

Annual Governance Statement

for year ended 31 March 2024



www.bolsover.gov.uk

Bolsover
District Council

Foreword

“To continue to be a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District...”

...this is the Council’s Ambition for 2020-2024 and it has been developed as an alternative to a Council Plan as a series of ambitions. A new Council Ambition for 2024-28 has been adopted.

The Ambition is flexible and adaptable. It has the scope for new projects to be delivered alongside the provision of excellent services, whilst having the preparedness to address uncertainties such as reductions in funding and income we receive, changes in legislation that affect our services or influences that affect our local communities and their way of life.

Bolsover District Council is publicly funded and the projects we implement to help us achieve this ambition must and will be subject to revision, scrutiny and audit as we continue to respond to the changing needs of our District.

This Annual Governance Statement assesses the corporate governance arrangements we had in place during 2023/24.



Karen Hanson
Chief Executive Officer
(Head of Paid Service)



Steve Fritchley
Leader

What is Corporate Governance?

Corporate governance is the combination of rules, practices and processes by which organisations are directed, regulated and controlled. It is also about culture, values and ethics. It is the way that councillors and employees act.

The Council's corporate governance arrangements aim to ensure that it does the right things at the right time for the right people in a way that is timely, inclusive, open, honest and accountable.



The Annual Governance Statement

Bolsover District Council has approved and adopted a code of corporate governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) - the

'Delivering Good Governance in Local Government Framework' 2016 edition.

This statement explains how the Council has complied with the code for the year ended 31 March 2024 and also how it meets the requirements of the Accounts and Audit (England) Regulations 2015.

1. The Council's Governance Responsibilities

Bolsover District Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.

The Council 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.

In discharging this overall responsibility, the Council is

responsible for putting in place proper arrangements for the governance of its affairs and for facilitating the effective exercise of its functions. This includes arrangements for the management of risk.

The Council's Governance Code, which was renewed in accordance with the new governance guidance produced by CIPFA and SOLACE, states the importance to the Council of good corporate governance and sets out its commitment to the principles involved. The Code can be obtained from the Monitoring Officer.

Governance and Partnerships

In addition to giving appropriate consideration to the Council's internal governance arrangements, it needs to be recognised that the Council is working in a number of partnership arrangements.

Since April 2011, the Council has worked in a number of areas with North East Derbyshire District Council, a neighbouring authority.

Joint working takes place across some services including Environmental Health which is a fully shared service hosted by North East Derbyshire District Council.

In addition, we have joint arrangements with Chesterfield Borough Council, Derbyshire Dales District Council, Amber Valley Borough Council and Gedling Borough Council for a range of services.

The Council is a partner of the Derbyshire Building Control Partnership (DBCP) along with six

other district councils and Derby City Council. The DBCP provides building control services across Derbyshire and Staffordshire Moorlands.

Dragonfly Development Ltd is a development company, wholly owned by Bolsover District Council, as a company limited by shares. Dragonfly Management (Bolsover) Ltd. is a management company which is a wholly owned subsidiary of Dragonfly Development Ltd, as a company limited by shares. These two entities form the Dragonfly Group and have been established to take advantage of the wider trading powers provided by the Localism Act 2011.

We have a Local Strategic Partnership which engages with a range of local partners including NHS bodies. We also actively participate in the D2N2 Local Enterprise Partnership. The Local Enterprise Partnership has now been superseded by the East Midlands Mayoral Combined County Authority.

Where the Council has entered into partnership arrangements it seeks to ensure that they are subject to

appropriate governance management arrangements.

Dragonfly Development Ltd and Dragonfly Management (Bolsover) Ltd

Dragonfly Development Ltd (DDL) was formed as a joint venture partnership between the Council and Robert Woodhead Construction Ltd. DDL is a development company that continues to undertake many of the major property schemes on behalf of the Council, including the Council's Bolsover Homes project. In 2022 Robert Woodhead Construction Ltd ceased trading and the Council acquired 100% of DDL's shares.

Shortly after that the Council examined the potential for the vehicle and following a business case it created a second company- Dragonfly Management (Bolsover) Ltd (DMBL). This company is a subsidiary of DDL and provides services to the Council such as housing repairs, economic development and estates services.

Both DDL and DMBL are wholly owned by the Council and governance arrangements are set out in the Group Shareholder Agreement. This agreement regulates the activities of both companies and ensures that the

Council retains influence over strategic objectives and significant decisions of DDL. In addition there is a separate service level agreement between the Council and DMBL which sets out the specific services that DMBL will provide back to the Council together with performance targets.

Decisions of DDL and DMBL are made by the respective board of directors. The membership of both boards consists of 5 district councillors and the Chief Executive of the Dragonfly companies. The District Council has established a Shareholder Board consisting of Members and officers whose role is to consider proposals from DDL and DMBL, to review performance and to make recommendations to the Executive or to Full Council. In addition the work of DDL and DMBL is subject to scrutiny and updates are regularly reported to the Council's Local Growth Scrutiny Committee.



2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled, together with those activities through which it accounts to, engages with and leads the local community.

It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost effective services.

In order to review the effectiveness of the governance framework, assurances are provided to, and

challenged by, the Audit Committee, Scrutiny Committees, Executive or Council as appropriate.

Some of the key elements of the governance framework are highlighted on the next pages.

The system of internal control is a significant part of the governance 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 Council Ambition

The Council Ambition 2020-2024 was developed in early 2020. The Ambition replaced the Corporate Plan and outlined the key areas that the Council would focus on over the following four years.

The Council's overall Ambition is 'to become a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District.'

The Ambition sets out three strategic themes - Customers, Economy and Environment. Beneath each of these are a number of priorities which will be considered in the delivery of services. A suite of performance indicators support the Ambition.

The year ending 31st March 2024, was the final year in the four-year plan. In March 2024, Council approved the new Council Plan – The Future 2024-2028. This new plan sets out our key priorities through to 2028.

Performance Management

Performance monitoring is undertaken by the Scrutiny Committees. In addition, Portfolio Holders meet regularly with officers, Assistant Directors, Directors and the Chief Executive to ensure effective performance management across the suite of agreed performance indicators supporting the Ambition. Executive and Council receive an Annual report which identifies key achievements and challenges, celebrates successes and identifies areas of work which require focus over the forthcoming year.

In addition, the Narrative Report which is included within the Council's Statement of Accounts, contains a

Social Media

Join the conversation on all aspects of Bolsover District Council services and activities.

The Council provides its customers access to our services and information in the most appropriate Social Media channels and through its own Bolsover TV channel.

summary of progress made in the past year against each of the Council's targets which support our priorities.



Purpose: To become a dynamic, self-sufficient and flexible Council that delivers excellent services, whilst adapting to local aspirations and acting as the economic and environmental driver for Bolsover District.

Governance Code

Assurance Required on:

- Delivery of Corporate Plan/Council Ambition
- Communication of performance
- Financial management
- Service quality and best use of resources
- Any failures in service delivery addressed effectively
- Councillors and officers working together effectively
- Compliance with laws and regulations, policies and procedures
- High standards of conduct and behaviour
- Informed and transparent decision making
- Management of risk and effective internal controls
- Developing the capacity and capability of members and employees
- Democratic engagement and robust public accountability

Sources of Assurance:

- Community Strategy
- Planning principles for services
- Constitution
- Strategic Leadership and Senior Management structures
- Medium Term Financial Strategy
- Financial Procedure Rules
- Contract Procedure Rules
- Procurement Strategy
- Consultation and Engagement Strategy
- Single Equality Scheme
- Organisational Development and Workforce Strategy
- Information Management Strategy
- ICT & Digital Strategy
- Health and Safety Policy
- Risk Management Strategy
- Partnership Working
- Internal & External Audit and inspection
- Counter Fraud Strategy and Policy & Procedures
- Audit and Standards committees
- Codes of Conduct (Employees and Members)

Sources of Assurance (continued)

- Whistleblowing Policy
- Performance Review and Development
- Complaints system
- Member Development Programme

Assurances Received:

- Statement of Accounts
- External Audit and Inspection reporting
- Internal Audit reporting
- Risk and Control Registers and Risk Management Reporting
- Scrutiny Reviews
- Reviews commissioned by management
- Annual review of the Constitution
- Peer Reviews
- Ombudsman Reports
- Ongoing review of Corporate Governance and of gaps in assurance
- Quarterly performance reports to Executive

Opportunities for Improvement

- To further develop arrangements with the Dragonfly companies, including client and management arrangements for the Council.
- To develop the Council's role in the new East Midlands Mayoral Combined County Authority.
- To address any gaps in Member training/knowledge.
- Potential significant cost increases in insurance premiums and/or excess levels, for Pleasley Vale business units when the insurance renewal is carried out in October 2024.

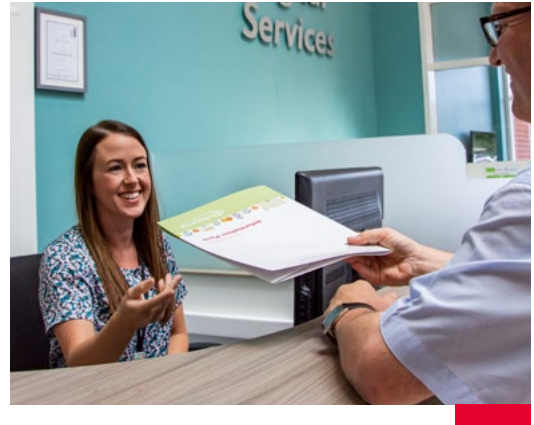
**Annual
Governance
Statement**

Governance Framework

OUR PRIORITIES

Customers:

- Increasing customer satisfaction with our services
- Improving customer contact and removing barriers to accessing information
- Actively engaging with partners to benefit our customers
- Promoting equality, diversity and supporting vulnerable and disadvantaged people
- Providing good quality council housing where people choose to live
- Improving health, wellbeing and increasing participation in sport and leisure activities



Economy:

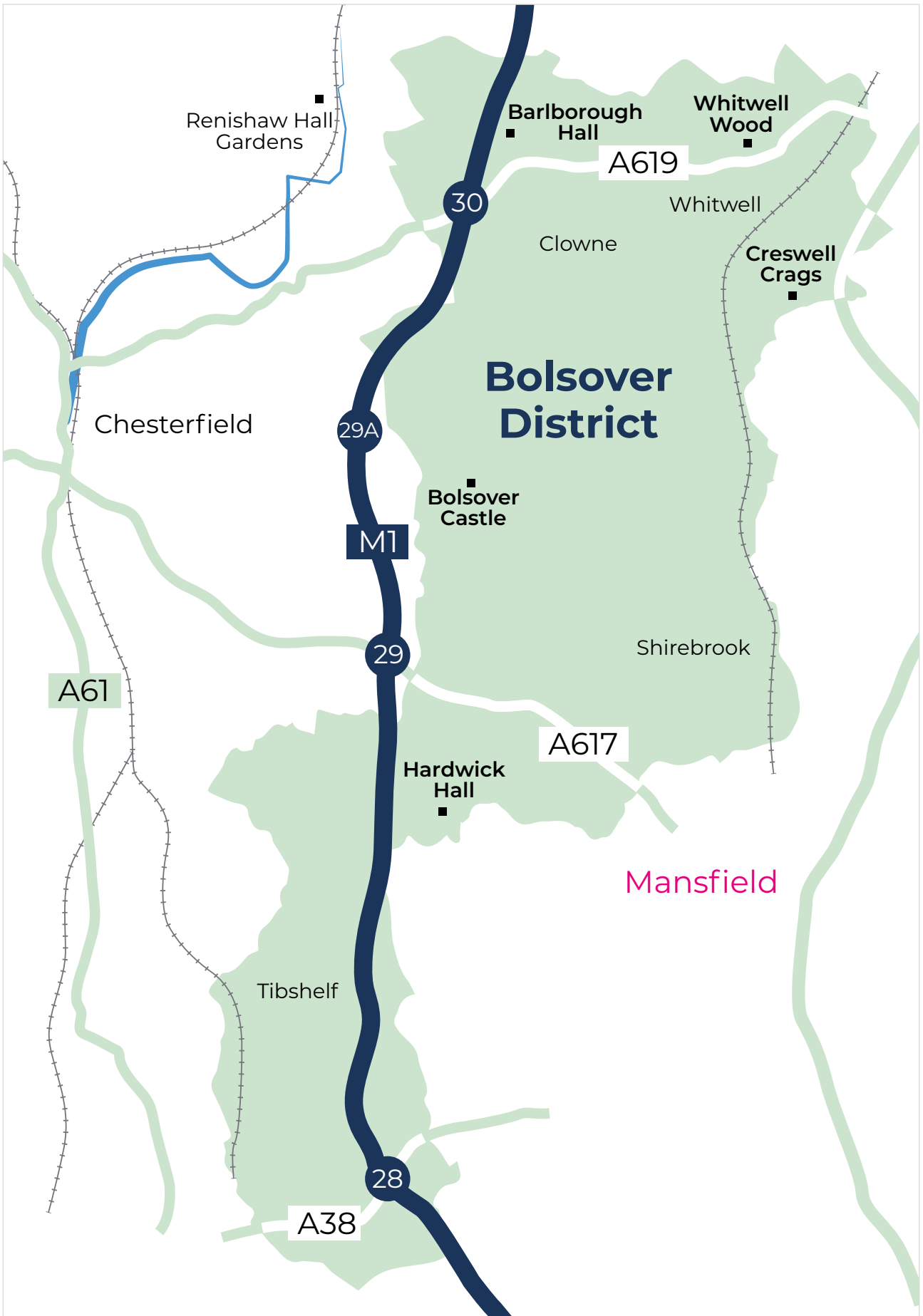
- Working with partners to support enterprise, innovation, jobs and skills
- Unlocking Development Potential: unlocking the capacity of major employment sites
- Enabling Housing Growth: increasing the supply, quality and range of housing to meet the needs of the growing population and support economic growth
- Making the best use of our assets
- Ensuring financial sustainability and increasing revenue streams
- Promoting the District and working with partners to increase tourism



Environment:

- Reducing our carbon footprint whilst supporting and encouraging residents and businesses to do the same
- Increasing recycling
- Ensuring a high standard of environmental cleanliness, undertaking appropriate enforcement activity where required
- Enhancing biodiversity and developing attractive neighbourhoods that residents feel proud of and take responsibility for
- Working with partners to reduce crime and anti-social behaviour
- Actively engaging with partners to benefit our communities





Managing Risk and Opportunities

The Council has a Risk Management Strategy and associated framework in place.

The Council has embedded risk management by the establishment of a Risk Management Group, Elected Member led and attended by senior officers, internal audit and health and safety.

The group regularly reviews all risk registers, offering challenge to the assessment process. The group leads on the development and review of all risk related policies, plans and strategies across the Council. These are supported by a Risk Management Strategy which identifies and mitigates the Strategic and Operational risks.

The Risk Management framework includes a quarterly reporting process to Audit Committee.

The Council is risk aware rather than risk averse. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.

The Risk Management approach, both in the identification of risks and the action taken to address the risks, is flexible and has the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities have and will continue to change and evolve over time. The Council's Risk Management focus and arrangements are able to adjust in order to ensure that current threats and opportunities are

effectively addressed and not stifled by inappropriate risk management arrangements.

Although the Council can do much to manage the risks it faces, it does need to be recognised that some of the major Strategic Risks are only partially within its direct influence. Key risks included in the Strategic Risk Register at present are:

STR1

The introduction of Government Legislation/Parliamentary uncertainty which has an adverse impact on the Council's budget or ability to carry out its statutory functions, for example the Government White Paper on Levelling Up and the potential impact of an East Midlands Combined Mayoral Authority.

STR2

Failure to deliver a balanced budget in line with the MTFP.

STR3

Operational failure which has a major impact upon the provision of services to residents, communities and/or businesses (for example ICT failure, utilities failure or building/depot failure).

STR4

Difficulty recruiting to professional posts (for example Environmental Health Officers, qualified lawyers and auditors).

STR5

Delivery of statutory services alongside the Council's Vision, initiatives, major projects and reforms, potentially overstressing limited resources.

**STR6**

Emergency Planning and Business Continuity arrangements fail to meet required standards.

STR7

Lack of appropriate strategic direction.

STR8

Failure to meet required standards of governance.

STR9

Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.

STR10

Failure to recover from the impact of COVID-19 upon the organisation, local economy and community.

STR11

Cyber security attack which severely impacts ICT systems and data. E.g. Ransomware attack rendering access to ICT unavailable for some time.

STR12

Significant increases to general cost of living which may impact on Council income including Council Tax, Business Rates, increased rent arrears and reduced leisure income.

STR13

Housing Pressures: Homelessness and pressure on suitable housing provision across the District. Increases in the number of Section 21 Notices being issued by private sector landlords. Housing resettlement programmes.

STR14

The impact of Climate Change.

STR15

Dragonfly Development Ltd and Dragonfly Management (Bolsover) Ltd, wholly owned companies of the Council. A separate full set of identified risks are detailed within the Full Business Case January 2023.

Decision Making and Responsibilities

The Council consists of 37 elected members, with an Executive of lead members who are supported and held to account by four scrutiny committees.

The Council has a formal Constitution in place which sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business, and a section on responsibility for functions, which includes a list of decisions that can be taken by officers. It also contains the rules, protocols and codes of practice under which

the Council, its members and officers operate.

The Constitution is available on the Council's website and is reviewed annually through Standards Committee and Annual Council.

The Constitution sets out the functions of key governance officers, including the statutory posts of 'Head of Paid Service' (Chief Executive Officer), 'Monitoring Officer' (Director of Governance and Monitoring Officer) and 'Section 151 Officer' (Director of Finance and Section 151 Officer) and explains the role of these officers in ensuring that processes are in place for enabling the Council to meet its statutory obligations and also for providing advice to members, officers and committees on staff management, financial, legal and ethical governance issues.



Open Decision-making

Meetings of the Council, Executive and the main Committees are open to the public except where exempt or confidential matters are being discussed, and all reports considered and the minutes of decisions taken are, unless confidential, made available on the Council's website.

The Council's Forward Plan contains information about matters that are likely to be the subject of a decision taken by Executive during the forthcoming four months.



Equality

The Council is committed to delivering equality and improving the quality of life for the people of Bolsover District Council. Our Single Equality Scheme and Equality Policy for service delivery clearly sets out that no person should be treated unfairly and commits the Council to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Any new Council policy, proposal or service, or any change to these that affects people must be the subject of an Equality Impact Assessment to ensure that equality issues have been consciously considered throughout the decision making processes.

Financial Management

The Chief Financial Officer is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972, and our financial management arrangements are compliant with the governance requirements set out in the Chartered Institute of Public Finance and Accountancy's 'Statement on the Role of the Chief Financial Officer in Local Government' (2016). The Council's Chief Financial Officer is a full member of the Strategic Leadership Team and is supported by appropriately qualified and experienced staff.

Internal financial control is based on a framework of management information that includes the Financial Regulations, Contract and Procurement Procedure Rules, our accounting procedures and key financial systems. These include established budget planning procedures and quarterly budget reports to Finance and Corporate Overview Scrutiny Committee and Executive.

The Medium Term Financial Strategy sets out the Council's strategic approach to the management of its finances and outlines some of the financial issues that we will face over the next four years. This document is updated every year before the budget process begins and approved at Council.

Despite our established success in delivering savings, the Council faces the challenge of designing a sustainable budget for the future in the face of continuing changes to our income from Government funding.

Since 2011/12, Bolsover District Council has delivered savings of over £5m. We have a good track record of finding efficiencies and new ways of working but new budget savings are becoming increasingly difficult to identify and deliver now we have reduced service budgets to minimal levels. For this reason it is essential that the Council continues to identify areas where costs can be reduced but more importantly, income can be increased, to close any budget gaps.

Income generation from housing, property, commercial and regeneration activities are the main reasons the Council established its wholly owned companies, Dragonfly Developments Limited and Dragonfly Management (Bolsover) Limited, which are predicted to provide the Council with a positive income stream when they are fully established.

The Financial Management Code

CIPFA has developed the Financial Management Code (FM Code) which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code.

Although the FM Code does not have legislative backing, it applies to all local authorities and it must be demonstrated that the requirements of the FM Code are being met. Demonstrating this compliance with

the Code is a collective responsibility of Elected Members, the Section 151 Officer and the Senior Leadership Team.

As a first step towards ensuring that this Council meets the FM Code, the Council's Internal Audit Consortium carried out an audit during September 2020. The audit concluded that the Council complied with the majority of the FM Code already.

During February 2024, the latest routine audit was carried out. The assurance level achieved was 'Reasonable', which means "the majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives, risks are generally well managed."

The Cost of Living

Throughout 2022/23 the Government provided various financial support schemes to help households with the increased cost of living in the UK. These were administered by the Council's revenues and benefits section. Two of the schemes were announced by the Government late in 2022/23, and so most of the grant payments were paid out early in the 2023/24 financial year.

	Amount of Grant available for the scheme	Amount paid out on the scheme by 31/3/24
Energy Bills Support Scheme Alternative Funding Grant, facilitates a £400 payment for domestic energy consumers in UK that would otherwise not receive support due to the absence of a domestic electricity supply.	£0.331m	£0.241m
Alternative Fuel Payment Scheme Alternative Fund Grant provides £200 to domestic energy consumers in UK that use alternative fuels.	£0.070m	£0.059m

In addition the Government made payments to County Councils to provide more general support to households most in need, this was repeated again in 2023/24. During 2023/24, Derbyshire County Council provided the following amounts to Bolsover which were administered by our revenues and benefits and housing teams.

	Amount available to spend in 2023/24	Amount paid at 31/3/24
Household Support Fund, support for households who may not be eligible for other forms of support. Not necessarily for energy costs this also supported arrears on council tax or rent accounts.	£0.207m	£0.169m



Storm Babet

Storm Babet was an intense extratropical cyclone which affected large parts of northern and western Europe between 16th – 21st of October 2023.

The storm caused flooding in various parts of England from the 20th of October. Areas of Suffolk, Derbyshire, Nottinghamshire, Lincolnshire and South Yorkshire were particularly badly affected.

In the Bolsover District we had a number of households and businesses affected, either directly or indirectly by flooding.

As part of the Derbyshire Resilience Partnership Strategic Recovery Group, we were part of a co-ordinated DRP-led recovery that addressed the needs of those affected by the event and enabled the 'return to normal activity' for residents, businesses, communities and key agencies, supporting regeneration or renewal activity where possible.

The Government's Flood Recovery Framework scheme was activated

for local authorities that had been significantly impacted by Storm Babet. The support included:

Community Recovery Grant – £500 per flooded household to help households in areas severely affected by the flooding with their immediate recovery.

Business Recovery Grant – £2,500 per small and medium-sized enterprise (SME) to support businesses that suffered severe impacts from the floods.

Council Tax Discount – 100% council tax relief for a minimum of three months, for residents whose property had been flooded, or which was considered unliveable, as a consequence of the storm.

Business Rates Relief – 100% relief from business rates for a minimum of three months, for those businesses directly impacted by the storm.

Property Flood Resilience scheme grants – £5,000 to help homes and businesses to become more resilient to flooding by helping to pay for a range of property improvements.

All the schemes had closed by the 31st of March 2024. The table below shows how much was paid out by Bolsover District Council for each scheme:

	Applications received	Applications paid out	Amount paid at 31/3/24
Community Recovery Grant	43	42	£21,000 in grants
Business Recovery Grant	26	25	£62,500 in grants
Council Tax Discount	51	51	£26,800
Business Rates Relief	14	14	£15,413
Property Flood Resilience Grants	none	none	zero

The schemes were administered by the Council's revenues and benefits section and the economic development team.

Local Audit Delays

There has been a deterioration in the timeliness of local audit since 2017/18, with delays compounding during the Covid pandemic, leading to a persistent and significant backlog of local authority audit opinions. As of the 31st of December 2023, the backlog of outstanding audit opinions stood at 771, with some audits dating back to 2015/16. Only 1% of English Councils were in a position to publish their audited accounts by the 30th of September 2023 deadline, this was 5 out of the 467 total. By mid-January this had increased to 10% according to commentators.

Since Spring of 2023, the Department for Levelling Up, Housing and Communities (DLUHC), has been working with the Financial Reporting Council (FRC), the National Audit Office (NAO), the Chartered Institute of Public Finance and Accountancy (CIPFA), the Institute of Chartered Accountants in England and Wales (ICAEW), the Public Sector Audit Appointments (PSAA) and a number of audit firms with responsibility for local audits, on a cross-system

proposal to clear the backlog of audits and put the local audit system on a sustainable footing.

On the 8th of February 2024, a joint statement was published as an update to proposals to clear the backlog and embed timely audit. Published alongside this was a consultation, which gave details on how the local audit backlog issue was proposed to be resolved. The Council's Section 151 Officer submitted a response to the consultation directly on the government's portal on the 13th of February 2024.

The opinion on the Council's statement of accounts for the year 2022/2023 was received on the 28th of March 2024. It is anticipated that the opinion will be received before the end of April. The Council's Section 151 Officer is confident the finance team will continue to meet the statutory deadline for publication of the unaudited statement of accounts by the 31st of May each year, and they will maintain working with Mazars to ensure as timely publication as possible for the audited statement of accounts.

Procurement of Goods and Services

Strategic procurement is a series of activities and processes that sits at the heart of the Council, providing the framework by which the Council obtains value for money in all of the goods and services that it procures.

The Council's current Procurement Strategy was approved during 2021/22 and training sessions were provided to staff throughout the Council.

The strategy outlines how the procurement of goods and services is achieved and describes the Council's

Contract Procurement Rules which form part of the Council's Constitution.



Managing Information

Information is central to the Council and its decision making processes and it therefore needs to be accurate and accessible to those who need it at the time and place that is required. The Council also recognises that it has a responsibility to safeguard the information it holds and to manage it with care and accountability.

The Council complies with the Transparency Agenda, Freedom of Information obligations and the requirements of the General Data Protection Regulation regarding the collection, use and transfer of personal

data with an appropriately qualified and experienced Data Protection Officer in post.

To support these high standards of openness and probity the Council has in place an effective complaints policy.

Freedom of Information

Details of how to access information held by the Council and its Freedom of Information policy are available on the Council's website at www.bolsover.gov.uk



Assurance from Internal and External Audit

The Council's external auditor is Mazars LLP. In accordance with their statutory requirements, their annual audit includes examining and certifying whether the financial statements are 'true and fair', and assessing our arrangements for securing economy, efficiency and effectiveness in the use of resources which also includes financial sustainability and governance. For 2022/23 the External Auditor gave an unqualified audit opinion on both the financial statements and the use of resources.

The Council's Internal Audit function is provided on a consortium basis and includes three other Councils.

The Internal Audit service is a key means of assurance. It is responsible for reviewing the adequacy of the controls throughout all areas of the Council and is compliant with the Public Sector Internal Audit Standards (PSIAS).

The Audit Committee approve the Internal Audit Charter, which sets out the Internal Audit role and its responsibilities and clarifies its independence, and the planned audit coverage.

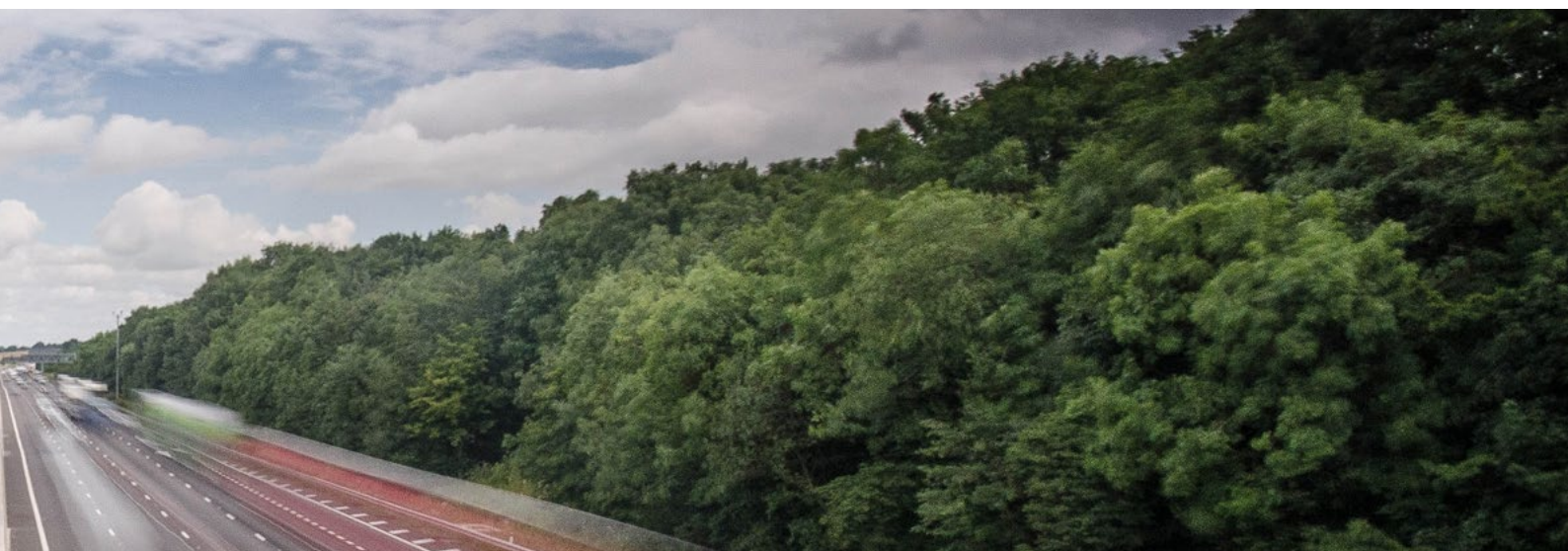
The Head of Internal Audit Consortium's annual opinion as to the effectiveness of the Council's internal control environment for 2023/24 was:

"In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework for governance, risk management and control for the year ended 2023/24.

Reasonable assurance can also be provided for Dragonfly Management (Bolsover) Ltd. During the 2023/24 financial year, the governance arrangements with the wholly owned companies have been in development and the operation of these will be assessed in the 2024/25 financial year.

For Dragonfly Development Ltd, the Council is placing reliance on the assurance received from the company's external auditors.

Assurance can never be absolute. In this context 'reasonable assurance' means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas where improvements are required."



The **Audit Committee** provides independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. The Committee also oversees the Council's corporate governance arrangements. It is a statutory requirement and consists of six Councillors appointed annually on a politically balanced basis by the Council and one co-opted member appointed by the Council.

Its main functions include:

- Agreeing the Annual Governance Statement and the Annual Statement of Accounts.
- Overseeing Internal Audit's independence, objectivity, performance and professionalism and supporting the effectiveness of Internal Audit.
- Considering the effectiveness of Risk Management, including the risks of bribery, fraud and corruption.
- Considering the reports of External Auditors and Inspectors.

The Committee's effectiveness is reviewed on an annual basis utilising CIPFA's self-assessment of good practice, specifically aimed at Audit Committees.

The **Finance and Corporate Overview Scrutiny Committee** is one of four Scrutiny Committees run by the Council.

Generally, their role is to review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions.

The Finance and Corporate Overview Scrutiny specifically:

- Ensures effective scrutiny of the Treasury Management Strategies and associated policies.
- Receives the Executive's budget proposals and scrutinises them in accordance with the Budget and Policy Framework Procedure Rules in the Council's Constitution.
- Receives a quarterly update on performance against relevant Corporate Plan targets from Portfolio Holders.

Conduct

The Council's Members' Code of Conduct and Employee code of conduct sets out the standards of conduct and behaviour that are required by all Councillors and staff respectively. The Council is legally required to have a Code of Conduct for Councillors by virtue of the Localism Act 2011. The Members' code including its compliance is managed by the Council's Monitoring Officer whereas employee conduct is managed by the Human Resources Team.

In 2021 the Local Government Association (LGA) produced a model Code of Conduct following recommendation from the Committee for Standards in Public Life. This Council adopted the new Code of Conduct for Councillors during 2021/22.

Key elements of the code require members to register relevant interests and to declare them at times when the Council, its committees or Executive, are making decisions. The code also sets out the standard of behaviour expected which follows the Seven Principles of Public Life also

known as the Nolan Principles. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The code also provides guidance on predisposition and predetermination when it comes to decision making.

Training on the new code of conduct has been provided to Members by the Monitoring Officer and Deputy Monitoring Officer.

In addition to the Code of Conduct members are subject to codes and protocols as set out in Part 5 of the Council's Constitution, namely:

- Social Media Guidance for Councillors;
- Gifts & Hospitality Guidance;
- Protocol on Member/Officer Relations
- Planning Protocol
- Member's Roles & Responsibilities

Training on all codes and protocols was provided to returning and new members following the 2023 local elections.



Whistleblowing

People who work for or with the Council are often the first to realise that there may be something wrong within the Council. However, they may feel unable to express their concerns for various reasons, including the fear of victimisation.

The Council has a Whistleblowing Policy that advises staff and others who work for the Council how to

raise concerns about activities in the workplace. The Whistleblowing policy is reviewed annually by the Standards Committee who also consider any entries on the whistleblowing register for the preceding 12 months. Full details are provided on the Council's website at www.bolsover.gov.uk

Anti-Fraud, Bribery and Corruption

We recognise that as well as causing financial loss, fraud and corruption also detrimentally impact service provision and morale, and undermine confidence in the Council's governance and that of public bodies generally.

There is little evidence that the incidence of fraud is currently a major issue for the Council, but the risk is increasing nationally. The Council's

policy on Anti-Fraud, Bribery and Corruption was approved by Executive at its meeting on 3rd October 2022. Training on Anti-Fraud, Bribery and Corruption and Anti-Money Laundering was provided for returning and new members following the 2023 local elections.

Our website tells you how you can report suspected fraud against the Council.



3. Significant Governance Issues

The progress made during 2023/24 on the significant issues identified in our 2022/23 Annual Governance Statement is shown below:

Issue identified	Commentary
<p>1. The setting up and operation of Dragonfly as a wholly owned company and the transfer of services and staff into it.</p>	<p>Dragonfly Development Limited and Dragonfly Management (Bolsover) Limited were set up as wholly owned companies in 2023. Relevant staff were transferred to Dragonfly Development Limited. An Service Level Agreement has been agreed for provision of the services by Dragonfly Management Limited to the Council.</p>
<p>2. Development of the role and responsibilities of the Junior Cabinet Members as proposed by the Leader at Annual Council on 24th May 2023.</p>	<p>The Council has agreed to the creation of the role of Junior Cabinet Members and details of the role and duties and responsibilities have been added to the Constitution. The Leader of the Council has appointed five members as junior executive members.</p>
<p>3. The lack of housing stock to meet the current need.</p>	<p>Housing supply is a national issue and Bolsover continues to work hard to manage the pressures on the housing register. This has included a full review of the Council's Housing Allocation Policy alongside the continuation of the Council's house building and improvement programmes. During 2023/24, 43 additional properties were built within the Housing Revenue Account and improvements have been made to some of our Independent Living units. In addition, the Council has identified a number of temporary accommodation units and the purchase of additional affordable homes is included in the total above.</p> <p>Work continues, with the implementation of the new Consumer Standards which became law on 1st April 2024 and Council has approved a full stock condition survey to inform the capital programme for future years.</p>
<p>4. The impact of cost of living on the Council and the residents of Bolsover.</p>	<p>The Council ensured that the financial support received from the Government was made available in a timely fashion to those eligible to receive it. The Council continues to make use of the NNDR Growth Protection reserve to manage additional costs outside of its control. The budget assumptions for 2023/24 in the Medium-Term Financial Plan, were that inflation would be less of an issue than it had been in 2022/23. These assumptions were proven to be correct as we did not need to increase utility and inflation affected budgets further, when we undertook the revised budget process.</p>

Based on our review of the governance framework, the following significant issues will be addressed in 2024/25:

	Issue identified	Commentary
1.	To further develop arrangements with the Dragonfly companies, including client and management arrangements for the Council.	
2.	To develop the Council's role in the new East Midlands Mayoral Combined County Authority.	
3.	To address any gaps in Member training/knowledge.	
4.	Potential significant cost increases in insurance premiums and/or excess levels, for Pleasley Vale business units when the insurance renewal is carried out in October 2024.	

These issues will be supported by a detailed action plan, progress on which will be monitored during 2024/25 and reported to senior management and to the Audit Committee.

No other major changes to the Council's governance framework are planned for 2024/25, but we will continue to review and adapt it so that it continues to support the Council in meeting its challenges and in fulfilling its purpose, and ensure that the framework remains proportionate to the risks that are faced.

4. Opinion

The Council is satisfied that appropriate governance arrangements are in place and are fit for purpose.

We propose over the coming year to take steps to address the significant governance issues set out above to ensure that our governance arrangements remain robust.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____ Date: _____

Chief Executive Officer (Head of Paid Service)

Signed: _____ Date: _____

Leader

Equalities Statement

Bolsover District Council is committed to equalities as an employer and when delivering the services it provides to all sections of the community. The Council believes that no person should be treated unfairly and is committed to eliminating all forms of discrimination, advancing equality and fostering good relations between all groups in society.

Access for All statement

You can request this document or information in another format such as large print or language or contact us by:

- **Phone** – 01246 242424
- **Email** – enquiries@bolsover.gov.uk
- **BSL Video Call** – a three way video call with us and a BSL interpreter. It is free to call Bolsover District Council with Sign Solutions, you just need wifi or mobile data to make the video call, or call into one of our Contact Centres.
- **Call with Relay UK** via textphone or app on 0800 500 888 – a free phone service provided by BT for anyone who has difficulty hearing or speaking. It's a way to have a real time conversation with us by text.
- **Visiting one of our offices** at Clowne, Bolsover, Shirebrook and South Normanton.