- 5.60 The Council has a mature Scrutiny function that benefits from the active engagement of members, dedicated

officer resource and a positive organisational culture that is conducive to effective scrutiny. The work of Scrutiny is prioritised and agreed through a work planning process while remaining flexible and responsive to emerging issues, priorities and Cabinet decisions. Where there are multiple suggestions for Scrutiny-commissioned work, the Council's TOPIC methodology is engaged to rank suggestions - with points awarded for timeliness, organisational priority, public interest, influence (the ability to) and cost. Preferential focus is given to Cabinet reports, which generate less additional officer work to produce for Scrutiny, allowing Scrutiny to navigate the balance of continuing to consider topics of particular importance whilst not overburdening the organisation.

5.61 The Scrutiny Committee has the ability to establish Standing Panels and Review Groups each year to consider selected, specialist issues in more detail. In 2022/23, the Committee re-established the Finance and Performance Panel, Housing and Homelessness Panel and Companies Scrutiny Panel; alongside the annual Budget Review Group. In addition, the Committee established a new Standing Panel – the Climate and Environment Panel – to scrutinise the Council's progress in delivering existing climate and environment work-streams and to consider their effectiveness, given the Council's commitment to Zero Carbon.

Audit and Governance Committee

5.62 The Council has an established Audit and Governance Committee with terms of reference that comply with the Chartered Institute of Public Finance and Accountancy ("CIPFA") guidance. The Audit and Governance Committee is responsible for setting the Council Tax base, approving the Annual Statement of Accounts, reviewing quarterly risk management reports and noting and commenting on the work plans and reports of the Council's internal and external auditors. The Committee monitors the implementation of audit actions. In 2022/23, the Committee also approved the Council's Corruption Policy and received a briefing from the Counter-Fraud Team on its annual report, highlighting the team's success over the previous 12 months.

5.63 The Audit and Governance Committee receives quarterly reports on all allegations of fraud, corruption and money laundering once any on-going investigation is complete as well as those Ombudsman complaints for which a Public Interest Report is issued.

Financial Planning

5.64 The Council has a coherent accounting and budgeting framework which includes the monthly monitoring and publication of spend against budget. The Medium Term Financial Plan and budget setting are underpinned by the prioritisation and savings plans which are regularly reviewed and updated by the Cabinet.

Emergency Planning

5.65 The Civil Contingencies Act 2004 establishes a clear set of roles and responsibilities for those involved in emergency preparation and response at the local level. It requires the Council and other organisations to prepare for adverse events and incidents. The Council is a category one responder and as such has continued to work with other agencies to build resilience on emergency planning functions. Officers have been identified to undertake silver and gold level response roles within the Council. The emergency planning documentation held by the Council is updated as required.

5.66 During 2022/23 the Council:

- Transferred responsibility for emergency planning from the Council's Policy and Partnerships Team to the Community Safety Service within Regulatory Services and Community Safety.
- Entered a Service Level Agreement with Oxfordshire County Council's Emergency Planning Unit to receive 0.5 FTE equivalent support and expertise from a named officer in the unit.
- Finalised its Flooding Protocol, Sandbag Policy and Winter Preparedness Check in preparation for the flooding and adverse weather period.
- Reviewed and Finalised the Council's Emergency Response Arrangements (ERA)
- Delivered training to the Corporate Management Team on the ERA and Gold and Silver training

- Ensured officers across the Council's services participated in training to support the setting up of Reception Centres in an emergency
- Attended all relevant Thames Valley Local Forum Group online meetings to update and take forward actions on major incidents e.g. flooding, summer heat planning
- Responded to a major incident triggered by a water pipeline failure
- Implemented, in partnership with Thames Valley Local Resilience Forum members, the Death of a Senior Figure and city plan for the Proclamation.
- Reviewed the Operation Return plan with Oxfordshire County Council

Statutory Officer Reports

5.67 The Monitoring Officer and Chief Finance Officer have had no cause to issue reports in exercise of their statutory powers in the 2022/23 financial year.

Whistleblowing

5.68 The Council has adopted a Whistleblowing Policy. The Policy is published within the Council's Constitution and is periodically reviewed by the Monitoring Officer and was reviewed in July 2021.

Corporate Complaints

5.69 The Council operates a comments, compliments and complaints system ("the 3 Cs").

5.70 Following the Council's self-assessment against the Housing Ombudsman's new Complaint Handling Code for registered providers of social housing, it was agreed by the Council's Corporate Management Team (CMT) to move from a three-stage to a two-stage procedure for all complaints across the Council and ODS. This came into effect from July 22. During 22/23, The Council received 10 "stage 2" complaints. 8 of these were not upheld and 2 were upheld.

5.71 10 complaints against the Council were received by the Local Government and Social Care Ombudsman this year. Out of these, 2 were investigated and both were upheld. The two complaints that were upheld related to the Council's statutory homelessness services. As a consequence the Council has changed its processes concerning the prevention of homelessness, ensuring all eligible service users are now supported within the statutory framework established by the Homelessness Reduction Act; and has taken steps to ensure that offers of interim accommodation are made promptly, and when outside of Oxford are fully compliant with regulation and case-law, through new training and guidance for staff.

Fraud and Corruption

5.72 The Council's Counter-Fraud Team continued to provide an effective fraud prevention, detection and investigation capability. Charged with safeguarding Council services, the team has a remit to ensure that processes and controls are robust and protected from exploitation by fraudsters.

5.73 Working in tandem with a number of Council departments and external organisations, the Team ensures that vulnerabilities are addressed and where appropriate, civil and criminal action is taken against those who deceive and defraud the organisation. In the financial year 2022-2023, the team were responsible for preventing losses and increasing revenue, to the value of £5.1m for the Council.

5.74 The Team also tackles abuse in social housing by preventing fraudulent and irregular applications for housing from progressing, and by recovering Council owned properties that are being illegally sublet, misused or abandoned. There were 14 instances of this in the year.

5.75 In early 2020, the team formed a shared-services partnership with the Counter-Fraud Team of Reigate and Banstead Borough Council. Both teams work in a commercial manner, supplying a range of services to client organisations and each team has unique areas of specialisms. Joint working between the teams continued to thrive in the period with a range of high profile and high value outcomes achieved by the teams working in tandem.

5.76 In October 2022, the partnership was recognised by the IRRV; the Institute for Revenues, Ratings and Valuations in its Performance Awards scheme. Reigate and Banstead Borough Council won the "Excellence in Counter Fraud" award. The work of the partnership was a key feature of the awards submission.

5.77 In May 2021, the team delivered the inaugural National Investigations Conference in Birmingham which was facilitated in partnership with two private sector suppliers. Bringing together delegates from multiple organisations, the event was well received with more than 130 in attendance. In November 2022, the Team hosted its seventh Annual Fraud Conference. The conference was again held in the Oxford Town Hall with over 170 in attendance.

5.78 Throughout the year, the Team continued to work as a commercial entity, providing a range of counter-fraud services to 22 external organisations, identifying £3.7m of fraud and financial irregularity on behalf of those organisations.

Employment

5.79 The Council has a comprehensive range of policies, procedures and processes that combine employment legislation with best practice and organisational norms. Supplementary to these and for the purposes of monitoring and transparency, is a suite of reports and reporting tools. Together these inform and govern how the Council manages people related matters whilst also ensuring that the organisation achieves this in a fair, consistent and legally compliant manner. The policies and procedures cover the whole employee lifecycle, ranging from recruitment and selection and career development, to performance, conduct and capability issues and there is a regular cycle of review to ensure they are up to date and fit for purpose.

5.80 All policies and procedures are available for employees and managers to see on the Council's intranet. Additional guidance and support is accessed through the Council's People Team, who provide training, coaching and ad hoc support and advice. The People Consultancy Team and Business Partners also work closely with Service Areas to deal with people related matters in a consistent manner and in line with the agreed policies and processes. The Council is working to implement a service management platform to improve query management and access to guidance for managers and to improve the efficiency of key people processes.

Business Continuity Planning

5.81 During the Covid-19 pandemic, the Council's response to a business continuity incident was tested in reality when the country went into full lockdown in compliance with Government guidelines. All Council offices were closed with most staff working from home and all work which couldn't be carried out within Government guidelines was ceased.

5.82 The Council's Corporate Business Continuity Plan anticipated that if main Council offices were not available then alternative accommodation would be needed for office based staff. Due to the nature of the pandemic, the use of alternative corporate accommodation was not possible and in the event it was proved that this accommodation wasn't needed through the use of ICT and remote working solutions. The use of a secondary

site for service delivery has now been removed from the Business Continuity Plan

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- 5.83 The Council has now moved to a hybrid working pattern with staff working from home unless there is a need to attend the office. Most of the Council's workforce are therefore now essentially home-based. The Council's corporate and service business continuity plans have been updated in line with the revised business model and the reduction in the need for office space.
- 5.84 The hybrid working pattern places more emphasis on the Council's ICT than ever before and, especially with the risks of cyber-attacks increasing, greater emphasis is therefore placed on ICT resilience and security. Consequently an audit was performed by the Council's internal auditors and a review was also undertaken by the Council's insurers. The findings of these have fed into a number of actions which are now underway which will further strengthen the Council's cyber-resilience.
- 5.85 Business Continuity continues to be a focus for regular review. It is intended that there will be a Business Continuity Plan exercise later in the year to be facilitated by the council's insurer Zurich Municipal.
- 5.86 The evidence provided by the continued delivery of services to the public during the pandemic indicates that the Council's business continuity processes held up well and that the Council can adapt well and quickly to changing circumstances.

Freedom of Information

- 5.87 The Council is required to provide certain information on request under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. Requests are considered and, if held, information is disclosed unless an exemption or exception applies. During the financial year 2022/2023 the Council received 936 requests for information. The Council received a Practice Recommendation from the ICO in November, established an action plan, created a training module for all staff, procured an information requests system and increased the resource within the team. The Council and ODS separated their information request functions as of the 1st of April 2023.
- 5.88 It is clear that the types of request are becoming more complex with requesters using the FOI route to ask questions and opinions of officers rather than for recorded information.

6 Review of Effectiveness

- 6.1 The Authority 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 the work of senior officers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

6.2 In preparing this statement each Head of Service has completed an assurance questionnaire. The questionnaire asked each Head of Service to draw attention to any matters in respect of which internal controls were not working well and required a positive assurance that apart from those areas which were identified for improvement that the controls within the service had been, and are, working well.

6.3 A number of actions have taken place and are planned within various of the Council's Service Areas and these are summarised in the Action Plans attached as Appendix 1 to this statement. Milestones will be added to this Action Plan as the work to achieve the tasks progresses.

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7 **CIPFA Statement on the Role of the Chief Financial Officer**

7.1 In assessing the effectiveness of the Council's Annual Governance Statement the Chief Financial Officer is required to review how their role in the authority meets the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. Key to this assessment are a number of principles:

- The Chief Financial Officer ("CFO") in a local authority is a key member of the leadership team, helping it to develop and implement strategy. In the Council the CFO is a key member of the Corporate Management Team with direct access to the Chief

Executive, members, Audit & Governance Committee and internal and external audit

- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy. In Oxford the CFO is responsible for Risk Management, has the ability to influence decisions through meetings and reporting to members and also has a statutory requirement to advise members of the robustness of estimates and the level of reserves and balances
- The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively. The CFO has a personal responsibility for financial stewardship and their prime responsibility is to the citizens to manage resources prudently, both within the authority and extending into partnerships, joint ventures and companies in which the council has an interest e.g. Oxford Direct Services Group, Oxford City Housing Limited, Oxford West End Development Limited (OxWED) and Barton LLP
- The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose. In Oxford the CFO currently has sufficient

resources to undertake the Finance function and this is subject to review

- The CFO in a local authority must be professionally qualified and suitably experienced. The CFO and a number of key staff within the Finance Team are suitably qualified. Deputising for the CFO on matters of financial accounting is undertaken by the Financial Accounting Manager and Management Accountancy Manager, with additional posts taking responsibility on matters relating to Procurement and Revenues.

8 Significant Governance Issues

- 8.1 The control framework described above facilitates the identification of any areas of the Council's activities where there are significant weaknesses in the financial controls, governance arrangements or the management of risk.
- 8.2 The Council's internal auditors are BDO LLP who are required to provide the Audit and Governance Committee, and the Section 151 Officer with an opinion on the adequacy and effectiveness of risk management, governance and internal control processes, as well as arrangements to promote value for money.

8.3 The auditors have stated that in giving the opinion it should be noted that assurance can never be absolute. The internal audit service provides Oxford City Council with moderate assurance that there are no major weaknesses in the internal control system for the areas reviewed in 2022/23. Therefore, the statement of assurance is not a guarantee that all aspects of the internal control system are adequate and effective. The statement of assurance should confirm that, based on the evidence of the audits conducted, there are no signs of material weaknesses in the framework of control.

8.4 In assessing the level of assurance to be given, the auditors took the following matters into account:

- All internal audits undertaken by BDO LLP during 2022/23
- Any follow-up action taken in respect of audits from previous periods for these audit areas
- Whether any significant recommendations have not been accepted by management and the consequent risks
- The effects of any significant changes in the organisation's objectives or systems
- Matters arising from previous internal audit reports to Oxford City Council
- Any limitations which may have been placed on the scope of internal audit – it is acknowledged that no restrictions were placed on the work.

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