



*Alison Stuart
Head of Legal and
Democratic Services*

MEETING : PERFORMANCE, AUDIT AND GOVERNANCE
OVERSIGHT COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : WEDNESDAY 31 JULY 2019
TIME : 7.00 PM

MEMBERS OF THE COMMITTEE

Councillor M Pope (Chairman)
Councillors A Alder, S Bull, J Burmicz, L Corpe, A Curtis and T Stowe
(Vice-Chairman)

Substitutes

Conservative Group: Councillors C Rowley and A Ward-Booth

*(Note: Substitution arrangements must be notified by the absent Member
to Democratic Services 24 hours before the meeting)*

**CONTACT OFFICER: LORRAINE
BLACKBURN**
[LORRAINE.BLACKBURN@EASTHERTS.GOV.](mailto:LORRAINE.BLACKBURN@EASTHERTS.GOV.UK)
[UK](mailto:LORRAINE.BLACKBURN@EASTHERTS.GOV.UK)
01279 502172

DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.
4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

Public Attendance

East Herts Council welcomes public attendance at its meetings and will provide a reasonable number of agendas for viewing at the meeting. Please note that there is seating for 27 members of the public and space for a further 30 standing in the Council Chamber on a “first come first served” basis. When the Council anticipates a large attendance, an additional 30 members of the public can be accommodated in Room 27 (standing room only), again on a “first come, first served” basis, to view the meeting via webcast.

If you think a meeting you plan to attend could be very busy, you can check if the extra space will be available by emailing democraticservices@eastherts.gov.uk or calling the Council on 01279 655261 and asking to speak to Democratic Services.

Audio/Visual Recording of meetings

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

Implementing paperless meetings will save East Herts Council approximately £50,000 each year in printing and distribution costs of agenda packs for councillors and officers.

You can use the mod.gov app to access, annotate and keep all committee paperwork on your mobile device.

Visit <https://www.eastherts.gov.uk/article/35542/Political-Structure> for details.

The Council is moving to a paperless policy in respect of Agendas at Committee meetings. From 1 September 2019, the Council will no longer be providing spare copies of Agendas for the Public at Committee Meetings. The mod.gov app is available to download for free from app stores for electronic devices.

AGENDA

1. Apologies

2. Minutes - 21 May 2019 (Pages 7 - 16)

To approve as a correct record the Minutes of the meeting held on 21 May 2019.

3. Declaration of Interest

To receive any Members' declarations of interest.

4. Chairman's Announcements

5. Council Tax Reduction Scheme (Pages 17 - 38)

6. Statement of Accounts 2018/19 (Pages 39 - 44)

7. Annual Governance Statement (Pages 45 - 66)

8. Annual Performance Report (Pages 67 - 120)

9. SIAS Progress Report (Pages 121 - 148)

10. SIAS Annual Assurance Statement and Internal Audit Report (Pages 149 - 174)

11. SIAS Annual Report (Pages 175 - 188)

12. Draft Work Programme Proposals 2019-20 (Pages 189 - 198)

13. Urgent Items

MINUTES OF A MEETING OF THE
PERFORMANCE, AUDIT AND GOVERNANCE
OVERSIGHT COMMITTEE HELD IN THE
ROOM 27, WALLFIELDS, HERTFORD ON
TUESDAY 21 MAY 2019, AT 7.00 PM

PRESENT: Councillor M Pope (Chairman)
Councillors A Alder, S Bull, L Corpe,
A Curtis, T Stowe and A Ward-Booth

ALSO PRESENT:

Councillors G Williamson and J Wyllie

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Isabel Brittain	- Head of Strategic Finance and Property
Mike Edley	- Interim Scrutiny Officer
Robert Winterton	- Financial Services Manager

ALSO IN ATTENDANCE:

Suresh Patel	- EY
--------------	------

23 APPOINTMENT OF VICE CHAIRMAN

It was moved by Councillor Pope and seconded by Councillor S Bull that Councillor T Stowe be appointed Vice Chairman for the civic year 2019/20. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that Councillor T Stowe be appointed Vice Chairman for the civic year 2019/20.

24 APOLOGY

An apology for absence was received from Councillor J Burmicz. It was noted that Councillor A Ward-Booth was substituting for the Member.

25 MINUTES - 12 MARCH 2019

It was moved by Councillor A Alder and seconded by Councillor T Stowe that the Minutes of the meeting held on 12 March 2019 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 12 March 2019 be confirmed as a correct record and signed by the Chairman.

26 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Members to the new Performance, Audit and Governance Oversight Committee. He asked those in attendance to introduce themselves.

27 EXTERNAL AUDIT - UPDATE ON TIMING OF THE AUDIT
2018/19

The Head of Strategic Finance and Property explained that a report on the accounts would normally be presented to Members by 31 July and of the difficulties that the Council's External Auditors (EY) were experiencing in being able to carry out the audit and sign off the accounts by the statutory deadline.

The External Auditor apologised to Members and explained that they were suffering from staff shortages and that as a result, their work with a number of local authorities would be approached with an emphasis on remote working to access the Council's accounts. He explained that External Auditors would be on site by 15 July and would spend a week on site. Of the 160 authorities that EY audit, 18 authorities had been advised that EY could not start their audit until the end of July and 12 authorities advised that the Audit would not be resourced until August, 2019. Members' sought and were provided with assurances that EY were doing all it could to address the recruitment issue and going forward, of lessons learned.

Councillor J Wyllie raised the issue of the pressures on Councils to produce accounts within 3-4 months whereas the private sector had a much longer period of time to produce accounts. He sought assurances that the costs of the impact on Officers in terms of additional hours which may be needed would be re-charged to EY. The Head of Strategic Finance and Property assured Members that they would work together to mitigate the impact and to address issues; she expressed concern in relation to staff who had booked holidays after what they had thought was the sign

off for the final accounts.

Concern was expressed by a number of members about EYs staffing issues and the degree of remote working proposed by them.

Assurances were sought and provided to Councillor A Curtis that the quality of the audit would not be compromised.

The Head of Strategic Finance and Property explained that there would be an informal briefing for all Members regarding the draft accounts on 16 July 2019.

Councillor A Curtis referred to the pressures on the service in terms of the management of projects. The Head of Strategic Finance and Property referred to the strong support she had from Officers.

Following the departure of the External Auditor, the Head of strategic Finance and Property explained that she had written to the PSAA requesting a change to the external audit provision.

With Members consent, the Head of Strategic Finance and Property said she would write again to the PSAA (Public Service Account Auditing) and reinforce the need to change the external audit provision. This was supported.

Councillor A Ward-Booth suggested the insertion of a Penalty Clause in any future external audit contract. Councillor J Wyllie emphasised the short lead in time for public accounts and the problems this caused for local authorities.

Members received the report.

RESOLVED – that (A) the report be noted;

(B) the Head of Strategic Finance and Property write to the PSAA expressing Members' concerns about the delays in carrying out the Council's Audit caused by the External Auditor's staffing resources.

28 STRATEGIC RISK REGISTER - ANNUAL REPORT

The Head of Strategic Finance and Property submitted a report on the Strategic Risk Register for 2019/20. She referred to a number of updates which would need to be addressed such as reference to the newly appointed Chief Executive and the Head of Planning and Building Control and the adoption of the District Plan. Members debated the report at length raising a number of concerns in relation to the risk allocation scores in respect of:

- 1a - Business rates: Members were advised that provision had been made in the Council's accounts and allocated in the event to Business Rate Appeals and reviewed on an annual basis - Members felt was too high).
- 2 - Workforce: from an HR perspective whether some departments were more at risk in terms of an inability to fill critical positions which could impact on the organisational structure. The Head of Strategic Finance and Property Services explained the difficulties experienced by Planning and Environmental Health in recruiting staff;
- 5a - Information Management: whether there were

plans to recruit a permanent Data Protection Officer (as the post was temporarily being covered by the Head of Legal and Democratic Services);

- 5b - Cyber risk: the likelihood score of 2 in relation to cyber management. The Head of Strategic Finance and Property explained that she was confident that the service was compliant and protected;
- 6 - Development of strategic sites: allocated a likelihood score of 3. Members asked whether the Master Plan would have a positive impact on this score? The Head of Strategic Finance suggested that the Portfolio Holder (Councillor G Cutting) might be able to provide more insight and suggested that an informal meeting be arranged to consider this further. This was supported. The quality of new build and how this might impact on the Council's reputation was also discussed.
- 8 and 9 – compliance with the Childrens' Act 2004 and Safeguarding Adults and the differentials in their scoring. Members' requested that the Head of Housing and Health provide an explanation;
- 10 - Encouragement of Economic Viability: whether the Council was flexible and sufficiently dynamic to respond to possibilities and of the need to ensure that there was a joined up approach across the entire District. Members requested an update from the Portfolio Holder and the Head of Communications, Policy and Strategy;
- 11 – Emergency planning: why the impact score was 3 and not 4. An update was requested from the Head

of Housing and Health;

- 12 - Referendum vote to leave EU: how this would impact on sources of Council procurement in terms of the decision to leave the EU in a “no-deal” scenario.

It was felt by Members that further clarity was needed as to the nature of the risks themselves, the rationale behind the scoring, and mitigation measures. A session to cover this as well as other aspects of PAGO work would be set up before the next committee meeting.

It was moved by Councillor M Pope and seconded by Councillor T Stowe that Members’ comments be referred to the Executive. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that Members’ comments detailed above, be referred to the Executive.

29 WORK PROGRAMME PROPOSALS 2019-20

The Chairman sought Members’ comments on the development of a Work Programme for 2019/20. He referred to the work programme for Performance Audit and Governance Scrutiny Committee and suggested that Members might wish to include the following on the work programme:

- Healthcheck (quarterly performance review)
- Treasury Management Strategy
- Audit Letter and Report
- SIAS and SAFs report
- Old River Lane – Oversight of progress

Councillor A Curtis asked when the KPIs were last reviewed. The Head of Strategic Finance and Property explained that these were reviewed within the context of the Quarterly Healthcheck reports.

The Chairman suggested that oversight of Section 106 monies and where these had been allocated. This was supported.

Councillor A Curtis queried the role of PAGO in the formation of the work programme. The Scrutiny Officer explained that PAGO's activities met a number of statutory requirements in relation to auditing, and budget setting and financial management with the result that the committee's forward plan is to some extent pre-determined.

Members supported the suggestion to include the items as detailed above, on the Work Programme for 2019/20.

It was moved by Councillor M Pope and seconded by Councillor T Stowe that a draft Work Programme be fleshed out including the items above, and that these elements as detailed above be approved for the civic year 2019/20

RESOLVED – that the draft work programme as detailed, be approved for the civic year 2019/20.

The meeting closed at 8.25 pm

Chairman
Date

This page is intentionally left blank

EAST HERTS COUNCIL

PERFORMANCE AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE – 31 JULY

REPORT BY EXECUTIVE MEMBER FOR FINANCE AND SUPPORT SERVICES

COUNCIL TAX REDUCTION SCHEME 2020/21

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

To consider the latest available information around the current local Council Tax Support (CTS) scheme at East Herts and whether any changes to the scheme should be considered for 2020/21.

<u>RECOMMENDATION FOR PERFORMANCE AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE: that</u>	
(A)	Performance Audit and Governance oversite Committee consider whether other options around scheme design should be explored further for East Herts local Council Tax Support scheme for April 2020

1. BACKGROUND

- 1.1 The Government made provision within the Local Government Finance Bill to replace the former national Council Tax Benefit (CTB) scheme from 1st April 2013 with localised schemes for Council Tax Reduction Schemes (CTS) devised by individual local authorities (LA's). The schemes are valid for one year and must be approved by Council before

the 11th March immediately preceding the financial year in which it is to take effect.

- 1.2 If the Council were to choose to consider any material revisions to the scheme, this would be the subject of public consultation, which would need to be considered by both those entitled to receive support as well as the general Tax payers of East Herts.
- 1.3 Since the introduction of CTS in April 2013 various changes have been considered but the scheme has remained the same.
- 1.4 In April 2018 Overview and Scrutiny committee received a presentation on a potential new scheme for 2019/20 based on income bands. The aim was to find a scheme which would simplify the criteria for customers as well as mitigating the impact of changes in circumstances on workload and council tax collection, resulting from universal credit reassessments.
- 1.5 Members were advised that substantial modelling would need to be carried out to avoid any unintended consequences, as well as enabling full consultation with tax payers and major preceptors. Unfortunately the software modelling tool proved to be insufficiently sophisticated to enable the modelling to be progressed with sufficient confidence in the results.
- 1.6 Late in 2018/19 a further enhanced modelling tool was provided by the software supplier, and testing carried out on the data provided, however this did not produce the desired outcomes.
- 1.7 This report therefore details the current position on Council Tax, and seeks support to continue the current scheme for 2020/21.

2. REPORT

2.1. The origins of Council Tax Support (CTS)

- 2.1.1. Before April 2013, the service administered Council Tax Benefit on behalf of the Government. This national scheme was specified in legislation and LA's were reimbursed by the Department of Work and Pensions (DWP) through a subsidy claim submitted annually and subject to audit.
- 2.1.2. The level of subsidy reimbursement varied dependant on whether benefit had been awarded, backdated or overpaid, but the point to note is that entitlement and subsidy were based on assessing entitlement on 100% of somebodies council tax liability, net of discounts (like a single person discount).
- 2.1.3. The scheme was means tested and whilst the scheme differentiated between different client groups (providing extra support for disabled groups for example) there was little differential between Elderly and Working Age clients.
- 2.1.4. Clients fell into one of two groups, "passported" and "standard claims." A passported claim was one in which the DWP had already carried out a means test and then notified us that the customers income was at or below the minimum income level for their household composition. They would be automatically entitled to 100% of their Council Tax to be paid by Council Tax Benefit. A deduction would however be made from this entitlement where there were non dependants living in the home.
- 2.1.5. The second group were called 'standard claims'. These customers had their means testing done by the council and awarded Council Tax benefit in accordance with the national scheme criteria. These customers had income above the

minimum requirements and would be required to pay something towards their council tax liability. A deduction would also be made from this entitlement where there were non dependants living in the home.

- 2.1.6 In very simple terms entitlement was determined by comparing eligible incomes against relevant applicable amounts. When income equalled or fell below applicable amounts, the maximum entitlement is achieved. If income exceeded applicable amounts, entitlement was reduced by 20% of the excess. The applicable amounts were determined by the DWP in respect of Housing Benefit claims.
- 2.1.7 In more complex terms, every income and capital source had to be assessed in accordance with its type, and then determined if it was included in the assessment. Child benefit, maintenance paid to a child, PiP and DLA, war pensions etc were fully disregarded, whilst earned income was calculated after tax & NI, and 50% of pension contributions, averaged over the relevant period. Payments to certain child care providers were disregarded, whilst capital (excluding the property occupied) included savings, shares etc and if the total exceeded £16k, the customer was excluded from entitlement.
- 2.1.8 In very general terms the full expenditure on the scheme was reimbursed by the DWP.

2.2. **The impact of changes from 1st April 2013**

- 2.2.1. The national scheme for Council Tax Benefit ceased, and Councils had to devise their own Council Tax Reduction Schemes for working age claimants. The Government continues to specify the scheme for Elderly customers through prescribed regulations.

- 2.2.2. Instead of the scheme being funded through a subsidy claim based on actual expenditure, the Government moved the funding into the Revenue Support Grant (RSG) settlement, fixing it at only 90% of the subsidy paid in a previous year. RSG was the amount of grant that Government gave to Councils to support their wider service delivery, and made up one part of the income of the Council in addition to Council Tax receipts, fees and charges and an element of Business rate collection. However the move away from RSG makes this funding element less obvious.
- 2.2.3. Each Council had to consider how to fund 100% of the cost of the Elderly 'national' scheme and provide a Working age scheme, whilst receiving 10% less funding.
- 2.2.4. Pensioner claimants are protected from changes through the provision of a statutory scheme.
- 2.2.5. Schemes must support work incentives.
- 2.2.6. The DCLG Policy Statement of Intent did not give a recommended approach to be taken, but indicated the scheme should not contain features which create disincentives to find employment. The current East Herts scheme complies with this statement.
- 2.2.7. Local authorities must ensure that appropriate consideration has been given to support for other vulnerable groups, including those which may require protection under other statutory provisions including the Child Poverty Act 2010, the Disabled Persons Act 1986 and the Equality Act 2010, amongst others.
- 2.2.8. The DCLG issued Policy Statements that addressed a range of issues including the following:
- Vulnerable People and Key Local Authority Duties;

- Taking work incentives into account;
- Information Sharing and Powers to Tackle Fraud.

2.2.9. The Local Government Finance Bill stated that a Billing Authority must have regard to any guidance issued by the Secretary of State. Our current scheme has sought to address these requirements.

Council Tax Reduction Scheme (CTS)

2.2.10. The Council initially devised a scheme which replicated the previous national scheme but limited the Council Tax liability that was used to assess entitlement to 90% for working age customers. The Government offered a one off transitional grant to Councils who would restrict the reduction to 91.5%, and accordingly the Council amended the proposal and took the one off transitional grant. The Council has maintained this position for the first 7 years of the scheme.

2.2.11. The cost of the scheme is reflected in the tax base, in the same way as other discounts which reduce the collectable debit.

2.2.12. The Government require that major preceptors (County and Police) are consulted each year, and if there is any change to the scheme a full consultation open to all tax payers in the district is required. There is no specific timescale prescribed but the period must allow for meaningful consultation.

2.2.13. Currently (2019/20) 76.15% of the tax base income is precepted by Herts County and Council and 10.53% by the Police, and accordingly they have a vested interest in the value of the CTS scheme as it directly impacts on their ability

to raise funds. The lower the cost of the scheme, the higher the tax base on which they can precept.

- 2.2.14. Before the introduction of CTS there had been a number of years of constant case load increases, the caseload has since stabilised and reduced, alongside a growing taxbase due to new developments in the area. The impact on the cost of the scheme is demonstrated below.

Year	Cost of the CTS scheme	
2013/14	£ 6,448,794	Actual
2014/15	£ 6,066,188	Actual
2015/16	£ 5,734,780	Actual
2016/17	£ 5,670,937	Actual
2017/18	£ 5,813,163 *	Actual
2018/19	£ 6,066,356 **	Actual

* The Band D value of the 2017/18 taxbase increased by 4.39% on 2016/17,

**The Band D value of the 2018/19 taxbase increased by 5.76% on 2017/18

- 2.2.15. From 14/15 the 90% grant that was included in the RSG was no longer individually identifiable. Therefore calculating the total cost of the scheme i.e. the cost of the CTS scheme versus the CTS grant given by Government is now impossible.
- 2.2.16. What is certain however is that the level of spend on CTS has continued to reduce in real terms, mitigating in part the impact of overall reductions in income to the Council.
- 2.2.17. A large proportion of customers affected by the introduction of the CTS scheme had not previously had to pay anything towards their Council Tax bill. If they had been 'passport' under the Council Tax Benefit scheme their liability would

have been discharged in full by a credit transfer onto their Council Tax account. Under the new arrangements all working age customer have to pay at least 8.5% towards their bill.

- 2.2.18. It continues to be a challenge to support and educate these customers into a regular payment arrangement. We have;
- Offered flexible repayment options,
 - Given more time to pay,
 - Worked on a project with the Citizens advice Bureau to support customers with repeated arrears,
 - Promoted other debt and advice agencies.
- 2.2.19 The in-year collection rate for working age claimants who had only the minimum 8.5% liability to pay was 67.49% in 2014/15 and 77.7% for 2018/19
- 2.2.20 The overall in-year collection rate for all working age CTS customers was 77.43% in 2014/15, and 78.61% in 2018/19. In contrast to the all tax payers in-year collection rate, which for 2014/15 was 98.2%, and 98.1% in 2018/19.
- 2.2.21 Many of these same customers have been affected by other welfare reforms introduced ;
- the spare room subsidy scheme
 - the new Benefit CAP,
 - Reviews of disability benefits etc.
- Many families find that they have increasing debts with their councils and landlords for bills that were previously paid for them.
- 2.2.22 We make assumptions in respect of the level of non-payment of Council Tax when determining the tax base, alongside assumptions over each of the variable elements of its composition. The in-year collection for all Council Tax payers

was 98.1% in 2018/19, but this was dampened by only 78.61% collected from those working age customers in receipt of CTS. Those customers who under the old scheme would have not paid anything towards their council tax (passported customers) paid only 73.7%

2.2.23 The liability not paid in-year becomes arrears on which a bad debt provision has to be established, which is a further cost to the council. Where the outturn taxbase exceeds the estimated performance it generates a surplus on the collection fund, and conversely when the taxbase does not achieve its expected performance because of negative variations in the component elements, the collection fund would be in deficit. The Council is required to make precept payments during the year regardless of any in-year variations.

2.2.24 Consideration of any variations to the existing scheme needs to consider;

- Variations in grant funding
- The reducing cost of CTS
- The impact of other welfare benefits reforms on the ability to pay
- The cost of increasing arrears and recovery costs
- The buoyancy of the taxbase generally
- The unknown budget and finance settlements
- The roll out of Universal Credit

2.2.25 Any revision to a scheme must be made by the Council by the 11th March, immediately preceding the financial year in which it is to take effect and will require consultation with those affected. Additionally, consideration must be given to providing transitional protection where the support is to be reduced or removed. The financial impact of any decision on Council Tax Support also needs to be included when setting our budget and Council tax levels at the same time.

2.2.26 The CTS scheme for 2019/20 can be summarised as follows:

- That the CTS scheme for all working age claimants will be based on 91.5% of their council tax liability.;
- All local discretions currently in place continue e.g. war pension disregards;
- All other aspects of the new Council Tax Support scheme to mirror the previous Council Tax Benefit scheme.

2.2.27 In recognition of the fact that the additional Council Tax liability is more difficult to collect, a collection rate of 98.9% has been assumed.

2.3 Options that could be considered in redesigning a scheme

2.3.1 There are a number of options that could be considered when redesigning the scheme, although all revisions would affect working age customers only, given that pensioners have to be fully protected by our scheme.

2.3.2 The Government continues to make changes to the Housing Benefit regulations which are not currently mirrored in the CTS regulations. This means the schemes are no longer aligned. The frequency of changes to Housing Benefit and Universal Credit schemes, make it almost impossible to mirror these in the CTS scheme, not least of which because of the difference in timing. The Housing Benefit and Universal Credit schemes are changed when needed during the year, and the CTS scheme can only be revised annually.

2.3.3 Consideration was been given previously to align some of the more significant differences between Housing Benefit and Council Tax support but the financial implications across the

caseload have been assessed as small, and the changes would have required a full consultation exercise, to achieve only a temporary alignment, and therefore this was rejected.

- 2.3.4 The caseload for CTS indicates that the proportion of working age customers compared to pensioners is changing over time very slightly. It demonstrates a reduction in the proportion of the caseload for Elderly customers and this may be attributed to the rising of the national age threshold for becoming a pensioner. (At 1.4.19, 55% WA :45% Elderly), consequently more customers would be affected by any changes.
- 2.3.5 Last year consideration was given to an income-band scheme which appeared to offer an opportunity to simplify entitlement criteria and the treatment of income and capital.
- 2.3.6 This was driven by the imminent roll out of 'full service' Universal Credit, (impacting in East Herts from October 2018) so there was a need to look to reduce the impact of monthly changes in universal credit on entitlement to CTS and Council tax collection.
- 2.3.7 Members were supportive of the approach, however subsequent testing has shown that there are unintended consequences for customers with disability premiums, and to correct for these would make the scheme overly complex and thus not achieve the desired outcomes.
- 2.3.8 Consideration has previously been given to each of the following changes, but each relies on the basic scheme construction remaining the same.

a) Changing the level of "minimum payment" for all working age customers

- I. The current scheme assumes that all working age customers are asked to pay at least something towards their Council Tax, and as described earlier the minimum payment is 8.5% of liability. The Council could consider making a change to that amount but in doing so, the full impact of that decision needs to be considered.
- II. If the Council chose to increase this minimum payment to say 10%, this does not mean a straight line reduction in the amount that the Council will spend out. For individuals already finding it difficult to pay at the current level, it can be seen that increasing this amount could increase their hardship levels further, especially as these customers are likely to be receiving other benefits, which have been affected by the on-going Welfare reforms.
- III. Given our latest information shows that the collection rate for those working age customers in receipt of CTS is already significantly lower than the overall rate, we would need to consider adding further amounts to our bad debt provision in respect of potential non-collection of our debts. Having done some indicative modelling, we estimate that increasing the minimum payment to 10% could result in a decrease in Council Tax spend of approximately £80k. This would be virtually wiped out by the need to increase bad debt provision.
- IV. Conversely, if we were to consider reducing the minimum amount to be paid we would need to consider where we would find the additional amount that we would need to fund Council Tax Support and the impact upon the totality of the funding for the Council and importantly, other precepting bodies too. These impact on their overall funding levels, and given we represent under 14% of the total cost of the scheme, EHC needs to consider the significant financial impact this could have on others. There would still be costs associated

with administering the scheme whatever the level of award, as not everyone gets the full benefit so this would not mitigate the additional cost to the Council. On current estimates, we believe the additional burden could be around £300k.

b) Introducing a band cap (so limiting the amount that we would pay to a value of a lower property band, for example Band D)

In some Local Authorities, they have introduced a band cap where the scheme will only pay up to the equivalent of say a Band D property, even if you are in a higher banded property.

This could disproportionately affect those with a requirement for a larger property as they have children, other dependents due to caring responsibilities or a disability. These groups could already have been hit by other areas of Welfare reform including the Benefit Cap and the Spare Room subsidy limitation.

c) Introducing a minimum amount that would be paid out

Some Councils have introduced a minimum level at which they will support residents. An example is that you have to be entitled to at least £5 a week to be supported. This means someone who is currently entitled to a lower amount, would not receive it, despite the fact that we have assessed them as currently requiring support. There are no real savings in terms of administrative costs because we would still have to undertake an assessment to find out that we wouldn't award. In addition, the fact that they are currently entitled to support indicates that they are financially vulnerable and the likelihood of being able to collect that additional amount from those residents is low. Therefore the potential reduction in costs overall is minimal and outweighed by an increase in bad debt provision and

recovery costs.

d) Changes around discretions for Disability, Children and other Dependents

- I. This would change the nature of the scheme overall. East Herts, when setting its original scheme were clear that all would contribute equally as the core scheme already differentiates preferentially to those with disabilities, children etc.
- II. Any complexity that is added to the way in which we calculate entitlement, will make the administration of the scheme both more complex for our officers to manage both in terms of calculation but more importantly, to explain to our residents.
- III. This would also mean that the general working age population may need to pick up an even greater share of the cost if the scheme is to remain affordable and equitable.

e) Other adjustments

There include; income tapers, non-dependent deductions, income disregards etc. but all carry the same risk to bad debt provisions, potential recovery costs and costs of administration. The more complex the scheme, the more difficult it is to comply with and customers' levels of understanding could be compromised.

2.4 **The impact, challenges and opportunities of Universal Credit.**

- 2.4.1 Customers claiming UC who apply for Council Tax Support do not require the Council to carry out means testing on their

- circumstances (see 2.1.6 above) . They need only provide their UC entitlement letters (details of which can be confirmed through LA's access to the DWP systems). These claims are already means tested and have differential applicable amounts applied by the DWP, and the only income element that is needed for an award of CTS is earnings. Consideration has to be taken of any deductions being made for overpayments or recovery of advances, but these lend themselves to a simplified assessment and processing system, and could be incorporated into a discount scheme.
- 2.4.2 Universal credit full service roll out took effect in this area in October 2018. This means that customers who would previously have applied for Housing Benefit (HB) and CTS are now applying for UC and CTS. The DWP are due to pilot moving existing HB claimants on to UC from July 2019, but are only planning to do this with 10k cases nationally, before seeking government approval for further managed migration.
- 2.4.3 There is therefore no information available currently to determine when this councils existing working age HB caseload will move to UC.
- 2.4.4 There are certain groups of HB claimant that will not, in the foreseeable future migrate to UC, as they are deemed too complex. This means that in addition to the pensioner case load there will be a residual working age caseload to manage.
- 2.4.5 It has therefore been appropriate to consider if the current CTS scheme is fit for purpose now that a growing number of customers will be in receipt of UC.
- 2.5.6 The reduction in new claims for HB might seem to reduce the services workload, however as the current scheme requires the same preparation and processing to award a CTS claim as an HB one, there is no saving. Currently claims or changes in circumstances are prepared and input and both awards (HB & CTS) are processed simultaneously. Claims not requiring an

- HB assessment simply produce one output (CTS award) rather than two.
- 2.5.7 UC claimants have to apply to the council for CTS entitlement. There is a common misunderstanding among claimants that it is all covered by their claim for UC. The Council therefore often only gets to engage with these customers when their Council Tax account is in arrears, and additional recovery action has to be taken. Clearly this is an additional administrative burden for the council, and costly for the customer.
- 2.5.8 Universal Credit is reassessed monthly, and those customers who are working (nationally this is estimated at more than 40%) are likely to experience variations in the UC entitlement each month. This is attributed to salary and wages frequencies affecting the 'monthly' assessments. Each time there is a change in the UC award, their entitlement to CTS has to be reassessed. Every time the CTS is reassessed, it produces a new Council Tax Bill. These constant changes in bills and amounts due are not only confusing to the customer trying to budget, but it also resets any recovery action being taken for non-payment.
- 2.5.9 The service can expect to receive a significant increase in workload from these monthly changes. They are received electronically from the DWP using an existing process called ATLAS.
- 2.5.10 Identifying and acknowledging these challenges from UC requires any potential change to the CTS scheme to consider;
- I. The potential for automation of UC notices on live CTS claims, thus reducing the new increased workflow
- There is currently limited automation for the processing of UC changes. At the moment only cancellations and minor changes of details like contact information are allowed to

update automatically. Full analysis of the functionality for updating income changes is programmed for testing in the coming months, so these are currently being manually processed.

However our software supplier advises (March 2019) *"Since we developed the functionality, ...we are aware of various issue related to the data that comes from DWP,*

- II. Mitigations for changes in UC entitlements to revise council tax liability, and thus avoid resetting recovery action.

This could be achieved if the CTS scheme set bands of entitlement, or fixed periods in which changes in income would not result in a change in entitlement, within the scope of a set range.

These options have the potential to be very expensive.

- III. The costs of changing the scheme.

The software supplier is estimating a cost in the region of £25k for each Council moving towards a banded CTS scheme. Herts County Council has already declined to contribute to any costs associated with changing the scheme, despite being the biggest preceptor for Council Tax.

Any changes to the scheme require full and meaningful consultation with all taxpayers in the district and there are significant costs associated with this level of consultation.

2.5.11 What others are doing:

- Some councils have moved to a banded scheme, but they still require substantial means testing of each claim.

- St Albans are with a different software supplier and have introducing a banded scheme for UC claimants only from April 2019, which will run alongside a scheme similar to our existing scheme for all other claimants. This is an interesting option which rather than dealing in % entitlements, specifies how much the customer will pay towards their Council Tax. This means customers on the same income pay the same towards their council tax, regardless of the size of the property they occupy. This also provides a scheme for customers to transition into when migrated from HB.
- Unfortunately we cannot replicate a scheme like this currently as we are unable to have two different live working age CTS schemes at the same time. This limitation is being discussed with our software supplier.
- Other councils are considering various options but anecdotally are awaiting more information around migration before changing current schemes.

2.5.12 Current positon:

The current CTS scheme works and protects the most vulnerable customers by the use of applicable amounts and income disregards. However the challenges introduced by UC need to be considered. Work has been carried out over a period of time on developing a banded scheme for all working age claimants. This has included modelling of current claimants into a banded scheme, to assess the impact and identify any unintended consequences.

- As it is not currently possible to have a separate scheme for just UC cases, all current working age claimants would have to be included. After testing the data it is clear that the intended simplicity of a banded scheme would be compromised as the

need to differentiate between all the many and varied disability premiums and incomes would require too many bands for each category of household, to ensure sufficient protection for these groups.

- In addition there would be all the costs of changing the scheme but no savings in administration, or increased simplicity for the customer.

2.5.13 Conclusion

The number of UC cases is still quite low and accordingly the number of monthly changes, whilst increasing is not yet an issue.

It is proposed that a two stage approach be adopted for the future.

- Firstly, instead of looking to change the current scheme in the short term, that efforts instead be directed at the software supplier to design and introduce reliable and accurate automation of UC change notices.
- Secondly, once actual caseload migration is timetabled, consideration of a banded scheme or a discount scheme is revisited. At this time the majority of cases will convert to UC, and will have the means testing carried out by the DWP, thus offering opportunity for administrative savings.
- This will remove the current challenge around protecting the needs of those with disability incomes as this will be incorporated in the DWP assessment of UC entitlement.
- Members will also be able to review the original principles of the scheme, including that all WA customers pay 8.5% of their liability.

- This approach should ensure that costs associated with the change of schemes will be matched by efficiencies achievable in the administration processes.

Contact Member:

Councillor Geoff Williamson – Executive Member for Financial Sustainability

Geoffrey.williamson@eastherts.gov.uk

Contact Officer: Su Tarran – Head of Revenues & Benefits shared Service

Su.tarran@hertspartnership-ala.gov.uk

Report Author: Su Tarran – Head of Shared Revenues and Benefits Service

Su.tarran@hertspartnership-ala.gov.uk

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 1 – Improve the health and wellbeing of our communities
Consultation:	Consultation not required at this stage
Legal:	None
Financial:	All financial implications are included in the body of the report.
Human Resource:	None
Risk Management:	None
Health and wellbeing – issues and impacts:	None
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	None, at this stage
Environmental Sustainability	None

This page is intentionally left blank

EAST HERTS COUNCIL

PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE – 31 JULY 2019

STATEMENT OF ACCOUNTS 2018/19

REPORT BY THE HEAD OF STRATEGIC FINANCE & PROPERTY

WARD (S) AFFECTED: All

Purpose/Summary of Report:

- To update members on the timing of the audit of the 2018/19 Statement of Accounts
- The accounts provide details of the overall financial position in the Balance Sheet, details of the revenue activities for the General Fund and the Collection Fund.

<u>RECOMMENDATIONS FOR PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE: That</u>	
(A)	Authority be delegated to the Chairman of Performance, Audit and Governance Oversight Committee to approve and authorise the signing the Council's Statement of Accounts for the financial year 2018/19 following the conclusion of the external audit;
(B)	Authority be delegated to the Chairman of the Performance, Audit and Governance Oversight Committee and the Head of Strategic Finance and Property to authorise and sign the letter of representation.

1 BACKGROUND

- 1.1 Under the Accounts and Audit Regulations 2015, Regulation 10, the Council must no later than 31st July publish the statement of accounts together with any certificate or opinion, entered by the local auditor. Where the audit of accounts has not been concluded the Council must publish a notice stating that it has not been able to publish the statement of accounts and its reasons for this.
- 1.2 In accordance with the new requirements of the regulations the Head of Strategic Finance and Property approved the draft Statement of Accounts by 31 May 2019.
- 1.3 The regulations require that:
 - The Performance, Audit and Governance Oversight Committee consider and approve the audited statement of accounts by 31 July 2019 and the accounts are signed by the committee chair.
 - The Council publishes the accounts by 31 July 2019.
 - Audited bodies conduct a review at least once a year of the effectiveness of its system of internal control and publish an annual governance statement each year with the authority's financial statements.
- 1.4 At the 21 May 2019 Committee meeting Ernst Young (EY) advised that due to staffing issues the timing of the audit would be changed to late July. Subsequently EY have advised that the resourcing situation has not improved and has been further impacted by unexpected issues arising at larger audits. The timing of the onsite audit at East Herts has been impacted by these issues and will therefore not be completed by 31 July 2019.
- 1.5 EY are still unable to give East Herts a definitive date for the completion of the audit, but it is not likely to be until the end of September.

- 1.6 Due to these delays, approval and authorisation of Council's Statement of Accounts for the financial year 2018/19 will not be able to take place until Tuesday 19th November 2019.

2 REPORT

- 2.1 The Statement of Accounts can be found on the Council's website: <https://www.eastherts.gov.uk/article/35599/Statement-of-Accounts--Annual-Audit>.
- 2.2 In line with the Audit and Accounting regulations 2015 these contain a notice stating that the accounts are still in draft format due to the delays in completing the audit due to EY resourcing pressures.
- 2.3 The Council's Annual Governance Statement is submitted for consideration and approval as part of this agenda. This has been included in the Council's published accounts as a review of the effectiveness of its system of internal control.
- 2.4 As part of the governance arrangements for the audit of the Council's accounts a "letter of representation" is provided to the External Auditor confirming that appropriate arrangements are in place. The Audit and Governance Committee is required to approve the letter which will then be signed by the Chairman and Head of Strategic Finance and Property. This will be available once the audit is complete.
- 2.5 The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting 2017/18 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 2.6 The presentation of the Statement of Accounts is determined by the CIPFA Code of Practice which is based on International Financial Reporting Standards (IFRS).

3 IMPLICATIONS/CONSULTATIONS

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper A**.

Background Papers:

2018/19 Statement of Account -

<https://www.eastherts.gov.uk/article/35599/Statement-of-Accounts--Annual-Audit>

External Audit update on timing of the audit report – 21 May 2019 PAG meeting

<http://democracy.eastherts.gov.uk/documents/s48597/External%20Audit%20Update%20on%20timing%20of%20the%20Audit.pdf?J=8>

Regulation 10, paragraph (2a) Accounts and Audit Regulations 2015

<http://www.legislation.gov.uk/ukxi/2015/234/regulation/10/made>

Contact Member:

Councillor Geoff Williamson – Executive Member for Financial Sustainability

geoffrey.williamson@eastherts.gov.uk

Contact Officer:

Isabel Brittain – Head of Strategic Finance & Property

Ext: 2050

isabel.brittain@eastherts.gov.uk

Report Author:

Alison Street – Finance Business Partner

Ext: 2056

alison.street@eastherts.gov.uk

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	Consultation not required
Legal:	None
Financial:	All financial implications are included in the body of the report.
Human Resource:	None
Risk Management:	The report flags up the consequences of EY and their under resourced audit function.
Health and wellbeing – issues and impacts:	None
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	None, No
Environmental Sustainability	None

This page is intentionally left blank

EAST HERTS COUNCIL

PERFORMANCE, AUDIT & GOVERNANCE OVERSIGHT – 31 JULY 2019

REPORT BY THE LEADER OF THE COUNCIL

ANNUAL GOVERNANCE STATEMENT 2018/19

WARD(S) AFFECTED: All

Purpose/Summary of Report

- This report presents the 2018/19 Annual Governance Statement and the 2018/19 Annual Governance Statement Action Plan.

<u>RECOMMENDATIONS FOR PERFORMANCE, AUDIT & GOVERNANCE OVERSIGHT COMMITTEE: to consider the following items:</u>	
(A)	The 2018/19 Annual Governance Statement and
(B)	The 2018/19 Annual Governance Statement's 2019/20 Action Plan.

1 Background

1.1 The Accounts and Audit Regulations 2015 stipulate that all authorities must conduct a review of the effectiveness of the system of internal controls and prepare an Annual Governance Statement each financial year.

1.2 The annual governance statement must be approved in advance of the authority approving the statement of accounts.

2 **Annual Governance Statement**

- 2.1 The Council is responsible for preparing and publishing its Annual Governance Statement in accordance with the Chartered Institute of Public Finance Accounts (CIPFA) and the Society of Local Authority Chief Executive and Senior Managers (SoLACE) framework.
- 2.2 This fulfils the statutory requirement that Local authorities review their governance arrangements at least once a year.
- 2.3 The Delivering Good Governance in Local Government Framework requires local authorities to be responsible for ensuring that:
- their business is conducted in accordance with all relevant laws and regulations;
 - public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
 - there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
- 2.4 The annual governance statement will act as a vehicle for the review of the Council's governance arrangement. The review should be reported both internally within the Council, to the Performance, Audit and Governance committee and externally within the published accounts to provide assurances that:
- Governance arrangements are adequate and operating effectively in practice or
 - Where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future
- 2.5 The process of preparing the governance statement should itself add value to the corporate governance and internal controls framework of the Council.

- 2.6 It is important to recognise that the governance statement covers all significant corporate systems, processes and controls for all of the Council's activities.
- 2.7 The static part of the Annual Governance Statement can be found at **Essential Reading Paper 'B'**.
- 2.8 The Annual Governance Statement Action Plan 2019/20 can be found at **Essential Reading Paper 'C'**.

3 Implications/Conclusion

Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper A**.

Background Papers

None.

Contact Member: Cllr Linda Haysey, Leader of the Council.

linda.haysey@eastherts.gov.uk

Contact Officers: Richard Cassidy – Chief Executive

Extn: 1410

richard.cassidy@eastherts.gov.uk

Report Authors: Isabel Brittain – Head of Strategic Finance &

Property

Extn: 2050

isabel.brittain@eastherts.gov.uk

Rob Winterton – Financial Services Manager

Extn: 1651

robert.winterton@eastherts.gov.uk

This page is intentionally left blank

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	Consultation not required
Legal:	None
Financial:	All known financial risks have been included in the body of the report.
Human Resource:	None
Risk Management:	All risks are included in the body of the report.
Health and wellbeing – issues and impacts:	None
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	None, No
Environmental Sustainability	None

This page is intentionally left blank



ANNUAL GOVERNANCE STATEMENT 2018/19

Introduction

East Hertfordshire District Council is responsible for ensuring that its business is conducted in accordance with the law and relevant standards, and that public money is safeguarded and properly accounted for, 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 a regard of value for money.

The Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitation the effective exercise of its functions, including arrangements for the management of risk.

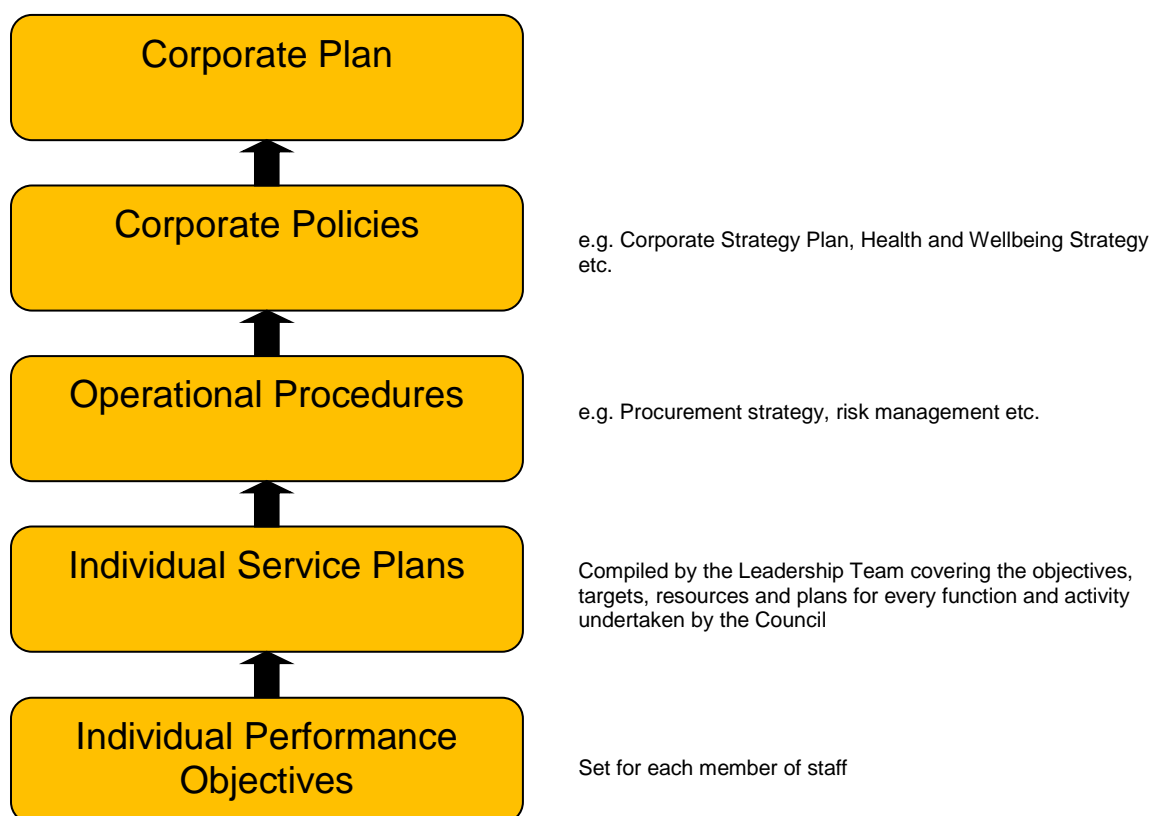
The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government 2010.

The Annual Governance Statement has been prepared and published in accordance with the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) ('the Framework'). This fulfils the statutory requirement that Local authorities review their governance arrangements at least once a year. The Framework requires local authorities to be responsible for ensuring that:

- their business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and property accounted for;
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The Framework also expects that local authorities should implement appropriate arrangements for the governance of their affairs in a way that facilitates the effective exercise of functions and ensure that the responsibilities set out above are met.

The following diagram shows how the Council's plans and strategies link together.



Meeting the CIPFA/SoLACE Framework Requirements

The Council has approved and adopted:

- a Code of Corporate Governance;
- the requirements of the CIPFA/SoLACE Framework Delivering Good Governance in Local Government Framework 2016;
- a number of specific strategies and processes for strengthening corporate governance

The following sets out how the Council has complied with the seven principles set out in the CIPFA/SoLACE Framework during 2018/19.

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

The Council has a Code of Conduct for elected Members and a Code of Corporate Governance which provides guidance for officers and Members on expected standards of behaviours to ensure integrity. The Council has three priorities which are:

Priority	Outcomes we want to see
Improve the health and wellbeing of our communities	<ul style="list-style-type: none">• Residents living active and healthy lives• Support for our vulnerable families and individuals• Communities engaged in local issues
Enhance the quality of people's lives	<ul style="list-style-type: none">• Attractive places• Future development best meets the need of the district and its residents
Enable a flourishing local economy	<ul style="list-style-type: none">• Support our businesses and the local economy• Vibrant town centres• Working with others, to have achieved the right infrastructure for our businesses and communities

To support these priorities members and officers receive training in Code of Conduct and behaviour issues. The Standards Committee and Monitoring Officer keep Codes of Conduct up to date and investigate any suspected breaches.

All officers and Members sign up to the Council's Anti-Fraud, Bribery and Corruption Policy. In addition, the Performance, Audit and

Governance Oversight Committee receives an annual report setting out the arrangements in place and how these have been applied in practice during the year. The Whistleblowing policy places emphasis on the agreed ethical values of Members and employees, providing protection for individuals to raise concerns in confidence about suspect behaviour and ensuring that any concerns raised are properly investigated.

All Council decisions have to consider legal implications which are recorded on the Council's website. Senior officers and other key post holders receive support from Legal Services in this regard and if specialist legal advice is required then the Council will engage external advisors. The Section 151 and Monitoring Officers have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements, and for reporting any such instances to members.

Principal B Ensuring openness and comprehensive stakeholder engagement

All meetings are open to the public and all agenda papers, reports and decisions made by the Council are published on the Council's website together with details of forthcoming consultation exercises, surveys and, public meetings, except those determined as exempt from publication.

The Council's constitution sets out how it engages with stakeholders and partners through a combination of joint working arrangements, partnership boards and representation on the governing bodies of external organisations including local NHS bodies, neighbourhood forums, local business and other local authorities.

In addition to local associations, The Council also works closely with town and parish councils to ensure comprehensive involvement in all its decisions.

The Council periodically publishes a newsletter – Network eNewsletter. This is a free publication and is also available online and the Council utilises various online communication channels including Twitter, Instagram, Facebook, LinkedIn and YouTube. More specific e-bulletins are created for various communities of interest, such as Businesses and Families.

Principal C Defining outcomes in terms of sustainable economic, social and environmental benefits
& Principal D Determining the interventions necessary to optimize the achievement of the intended outcomes

The Council's strategic vision for East Herts is set out in Our Corporate Strategy Plan. In pursuit of this vision, the Council develops various strategies to define specific outcomes for key service areas. Each Service also plans out how it will deliver the outcomes relevant to its area of work through business plans in accordance with the agreed annual budget. To remain focused on delivering sustainable social and environmental benefits, the Council has a Sustainable Community Strategy as well as a series of more specific strategies. These include the Health and Wellbeing Strategy, The Homeless and Homeless Prevention Strategy, Customer Services Strategy and Disclosure (Whistleblowing).

All service decisions are subject to rigorous scrutiny by the Overview and Scrutiny Committee which includes lead Members. Reviews of options and risk by officers and Members and key performance indicators are in place for all services. These are reported quarterly and include reports to the Performance, Audit and Governance Committee for discussion and considered for intervention where target performance is not being achieved.

Budget proposals are developed by services, challenged and subject to scrutiny by the Leadership Team. The Council regularly engages with other authorities to learn and understand best practice as achieved in other places.

Principal E Developing the entity's capacity, including the capability of its leadership and the individuals within it.

A key element of the Council's service planning is to maximise the investment in staff through staff training, including the management development programme to empower and facilitate our senior managers and through them our workforce. All employees are enrolled on the Performance Development Review Scheme (PDRS) which assists employees in creating learning and development plans.

The Council works across a broad set of partnerships and collaborative arrangements, and uses commissioning and procurement processes to maximise capacity by delivering services in the most effective and efficient way.

Principal F Managing risks and performance through robust internal control and strong public financial management.

The Risk Management Strategy sets out the Council's approach to identifying and controlling risk. Risk registers are maintained at a corporate and individual service level with significant risks reported to the Leadership Team and to the Performance, Audit and Governance Committee.

Service outputs, outcomes, and achievements are monitored and reported quarterly.

The Council has an Anti-Fraud and Anti-Corruption strategy as well as Financial Regulations which set out expected processes and internal controls. The Shared Internal Audit Service (SIAS) team provide regular reports on the effective operation of these controls together with an annual assessment of the overall control environment.

East Herts Council is developing a reputation for strong financial management. Internal quality assurance processes will be greatly enhanced by implementing the new finance system for financial planning and reporting.

Principal G Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

All Council decisions are published online together with supporting information to outline why such decisions were taken above comparable options. The Council follows the Government Communication Service guidance on providing clear and accurate information, and has developed its website to improve transparency and accessibility.

The Council reports its financial performance for scrutiny at the Performance, Audit and Governance Scrutiny Committee. This reporting incorporates services provided by all models of delivery including services shared with other authorities, partnerships and contracted out services, and reports performance and finance within the same document for ease of comparison.

Review of Effectiveness

Through reviews by external auditors, external agencies, the Shared Internal Audit Service (SIAS) and internal review teams, the Council constantly seeks ways of securing continuous improvement in the way in which its functions are exercised.

Internal Audit activity provided by SIAS is overseen by the Audit Committee and its responsibilities are defined by the Audit Committee through the Internal Audit Charter. The Charter is applicable to all clients of Hertfordshire's SIAS and provides them with an independent and objective opinion on the organisation's

governance arrangements, encompassing internal control and risk management, by completing an annual risk-based audit plan.

From the internal audit work undertaken in 2018/19, the SIAS can provide the following assurance on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems as follows:



Note: When considering these opinions it should be noted that in 2018/19 the SIAS moved from a five tier assurance opinion matrix (Full, Substantial, Moderate, Limited and No Assurance) to one that contains four tiers (Good, Satisfactory, Limited and None).

The Council's Head of Strategic Finance and Property has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs, hence the S151 officer relies amongst other sources, upon the work of the internal audit in reviewing the operation of systems of internal control and financial management.

The Council's external auditor, Ernst & Young, provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. The most recent Audit Letter, issued in July 2018, identified no material errors in the accounts and gave an unqualified opinion. They also concluded that East Herts has put in place proper arrangements to secure value for money in the use of resources.

The Council's Finance Team have undertaken a review to confirm that the principles described above have been in place throughout the year. A Management Assurance Statement, signed by the Heads of Service have also been obtained to provide confirmation that Codes of Conduct, Financial Regulations, and other corporate governance processes, have been operating as intended throughout the year so far as they are aware.

Conclusion

The Council is satisfied that appropriate governance arrangements are in place however, it remains committed to maintaining and where possible improving these arrangements, in particular by:

- addressing the issues identified by Internal Audit as requiring improvement
- embedding the use of covalent to measure performance

This page is intentionally left blank

ANNUAL GOVERNANCE STATEMENT 2018/19

Action Plan 2019/20 - Issues identified in 2018/19

During 2018/19 SIAS conducted audits across a number of services in East Herts.

The Good assurance opinion overall on financial systems (Substantial in 2017/18) has been concluded from 10 financial systems audits, where an opinion has been given. Seven received Good assurance, two received Satisfactory assurance and one was Not Assessed. No Critical or High priority recommendations were made in these audits.

The Limited assurance opinion overall on non-financial systems (Moderate 2017/18) has been concluded from fourteen non-financial systems audits, where an opinion has been given. One received Good assurance, seven received Satisfactory assurance and six received Limited assurance.

SIAS changed the range of definitions used for providing our assurance opinions for individual audits at the start of the Financial Year. It has moved from a five-tier scale to a four-tier scale. It is likely to have resulted in some 2018/19 audits receiving a Limited assurance rating (3rd of 4 levels), that may otherwise have attracted a Moderate opinion (3rd of the five levels) under the previous assessment scale.

Management action plans have been prepared to address the recommendations arising in the 2018/19 audits.

TSS Improvement Plan – Governance

- Management should complete the review of the IT policies and tailor them to the needs of both Councils. The purchased IT policy software should be deployed without any further delay and the policies should be made available to all members of

staff. Management should track and monitor staff attestation and responses.

Furthermore, management should review and, where necessary, revise the Service's IT procedures so that they are consistent across both Councils. The procedures should be documented and communicated to all members of staff.

- Representatives from both Councils should agree a shared set of expectations for how technology will be used to achieve their respective strategic objectives.

These expectations should form the basis for a defined IT Strategy for the Shared IT Service, which should include as a minimum:

- The expectations for the levels of service to be provided
- The metrics for monitoring the performance of the Shared IT Service.
- The performance of the Service should be reviewed on a routine basis by the ICT Partnership Board and measured against the defined metrics and key performance indicators.

Cyber Security

- Management should establish a network access control to block unknown or unauthorised devices from connecting to the Council's IT network. This should include restricting the ability to physically connect to the IT network.

Where there is a demonstrable need for a device to connect to the IT network, the Service should require:

- The purpose for the connection has been recorded

- Appropriate security controls have been enabled on the device connecting to the IT network
 - The period of time that the device will require the connection
 - All connections are approved before being allowed to proceed.
 - Devices connected to the IT network should be reviewed on a routine basis.
- There should be a record of the configuration of the Council's firewalls, which includes but is not limited to:
 - The purpose of all of the rules
 - The expected configuration and activity for each rule
 - The member of staff that requested and approved the rule
 - The configuration of the firewall should be reviewed on a routine basis.
 - The Service should develop a Firewall rule policy to provide the list of controls that are required to secure firewall implementations to an approved level of security

Incident Management

- Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.

A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame.

The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.

- Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.

A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame.

The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.

- Management should define the processing capacity threshold at which it is no longer possible for a data centre to operate as the single data centre.

This should be monitored and, where exceeded, appropriate action should be taken.

S106 Spend Arrangements

- Record keeping of S106 contributions, the spend arrangements and associated timeframes be reviewed to confirm fitness for purpose. An effective master record is adopted for monitoring and reporting purposes.
- The Council establish a sound legal position in respect of any time expired contributions. Contributions due to expire in the near future are subject to urgent consideration and remedial action where required.

Digital East Herts

- We recommend that management should conduct a robust review of active projects at risk, or likely to become at risk, to determine if strategic intervention is needed by Leadership Team. This should include making sure the financial savings targets set are actually viable and likely to be met by the deadline of 31 March 2020. Any projects identified as highly likely not to produce the minimum financial savings expected should be escalated to Leadership Team so that remedial action to adjust or re-assign targets can be taken in a timely manner.

We also recommend that management should develop a new list of potential digital projects for Leadership Team to consider, as a way to find solutions to cover the £50,000 shortfall presently being forecast.

Joint Waste Contract

- The four performance indicators in place have a significant weighting within the PMR and therefore measuring these allows management to assess service delivery. We recommend that management undertake an exercise of prioritising the remaining indicators and determine which the next most important service measurement indicators are. This should be part of the project currently underway.

In addition, we recommend that priority is given to formally agreeing the service failure types to be measured. A clear and defined record of all adjustments to the PMR should be maintained and appropriate approval retained.

A contract variation notice should be raised to formalise any locally agreed changes to performance criteria, with the support of the Legal Commercial Team Manager.

We propose to address the previously described matters to further enhance our governance arrangements. We will monitor our performance against these recommendations as part of our next annual review.

Certified by the Leader of the Council and the Head of Paid Service:

Signed.....Dated.....

**Councillor Linda Haysey
Leader of the Council**

Signed.....Dated.....

**Richard Cassidy
Chief Executive**

EAST HERTS COUNCIL

PERFORMANCE, AUDIT, GOVERNANCE AND OVERSIGHT COMMITTEE 2019

REPORT BY BEN WOOD, HEAD OF COMMUNICATIONS, STRATEGY AND POLICY

EAST HERTS COUNCIL ANNUAL REPORT 2018/19

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report provides to Committee members the content of the Council's Annual Report 2018/19. The information falls under two categories:
- A summary of key achievements for the year (**see Essential Reference Paper A**).
- a more detailed update on the key actions and performance indicators which support the Council's Corporate Strategic Plan priorities (**see Essential Reference Papers B and C**).

<u>RECOMMENDATION FOR PERFORMANCE AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE: that</u>	
(A)	Notes the content of the Annual Report 2018-19.

1.0 Background

- 1.1 At the end of each financial year East Herts Council produces an Annual Report, providing an update on the key achievements across the year which have supported the Council's key priorities under the Corporate Strategic Plan.

1.2 This report provides the Committee with a copy of the Annual Report 2018/19 for noting.

1.3 In addition to the summary of achievements (see ERP A), the Committee receives a progress update on the performance indicators and the key actions in the departmental Service Plans, which support the priorities of the Corporate Strategic Plan (see **ERP B and C**).

1.4 These priorities are:

- **People (Improve the health and wellbeing of our communities)**
- **Place (Enhance the quality of people's lives)**
- **Business (Enable a flourishing economy)**
- **Supporting all (Corporate Health)**

2.0 Implications/Consultations

2.1 The Annual Report 2018/19 provides a summary of the Council's key achievements and progress on the Council's key actions and performance indicators aligned to Corporate Strategic Plan priorities. Any implications and consultations are considered separately through the Council's usual project planning and reporting processes.

Background Papers

ERP A – Summary of achievements

ERP B – Performance Indicators contributing to Corporate Strategic Plan priorities

ERP C – Departmental Service Plan actions contributing to Corporate Strategic Plan priorities

Contact Member: Linda Haysey – Leader of the Council
linda.haysey@eastherts.gov.uk

Contact Officer: Ben Wood – Head of Communications, Strategy
and Policy
01992 531699
benjamin.wood@eastherts.gov.uk

Report Author: Kirsty McKenzie – Policy Officer
kirsty.mckenzie@eastherts.gov.uk

This page is intentionally left blank



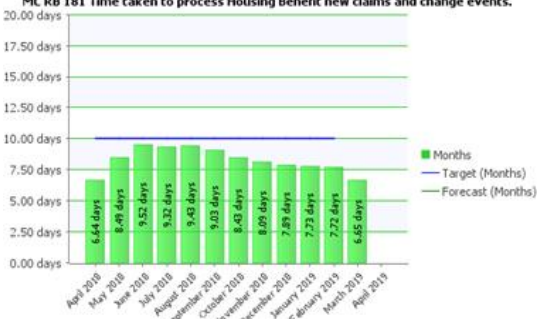
IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	None
Legal:	None
Financial:	None
Human Resource:	None
Risk Management:	None
Health and wellbeing – issues and impacts:	None
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	None
Environmental Sustainability	None


This page is intentionally left blank

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes												
Priority 1 - People (5 Indicators)																		
Service Area Health and Housing																		
QC HH 140 Number of over 50s participating in 'Forever Active' programme (Cumulative figure)	N/A	N/A	N/A	<p>QC HH 140 Number of over 50s participating in 'Forever Active' programme (Cumulative figure)</p> <table><caption>QC HH 140 Data</caption><thead><tr><th>Quarter</th><th>Value</th></tr></thead><tbody><tr><td>Q1 2018/19</td><td>153</td></tr><tr><td>Q2 2018/19</td><td>316</td></tr><tr><td>Q3 2018/19</td><td>446</td></tr><tr><td>Q4 2018/19</td><td>562</td></tr><tr><td>Q1 2019/20</td><td>800 (Target)</td></tr></tbody></table>	Quarter	Value	Q1 2018/19	153	Q2 2018/19	316	Q3 2018/19	446	Q4 2018/19	562	Q1 2019/20	800 (Target)	N/A	<p>As discussed during Q3 results, this two year program was being monitored by the conventional year rather than the financial year and the funding has ceased. The majority of classes are now self sufficient and has been an overwhelming success, exceeding set target by over 100 people</p>
Quarter	Value																	
Q1 2018/19	153																	
Q2 2018/19	316																	
Q3 2018/19	446																	
Q4 2018/19	562																	
Q1 2019/20	800 (Target)																	
HC HH 148 Number of applicants on the housing register	2,016	trend only		<p>HC HH 148 Number of applicants on the housing register</p> <table><caption>HC HH 148 Data</caption><thead><tr><th>Half Years</th><th>Value</th></tr></thead><tbody><tr><td>H1 2018/19</td><td>2,057</td></tr><tr><td>H2 2018/19</td><td>2,016</td></tr><tr><td>H1 2019/20</td><td>2,000 (Target)</td></tr></tbody></table>	Half Years	Value	H1 2018/19	2,057	H2 2018/19	2,016	H1 2019/20	2,000 (Target)	N/A	<p>At the end of March 2019 there were 2,016 households on the Housing Register. This is broken down by property size required as follows: 1 bed need - 1,020; 2 bed need - 644; 3 bed need - 294; 4+ bed need - 58. The net change of households being the difference between households being housed, applications not being renewed and new applications being accepted onto the Housing Register. The profile of the size of the properties required is broadly the same with one and bedroom homes being the greatest need.</p>				
Half Years	Value																	
H1 2018/19	2,057																	
H2 2018/19	2,016																	
H1 2019/20	2,000 (Target)																	

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes																		
QC HH 150 Number of homeless prevention cases across the year	277	200	N/A	<div><p>QC HH 150 Number of homeless prevention cases across the year</p><table><thead><tr><th>Quarters</th><th>Target (Quarters)</th><th>Forecast (Quarters)</th></tr></thead><tbody><tr><td>Q1 2018/19</td><td>58</td><td>58</td></tr><tr><td>Q2 2018/19</td><td>155</td><td>155</td></tr><tr><td>Q3 2018/19</td><td>221</td><td>221</td></tr><tr><td>Q4 2018/19</td><td>277</td><td>277</td></tr><tr><td>Q1 2019/20</td><td></td><td></td></tr></tbody></table></div>	Quarters	Target (Quarters)	Forecast (Quarters)	Q1 2018/19	58	58	Q2 2018/19	155	155	Q3 2018/19	221	221	Q4 2018/19	277	277	Q1 2019/20			N/A	<p>By the end of the fourth quarter of 2018/19 the Housing Service prevented a total of 277 households becoming homeless. This is 77 households above the target for the year. This was achieved by a variety of housing options including the provision of housing advice to relieve homelessness or securing alternative accommodation through an offer of accommodation from the council's housing register, a referral to supported accommodation or by actively assisting applicants secure accommodation through the private sector with the council's rent deposit offer.</p>
Quarters	Target (Quarters)	Forecast (Quarters)																						
Q1 2018/19	58	58																						
Q2 2018/19	155	155																						
Q3 2018/19	221	221																						
Q4 2018/19	277	277																						
Q1 2019/20																								

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
QC HH 151 Number of homeless households living in temporary accommodati on at the end of the quarter.	27	trend only		<p>QC HH 151 Number of homeless households living in temporary accommodation at the end of the quarter.</p> 	N/A	<p>At the end of March 2019 the council had 27 households in temporary accommodation . The council's temporary accommodation hostel had all 12 flats occupied. Six households were in B&B. Four were single person households unsuitable for the hostel and two were households with children waiting for a space in our hostel. Six single person households were in temporary supported accommodation for people with mental health conditions and three households were in longer term private leased self contained accommodation.</p>
Service Area Revenues and Benefits						
MC RB 181 Time taken to process Housing Benefit new claims and change events.	7.63	10.00 days		<p>MC RB 181 Time taken to process Housing Benefit new claims and change events.</p> 	N/A	<p>By the end of the year, time taken to process housing benefit had dropped dramatically</p>

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes																																																			
Priority 2 - Place (15 Indicators)																																																									
Service Area - Planning & Building Control																																																									
MC PB 205 % of site visits undertaken in relation to urgent cases within 2 workings days of 'start date'.	N/A (100%)	100%	N/A	<p>MC PB 205 % of site visits undertaken in relation to urgent cases within 2 workings days of 'start date'.</p> <table><caption>MC PB 205 % Performance Data (Months)</caption><thead><tr><th>Month</th><th>Performance (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>April 2018</td><td>100%</td><td>100%</td></tr><tr><td>May 2018</td><td>100%</td><td>100%</td></tr><tr><td>June 2018</td><td>100%</td><td>100%</td></tr><tr><td>July 2018</td><td>100%</td><td>100%</td></tr><tr><td>August 2018</td><td>100%</td><td>100%</td></tr><tr><td>September 2018</td><td>100%</td><td>100%</td></tr><tr><td>October 2018</td><td>100%</td><td>100%</td></tr><tr><td>November 2018</td><td>100%</td><td>100%</td></tr><tr><td>December 2018</td><td>100%</td><td>100%</td></tr><tr><td>January 2019</td><td>100%</td><td>100%</td></tr><tr><td>February 2019</td><td>100%</td><td>100%</td></tr><tr><td>March 2019</td><td>100%</td><td>100%</td></tr><tr><td>April 2019</td><td>100%</td><td>100%</td></tr></tbody></table>	Month	Performance (%)	Target (%)	April 2018	100%	100%	May 2018	100%	100%	June 2018	100%	100%	July 2018	100%	100%	August 2018	100%	100%	September 2018	100%	100%	October 2018	100%	100%	November 2018	100%	100%	December 2018	100%	100%	January 2019	100%	100%	February 2019	100%	100%	March 2019	100%	100%	April 2019	100%	100%	<p>MC PB 205 % of site visits undertaken in relation to urgent cases within 2 workings days of 'start date'.</p> <table><caption>MC PB 205 % Performance Data (Years)</caption><thead><tr><th>Year</th><th>Performance (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>2017/18</td><td>100%</td><td>100%</td></tr><tr><td>2018/19</td><td>100%</td><td>100%</td></tr></tbody></table>	Year	Performance (%)	Target (%)	2017/18	100%	100%	2018/19	100%	100%	For the first three months there were no site visits done. There were several months during this year where this was the case. For the months where there was, all visits were taken within set time frames.
Month	Performance (%)	Target (%)																																																							
April 2018	100%	100%																																																							
May 2018	100%	100%																																																							
June 2018	100%	100%																																																							
July 2018	100%	100%																																																							
August 2018	100%	100%																																																							
September 2018	100%	100%																																																							
October 2018	100%	100%																																																							
November 2018	100%	100%																																																							
December 2018	100%	100%																																																							
January 2019	100%	100%																																																							
February 2019	100%	100%																																																							
March 2019	100%	100%																																																							
April 2019	100%	100%																																																							
Year	Performance (%)	Target (%)																																																							
2017/18	100%	100%																																																							
2018/19	100%	100%																																																							
MC PB 157A % Processing of planning applications dealt with in timely manner - Major applications (Majors under 13 weeks)	N/A (91%)	60.0%	N/A	<p>MC PB 157C % Processing of planning applications dealt with in timely manner- Other applications (Others under 8 weeks).</p> <table><caption>MC PB 157C % Performance Data (Months)</caption><thead><tr><th>Month</th><th>Performance (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>April 2018</td><td>95.00%</td><td>60.00%</td></tr><tr><td>May 2018</td><td>96.00%</td><td>60.00%</td></tr><tr><td>June 2018</td><td>94.00%</td><td>60.00%</td></tr><tr><td>July 2018</td><td>93.00%</td><td>60.00%</td></tr><tr><td>August 2018</td><td>85.00%</td><td>60.00%</td></tr><tr><td>September 2018</td><td>81.00%</td><td>60.00%</td></tr><tr><td>October 2018</td><td>86.00%</td><td>60.00%</td></tr><tr><td>November 2018</td><td>82.00%</td><td>60.00%</td></tr><tr><td>December 2018</td><td>88.00%</td><td>60.00%</td></tr><tr><td>January 2019</td><td>83.00%</td><td>60.00%</td></tr><tr><td>February 2019</td><td>83.00%</td><td>60.00%</td></tr><tr><td>March 2019</td><td>83.00%</td><td>60.00%</td></tr><tr><td>April 2019</td><td>90.00%</td><td>60.00%</td></tr></tbody></table>	Month	Performance (%)	Target (%)	April 2018	95.00%	60.00%	May 2018	96.00%	60.00%	June 2018	94.00%	60.00%	July 2018	93.00%	60.00%	August 2018	85.00%	60.00%	September 2018	81.00%	60.00%	October 2018	86.00%	60.00%	November 2018	82.00%	60.00%	December 2018	88.00%	60.00%	January 2019	83.00%	60.00%	February 2019	83.00%	60.00%	March 2019	83.00%	60.00%	April 2019	90.00%	60.00%	<p>MC PB 157A % Processing of planning applications dealt with in timely manner - Major applications (Majors under 13 weeks)</p> <table><caption>MC PB 157A % Performance Data (Years)</caption><thead><tr><th>Year</th><th>Performance (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>2017/18</td><td>83.00%</td><td>60.00%</td></tr><tr><td>2018/19</td><td>91.00%</td><td>60.00%</td></tr></tbody></table>	Year	Performance (%)	Target (%)	2017/18	83.00%	60.00%	2018/19	91.00%	60.00%	There were 0 applications processed during March but in terms of a trend , targets have been exceeded every month and our annual position is better than in 2017/18
Month	Performance (%)	Target (%)																																																							
April 2018	95.00%	60.00%																																																							
May 2018	96.00%	60.00%																																																							
June 2018	94.00%	60.00%																																																							
July 2018	93.00%	60.00%																																																							
August 2018	85.00%	60.00%																																																							
September 2018	81.00%	60.00%																																																							
October 2018	86.00%	60.00%																																																							
November 2018	82.00%	60.00%																																																							
December 2018	88.00%	60.00%																																																							
January 2019	83.00%	60.00%																																																							
February 2019	83.00%	60.00%																																																							
March 2019	83.00%	60.00%																																																							
April 2019	90.00%	60.00%																																																							
Year	Performance (%)	Target (%)																																																							
2017/18	83.00%	60.00%																																																							
2018/19	91.00%	60.00%																																																							


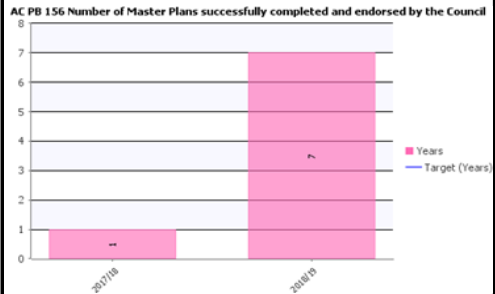

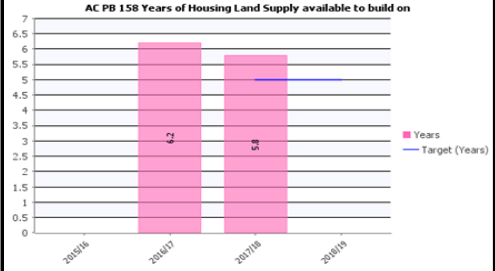
PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes																																																																	
MC PB 157B % Processing of planning applications dealt with in timely manner- Minor applications (Minors under 8 weeks).	(87%) 79%	80.0%		<p>MC PB 157B % Processing of planning applications dealt with in timely manner- Minor applications (Minors under 8 weeks).</p>  <table><caption>MC PB 157B % Processing of planning applications dealt with in timely manner- Minor applications (Minors under 8 weeks)</caption><thead><tr><th>Month</th><th>Months (%)</th><th>Target (Months) (%)</th><th>Forecast (Months) (%)</th></tr></thead><tbody><tr><td>April 2018</td><td>83.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>May 2018</td><td>91.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>June 2018</td><td>97.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>July 2018</td><td>86.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>August 2018</td><td>80.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>September 2018</td><td>58.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>October 2018</td><td>81.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>November 2018</td><td>77.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>December 2018</td><td>80.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>January 2019</td><td>79.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>February 2019</td><td>55.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>March 2019</td><td>87.00%</td><td>80.00%</td><td>80.00%</td></tr><tr><td>April 2019</td><td>87.00%</td><td>80.00%</td><td>80.00%</td></tr></tbody></table>	Month	Months (%)	Target (Months) (%)	Forecast (Months) (%)	April 2018	83.00%	80.00%	80.00%	May 2018	91.00%	80.00%	80.00%	June 2018	97.00%	80.00%	80.00%	July 2018	86.00%	80.00%	80.00%	August 2018	80.00%	80.00%	80.00%	September 2018	58.00%	80.00%	80.00%	October 2018	81.00%	80.00%	80.00%	November 2018	77.00%	80.00%	80.00%	December 2018	80.00%	80.00%	80.00%	January 2019	79.00%	80.00%	80.00%	February 2019	55.00%	80.00%	80.00%	March 2019	87.00%	80.00%	80.00%	April 2019	87.00%	80.00%	80.00%	<p>MC PB 157B % Processing of planning applications dealt with in timely manner- Minor applications (Minors under 8 weeks).</p>  <table><caption>MC PB 157B % Processing of planning applications dealt with in timely manner- Minor applications (Minors under 8 weeks)</caption><thead><tr><th>Year</th><th>Years (%)</th><th>Target (Years) (%)</th></tr></thead><tbody><tr><td>2017/18</td><td>83.00%</td><td>80.00%</td></tr><tr><td>2018/19</td><td>79.00%</td><td>80.00%</td></tr></tbody></table>	Year	Years (%)	Target (Years) (%)	2017/18	83.00%	80.00%	2018/19	79.00%	80.00%	33 of 38 applications were dealt with within time frames. This was a major improvements on previous months. The annual figures show a slight drop on the previous year but this is now expected to improve in the future as there had been vacancy issues at points throughout the year
Month	Months (%)	Target (Months) (%)	Forecast (Months) (%)																																																																				
April 2018	83.00%	80.00%	80.00%																																																																				
May 2018	91.00%	80.00%	80.00%																																																																				
June 2018	97.00%	80.00%	80.00%																																																																				
July 2018	86.00%	80.00%	80.00%																																																																				
August 2018	80.00%	80.00%	80.00%																																																																				
September 2018	58.00%	80.00%	80.00%																																																																				
October 2018	81.00%	80.00%	80.00%																																																																				
November 2018	77.00%	80.00%	80.00%																																																																				
December 2018	80.00%	80.00%	80.00%																																																																				
January 2019	79.00%	80.00%	80.00%																																																																				
February 2019	55.00%	80.00%	80.00%																																																																				
March 2019	87.00%	80.00%	80.00%																																																																				
April 2019	87.00%	80.00%	80.00%																																																																				
Year	Years (%)	Target (Years) (%)																																																																					
2017/18	83.00%	80.00%																																																																					
2018/19	79.00%	80.00%																																																																					
MC PB 157C % Processing of planning applications dealt with in timely manner- Other applications (Others under 8 weeks).	90% (88%)	90.0%		<p>MC PB 157A % Processing of planning applications dealt with in timely manner - Major applications (Majors under 13 weeks)</p>  <table><caption>MC PB 157A % Processing of planning applications dealt with in timely manner - Major applications (Majors under 13 weeks)</caption><thead><tr><th>Month</th><th>Months (%)</th><th>Target (Months) (%)</th><th>Forecast (Months) (%)</th></tr></thead><tbody><tr><td>April 2018</td><td>66.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>May 2018</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>June 2018</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>July 2018</td><td>75.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>August 2018</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>September 2018</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>October 2018</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>November 2018</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>December 2018</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>January 2019</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>February 2019</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>March 2019</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr><tr><td>April 2019</td><td>100.00%</td><td>60.00%</td><td>60.00%</td></tr></tbody></table>	Month	Months (%)	Target (Months) (%)	Forecast (Months) (%)	April 2018	66.00%	60.00%	60.00%	May 2018	100.00%	60.00%	60.00%	June 2018	100.00%	60.00%	60.00%	July 2018	75.00%	60.00%	60.00%	August 2018	100.00%	60.00%	60.00%	September 2018	100.00%	60.00%	60.00%	October 2018	100.00%	60.00%	60.00%	November 2018	100.00%	60.00%	60.00%	December 2018	100.00%	60.00%	60.00%	January 2019	100.00%	60.00%	60.00%	February 2019	100.00%	60.00%	60.00%	March 2019	100.00%	60.00%	60.00%	April 2019	100.00%	60.00%	60.00%	<p>MC PB 157C % Processing of planning applications dealt with in timely manner- Other applications (Others under 8 weeks).</p>  <table><caption>MC PB 157C % Processing of planning applications dealt with in timely manner- Other applications (Others under 8 weeks)</caption><thead><tr><th>Year</th><th>Years (%)</th><th>Target (Years) (%)</th></tr></thead><tbody><tr><td>2017/18</td><td>91.00%</td><td>90.00%</td></tr><tr><td>2018/19</td><td>88.00%</td><td>90.00%</td></tr></tbody></table>	Year	Years (%)	Target (Years) (%)	2017/18	91.00%	90.00%	2018/19	88.00%	90.00%	101 out of 112 during this month. This is the first month in many where the set target has been met. 2017/18 figures are slightly better than this year but there have been vacancy issues which looks to be resolved
Month	Months (%)	Target (Months) (%)	Forecast (Months) (%)																																																																				
April 2018	66.00%	60.00%	60.00%																																																																				
May 2018	100.00%	60.00%	60.00%																																																																				
June 2018	100.00%	60.00%	60.00%																																																																				
July 2018	75.00%	60.00%	60.00%																																																																				
August 2018	100.00%	60.00%	60.00%																																																																				
September 2018	100.00%	60.00%	60.00%																																																																				
October 2018	100.00%	60.00%	60.00%																																																																				
November 2018	100.00%	60.00%	60.00%																																																																				
December 2018	100.00%	60.00%	60.00%																																																																				
January 2019	100.00%	60.00%	60.00%																																																																				
February 2019	100.00%	60.00%	60.00%																																																																				
March 2019	100.00%	60.00%	60.00%																																																																				
April 2019	100.00%	60.00%	60.00%																																																																				
Year	Years (%)	Target (Years) (%)																																																																					
2017/18	91.00%	90.00%																																																																					
2018/19	88.00%	90.00%																																																																					
Service Area Operations																																																																							


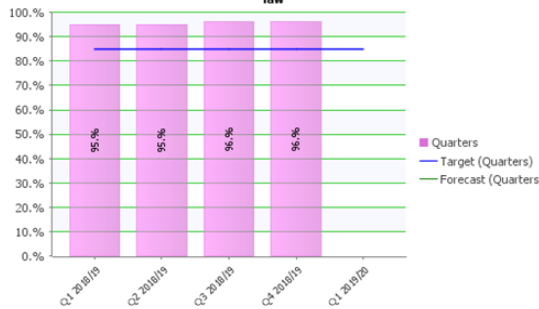
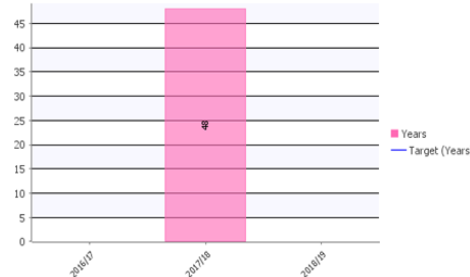
PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
QC OP 2.4 Fly-tips: Time taken for removal.	1.61 (2.37)	2.00 days		<p>QC OP 2.4 Fly-tips: Time taken for removal.</p> 	<p>QC OP 2.4 Fly-tips: Time taken for removal.</p> 	Time taken to remove has gradually reduced over the year and coincides with the implementation of new shared waste contract which took some time to get up to speed. As a result, the annual figure is worse than last year but over the short term, this is an improving picture
MC OP 2.2 Waste: missed collections per 100,000 collections of household.	72.09% (58.80%)	30		<p>MC OP 2.2 Waste: missed collections per 100,000 collections of household.</p> 	<p>MC OP 2.2 Waste: missed collections per 100,000 collections of household.</p> 	The missed collections have risen. When challenged on this rise the contractor was able to identify some issues with crews performance. The crews have been bought in and targeted with improvement. It is expected that leave has also factored into this rise. It is expected that this drops down for April.

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
MC OP 191 Residual household waste per household.	401kg	trend only	N/A			Latest figures available in February show a reduction year on year of 22kg per household which is a good reduction
MC OP 192 % of household waste sent for reuse, recycling and composting.	50.32%	50%				Latest figures available in February show a reduction on the % recycling rate on the previous month but a slightly better % value than this time last year (50.07%)

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes						
AC OP 195a Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter	N/A	2.00%	N/A	N/A	<p>AC OP 195A Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter</p> <table><thead><tr><th>Year</th><th>Value</th><th>Target (Years)</th></tr></thead><tbody><tr><td>2017/18</td><td>2.00%</td><td>2.00%</td></tr></tbody></table>	Year	Value	Target (Years)	2017/18	2.00%	2.00%	Due to the moved to a shared waste service and contract mobilisation these inspections have not been completed. Streets have been inspected and monitored but not as per this PI
Year	Value	Target (Years)										
2017/18	2.00%	2.00%										
AC OP 195b Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus	N/A	7%	N/A	N/A	<p>AC OP 195B Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus</p> <table><thead><tr><th>Year</th><th>Value</th><th>Target (Years)</th></tr></thead><tbody><tr><td>2017/18</td><td>7.00%</td><td>7.00%</td></tr></tbody></table>	Year	Value	Target (Years)	2017/18	7.00%	7.00%	Due to the moved to a shared waste service and contract mobilisation these inspections have not been completed. Streets have been inspected and monitored but not as per this PI
Year	Value	Target (Years)										
2017/18	7.00%	7.00%										
Service Area Health & Housing												

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes										
QC HH 155 Number of affordable homes delivered (gross)	221	200	N/A	<table><caption>QC HH 155 Number of affordable homes delivered (gross)</caption><thead><tr><th>Quarter</th><th>Delivered (gross)</th></tr></thead><tbody><tr><td>Q1 2018/19</td><td>31</td></tr><tr><td>Q2 2018/19</td><td>88</td></tr><tr><td>Q3 2018/19</td><td>173</td></tr><tr><td>Q4 2018/19</td><td>221</td></tr></tbody></table>	Quarter	Delivered (gross)	Q1 2018/19	31	Q2 2018/19	88	Q3 2018/19	173	Q4 2018/19	221	N/A	A total of 221 new affordable homes (116 affordable rented homes and 105 shared ownership) were completed up to the end of the fourth of 2018/19. This is significantly above the target of 140 new affordable homes for 2018/19 and is the highest number of affordable homes completed in a single year in the district since 2006/07. The primary source of new affordable homes for 2018/19 is through Section 106 agreements between the council, developers and housing associations.
Quarter	Delivered (gross)															
Q1 2018/19	31															
Q2 2018/19	88															
Q3 2018/19	173															
Q4 2018/19	221															
QC HH 149C % of Affordable homes delivered on section 106 developments in Towns	38%	trend only	<table><caption>QC HH 149C % of Affordable homes delivered on section 106 developments in Towns</caption><thead><tr><th>Quarter</th><th>% of Affordable homes delivered</th></tr></thead><tbody><tr><td>Q1 2018/19</td><td>21%</td></tr><tr><td>Q2 2018/19</td><td>32%</td></tr><tr><td>Q3 2018/19</td><td>38%</td></tr><tr><td>Q4 2018/19</td><td>38%</td></tr></tbody></table>	Quarter	% of Affordable homes delivered	Q1 2018/19	21%	Q2 2018/19	32%	Q3 2018/19	38%	Q4 2018/19	38%	N/A	New affordable homes from five Section 106 schemes in towns were handed over by the end of Qtr4 . The completed schemes had a total of 361 new homes of which 137 were affordable which is 38% of the total new homes. This is very slightly below the policy target of 40% for the towns. Three of the schemes were policy compliant and 2 achieved 21% and 24% affordable homes respectively. Both schemes were under policy following viability assessments which were agreed at Development Control Committee.	
Quarter	% of Affordable homes delivered															
Q1 2018/19	21%															
Q2 2018/19	32%															
Q3 2018/19	38%															
Q4 2018/19	38%															

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
AC PB 156 Number of Master Plans successfully completed and endorsed by the Council	7	trend only		N/A		<p>The following Master Plans have now been completed and endorsed by Council:</p> <p>SAWB2 - North of West Road, Sawbridgeworth - endorsed by Council on 25 July 2018</p> <p>SAWB3 - South of West Road, Sawbridgeworth - endorsed by Council on 25 July 2018</p> <p>BISH5 - Bishop's Stortford South - endorsed by Council on 25 July 2018</p> <p>EOS1 - East of Stevenage - endorsed by Council on 17 October 2018</p> <p>HERT2 - Mead Lane Area, Hertford - endorsed by Council on 19 December 2018</p> <p>HERT3 - North of Welwyn Road, Hertford - endorsed by Council on 5 March 2019</p> <p>HERT3 - South of Welwyn Road, Hertford - endorsed by Council on 5 March 2019</p>
AC PB 158 Years of Housing Land Supply available to build on	N/A	5		N/A		<p>The 2017/2018 AMR shows that the Council can demonstrate land supply to deliver 5.8 years of deliverable housing sites.</p>

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes												
Priority 3 - Business (15 Indicators)																		
Service Area: Health & Housing																		
QC HH 184 % of food premises in the area which are broadly compliant with food hygiene law	96%	85%		<p>QC HH 184 % of food premises in the area which are broadly compliant with food hygiene law</p>  <table><caption>QC HH 184 % of food premises in the area which are broadly compliant with food hygiene law</caption><thead><tr><th>Quarter</th><th>Value (%)</th></tr></thead><tbody><tr><td>Q1 2018/19</td><td>96%</td></tr><tr><td>Q2 2018/19</td><td>96%</td></tr><tr><td>Q3 2018/19</td><td>96%</td></tr><tr><td>Q4 2018/19</td><td>96%</td></tr><tr><td>Q1 2019/20</td><td>96%</td></tr></tbody></table>	Quarter	Value (%)	Q1 2018/19	96%	Q2 2018/19	96%	Q3 2018/19	96%	Q4 2018/19	96%	Q1 2019/20	96%	N/A	2018/2019 Qtr 4 - Target exceeded. 96% of registered food businesses in East Herts are broadly compliant with food law; this represents 1015 businesses.
Quarter	Value (%)																	
Q1 2018/19	96%																	
Q2 2018/19	96%																	
Q3 2018/19	96%																	
Q4 2018/19	96%																	
Q1 2019/20	96%																	
Service Area - Communications Strategy & Policy																		
AC CSP 13.1 Total number of businesses using the Launchpad facility (target: 30) October Annually	48	30	N/A	N/A	<p>AC CSP 13.1 Total number of businesses using the Launchpad facility (target: 30) October Annually</p>  <table><caption>AC CSP 13.1 Total number of businesses using the Launchpad facility (target: 30) October Annually</caption><thead><tr><th>Year</th><th>Value</th></tr></thead><tbody><tr><td>2016/17</td><td>28</td></tr><tr><td>2017/18</td><td>28</td></tr><tr><td>2018/19</td><td>28</td></tr></tbody></table>	Year	Value	2016/17	28	2017/18	28	2018/19	28	Figures reported annually from October, for the first 6 months from October 17 - March 2018, there were 48 businesses. In October, the 18/19 figures will be available				
Year	Value																	
2016/17	28																	
2017/18	28																	
2018/19	28																	

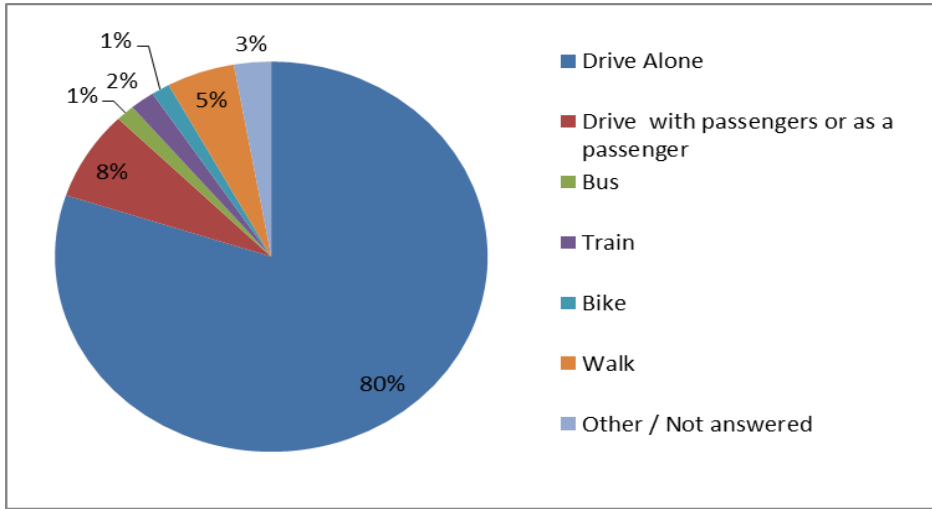

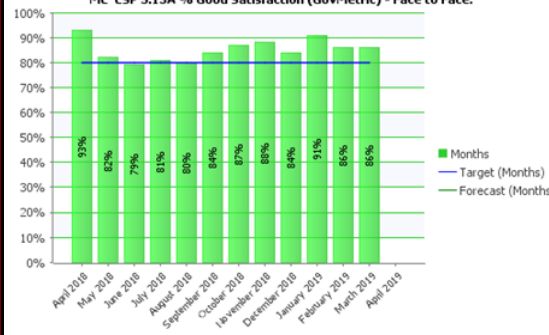
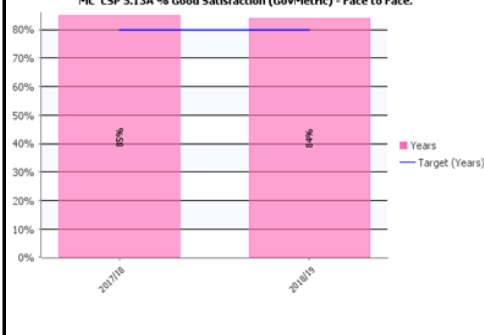
PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes								
AC CSP 13.2 Number of businesses using the Launchpad facility for more than 3 months (October Annually)	74	20	N/A	N/A	<p>AC CSP 13.2 Number of businesses using the Launchpad facility for more than 3 months (October Annually)</p> <table><tr><th>Year</th><th>Value</th></tr><tr><td>2016/17</td><td>0</td></tr><tr><td>2017/18</td><td>74</td></tr><tr><td>2018/19</td><td>74</td></tr></table>	Year	Value	2016/17	0	2017/18	74	2018/19	74	For the first full year (October 17 to October 18), 74 businesses had used Launchpad for over 3 months
Year	Value													
2016/17	0													
2017/18	74													
2018/19	74													
AC CSP 13.3 Total income from businesses using the Launchpad facility	£23,243	£20,000		N/A	<p>AC CSP 13.3 Total income from businesses using the Launchpad facility (October Annually)</p> <table><tr><th>Year</th><th>Value</th></tr><tr><td>2016/17</td><td>£0.00</td></tr><tr><td>2017/18</td><td>£3,155.00</td></tr><tr><td>2018/19</td><td>£23,243.00</td></tr></table>	Year	Value	2016/17	£0.00	2017/18	£3,155.00	2018/19	£23,243.00	£23,243 was generated in 2018/19
Year	Value													
2016/17	£0.00													
2017/18	£3,155.00													
2018/19	£23,243.00													

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes																								
AC CSP 14.1 Number of successful applications to the Business Rate Discount Grant Scheme	17	trend only	↑	N/A	<p>AC CSP 14.1 Number of successful applications to the Business Rate Discount Grant Scheme</p> <table><tr><th>Year</th><th>Years</th><th>Target (Years)</th></tr><tr><td>2016/16</td><td>0</td><td>0</td></tr><tr><td>2017/17</td><td>11</td><td>0</td></tr><tr><td>2018/18</td><td>17</td><td>17</td></tr><tr><td>2019/19</td><td>0</td><td>0</td></tr></table>	Year	Years	Target (Years)	2016/16	0	0	2017/17	11	0	2018/18	17	17	2019/19	0	0	Increase on last year									
Year	Years	Target (Years)																												
2016/16	0	0																												
2017/17	11	0																												
2018/18	17	17																												
2019/19	0	0																												
AC CSP 14.2 Number of additional jobs created as a result of awarding the scheme	17	trend only	↑	N/A	<p>AC CSP 14.2 Number of additional jobs created as a result of awarding the scheme</p> <table><tr><th>Year</th><th>Years</th><th>Target (Years)</th></tr><tr><td>2017/18</td><td>4</td><td>0</td></tr><tr><td>2018/19</td><td>17</td><td>17</td></tr></table>	Year	Years	Target (Years)	2017/18	4	0	2018/19	17	17	Increase on last year															
Year	Years	Target (Years)																												
2017/18	4	0																												
2018/19	17	17																												
AC CSP 14.3 Total value of visitor economy to East Herts	N/A	trend only	new indicator	N/A	<p>AC CSP 14.3 Total value of visitor economy to East Herts</p> <table><tr><th>Year</th><th>Years</th><th>Target (Years)</th></tr><tr><td>2012/13</td><td>£252,559,000.00</td><td>0</td></tr><tr><td>2013/14</td><td>0</td><td>0</td></tr><tr><td>2014/15</td><td>£262,000,007.00</td><td>0</td></tr><tr><td>2015/16</td><td>0</td><td>0</td></tr><tr><td>2016/17</td><td>£274,354,000.00</td><td>£274,354,000.00</td></tr><tr><td>2017/18</td><td>0</td><td>0</td></tr><tr><td>2018/19</td><td>0</td><td>0</td></tr></table>	Year	Years	Target (Years)	2012/13	£252,559,000.00	0	2013/14	0	0	2014/15	£262,000,007.00	0	2015/16	0	0	2016/17	£274,354,000.00	£274,354,000.00	2017/18	0	0	2018/19	0	0	Latest results for this indicator are from 2016/17 of £274,354,000. This is an increase of the 2015 study (£262,000,007) This survey is normally done every over year so will next be done for the period of 2018/19 with results expected next year
Year	Years	Target (Years)																												
2012/13	£252,559,000.00	0																												
2013/14	0	0																												
2014/15	£262,000,007.00	0																												
2015/16	0	0																												
2016/17	£274,354,000.00	£274,354,000.00																												
2017/18	0	0																												
2018/19	0	0																												


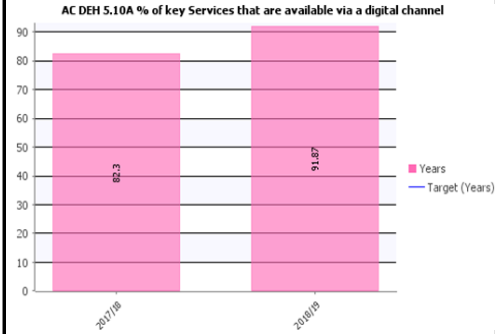

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes								
AC CSP 14.4 Total number of day trips and overnight trips to district	N/A	trend only	new indicator	N/A	<table border="1"><thead><tr><th>Year</th><th>Value</th></tr></thead><tbody><tr><td>2013/13</td><td>1,261,000</td></tr><tr><td>2014/14</td><td>1,371,000</td></tr><tr><td>2016/17</td><td>1,369,000</td></tr></tbody></table>	Year	Value	2013/13	1,261,000	2014/14	1,371,000	2016/17	1,369,000	Latest results for this indicator are from 2016/17 of £1,369,000. This is slight decrease of the 2015 study (£1371,000) This survey is normally done every over year so will next be done for the period of 2018/19 with results expected next year
Year	Value													
2013/13	1,261,000													
2014/14	1,371,000													
2016/17	1,369,000													
AC CSP 14.5 Total number of jobs in district attributed to visitor economy	N/A	trend only	new indicator	N/A	<table border="1"><thead><tr><th>Year</th><th>Value</th></tr></thead><tbody><tr><td>2014/14</td><td>4,914</td></tr><tr><td>2016/17</td><td>5,164</td></tr></tbody></table>	Year	Value	2014/14	4,914	2016/17	5,164	Latest results for this indicator are from 2016/17 of £5,164. This is slight decrease of the 2015 study (4,914) This survey is normally done every over year so will next be done for the period of 2018/19 with results expected next year		
Year	Value													
2014/14	4,914													
2016/17	5,164													
AC CSP 14.6 Number of Business awarded £ through the RDP programme	6	trend only		N/A	<table border="1"><thead><tr><th>Year</th><th>Value</th></tr></thead><tbody><tr><td>2017/18</td><td>3</td></tr><tr><td>2018/19</td><td>3</td></tr></tbody></table>	Year	Value	2017/18	3	2018/19	3	Same number of businesses awarded. This indicator will discontinue going forward as per the notes in the Performance Report		
Year	Value													
2017/18	3													
2018/19	3													

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes									
AC CSP 14.7 - Amount of £ invested in East Herts through the RDP	£572,672	trend only		N/A	<p>AC CSP 14.7 Amount of £ invested in East Herts through the RDP</p>  <table><thead><tr><th>Year</th><th>Investment (£)</th><th>Target (£)</th></tr></thead><tbody><tr><td>2017/18</td><td>188,672</td><td>-</td></tr><tr><td>2018/19</td><td>572,672</td><td>-</td></tr></tbody></table>	Year	Investment (£)	Target (£)	2017/18	188,672	-	2018/19	572,672	-	The investment increased significantly across 18/19. This was topped up with private investment levied in totalling approx. £800,000 with a total rural investment in East Herts of £1.3m
Year	Investment (£)	Target (£)													
2017/18	188,672	-													
2018/19	572,672	-													
AC CSP 14.8 No. of new jobs in East Herts created through the RDP	4	trend only		N/A	<p>AC CSP 14.8 No. of new jobs in East Herts created through the RDP</p>  <table><thead><tr><th>Year</th><th>No. of new jobs</th><th>Target</th></tr></thead><tbody><tr><td>2017/18</td><td>4</td><td>-</td></tr><tr><td>2018/19</td><td>4</td><td>-</td></tr></tbody></table>	Year	No. of new jobs	Target	2017/18	4	-	2018/19	4	-	There were 4 jobs created directly out of the RDP program in 18/19 directly. The investment may lead to ability to be more sufficient and create more jobs as a result
Year	No. of new jobs	Target													
2017/18	4	-													
2018/19	4	-													

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes						
AC CSP 16 Amount (£) raised for local charities in Dragon's Apprentice Scheme	£5,137.57	trend only	<div></div>	N/A	<div><p>AC CSP 16 Amount (£) raised for local charities in Dragon's Apprentice Scheme</p><table><thead><tr><th>Year</th><th>Amount (£)</th></tr></thead><tbody><tr><td>2017/18</td><td>7,596.04</td></tr><tr><td>2018/19</td><td>5,137.57</td></tr></tbody></table></div>	Year	Amount (£)	2017/18	7,596.04	2018/19	5,137.57	<p>This year 5 teams took part in the senior dragon's apprentice programme. They were Freman College (£1357 raised for the charity guiding lights, Dragon was Councillor Jeff Jones), Bishop's Stortford High School (£60 raised for Carers Connected, Dragon was Councillor Graham McAndrew), Simon Balle (£161 raised, Dragon was Councillor Jan Goodeve), Chauncy (£955 raised for the Southern Maltings) and Herts and Essex High School (£2778 raised). An award ceremony took place at the Southern Maltings on 18th March, presented by Cllr Suzanne Rutland-Barsby. Although less than the amount raised last year the programme continues to generate money for local causes and teach young people key business skills.</p>
Year	Amount (£)											
2017/18	7,596.04											
2018/19	5,137.57											


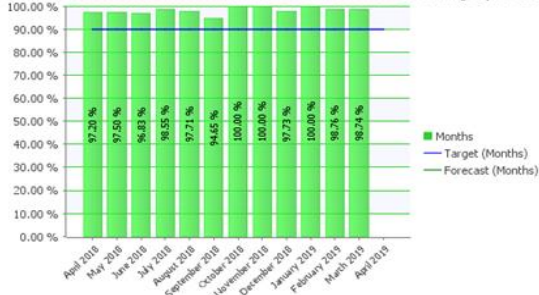

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
AC CSP 17 Modal shift of East Herts staff commuting patterns	see chart	trend only	new indicator	 <ul style="list-style-type: none">Drive AloneDrive with passengers or as a passengerBusTrainBikeWalkOther / Not answered	These were the figures for the survey conducted in July 2018 which forms a baseline. The last survey was done in 2009 and the figures had shown an increase in single use car journeys. Another survey will be run mid 2019 to see if the council's green travel plan has made an impact. This is against 2009 figures of; Car (alone) 80%, car sharing in anyway 1%, Bus 2%, Train 3%, Walking 10%, Bike 2%, other less than 1%. So whilst there have been good progress in encouraging car sharing, there have been declines in public transport options	
Supporting all Priorities (15 indicators)						
Service Area - Communications Strategy & Policy						
MC CSP 5.13A % Good Satisfaction (GovMetric) - Face to Face.	86% (84%)	80%		 <ul style="list-style-type: none">MonthsTarget (Months)Forecast (Months)	 <ul style="list-style-type: none">YearsTarget (Years)	102 or 86% of face to face scores were positive this month. Overall this indicator remains on target although there are marginal peaks and troughs through the year

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
MC CSP 5.13B % Good Satisfaction (GovMetric) - Telephone.	N/A (N/A%)	90%	N/A	<p>MC CSP 5.13B % Good Satisfaction (GovMetric) - Telephone.</p>	<p>MC CSP 5.13B % Good Satisfaction (GovMetric) - Telephone.</p>	This indicator will be removed for 2019/20 due to very little feedback ever provided via phone. We will look at the possibility of installing this Gov Metric Scoring system via email instead going forward
MC CSP 5.13C % Good Satisfaction (GovMetric) - Website.	32%(36%)	50%		<p>MC CSP 5.13C % Good Satisfaction (GovMetric) - Website.</p>	<p>MC CSP 5.13C % Good Satisfaction (GovMetric) - Website.</p>	<p>103 of 321 scores were positive which means the trend continues to fall.</p> <p>A new website with a new provider is due to launch in August and we envisage a major improvement in perception of our site and it will deliver on a number of key themes of frustration on our current website</p>

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes						
AC DEH 5.10A % of key Services that are available via a digital channel	91.67%	trend only		N/A	<p>AC DEH 5.10A % of key Services that are available via a digital channel</p>  <table><thead><tr><th>Year</th><th>Value</th></tr></thead><tbody><tr><td>2017/18</td><td>82.3</td></tr><tr><td>2018/19</td><td>91.67</td></tr></tbody></table>	Year	Value	2017/18	82.3	2018/19	91.67	Using the same methodology and set of variables as was proposed in 2016/17 review, we have moved up to 79 of 86 services now able to do online. A couple of key services are no longer available thus shouldn't be considered in the % terms such as requesting dog bins which are no longer being treated separately to general waste bins
Year	Value											
2017/18	82.3											
2018/19	91.67											
AC DEH 5.10B Socitm (Society of IT Managers) rating for website usability / accessibility	N/A	trend only	N/A	N/A	<p>AC DEH 5.10B Socitm (Society of IT Managers) rating for website usability / accessibility</p>  <table><thead><tr><th>Year</th><th>Value</th></tr></thead><tbody><tr><td>2017/18</td><td>2</td></tr><tr><td>2018/19</td><td>2</td></tr></tbody></table>	Year	Value	2017/18	2	2018/19	2	Results will be published by Better Connected and it is anticipated to be published around June. The methodology of scoring will focus more on accessibility and this change is due to new EU regulations meaning Local Authorities need to adhere to much higher accessibility standards.
Year	Value											
2017/18	2											
2018/19	2											

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
QC CSP 5.1 % of complaints resolved in 14 days (10 working days) or less.	61.90%	70.00%		<p>QC CSP 5.1 % of complaints resolved in 14 days (10 working days) or less.</p> 	<p>QC CSP 5.1 % of complaints resolved in 14 days (10 working days) or less.</p> 	13 of the 21 complaints were resolved within 14 working days during Q4, missing the 70% target. The annual figure was slightly better than the previous year
QC CSP 5.2A % of complaints about the Council and its services that are upheld: 1st stage	36.84 (39.13%)	30.00%		<p>QC CSP 5.2A % of complaints about the Council and its services that are upheld: 1st stage</p> 	<p>QC CSP 5.2A % of complaints about the Council and its services that are upheld: 1st stage</p> 	7 of 19 complaints were upheld or partially upheld at stage one which is a reduction on the previous quarter. Three complaints were upheld to varying degrees within the planning team.

PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
MC RB 10.2 Council tax collection, % of current year liability collected.	98.10%	98.6%	N/A	<p>MC RB 10.2 Council tax collection, % of current year liability collected.</p>	N/A	Slightly under target. This is 0.2% less than last years figures
MC RB 10.4 NNDR (Business rates) collection, % of current year liability collected.	98.50%	97.5%	N/A	<p>MC RB 10.4 NNDR (Business rates) collection, % of current year liability collected.</p>	N/A	Target was reached and exceeded, showing an improvement on the previous year (98.4%)
Service Area HR						






PI Name	Latest Value (Annual Tar)	Target (annual target)	(+/-) since last	Short term Performance Trend	Long Term Performance Trend	Notes
MC DL 5.15 % of FOI cases closed in month that were closed within 20 working days or less	98.74% (98.39%)	90%		<p>MC DL 5.15 % of FOI cases closed in month that were closed within 20 working days or less</p> 	<p>MC DL 5.15 % of FOI cases closed in month that were closed within 20 working days or less</p> 	65 of 66 cases were closed within 20 working days. This continues to sit well above target and is in a much better position annually than it was last year

KEY

PI Status

Performance is 6% or more off target	
Performance is less than 6% or more off target	
Performance is on target or exceeding target	
No target to set performance against	Trend Only
Monthly/Q4/Annual data unavailable	

Movement since last period

Value is higher than previous period & this is positive movement	
Value is higher than previous period but this is negative movement	
Value is lower than previous period but this is positive movement	
Value is lower than previous period & this is negative movement	
Value is the same as previous period	
N/A -Cumulative so will always be above previous period	n/a

This page is intentionally left blank

Some fact and figures from 2018/19 and what our customers think



221

affordable homes delivered



642

participants in
Forever Active schemes



over

200

participants in
Social Prescribing scheme



277

households prevented from
becoming homeless



22kg

less waste produced per
household than last year

Top 5 pages:

- Planning portal (to make comments on a planning application or decision)
- Planning
- Council Tax
- Bins/waste/recycling
- Waste collection calendars



2,263,981

visits to our website since it
launched in May 2017

Annual Report for 2018/19

Update from Cllr Linda Haysey, Leader of the Council

2018/19 has been another dynamic and productive year in East Herts. Councillors have built on the successes of previous years and we continue with our forward-thinking and progressive approach to providing high quality services for residents.

The East Herts District Plan was adopted in October 2018, and sets out our vision for ambitious and sustainable growth in the district through new homes, jobs, facilities and infrastructure. The Plan will help us to support the local economy by ensuring that the right land is available at the right times for development and infrastructure. It sets out our resolve to deliver 18,000 new dwellings for the district by 2033. This will be done through new sites at Harlow and Gilston Garden Town, to the north of Harlow; Gresley Park, to the east of Stevenage; and Birchall Garden Suburb, to the east of Welwyn Garden City. We recognise the difficulties that many young people in East Herts face in getting on the housing ladder in their neighbourhoods. We have provided 221 affordable homes this year, significantly above our target of 140. This is the highest number of affordable homes completed in a single year in the district since 2006/07. We are working closely with neighbouring councils and developers to ensure that the rural character of our district is preserved and that the quality of our natural environment is protected and enhanced.

We have made significant progress in planning for improvements to our town centres, and the redevelopment of important urban sites. In Hertford, we have carried out extensive improvements on The Wash, Bull Plain and Maidenhead Street, creating a more welcoming environment for pedestrians and shoppers and encouraging investment into this part of the town centre. In Bishop's Stortford, plans for the Northgate End development have been approved, which will create a residential and commercial block, along with a much-needed multi-storey car park. This redevelopment will free up and transform the land in the heart of Bishop's Stortford at Old River Lane for cultural, residential and business use, including a new arts centre with a 500 seat theatre, four cinema screens and café/bar. Detailed masterplanning, involving residents and stakeholders, will take place later this year.

We recognise the work our small businesses do in creating vibrant town centres and a flourishing rural economy, and we are committed to supporting their work. This year we have helped the Bishop's Stortford Business Improvement District (BID) set themselves up. The BID will focus on improving the public realm, creating a better trading environment and supporting the local economy. We have continued to operate the Launchpad at Bishop's Stortford, which has been used by over 100 local businesses and individuals this year. Our Discretionary Business Rates Relief scheme has provided financial support to over 25 small businesses either in their first year of trading, or looking to expand within the district. Over the last three years we have successfully managed the European Funded Rural Development Programme, working in partnership with councils across the Eastern region. The programme has supported 8 rural businesses across the district to deliver initiatives such as farm diversification, tourism, and cultural and heritage activity through accessing match funding.

This year we will say goodbye to our outgoing Chief Executive, Liz Watts, whose motivation and determination have transformed our ways of working. We look forward to welcoming our new Chief Executive, Richard Cassidy, who brings with him a wealth of local government experience, having worked for over 30 years at councils in London and across the Eastern region. The Council carries out a huge variety of work, and this report provides just a brief overview of our successes over the past year. We recognise and value the contributions of all our colleagues, councillors and partners.

Cllr Linda Haysey
Leader

Some quotes from our customers:

"Can you please pass on our appreciation for another year's excellent service to the refuse collectors who cope with all sorts of weathers and difficult situations. Also to all the background people who we don't see but help make the service work"

"You have all been fantastic and always have been there for me even when I have had a silly simple question or some advice."

On Hertford Theatre: "We're fortunate to have such an excellent small theatre on our doorstep. We come here as often as we can to see some enjoyable performances at extremely reasonable prices."

"I would like to say that I am very impressed with the website presentation of information under the Local Government Transparency Code and detail regarding the attendance of Councillors at meetings."

"I have moved into my new home and we are very happy. I just wanted to thank the Housing Options Team for being so helpful."



The following highlights some of our successes within each of our corporate theme areas:

PRIORITY 1: Improve the health and wellbeing of our communities

We have started planning for our leisure centres – a completely new centre at Grange Paddocks in Bishop's Stortford and the refurbishment of Hartham in Hertford and Ward Freman in Buntingford.

Our Social Prescribing scheme has received over 200 referrals, providing support for those affected by isolation and mild depression in the district.

Our new Community Transport Strategy was agreed in December 2018, recognising the challenges that accessing appropriate transport for essential and social journeys is challenging for many people in the district.

The sports schemes and activities set up through our Forever Active programme have been supported to become self-sustaining.

PRIORITY 2: Enhancing the quality of people's lives

Our District Plan was adopted in October 2018, identifying how East Herts will grow and develop to become an even more desirable and prosperous place to live, work and visit.

The new Homelessness and Rough Sleeping Review and Strategy was adopted by the Council in March 2019, setting out our intentions to sustain tenancies and protect and increase local housing options.

We have carried out extensive improvements on The Wash, Bull Plain and Maidenhead Street in Hertford.

In Bishop's Stortford, plans for the Northgate End development have been approved, which will create a residential and commercial block, along with a much-needed multi-storey car park, and free up the land at Old River Lane for transformation.

PRIORITY 3: Enabling a flourishing economy

We have supported the Bishop's Stortford Business Improvement District (BID) to set themselves up. The BID will focus on improving the public realm, creating a better trading environment and supporting the local economy.

We have provided support to 20 small businesses through our Business Rates Discretionary Relief Scheme.

The Bishop's Stortford Launchpad, providing serviced office space to enable start up enterprise, has been used by over 100 business and individuals.

A note from the Chief Executive

East Herts has pursued its ambitious and forward-thinking goals this year, working to ensure that the district remains one of the best places in the country to live and work.

We want East Herts residents to continue to thrive, by staying as healthy as possible and receiving support when it is needed. This year we have developed a Health and Wellbeing Strategy, which sets out how we will work with others to help our residents to make healthy choices and live independently for as long as possible. We are determined to make the most of our open spaces and leisure facilities to achieve these aims. We have improved the play areas at Southern Country Park in Bishop's Stortford and Hillside Crescent in Stanstead Abbots and created connections between our open spaces, focussing on Hertford and the surrounding areas. We have started planning for our leisure centres – a completely new centre at Grange Paddocks in Bishop's Stortford and the refurbishment of Hartham in Hertford and Ward Freman in Buntingford - and we have been talking to local residents about our plans for improvements to Hartham Common which will be made over the coming year.

Our bid for Heritage Lottery and Big Lottery funding for Castle Gardens Park in Bishop's Stortford was successful – we have been awarded nearly £2m to combine Castle Gardens, owned by East Herts Council, and Sworders Field, owned by Bishop's Stortford Town Council, into one beautiful green space – Castle Park. We have established a Friends Group to ensure that local community groups and residents are involved in the park's development.

In partnership with Hertfordshire County Council and our residents, we have worked to improve air quality and reduce the levels of pollution across the district. Air pollution in three key areas has dropped in the past five years - Gascoyne Way in Hertford, Hockerill junction in Bishop's Stortford, and Stansted Road. We recognise that we still have more to do to ensure that all areas of the district meet national targets. To further improve we have introduced an e-car club with Council staff, before rolling out the scheme to residents in Hertford and Bishop's Stortford. Residents can also sign up to our new air alert service, which gives an alert when air quality is poor.

We are committed to supporting our most vulnerable residents when they need our help. This year we have developed a new Homelessness and Rough Sleeping Strategy, which will guide the ways in which we act swiftly to prevent the loss of accommodation, sustain tenancies and protect and increase local housing options. We have successfully introduced the use of 'Personal Housing Plans' for residents at risk of homelessness. The East Herts Social Prescribing Service for residents who are feeling lonely, isolated or living with mild depression and anxiety, launched in January 2018. The service has so far received over 200 referrals from GPs and other health professionals. Residents referred to the service are supported to join a range of local social and activity groups – and the majority of those attending say they are feeling better about their general wellbeing and happiness.

We recognise that many of our residents have busy lives and prefer to contact us online, and the digital transformation of Council services continues apace. Many services can now be accessed using online forms which has made most transactions significantly quicker and easier. We understand that some of our residents need to call us or come in to see us, and will continue to ensure that Council services are accessible to everyone.

In December 2018 we undertook a Peer Challenge, managed by the Local Government Association. This was a useful and informative process which recognised that East Herts is a high performing and well-respected Council, with a strong leadership team to push forward its ambitious targets.

This year I will be leaving East Herts after three and a half years as Chief Executive. The Council has many exciting ventures to look forward to, and dedicated and resourceful colleagues to drive them forward. It has been a privilege to work here and I am incredibly proud of what we have collectively achieved.

Liz Watts
Chief Executive

At the end of March 2019 the Council had

 **9,387**
followers

 **1,526**
followers

 **1,205**
users

 **566**
followers

ERP C 2018/19 Service Plans

(PLEASE NOTE RED TEXT REFERS TO PERFORMANCE INDICATORS, INFORMATION FOR WHICH CAN BE FOUND IN THE SEPERATE PI DOCUMENT)

Corporate Priority: People				
Outcome: Communities engaged in local issues				
Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	Progress by 31 March 2019
Increase stakeholder engagement through digital channels	<ul style="list-style-type: none"> No. of Twitter followers & impressions No. of Facebook likes & people reached No. of Instagram followers and likes No. of Gov delivery subscribers 	31 March 2019	Communications and Digital Media Manager	<p>The council's reach on social media continues to grow. Twitter and Facebook are the channels with the largest reach however LinkedIn is becoming increasingly important as a channel for recruitment but also awareness raising of events and initiatives.</p> <p>The council switched from using GovDelivery as the email marketing platform to mailchimp in 2018. This resulted in significant savings but also a drop in subscribers. As at 31 March 2019 we had:</p> <ul style="list-style-type: none"> 9,387 Twitter followers (582 more than last year) 1,526 Facebook followers (454 more than last year) 1,205 Instagram followers (481 more than last year) 566 LinkedIn followers (135 more than last year) <p>We also measure press coverage (in the Mercury and Bishop's Stortford Independent) in terms of whether it is negative or positive to give a proxy for public perception of the council. In 9 months of the 18/19 year coverage was positive overall however for 3 months it was negative. This was the result of stories relating to proposals for the Northgate End Multi Storey Car Park in Bishop's Stortford, works on Maidenhead Street in Hertford and litter along the A10.</p>
Ensure successful transfer of Scott's Grotto to independent trust ownership	<ul style="list-style-type: none"> Transfer complete 	31 March 2019	Head of Communications, Strategy and Policy	Approval to transfer ownership of the Grotto was granted by Executive in 2018. An independent Charitable Incorporated Organisation (Scotts Grotto Trust) was set up in November 2018 composed of nominees from East Herts Council and the Ware Society. The trust is now operating independently from the council and undertaking fund raising activities to keep the Grotto open as a local heritage asset.
Increase customer engagement through feedback for Development Management Service	<ul style="list-style-type: none"> Qualitative Assessment of customer feedback Quantitative assessment of customer feedback 	30 June 2018	Service Manager (DM) Quality and performance	

Corporate Priority: People				
Outcome: Support for our vulnerable families and individuals				
Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	Progress by 31 March 2019
Deliver the Community Safety Strategic Assessment and Action Plan	<ul style="list-style-type: none"> Delivery key actions within the plan Bid to the Police and Crime Commissioner's community safety fund in line with 	31 March 2019 31 December 2018	Community Safety Officer	Review of assessment for 2019/20 to begin next period.

	Community Safety Partnership priorities			
Ensure the council fulfils its Safeguarding responsibilities	<ul style="list-style-type: none"> Deliver the actions arising from the Safeguarding Adults Self-Assessment Deliver the annual programme of safeguarding training 	31 March 2019 31 December 2018	Service Manager – Community Wellbeing and Partnerships	Safeguarding action log sent to HCC at the end of each quarter. Follow up audit undertaken in Jan 2019 with no areas for concern. Safeguarding training to commence April 2019 with training for members in Sept 2019.
Minimise time elapsed to process new claims and changes in circumstances.	<ul style="list-style-type: none"> Time taken to process Housing Benefit new claims and change events achieved (10 days) 	31 March 2019	Head of Revenues and Benefits	7.63 days (against a target of 10 days). Time taken to process housing benefit has dropped dramatically.
Work with partners to provide support to customers in difficulty.	<ul style="list-style-type: none"> Utilise discretionary Housing Payments to alleviate transitional difficulties Proactively work to avoid fraud and to ensure suspected cases are investigated 	31 March 2019	Head of Revenues and Benefits	This is considered to be an on-going part of the job and not an action that has a start and end point so will be monitored. This is considered to be an on-going part of the job and not an action that has a start and end point so will be monitored.
Work with partners to assist customers through the transition into universal credit	<ul style="list-style-type: none"> Customers assisted and signposted appropriately when transitioned into universal credit. 	31 March 2019	Head of Revenues and Benefits	This is considered to be an on-going part of the job and not an action that has a start and end point so will be monitored.

Corporate Priority: People
Outcome: residents living active and healthy lives

Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	Progress by 31 March 2019
Implement new homelessness prevention duties in line with the Homelessness Reduction Act 2017	<ul style="list-style-type: none"> Introduce 'Personal Housing Plans' for those threatened with homelessness training all members of the team Review and restructure the approach to homelessness prevention work 	31 March 2019	Service Manager – Housing Services	Bespoke personal housing plans (PHP) are drawn up and agreed for all applicants threatened with homelessness or homeless on the council's software LOCATA. The PHP is then provided to the applicant and can be updated by both the applicant and the officer via an online portal.
Review the Homelessness Strategy	<ul style="list-style-type: none"> Number of prevented homeless applications 	31 January 2019	Service Manager – Housing Services	Homelessness and Rough Sleeping Strategy adopted by Council on 5th March 2019. By the end of the fourth quarter of 2018/19 the Housing Service prevented a total of 277 households becoming homeless. This is 77 households above the target for the year. This was achieved by a variety of housing options including the provision of housing advice to relieve homelessness or securing alternative accommodation through an offer of accommodation from the council's housing register, a referral to supported accommodation or by actively assisting applicants secure accommodation through the private sector with the council's rent deposit offer.

	<ul style="list-style-type: none"> Number of homeless households living in temporary accommodation Number of applicants on the housing register 			<p>At the end of March 2019 the council had 27 households in temporary accommodation . The council's temporary accommodation hostel had all 12 flats occupied. Six households were in B&B. Four were single person households unsuitable for the hostel and two were households with children waiting for a space in our hostel. Six single person households were in temporary supported accommodation for people with mental health conditions and three households were in longer term private leased self contained accommodation.</p> <p>At the end of March 2019 there were 2,016 households on the Housing Register. This is broken down by property size required as follows: 1 bed need - 1,020; 2 bed need - 644; 3 bed need - 294; 4+ bed need - 58. The net change of households being the difference between households being housed, applications not being renewed and new applications being accepted onto the Housing Register. The profile of the size of the properties required is broadly the same with one and bedroom homes being the greatest need.</p>
Deliver air Quality Action Plan	<ul style="list-style-type: none"> Review the East Herts Air Quality Action Plan, deliver key actions Deliver Clean Air Day 2018 	31 March 2019 17 June 2018	Senior Environmental Officer (Environment)	Existing plan reviewed and updated in May. Claire Spendley is now working to deliver a throughout revised version in order to achieve full Defra adoption.
Promote use of E-taxis within the district	<ul style="list-style-type: none"> Measure to be developed 	31 March 2019	Service Manager – Licensing and Enforcement	Strategy agreed and work started on the actual project to deliver this. New vehicle age & emissions policy in place, EVolve assessment underway and locations for rapid chargers being considered.
Deliver a successful social prescribing pilot	<ul style="list-style-type: none"> Review success and identify options for sustaining project beyond initial 18 month funding period 	31 March 2019 31 December 2018	Healthy Lifestyles Programme Officer	1st year complete with over 200 referrals. Social Prescribing project extended to March 2020.
Maximise health and wellbeing outcomes	<ul style="list-style-type: none"> Deliver staff wellbeing, volunteering and new activities programme (in combination with the council's support for Hertfordshire County Council's Year of Physical Activity) East Herts residents & East Herts Council employees registered with Team Herts Volunteering scheme Ensure the sustainability of the Forever Active programme beyond the Sports England funding period Review the outcomes of the 	31 December 2018 31 March 2019 31 August 2018	Head of Housing and Health	<p>Events have been happening each month including reflexology sessions, walking groups. Team now working on Christmas period activities.</p> <p>Review of the previous year activities were review and paper presented to LT in March 2019 for approval to continue with project for a further year. Approval given.</p> <p>Completed.</p> <p>Review meeting booked.</p> <p>642 participants at end of Q4 2018/19. This two year program was being monitored by the conventional year rather than the financial year and the funding has ceased. The majority of classes are now self-sufficient and has been an overwhelming success, exceeding set target</p>

	Active In programme <ul style="list-style-type: none"> Number of over 50s participating in 'Forever Active' programme 			by over 100 people
Procure a leisure operating and DBOM contract	<ul style="list-style-type: none"> OJEU notice issued 	30 May 2018	Leisure and Environment Manager	The DBOM procurement process went live on 18 May 2018, however due to a change in the market position and site sensitivities, the procurement was ceased and the council has decided to split it into two parts; a design and build project and a separate leisure operator procurement. This means a contractor will be procured to design and build the new Grange Paddocks and refurbish / extend Hartham – we are currently considering some options and hope to make a decision on a supplier within the next 2 weeks. We won't have a revised timeline for this project until the contractor has been appointed and reviewed the work undertaken to date. In parallel with this we will procure a new leisure management contract – we are at an early stage of this but it is anticipated that this new contract will commence on 1 January 2020.
Invest in our parks and open spaces to encourage health and fitness including improvements to Hartham Common, Southern Country Park and Hillside Crescent	Consider delivery of initial actions identified in management plan for Hertford Castle Grounds in partnership with the Town Council. Continue process to deliver connected links between open spaces focussing on Hertford and Beyond walking routes following grant application in 2017. Improve Hartham Common by: <ol style="list-style-type: none"> Develop outline concept and estimated viable costs of a project to improve Hartham Common entrance area and identify potential and sufficient funding. Link improvements directly with plans to develop new leisure centre. Delivering a new destination play area at Hartham Common. <ul style="list-style-type: none"> Deliver play area improvements 	31 March 2019 31 March 2019 March 2019 31 March 2019 TBC	Leisure and Parks Development Manager	Management Plan fully drafted and considered by Town Council at Committee in October. Town Council still unable to commit to working in partnership to deliver the plan due to their long term ambitions to take ownership of the park. TC have progressed with their plans to replace interpretation boards around the park. We have decided for the time being that it would not be prudent to invest in further EHC improvements given the uncertainties. Hertford and Beyond works are well under way. Final completion however is slightly delayed due to some access issues across private sections of the routes. The maps have therefore been redesigned with alternative routes and the notice boards purchased. CMS will complete the project in May/June with their financial contribution. Project slipped to 19/20 following a need to evaluate the impact of the leisure centre improvements before concluding the design specification. Tender going out next week for the play area design at Hartham Common having completed initial consultations with the crowd funding group of residents and establishing the impact of the leisure centre project on the site. Consultation under way with group of residents to engage in crowd funding. This action will now be moved to proposed completion within the 2019/20 year. Revamp of Hillside Crescent complete and well received by residents, bringing this play area up to a good standard of play value and

	<p>at Southern Country Park and Hillside Crescent.</p> <ul style="list-style-type: none"> • Seek grant funding from Heritage Lottery fund (HLF) to commission an archaeological and access project at Pishiobury Park, Sawbridgeworth. • Review overarching Parks and Open Spaces Strategy 	<p>31 March 2019</p> <p>31 March 2019</p>		<p>community asset. Improvements at Southern Country Park currently being installed on site with a blend of landscape and drainage modifications and increased play value for young children. Despite some issues with wet weather the project should be complete on target before the end of the financial year (first two weeks in April). The design will enhance the appearance and the functionality of this area of the park, creating an interesting space to sit and view the wider park whilst supervising children and by establishing a stronger physical boundary to encourage dog owners to keep their animals out of the space.</p> <p>An application has been submitted to Heritage Lottery Fund to fund an archaeological and access improvement project at Pishiobury Park the outcome of which should be known in June.</p> <p>This completion of this action is now due to be completed within the 2019/20 corporate action plan.</p>
--	--	---	--	--

Corporate Priority: Places				
Outcome: Attractive Places				
Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	Progress by 31 March 2019
Implementation of Master Planning process for all significant development sites	<ul style="list-style-type: none"> • Number of Master Plans successfully completed and endorsed by the Council • Achievement of policy objectives identified in District Plan 	31 March 2019	Service Manager (DM) Quality Places	See performance data for more details
Harlow and Gilston Garden Town Development	<ul style="list-style-type: none"> • Successful engagement with Garden Town • Successful outcome of Gilston Concept Framework and Master Planning processes • Continuing community 	31 March 2019	Service Manager (DM) Quality Places	<p>Further resources in progress of implementation through project Co-ordinator role. Currently on interim basis and due to be permanently recruited. Engagement continues through officer and Member working group and board.</p> <p>With more resources in the HGGT team a programme for the delivery of the Concept Framework has been addressed. Delivery will run through into June 2020. Master Planning will take place relating to each of the village settlements and following outline permission.</p> <p>Community engagement continues through the Gilston Steering Group, forthcoming Charter work and other workshops.</p>

	<ul style="list-style-type: none"> engagement Commencement and implementation of development 			Action remains in progress. Planning Applications anticipated in May 2019. Policy framework being enhanced through work of the Harlow and Gilston Garden Town team.
Effective planning enforcement	<ul style="list-style-type: none"> % visits undertaken in relation to urgent cases within 2 workings days of 'start date' Quantitative and qualitative customer feedback 	31 March 2019	Planning Enforcement Manager	See performance data for more details
Proactive Conservation and Urban Design service	<ul style="list-style-type: none"> Completion of remaining Conservation Area Assessment work 	30 Sept 2018	Head of Planning and Building Control	See performance data for more details
Effective Building Control service	<ul style="list-style-type: none"> Measures to be developed 	30 June 2018	Head of Planning and Building Control	
Produce community transport strategy for East Herts	<ul style="list-style-type: none"> Strategy produced 	31 July 2018	Service Manager – Community Wellbeing and Partnerships	Complete.
Reduce the amount and cost of fly tipping to the Council (raise awareness of Duty of Care and householders responsibilities. Publicise successful enforcement actions so public aware of the consequences. Increase ongoing enforcement actions undertaken where evidence)	<ul style="list-style-type: none"> Fly tips – time taken for removal Participate in County wide Media Campaign on fly tipping 	31 March 2019	Enforcement & Inspection Team Manager	A range of actions / interventions have been undertaken including: Updated the website with new information including a duty of care video for householders, links to the Hertfordshire flytipping group information .Prepared for the re-launch of the #scrapflytipping campaign which commenced 1 April, through the Hertfordshire flytipping group . Have drafted a report to implement Fixed Penalty Notices for domestic 'duty of care' offences. Ongoing joint working with the police and other agencies re Operation Acura. The enforcement team have been attending parish council meetings and have met with farmers and landowners to raise awareness. Ongoing enforcement training for officers from the Mallard Consultancy. Investigating the procurement of ????
Co-ordination and promotion of the arts and cultural offer in East Herts.	<ul style="list-style-type: none"> Completed audit of cultural activities which promote health, social and the economic well-being of East Herts Residents. Identify ways to increase engagement in arts and cultural activities. 	31 March 2019	Theatre Director	A light touch audit and mapping exercise of the cultural offer across East Herts has been completed. This will inform any future development work (Project and Capital) and potentially provides the starting point for an EHC cultural strategy.
Hertford Theatre – Develop business models for expansion	<ul style="list-style-type: none"> Outline Business Plan received and taken through decision making processes 	31 May 2018	Theatre Director	Outline business case approved by Full Council - action completed.
Deliver successful Heritage Lottery Fund (HLF) Stage 2 bid for Castle Park, Bishop's Stortford (provide improve facilities for the local community of Bishop's Stortford in partnership with the Town Council. Improve the attractiveness of the town as a place to visit).	<ul style="list-style-type: none"> Develop proposals 	31 March 2019	Leisure and Parks Development Manager	Stage 2 bid submitted to HLF in Aug 2018 and planning application also submitted. This will determine whether the HLF grant will be approved for the construction phase of the work. – decision due December 2018.
Re-tendering of Grounds Maintenance Contract	<ul style="list-style-type: none"> New contract in place 	31 Dec 2019	Leisure and Parks Development Manager	Field narrowed following financial assessments, initial evaluation complete and negotiation meetings set for 1st week in April. HCC still

				on board in principal on basis of ball park costs. Quality of bids good, assessment of prices ongoing and will potentially change at final tender stage mid-May.
Review provision of dog and litter bins across district (Review number, location, cost and effectiveness across district. Assess potential for cost savings and service improvements which might be secured from alternating bin size, merging dog and litter waste, adapting collection frequencies and/or adopting a no bin policy in some parks)	<ul style="list-style-type: none"> Review complete and options identified 	31 March 2019	Leisure and Parks Development Manager	This target was revised in light of discussions at soft market testing with potential tenderers for the GM contract. The provision of dog and litter bins has been considered and written into the new GM contract regarding the merging of waste at collection to ensure any savings are secured. The concept of dual purpose bins will be considered through a consultation process once the new contract has bedded in. Any more significant changes would be potentially unattractive to the market. A review as part of the contract development process with the new contractor will be more effective in terms of partnership working and a better time to consult with the public. The number and location of bins are calculated and preliminary work undertaken to assess the usefulness of each bin has been carried out.
Fitness and Play Audit (Deliver 10 year re-audit of play areas across district with addition of open space fitness provision to measure success of improvements and to determine future projects.	<ul style="list-style-type: none"> Audit complete and options identified 	31 March 2019	Leisure and Parks Development Manager	Play and Fitness areas have been audited and the results will now be used to inform use of the £50k capital budget, add to the section 106 forward plan and to establish a new protocol for refurbishment.
Deliver effective waste collection services	<ul style="list-style-type: none"> Less than 30 missed bins per 100,000 	31 March 2019	Joint Waste service Manager	The missed collections have risen. When challenged on this rise the contractor was able to identify some issues with crew performance. The crews have been bought in and targeted with improvement. It is expected that leave has also factored into this rise. It is expected that this will drop down for April.
Maintain recycling rates above 50%	<ul style="list-style-type: none"> Residual household waste per household % of household waste sent for reuse, recycling and composting 	31 March 2019	Joint Waste service Manager	See performance data for more details
Introduce trade waste recycling	<ul style="list-style-type: none"> Trade waste recycling introduced to one town/Business area 	31 March 2019	Joint Waste service Manager	The trade waste recycling project has commenced but collection most likely won't commence until June July. Initial collections will begin in Buntingford. Trade waste rounds have now been balanced and ready to accept recyclables.

Corporate Priority: Places				
Outcome: Future development best meets the need of the district and its residents				
Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	
Support and develop future input into strategic planning role	<ul style="list-style-type: none"> Strategy to consider development post 2031 across 	31 March 2019	Head of Planning and Building Control	

	<ul style="list-style-type: none"> Hertfordshire through HIPP Continued engagement through Co-op for Sustainable Development Board (with Harlow, Uttlesford and Epping Forest). 			
Completion of District Plan	<ul style="list-style-type: none"> Plan Adoption Housing Land Supply 	End June 2018	Service Manager, Planning Policy	District Plan adopted at Council of 23 October 2018.
Programme of Planning Policy work	<ul style="list-style-type: none"> Formulation of work programme Delivery of agreed work programme 	31 March 2019	Service Manager, Planning Policy	
Effective Development Management service	<ul style="list-style-type: none"> % Processing of planning applications dealt with in timely manner- Other applications (Others under 8 weeks). % Processing of planning applications dealt with in timely manner - Minor applications (Minors under 13 weeks) % Processing of planning applications dealt with in timely manner - Major applications (Majors under 13 weeks) Engagement through pre-application and PPA processes in accordance with PIs 	31 March 2019	Service Manager (DM) Quality and performance	See performance data for more details
Establish Housing Company	<ul style="list-style-type: none"> Property Investment Company to commence trading Determine feasibility of housing development by a Company Subject to there being a feasible business case, seek member approval for development 	April 2018 July 2018 September 2018	Head of Housing and Health	
Encourage appropriate downsizing in tenures	<ul style="list-style-type: none"> Deliver key actions in the line with the Housing Service's report into under-occupation in East Herts A review of the issues, challenges and potential solutions 	31 March 2019	Housing Development and Strategy Manager	New properties with an age restriction have been developed and advertised through choice based lettings. The Housing service is continuing to work with partners to identify opportunities for attracting downsizers through dialogue on policies and new developments.
Provide affordable housing (review	<ul style="list-style-type: none"> % of Affordable homes delivered 	30	Housing Development and	The Housing Team are implementing the Affordable Housing Policy to

options for maximising affordable housing and community-led housing delivery, revise the Affordable Housing Supplementary Planning Document in line with the District Plan timetable)	<p>on section 106 developments in Towns against a 40% cumulative Planning Policy target</p> <ul style="list-style-type: none"> % of Affordable homes delivered on section 106 developments in Villages 	September 2018	Strategy Manager	<p>maximise delivery. Total of 162 affordable homes delivered in 2017/18 against a target of 116 for 17/18. A report on Community Led Housing will be ready to publish in June 2018 and is a joint report with Harlow, Epping and Uttlesford.</p> <p>Officers from Housing and Planning have drafted the SPD and undergone a 6 week public consultation exercise from 2/1/2019 to 13/2/2019. Currently responding and amending the SPD in response to comments received. Anticipate document being considered at Council in July 2019 for full sign-off.</p>
Extra care housing	<ul style="list-style-type: none"> Investigate the feasibility of delivering an extra care scheme in East Herts 	31 December 2018	Head of Housing and Health	The case for Extra Care housing in the district has been made; East Herts and HCC have drawn up a specification for Extra Care schemes in the district. Both parties are now working on prospectus to put to the market.

Corporate Priority: Businesses				
Outcome: Support for our businesses and the local economy				
Action:	Performance measures or project milestones:	Deadline	Lead Officer	Progress by 31 March 2019
Deliver the Launchpad pilot and build a business case for a permanent business incubator facility in Bishop's Stortford	<ul style="list-style-type: none"> Total number of businesses using the facility (target: 30) Number of businesses using the facility for more than 3 months (target: 20) Total income from businesses using the facility (target £20,000) 	30 September 2018	Business Engagement Manager	The initial pilot for the Launchpad (1800 sq foot of 'easy in, easy out' hotdesking space in Charrington's House) which ran from October 2017 – October 2018) was successful in demonstrating there is demand for flexible working space in Bishop's Stortford. The facility will remain open for the foreseeable future (acknowledging that a new venue will need to be found as part of the Old River Lane development. A smaller Launchpad facility (720 sq ft of space) is due to open in Ware Priory in late May 2019. This will be a joint venture by the council and Ware Town Council.
Deliver the Discretionary Business Rates' Grant Scheme to support businesses expanding their premises or opening up a new premise in the district (total available: £150,000)	<ul style="list-style-type: none"> Number of successful applications to the Business Rate Discount Grant Scheme Number of additional jobs created as a result of awarding the scheme Qualitative feedback from businesses about how it has made a difference 	31 April 2019	Business Engagement Manager	In February 2017 the Council's Executive decided to set aside £150,000 from reserves to offer discounts of up to 50% on one year's worth of business rates' liability. This was aimed at businesses looking to set up new premises in the district or expand their current operations. The scheme closed 31 March 2019 and 17 businesses (mostly town centre based retail businesses) have benefitted from this. Qualitative feedback has been positive from those businesses in terms of enabling them to be more viable. However only £76,000 of the original amount set aside has been used so an evaluation will be taking place in April/ May to look at why demand was less than expected. The scheme itself has been superceded by the Chancellor's announcement in the Autumn 2018 budget statement to offer small business rate relief by up to a third over the next 2 years.
Work with Visit Herts to increase the profile of local attractions and support businesses in their supply chains	<ul style="list-style-type: none"> Total value of visitor economy to East Herts Total number of day trips and overnight trips to district Total number of jobs in district attributed to visitor economy 	31 December 2019	Business Engagement Manager	SLA with Visit Herts successful for another year. Visit Herts had destinations featured in their website in January, June and September 2018 (Henry Moore Studios, Hanbury Manor, Hertford Theatre) and 7 businesses in the district are investor partners. Activities throughout 2018 promoted a range of East Herts businesses (e.g. big weekend included Down Hall Hotel and Spa, Foxholes Farm, Tewin Bury Farm, Ventura Wildlife Park) other promotions have supported Hertford Camping and Caravanning Club, Standon Calling, Bennington Chilli Festival, Hertford music festival and local businesses such as the Falcon in Buntingford have been promoted as part of the gourmet garden trail project.
Deliver the Eastern Plateau Rural Development Programme (RDP) administering EU structural funds (total fund of €1.8m), to rural businesses for increasing productivity, farm diversification, tourism, cultural and heritage activity	<ul style="list-style-type: none"> No. of East Herts businesses successful in applying to RDP Amount of £ invested in East Herts through the RDP No. of new jobs in East Herts created through the RDP 	31 March 2019	Head of Communications, Strategy and Policy	This is an EU funded grant programme for rural businesses. Businesses within the Eastern Plateau (non urban parts of East Herts, Uttlesford, Epping and North Herts) were eligible and grants were used for things such as business diversification and buying new agricultural equipment. All the money has now been allocated and the next 12 months will focus on ensuring the funds are spent and not returned to the EU. 8 businesses in the district benefitted from grants. Other areas nationally have struggled to spend their allocations and the Rural Payments Agency have therefore redistributed grant allocations from different areas rather than lose it. The Eastern Plateau is the second highest performer in terms of

Action:	Performance measures or project milestones:	Deadline	Lead Officer	Progress by 31 March 2019
				grant applications and as a result was awarded an extra £202,356. There is a pipeline of 6 projects waiting to be evaluated so there is no risk of not spending it (1 from East Herts). In addition a further £200,000 will be available due to exchange rates' falling. Further projects will be considered for this funding and the entire project will be closed by early 2020.
Sponsor the CVS "dragons apprentice" event for entrepreneurs in schools	<ul style="list-style-type: none"> Amount (£) raised for local charities 	31 March 2019	Head of Communications, Strategy and Policy	This is a scheme to encourage young people at primary and secondary school level to develop entrepreneurial skills. The Council for Voluntary Services run it on our behalf and Councillors often get involved by working with the schools. The school teams are given £100 seed money, paired with a local charity and asked to turn this into as much money as possible. Every year between £5k - £10k is raised for local charities. This year a team from Chauncy School in Ware won the event, raising almost £1,000 for the Southern Maltings. More details can be found here: http://www.cvsbeh.org.uk/our-projects/dragons-apprentice-challenge/
Review the Environmental Health 'offer' to local businesses	<ul style="list-style-type: none"> Review opportunities and produce options paper 	30 June 2018	Service Manager – Environmental Health	The Herts and Beds Environmental Health Officers Group commissioned a consultant to survey all authorities and draw up an options paper. This paper was presented to the Group on 9th October 2018. A series of next steps were agreed which, for East Herts, consisted on further participating in a Herts/Beds-wide review of environmental health which could be 'traded' between authorities and, more importantly, the forming of a sub-regional grouping of East Herts, Stevenage, North Herts and Welwyn Hatfield to look at the potential for joint working on a more local level. A review, among members of this smaller group, of the areas of strength and potential under capacity was conducted in December. The sub-group will shortly be meeting again to identify options for greater collaboration based on the findings of this review.
Introduce revised element of the Statement of Licensing Policy relating to licensed properties	<ul style="list-style-type: none"> New policy in place % of food premises in the area which are broadly compliant with food hygiene law 	31 December 2018	Service Manager – Licensing and Enforcement	Final amendments being made to the document following the consultation process. Revised version before LC in November for recommendation to full council.
Cross-boundary working taxi enforcement	<ul style="list-style-type: none"> Carry out cross-boundary taxi enforcement work Promote more consistent taxi licensing convictions policies across the region through the Herts and Beds Licensing Group 	March 2019 September 2018 September 2018	Service Manager – Licensing and Enforcement	A number of operations have been carried out with neighbouring authorities and TfL. Work continues with the Herts & Beds Licensing Group with a new plan and targets being formulated for 19/20. Work on the shared Suitability Policy is complete with EHDC consultation starting early May. It will then be for the other authorities involved to adopt the same policy.

Action:	Performance measures or project milestones:	Deadline	Lead Officer	Progress by 31 March 2019
	<ul style="list-style-type: none"> Promote higher taxi standards from companies operating out of Stansted airport through joint work with Uttlesford District Council the Stansted Airport Consultative Group 			The first wave of changes have been consulted upon and approved by Committee and Full Council. Implementation starts from 1st May 2019.
Optimisation of on-street parking within existing Resident Permit Zones.	<ul style="list-style-type: none"> Implement 'shared use' parking in 'Chantry' area of Bishop's Stortford (subject to Committee approval). 	April 2018	Parking Manager	Scheme is live and permits are actively being sold. To all intents and purposes this Action can be regarded as fully met.
Re-tendering of parking enforcement contract	<ul style="list-style-type: none"> Commencement of contract 	31 January 2019	Parking Manager	New contract with ACPOA launched in January 2019

Corporate Priority: Businesses				
Outcome: Vibrant town centres				
Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	Progress by 31 March 2019
Develop Old River Lane site: No 1 The Causeway (demolition and construction of a temporary car park) Old River Lane mixed use development scheme (masterplanning, viability assessment, consultations, design, planning, procurement, construction) and Multi-Storey Car Park (land negotiations, design, planning, procurement, construction) Work in partnership with Rhodes Trust and Town Council to develop detailed business case and operating model for new Art Centre	Measures initially to be completion of key phases within the overall project: <ul style="list-style-type: none"> Detailed masterplan for whole site and associated viability assessments Agreed delivery model (joint venture/developer/council led) and potential development partner identified Planning application for MSCP granted 	31 March 2019	Chief Executive	Following Council approval on 5 th March 2019 a development partner for the Old River Lane has been appointed. Planning application for Northgate End was approved by Development Management Committee on 13 th Feb.
Hertford Urban Design Study: <ul style="list-style-type: none"> Deliver improvements to Maidenhead Street and surrounding areas, including pedestrianisation and resurfacing. Support the delivery of the wider Hertford Urban Design Strategy. 	<ul style="list-style-type: none"> New TROs in place Delivery of Maidenhead St project 	31 December 2018	Chief Executive	This action has been completed with some small tasks outstanding that revolve around implementation of the TRO that will be actioned from May 13 th .
Bishop's Stortford Business Improvement District	<ul style="list-style-type: none"> Successful ballot 	31 July 2018	Business Engagement Manager	The council supported the feasibility, ballot and set up of stage of the Bishop's Stortford BID. The ballot closed mid-July and businesses voted in favour of setting up a BID company which was incorporate in late 2018. The Company is now up and running, having recently received its first instalment of additional business rate levy payments and has employed a BID manager. The company is aiming to deliver its business plan objectives over the next 4 years.
Working with town councils seek to devolve responsibility for managing markets	<ul style="list-style-type: none"> Market service costs reduced 	31 March 2019	Enforcement & Inspection Team Manager	Ware and Hertford Markets now full under street trading arrangements. Proposals for handover or market rights to BSTC due to be considered by BSTC in early June. Arrangements for traffic regulation orders to accompany the handover currently under negotiation with HCC and BSTC.

Corporate Priority: Businesses				
Outcome: Working with others, to have achieved the right infrastructure for our businesses and communities				
Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	Progress by 31 March 2019
New: Implement sustainable transport initiatives	<ul style="list-style-type: none"> Modal shift of East Herts staff commuting patterns (% of 	31 June 2019	Head of Communications, Strategy and Policy	This action came out of the 2017/18 Sustainable Transport Task and Finish Group. A sustainable transport officer was employed on

Action:	Performance measures or project milestones:	Deadline:	Lead Officer:	Progress by 31 March 2019
	<p>journeys by car, bike, train, foot etc.)</p> <ul style="list-style-type: none"> Resident commuting and travel patterns (actual and proxy data available through HCC) Number of sustainable transport interventions progressed in the district through Section 106 contributions 			<p>secondment from Herts County Council for 18 months to progress a number of project, chief of which related to green travel plans for staff. This was sponsored by the Chief Executive and focused on behaviour change incentives (i.e. proposals to charge for the use of Wallfields car park). Several workshops took place mapping staff commuting routes and raising awareness of alternative means of getting to work. Introduction of e-pool cars and car sharing schemes have changed some behaviours however the full impact on green travel will not be known until another survey is undertaken in June 2019. Part of this initiative was to reduce pressure on Gascoyne Way use in Hertford to allow shoppers and town centre businesses to have more capacity for parking (especially since Bircherley Green car park has shut).</p>
Review CCTV provision	<ul style="list-style-type: none"> Proposals for new provision identified 	31 December 2018	Service Manager – Community Wellbeing and Partnerships	Review of CCTV provision has been completed. Options to move forward have been presented and approved. Project to implement proposals will now be commenced.

Actions not directly relevant to residents but key to the Council running effective and efficient services)				
Action	Measure/Milestones:	Deadline	Lead Officer	Progress by 31 March 2019
Implement Single Customer Services Team Structure (integrate first points of contact for Operations, Planning, Revenues and Benefits)	<ul style="list-style-type: none"> Reduction in cost Volume and proportion of customer contacts by: <ul style="list-style-type: none"> Email Face to face Calls Web based/ web forms 	31 March 2019	Head of Communications, Strategy and Policy	Project continues to delayed. Staff sickness and turnover has impeded ability to integrate new processes. However £70k was saved in 18/19 from salary budget. Project in place from May 2019 to bring revenues and benefits first points of contact into the team.
Deliver the Digital East Herts Programme	<ul style="list-style-type: none"> % accessible services via digital channels Proportion of demand by channel Savings delivered (as a proportion of overall target) 	31 March 2019	Director	Director with responsibility for the programme left the organisation in early 2018. Programme has continued to be delivered and savings to date are £170k from a target of £500k. A further £280k is planned for the 19/20 financial year.
Ensure consistent quality of response at first points of contact across all channels	<ul style="list-style-type: none"> Satisfaction with council services (web, telephony, face to face) measured via govmetric % complaints responded to within 10 working days % complaints upheld at stage 1 Qualitative feedback from mystery shop exercises 	31 March 2019	Customer Services Manager	Satisfaction with council services tends to be consistently high for face to face interactions and less so for web based interactions. The new website (see below) will hopefully improve the user experience. Complaints dealt with in a timely manner at stage 1 has been close to target over the past year (and in the last quarter of 2018/19 missed the target). A paper with more details on the complaints process was taken to Overview and Scrutiny on 5 th February 2019.
Ensure website meets needs of customers	<ul style="list-style-type: none"> No. of page views Socitm rating Satisfaction rating 50% for website 	31 March 2019	Communication and Digital Media Manager	New website due to launch September 2019. Work has been on-going since September 2018 to build and test the content with our chosen supplier, Webcurl.
Increase employee engagement through the new intranet	<ul style="list-style-type: none"> No. of page views 	31 March 2019	Communication and Digital Media Manager	
Manage the council's reputation through social media and traditional media	<ul style="list-style-type: none"> Social media sentiment/ favourability score Press favourability score 	31 March 2019	Communication and Digital Media Manager	Social media continues to grow as a platform for understanding residents' perception of the council, with Twitter fast becoming a channel of choice for customers. The decline in local press outlets is also having an effect, as residents search for alternative channels for local news. We've had some successes in the press and in broadcast, with features on Old River Lane, Castle Park, Harlow and Gilston Garden Town and business grants. Some negative press scores have mostly been the result of letter pages, which do not allow a right of reply. In 2018/19 these have focused on proposals for a multi-storey car park at Northgate End, disruption on Maidenhead Street in Hertford and litter along A10/A414.
Provide policy support and analysis for the Council's Executive and Leadership Team	<ul style="list-style-type: none"> Qualitative feedback 	31 March 2019	Policy Officer	The role of policy officer in 2018/19 focused on supporting the Brexit task and finish group to identify issues for East Herts Council, supporting development of the council's financial sustainability strategy and developing the 3rd tier (ie. town and parish council) devolution policy.
Supporting Transformational Change	<ul style="list-style-type: none"> Accommodation review – 	2018/2019 –	Head of HR and OD/HR Officers	

Actions not directly relevant to residents but key to the Council running effective and efficient services)				
Action	Measure/Milestones:	Deadline	Lead Officer	Progress by 31 March 2019
and Innovation - create a responsive culture, here to help. Create more capacity through improving our productivity	<ul style="list-style-type: none"> lead the culture strand, maximising current workspace and flexible working arrangements. Digital EHC – support delivery of programme and HR led projects to ensure employees have the skills/knowledge to work in a current/future digital environment Grow commercial side of the service - providing HR services to partners, ensuring value for money, generate income. To deliver the Organisational Development (OD) Strategy 2015-2019. To develop the new OD Strategy 2019-2022 EHPI 12a – Number of short – term sickness absence days per FTE staff in post EHPI 12b – Number of long – term sickness absence days per FTE staff in post EHPI 12c – Total number of sickness absence days per FTE staff in post To work with LT on delivery of outcomes of the employee survey 2017 	<p>as detailed in specific programme/ project plans 2018/2019 – as detailed in specific programme/ project plans 2018/19</p> <p>31 March 2019</p> <p>2018 to commence 1 April 2019 Reported quarterly</p> <p>Reported quarterly</p> <p>Reported quarterly</p> <p>2018/2019 – as detailed in specific programme/ project plans</p>		
Sustaining a skilled, flexible and motivated workforce –to deliver quality services which meet current and anticipated service needs	<ul style="list-style-type: none"> Delivery of L&D plan 2018/19 Implement reward and benefit packages that give choice to our workforce and support work life balance. 	<p>31 March 2019 TBA</p> <p>QTR 1 QTR 1-2 QTR 2</p>	Head of HR and OD/HR Officers/Payroll Manager/HR team	<p>The 18-19 plan has been delivered and will inform the plan for 19/20 alongside PDR and LT feedback.</p> <p>My rewards is fully implemented, consideration to the buying and selling of leave has identified this is going to be too difficult to administer and is also against work-life balance in terms of selling leave, HR will consult with LT about allowing greater unpaid leave if this is desired. The childcare scheme is now closed in line with legal changes to new entrants. A wellbeing program has been introduced to support staff and provide further benefits as well a staff recognition scheme and enhanced EAP scheme.</p>

Actions not directly relevant to residents but key to the Council running effective and efficient services)				
Action	Measure/Milestones:	Deadline	Lead Officer	Progress by 31 March 2019
	<ul style="list-style-type: none"> Implement national pay conditions including NLW. Review current terms and conditions. Review current pay grading model. 			<p>The Head of HR and OD is working on a review of the council's pay structure to incorporate the NLW requirements.</p> <p>These have been completed by the pay proposals being agreed with effect from 1/4/19.</p>
Planning for the workforce – develop and implement workforce planning; supporting recruitment and retention issues	<ul style="list-style-type: none"> Deliver workforce planning (focusing on hard to fill, retention, career paths, skills, learning and development) Develop and deliver Apprenticeship programme 2018 – creating career paths; supporting workforce planning To work with LT on delivery of savings ideas to support targets Develop innovative recruitment and retention initiatives 	<p>QTR 1</p> <p>QTR 1</p> <p>2018/19</p> <p>2018/19</p>	Head of HR and OD/HR Officers	<p>This is an on-going piece of work as the recruitment challenges are ongoing, EHC is being creative and using the methods identified on a case by case basis including career graded, professional study, recruitment campaigns, apprentice roles and reviewing golden hellos etc.</p> <p>As reported in the previous update a successful apprenticeship recruitment process has been used for 18/19 taking on further apprentices and supporting development, Levy Pot is being utilised and LT will be consulted re new potential apprentices for September 19 to maintain this position.</p> <p>This work is on-going in line with system developments (project mgt of this will come from HR), HR have reduced hours with a reduction 1 day from HR and Payroll, the apprentice is being developed to support the team and a 1 day reduction to the HR officer has supported this. A review of agency use is expected to identify EHC wide savings from staffing in terms of agency fees this needs to be part of the 19/20 plan.</p> <p>HR through CK have developed a new range of recruitment images approved by LT for use as well as improving wording templates and this is being used to support recruitment. Different recruitment providers are being used and HR is keen to share learning across services and provide greater central support to improve recruitment - this is on-going.</p>
Building leadership and management capacity – managers that lead, motivate and encourage innovation	<ul style="list-style-type: none"> Deliver year 2 of Management development programme Deliver new managers development programme Deliver talent management programme 	<p>July 2018</p> <p>QTR 2-4</p> <p>QTR 2-4</p>	Head of HR and OD/HR Officers	
Promoting positive performance – practices and policies support modern, effective and efficient ways of working	<ul style="list-style-type: none"> Process review - Streamline and automate processes Compliance of HR data and processes with GDPR Modernise HR policies, 	<p>2018/19</p> <p>QTR 1-2</p> <p>2018/19</p>	Head of HR and OD/Payroll Manager/HR Officers/HR team	

Actions not directly relevant to residents but key to the Council running effective and efficient services)				
Action	Measure/Milestones:	Deadline	Lead Officer	Progress by 31 March 2019
	developing and reviewing policies in terms of best practice and legislation changes; supporting delivery of new intranet <ul style="list-style-type: none"> Delivery of HR and Payroll system modules 	As detailed in specific programme plan 2018/2019		<p>The new Head of HR needs to review where we are and is currently looking into phase 1 work to ensure it is fully effective and making some small changes to improve users use of MyView. The HR officer who was leading on the project from a HR point of view will be handing the project back to the new Head of HR and OD in May/June to lead on and the current HR Apprentice's role is going to be developed to include a clear focus on system development. Initial discussions are also taking place with Stevenage to work jointly and share development costs where appropriate. A plan will be produce by end of June with milestones set out. There is apparently a further cost involved in the recruitment module so this still needs to be understood and budget need to be determined as does budget for potential consultancy/development time from the provider.</p>
Promoting Equality, diversity, health and wellbeing – supporting our employees	<ul style="list-style-type: none"> Delivery of Green travel Plan including rollout of staff car parking charges Support delivery of health and wellbeing programme Ensure compliance with health and safety regulations Support equality and diversity agenda 	As detailed in specific programme plan 2018/2019 As detailed in specific programme plan 2018/2019 Reported quarterly Reported annually	Head of HR and OD/HR Officers	
Deliver the Accommodation Review	<ul style="list-style-type: none"> Measures TBC 	31 March 2019	Head of Strategic Finance and Property	The accommodation review focused on making Wallfields more fit for purpose in terms of enabling green travel, supporting more hotdesking and releasing more meeting space. Work is due to be completed on 28 May 2019 which will see a new staff hub on the ground floor, new shower block and changing facilities, new meeting rooms and informal meeting spaces along with hotdesking arrangements for the Chief Executive and Deputy Chief Executive.
Maximisation of in-year council tax collection.	<ul style="list-style-type: none"> Council tax collection, % of current year liability collected achieved. 	31 March 2019	Head of Revenues and Benefits	See performance data for more details – marginally below target. Analysis of results is pending.
Maximisation of in-year council tax collection.	<ul style="list-style-type: none"> Council tax collection, % of current year liability collected 	31 March 2019	Head of Revenues and Benefits	See performance data for more details – target exceeded.

Actions not directly relevant to residents but key to the Council running effective and efficient services)				
Action	Measure/Milestones:	Deadline	Lead Officer	Progress by 31 March 2019
	achieved.			
Maximisation of collection of prior year arrears.	<ul style="list-style-type: none"> Level of outstanding arrears reduced. 	31 March 2019	Head of Revenues and Benefits	Achieved.
Provision of support and advice to customers experiencing difficulty in paying their liability.	<ul style="list-style-type: none"> Customers sustain repayment arrangements thus avoiding enforcement action. 	31 March 2019	Head of Revenues and Benefits	Continuous activity. Working closely with CAB and DWP partners on all areas but particularly focussing on the roll out and implications of 'full service' universal credit since October 2018.
Proactive anti-fraud and avoidance activity to minimise loss of liability.	<ul style="list-style-type: none"> Reliefs and discounts are reviewed and monitored using data matching etc. where appropriate. 	31 March 2019	Head of Revenues and Benefits	Work continues in this area. Data matching and anti-fraud work with the shared anti-fraud service supports it.
Maximisation of new liability.	<ul style="list-style-type: none"> Regular monitoring of all localities to identify and verify the timely inclusion of new builds and other developments into the rating list is carried out throughout the year. 	31 March 2019	Head of Revenues and Benefits	Work continues in this area. County-wide contract for external support for this has been removed.
Provision of a professional and appropriate service to all customers needing to engage with the service.	<ul style="list-style-type: none"> Customer satisfaction levels. 	31 March 2019	Head of Revenues and Benefits	This action continues. Staff in Business rates continue professional training to ensure service provides high level of knowledge and advice.
Introduce mobile working app for Uniform to improve service delivery and drive efficiencies	<ul style="list-style-type: none"> Mobile app rolled out to appropriate Environmental Health officers <i>Any measures for success/ efficiencies? Improved processing times?</i> 	30 June 2018	Service Manager – Environmental Health	Despite extra resources being allocated to this project, there are still issues with the software not working. This issue is currently with our suppliers to sort, but at the moment, there is no revised completion date.
Successful contracts in place for: <ul style="list-style-type: none"> Parking Contract Grounds Project Leisure Contract Theatre & Leisure development projects Joint Waste Contract with North Herts 	<ul style="list-style-type: none"> Milestones TBC 	31 March 2019	Head of Operations	New waste contract launched May 2018. New parking and enforcement contract launched January 2019.
Idox Optimisation Programme for DM service	<ul style="list-style-type: none"> Speed of delivery of DM service Printing/ paper consumption Costs identification and management for DM service Cost reduction 	31 March 2019	Director	
Develop the role of legal services to deliver advice and guidance in a timely and cost effective manner and reducing the council spend on	<ul style="list-style-type: none"> Increase in staff and decrease in external reliance for legal support 	31 March 2019	Head of Legal and Democratic Services	This action has a revised completion date that will fall into 2019/20 service plans.

Actions not directly relevant to residents but key to the Council running effective and efficient services)				
Action	Measure/Milestones:	Deadline	Lead Officer	Progress by 31 March 2019
external legal advice				
Publication of Register of Electors	<ul style="list-style-type: none"> Successful publication 	31 December 2018	Head of Democratic and Legal Services	<p>The revised register of electors is due for publication on 1 December 2018 after the annual canvass. Discussion with facilities, in relation to a Saturday opening.</p> <p>We have undertaken a procurement exercise and awarded the canvass print contract to Electoral Reform Services.</p> <p>We have artwork and a print timetable agreed with ERS.</p>
Support the Digital East Herts programme by increasing the range of online services available in ModGov	<ul style="list-style-type: none"> More paperless Member/Officer participation at meetings, reduction in printing/courier costs, development of online Member resources, such as submission of interests and expenses, training records, NKD consultations (<i>need some specific measures</i>) 	31 March 2019	Head of Democratic and Legal Services	
Emergency planning	<ul style="list-style-type: none"> Review all emergency plan documentation 	June 2018	Service Manager – Community Wellbeing and Partnerships	<p>All documents are now uploaded onto Resilience Direct and all members of LT have access rights. Recruitment day for volunteer staff in the event of a major incident taking place on 9th August.</p>



East Herts Council Performance, Audit and Governance Scrutiny Committee

31 July 2019

Shared Internal Audit Service – Progress Report

Recommendation

Members are recommended to:

- a) Note the Internal Audit Progress Report
- b) Note the Status of Critical and High Priority Recommendations

Contents

- 1 Introduction and Background
 - 1.1 Purpose
 - 1.2 Background
- 2 Audit Plan Update
 - 2.1 Delivery of Audit Plan and Key Findings
 - 2.5 Proposed Audit Plan Amendments
 - 2.6 Critical and High Priority Recommendations
 - 2.8 Performance Management

Appendices:

- A Progress against the 2019/20 Audit Plan
- B Implementation Status of Critical and High Priority Recommendations
- C Audit Plan Items (April 2019 to March 2020) - Indicative start dates agreed with management
- D Assurance Definitions / Priority Levels

1 Introduction and Background

Purpose of Report

- 1.1 To provide Members with:
- a) The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2019/20 Internal Audit Plan as at 12 July 2019.
 - b) The findings for the period 1 April 2019 to 12 July 2019.
 - c) The proposed amendments required to the approved Internal Audit Plan.
 - d) The implementation status of previously agreed audit recommendations.
 - e) An update on performance management information as at 12 July 2019.

Background

- 1.2 Internal Audit's Annual Plan for 2019/20 was approved by the Audit Committee at its meeting on 12 March 2019. The Audit Committee receive periodic updates against the Annual Internal Audit Plan.
- 1.3 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit function is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed Annual Internal Audit Plan.

2 Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 12 July 2019, 22% of the 2019/20 Audit Plan days have been delivered (the calculation excludes contingency days that have not yet been allocated).
- 2.2 The following 2019/20 final reports and assignments have been issued for audits from the 2019/20 Audit Plan:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Insurance	June 2019	Satisfactory	One Medium, One Low / Advisory
Health and Safety	June 2019	Satisfactory	Three Medium, One Low / Advisory
Business Continuity	July 2019	Satisfactory	Four Medium, Three Low / Advisory

- 2.3 The following 2018/19 final reports and assignments have also been issued in the period since the last Audit Committee on 12 March 2019:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Creditors	March 2019	Good	None
Debtors	March 2019	Good	None
Main Accounting	March 2019	Good	None
Payroll	March 2019	Good	One Low / Advisory
Treasury Management	March 2019	Good	None
Homelessness Reduction Act	March 2019	Satisfactory	One Medium, One Low / Advisory
TSS Improvement Plan – Governance	March 2019	Limited	Two High, Three Medium
Cyber Security (follow up)	April 2019	NA	Two High, One Medium, Two Low / Advisory
Incident Management (follow up)	April 2019	NA	Three High, One Medium
Digital East Herts	April 2019	Limited	Two High, One Medium
Asset Management	May 2019	Satisfactory	One Medium, One Low / Advisory
Joint Waste Contract	July 2019	Limited	One High, Three Medium

- 2.4 The table below summarises the position with regard to 2019/20 projects as at 12 July 2019. Appendix A provides a status update on each individual project within the 2019/20 Internal Audit Plan. Details of indicative start dates for the individual projects are shown in Appendix C.

Status	No. of Audits at this Stage	% of Total Audits
Final Report Issued	3	9%
Draft Report Issued	2	6%
In Fieldwork/Quality Review	2	6%
In Planning/Terms of Reference Issued	3	9%
Allocated	9	29%
Not Yet Allocated	12	38%
Deferred/Cancelled	1	3%
Total	32	100%

Proposed Audit Plan Amendments

- 2.5 Audit work associated with checking the annual payroll pension certificate has been cancelled and carried out by Finance staff instead. The audit day associated with this work has been returned to contingency.

Critical and High Priority Recommendations

- 2.6 Members will be aware that a Final Audit Report is issued when it has been agreed (“signed off”) by management; this includes an agreement to implement the recommendations that have been made.
- 2.7 The schedule attached at Appendix B details any outstanding Critical and High priority audit recommendations.

Performance Management

- 2.8 The 2019/20 annual performance indicators were approved at the SIAS Board meeting in March 2019. Targets were also agreed by the SIAS Board for the majority of the performance indicators.
- 2.9 The actual performance for East Herts Council against the targets that can be monitored in year is set out in the table below:

Performance Indicator	Annual Target	Profiled Target	Actual to 12 July 2019
1. Planned Days – percentage of actual billable days against planned chargeable days completed	95%	19% (62/329 days)	22% (74/329 days)
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects	95%	16% (5/32 projects)	16% (5/32 projects)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at ‘satisfactory’ level	100%	100%	100% (1 received) Note (1)
4. Number of Critical and High Priority Audit Recommendations agreed	95%	95%	None made at the time of writing this report

Note (1) – the 1 received in 2019/20 relate to 2018/19 projects.

APPENDIX A - PROGRESS AGAINST THE 2019/20 AUDIT PLAN

2019/20 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Key Financial Systems – 74 days									
Main Accounting System (General Ledger)						10	No	0	Not yet allocated
Debtors						10	No	0	Not yet allocated
Creditors						10	No	0	Not yet allocated
Treasury Management						6	No	0	Not yet allocated
Payroll						10	No	0	Not yet allocated
Council Tax						6	No	0	Not yet allocated
NDR						6	No	0	Not yet allocated
Housing Benefits						6	No	0	Not yet allocated
Asset Management						10	No	0	Not yet allocated
Payroll Pension Certificate						0	No	0	Cancelled
Operational Audits – 108 days									
Health and Safety	Satisfactory	0	0	3	1	10	Yes	10	Final report issued
Recruitment Process						10	No	0	Not yet allocated
Land Charges						10	Yes	6.5	In fieldwork
Members Allowances and Expenses						8	Yes	0.5	In planning
Recycling						10	No	0	Not yet allocated
Homeless Reduction Act / Temp Accom.						10	No	0	Not yet allocated
Community Grants Programme / Lottery						8	Yes	0	Allocated
Herts Home Improvement Agency						2	No	0	Allocated
Consultation and Engagement						10	Yes	4	In fieldwork
Business Continuity Planning	Satisfactory	0	0	4	3	10	Yes	10	Final report issued
Budgetary Control						10	Yes	0	Allocated
Complaints Policy and Procedure						10	Yes	9.5	Draft report issued

APPENDIX A - PROGRESS AGAINST THE 2019/20 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Procurement, Contract Management and Project Management – 20 days									
Procurement						10	Yes	0	Allocated
Contract Management						10	Yes	1	In planning
Risk Management and Governance – 16 days									
Insurance	Satisfactory	0	0	1	1	8	Yes	8	Final report issued
Risk Management						8	Yes	7.5	Draft report issued
IT Audits – 24 days									
IT Service Shared Service Agreement						6	Yes	0	Allocated
Cyber Security Follow-up						6	Yes	0	Allocated
Information Management						6	Yes	0	Allocated
Project Management						6	Yes	0	Allocated
Shared Learning and Joint Reviews – 10 days									
Shared Learning						4	No	0	Through year
Joint Reviews – tbd						6	No	0	Through year
Counter Fraud – 3 days									
Counter Fraud – matters arising						3	No	0	Through year
Ad Hoc Advice – 1 days									
Ad Hoc Advice						1	No	0.5	Through year
Follow-up Audits – 7 days									
S106 Spend Arrangements						6	Yes	0.5	In planning
CCTV – joint review						1	Yes	0	Allocated
Completion of 18/19 Projects – 10 days									
Various						10	Yes	0	In progress
Contingency – 11 days									
Contingency						11	No	0	Not yet allocated
Strategic Support – 56 days									

APPENDIX A - PROGRESS AGAINST THE 2019/20 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Annual Report and Head of Internal Audit Opinion 2018/19						5	Yes	5.0	Complete
Audit Committee						12	Yes	2.5	Through year
Follow Up of Audit Recommendations						4	Yes	0.5	Through year
Client Liaison						10	Yes	1	Through year
Liaison with External Audit						1	Yes	0.5	Through year
Plan Monitoring						9	Yes	1.5	Through year
SIAS Development						5	Yes	5.0	Through year
2020/21 Audit Planning						10	Yes	0	Allocated
SBC TOTAL		0	0	8	5	340		74	

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
1.	CCTV - joint review led by Stevenage Borough Council (2018/19) - <i>These recommendations and their implementation status are overseen and monitored by Stevenage Borough Council as the lead authority but are included here for Member information.</i>	We recommend that the governance framework for the overall CCTV Partnership is reviewed and confirmed as being fit for purpose, or changed as necessary, and is clearly understood by all parties, including the respective roles and responsibilities of the relevant Members and Officers.	We will draft a governance framework for the overall CCTV arrangements to include: - Governance for Hertfordshire CCTV Partnership - Governance for Hertfordshire CCTV Partnership Ltd. - Governance lines between the Partnership and the Company - Member roles and responsibilities - Officer roles and responsibilities These will be consulted on and agreed by the CCTV Joint Executive and the Company Board of Directors.	CCTV Joint Executive and Company Board of Directors.	1 December 2018. Revised to 31 May 2019.	<u>January 2019.</u> Recommended to the CCTV Joint Executive on 22 January 2019 that a detailed options paper will be put the CCTV Executive Group at its meeting on 10 April 2019. <u>March 2019.</u> On track. <u>July 2019.</u> The Joint Executive did not meet as planned on 10 April 2019. The Draft Framework was presented to the Joint Executive on 5 June 2019.	Implemented.
2.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that an appropriate new Partnership Agreement between the current four CCTV Partner Authorities is drawn up and executed. It should	We will prepare an updated CCTV Partnership Agreement drafted through the CCTV Officer Management Board to be signed by all four Partner	CCTV Officer Management Board.	31 March 2019. Revised to 30 September 2019.	<u>January 2019.</u> On track. <u>March 2019.</u> On track.	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		clearly include the specific roles and responsibilities of the Partner Authorities. It should also clearly state the relationship the Partner Authorities have with Hertfordshire CCTV Partnership Ltd. and the function of that company in respect of the overall CCTV Partnership.	Authorities.			<u>July 2019.</u> In progress.	
3.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that the current Shareholders' Agreement for the Company is reviewed to ascertain if it remains fit for purpose and, if so, that the terms are fully complied with.	The Company Directors' will consider this recommendation through their Shareholder Representatives in light of future considerations relating to the future of Hertfordshire CCTV Partnership Ltd.	Company Board of Directors.	31 March 2019.	<u>January 2019.</u> On track. <u>March 2019.</u> On track. <u>July 2019.</u> A review of the shareholder agreement has been undertaken and was presented to the Joint Executive on 5 June 2019.	Implemented.
4.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that appropriate revised / new Terms of Reference for the CCTV Joint Executive and the CCTV Officer Management Board are drawn up and	Terms of Reference will be updated for the CCTV Joint Executive and a Terms of Reference will be created for the CCTV Officer Management Board.	CCTV Joint Executive and CCTV Officer Management Board.	31 March 2019.	<u>January 2019.</u> On track. <u>March 2019.</u> On track.	Implemented.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		formally agreed.				<u>July 2019.</u> Draft Revised Terms of Reference presented at the Joint Executive on 5 June 2019.	
5.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that, once agreed, the revised/new Terms of Reference for the CCTV Joint Executive and the CCTV Officer Management Board are revised / added in the Constitutions for each of the four Partner Authorities, together with the updated Member/Officer representation for both groups.	New Terms of Reference will be submitted for formal incorporation into constitutional arrangements for the four Partner Authorities.	Each of the four Partner Authorities.	31 July 2019.	<u>January 2019.</u> On track. <u>March 2019.</u> On track. <u>July 2019.</u> On track following approval at the Joint Executive on 5 June 2019.	Implemented.
6.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that a new five-year Business Plan for the overall CCTV Partnership is drawn up and agreed. As a minimum, the plan should be monitored on a monthly basis in terms of achievements against projections and it should be the subject of a full review and refresh annually to cover the next five	We will develop a new five-year rolling Business Plan (with monthly monitoring and full annual reviews) for the overall Hertfordshire CCTV Partnership based on decisions about the future direction of Hertfordshire CCTV Partnership Ltd.	CCTV Joint Executive and Company Board of Directors.	31 July 2019.	<u>January 2019.</u> On track. <u>March 2019.</u> On track. <u>July 2019.</u> Stevenage BC has allocated a new accountant to support the CCTV Partnership - a recharge schedule has been produced and	Implemented.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		years ahead on a rolling basis. Besides financial projections, it should include non-financial aims and targets that should be monitored, reviewed and refreshed on the same basis.				<p>agreed by the CCTV Officer Management Board</p> <ul style="list-style-type: none"> - In-year budget forecasts for the CCTV budget are now being produced by Stevenage BC and shared with the partnership authorities - the ownership and status of each camera has been established to inform budget setting for 2019/20 and the legal review - CCTV company is revising its 5-year business plan <p>Following future member decisions on the company and status of various cameras, the CCTV Officer Management Board will ensure that from 2019/20 onwards, detailed annual budgets will be drawn up within the context of an overall direction of travel for the CCTV Partnership for the coming five years.</p>	
7.	CCTV - joint review (2018/19) -	We recommend that all reporting arrangements for the	Authority reporting arrangements to be included as part of a	CCTV Joint Executive, CCTV Officer	31 July 2019.	<u>January 2019.</u> On track.	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
	<i>As above.</i>	Partner Authorities are formally reassessed, agreed and documented to ensure there is complete clarity and transparency of expectations and understanding across all interested parties regarding the need, responsibility, frequency, timing, content, format and distribution of each report required.	revised Partnership Agreement, Shareholder Agreement and Terms of Reference as necessary.	Management Board and Company Board of Directors as appropriate.	Revised to 30 September 2019.	<p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> This will be captured as part of the partnership agreement. Revised deadline is 30 September 2019.</p>	
8.	Cyber Security (2017/18).	<p>The Council must define its position regarding its ability to identify and manage devices that are connecting to its IT network.</p> <p>A solution must be able to manage devices that have physically connected to the Councils' IT networks.</p> <p>Devices that have connected to the network should be reviewed and, where they are found to have not been authorised, they should be removed. The solution</p>	This will be resolved with the correct solution not only for devices but also for ports on all devices that need to be restricted.	Strategic ICT Partnership Manager.	31 March 2019.	<p><u>January 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.</p> <p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> The Intune solution which is part of Microsoft 365 will be implemented this year and used to control mobile devices.</p> <p>Network solutions are</p>	Superseded by No.12 (page 16).

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		should include the use of personal devices to connect to the IT network. Furthermore, management should put arrangements in place to monitor network access on a regular basis.				being investigated by the security & network team.	
9.	Cyber Security (2017/18).	Management should perform a full review of the Councils' perimeter firewall rules and, where necessary, remove inactive or unnecessary rules unless explicitly required. The 'Any' rules should be replaced with port object groups that contain an explicit set of ports as required for the rule. Management should also ensure that all users that have access and can make changes to any of the Councils' external firewall rules have individual accounts and should put arrangements in place for monitoring all configuration changes.	The majority of the council's firewalls need replacing and part of that work will require the correct configuration and management. ICT Partnership Manager has been tasked to restructure the ICT department and as part of that to have dedicated security and network staff to resolve and maintain control of these areas.	Strategic ICT Partnership Manager.	31 March 2019.	<u>January 2019.</u> This is a new addition and the management response opposite is therefore the latest comment. <u>March 2019.</u> On track. <u>July 2019.</u> Replacement of Firewalls will take place following procurement from April 2020. Firewalls are being evaluated and recorded by the Security & network team.	Superseded by No.13 (page 17).

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		Furthermore, management should establish a record of how all firewalls, both internal and external, have been configured and should review the rules for appropriateness on a routine basis.					
10.	TSS Improvement Plan – Governance (2018/19).	Management should complete the review of the IT policies and tailor them to the needs of both Councils. The purchased IT policy software should be deployed without any further delay and the policies should be made available to all members of staff. Management should track and monitor staff attestation and responses. Furthermore, management should review and, where necessary, revise the Service's IT procedures so that they are consistent across both Councils. The procedures should be documented and	Meta - compliance must be fully implemented first to assure acceptance and compliance from staff and this cannot be rolled out till Azure-AD project is finalized. This project has been assigned to Project Manager Roxanne Owede. Time-line as follows: Azure AD - end of May Implementation of Meta - Compliance – end of July Deployment of policies as written on intranet - as completed Deployment of policies via Meta-Compliance two a month – Final	ICT Strategic Partnership Manager.	Creation - April to August 2019 Deployment – November 2019	<u>July 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		communicated to all members of staff.	<p>completion November</p> <p>During that period policies will be confirmed and placed on the intranet, with a number that must be written or amended. To get staff fully compliant will require roll-out of Meta - Compliance.</p> <p>There are two classifications, policies and protocols; policies are documents which all staff need to adhere to and protocols are internal policies for ICT staff only.</p> <p>Policies:</p> <p>Acceptable Usage Policy – Written and gone to HR for consultation</p> <p>Data Protection Policy – Completed and on intranet</p> <p>Mobile Device Policy – In draft security team to approve</p> <p>ICT Monitoring Policy - Security team to write</p> <p>ICT Remote Working Policy - Security</p>				

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
			<p>team/MGT team to write</p> <p>Social Media Policy – Completed and on intranet</p> <p>Data sharing policy (Contractors) - Security team to write</p> <p>Protocols:</p> <p>Security Breach response Protocol - Security team to write</p> <p>Change Control Protocol – In draft</p>				
11.	TSS Improvement Plan – Governance (2018/19).	<p>Representatives from both Councils should agree a shared set of expectations for how technology will be used to achieve their respective strategic objectives.</p> <p>These expectations should form the basis for a defined IT Strategy for the Shared IT Service, which should include as a minimum:</p> <p>The expectations for the levels of service to be provided</p> <p>The metrics for monitoring the performance of the</p>	ICT strategy & Roadmap are being written in collaboration with Microsoft Navigator consultancy project.	ICT Strategic Partnership Manager.	August 2019.	<p><u>July 2019.</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		Shared IT Service. The performance of the Service should be reviewed on a routine basis by the ICT Partnership Board and measured against the defined metrics and key performance indicators.					
12.	Cyber Security follow up (2018/19).	<p>Management should establish a network access control to block unknown or unauthorised devices from connecting to the Council's IT network. This should include restricting the ability to physically connect to the IT network.</p> <p>Where there is a demonstrable need for a device to connect to the IT network, the Service should require:</p> <p>The purpose for the connection has been recorded</p> <p>Appropriate security controls have been enabled on the device connecting to the IT network</p> <p>The period of time that the device will require</p>	The Council has created a Security & Network Team who has been tasked to look at security / network tools. There is also a planned upgraded Office 365 and in particular Intune to manage all mobile (non-network connected) devices. The plan is to ensure that only known devices are allowed to access Council systems.	ICT Strategic Partnership Manager.	Network Tools July 2019. Intune October 2019.	<p><u>July 2019.</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		<p>the connection</p> <p>All connections are approved before being allowed to proceed.</p> <p>Devices connected to the IT network should be reviewed on a routine basis.</p>					
13.	Cyber Security follow up (2018/19).	<p>There should be a record of the configuration of the Council's firewalls, which includes but is not limited to:</p> <p>The purpose of all of the rules</p> <p>The expected configuration and activity for each rule</p> <p>The member of staff that requested and approved the rule</p> <p>The configuration of the firewall should be reviewed on a routine basis.</p> <p>The Service should develop a Firewall rule policy to provide the list of controls that are required to secure firewall implementations to an approved level of</p>	<p>The Council has created a Security & Network Team who have been tasked to look at replacing the entire Firewall (and switch) estate. As part of this work all firewall configurations will need to be reviewed and recorded.</p>	ICT Strategic Partnership Manager.	November 2019.	<p><u>July 2019.</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		security.					
14.	Incident Management follow up (2018/19).	<p>Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.</p> <p>A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame.</p> <p>The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.</p>	<p>We have started a project to install a secondary Microwave link between our data centres. This will give us a resilient link where either can be down, and connectivity remains.</p> <p>Also, with our upgrade to horizon VDI, we are installing hardware which will allow either site to run 100% of capacity allowing the complete downing of one site for upgrade work but will of course allow for full capacity in the event on one data centre being of offline.</p>	ICT Strategic Partnership Manager.	August 2019 – Microwave Link. October 2019 - VDI upgrade.	<p><u>July 2019.</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.
15.	Incident Management follow up (2018/19).	<p>Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.</p> <p>A complete IT Disaster Recovery scenario test</p>	<p>Also, with our upgrade to horizon VDI, we are installing hardware which will allow either site to run 100% of capacity allowing the complete downing of one site for upgrade work but will of course allow</p>	ICT Strategic Partnership Manager.	August 2019 – DR review. October 2019 - VDI upgrade.	<p><u>July 2019.</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame. The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.	for full capacity in the event on one data centre being of offline.				
16.	Incident Management follow up (2018/19).	Management should define the processing capacity threshold at which it is no longer possible for a data centre to operate as the single data centre. This should be monitored and, where exceeded, appropriate action should be taken.	The UPS provision has been designed to cover the servers in the data centre only during the small time period required for the generator to kick into action. Staff will lose access to their monitor for that period but due to the VDI provision will not lose any work. This has been tested as normal, but we also had a recent small power outage which caused the generator to kick in and was shown to work as configured.	ICT Strategic Partnership Manager.	Completed.	<u>July 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.	Implemented.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
17.	S106 Spend Arrangements (2018/19).	Record keeping of S106 contributions, the spend arrangements and associated timeframes be reviewed to confirm fitness for purpose. An effective master record is adopted for monitoring and reporting purposes.	There currently exist a number of records relating to different areas of Section 106. These include our planning system – Uniform, our finance system – Advanced and a further Excel based database. It is recognised that there exists some gaps in these and a full audit of contained data has commenced and a single harmonised database will be established to provide monitoring triggers, fund allocation and reporting.	Deputy Chief Executive Officer.	April 2019.	<p><u>February 2019</u> On track.</p> <p><u>July 2019.</u> S106 Officer appointed in April and consolidation of records has taken place. The officer has identified some missing information which is being added to the records.</p>	Implemented.
18.	S106 Spend Arrangements (2018/19).	The Council establish a sound legal position in respect of any time expired contributions. Contributions due to expire in the near future are subject to urgent consideration and remedial action where required.	All mentioned funding had already been highlighted internally and work on the pertinent contributions is ongoing to ensure application. Before any final allocation any project would be scrutinised by our legal team to ensure complicity with all relevant contractual requirements and stipulations. A S106	Deputy Chief Executive Officer.	February 2019.	<p><u>February 2019</u> On track.</p> <p><u>July 2019.</u> The S106 officer has developed a strong working relationship with the Legal team and is prioritising funding initiatives where expiry is approaching.</p>	Implemented.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
			Officer group has also been established to oversee allocation.				
19.	Digital East Herts (2018/19).	<p>We recommend that management should conduct a robust review of active projects at risk, or likely to become at risk, to determine if strategic intervention is needed by Leadership Team. This should include making sure the financial savings targets set are actually viable and likely to be met by the deadline of 31 March 2020. Any projects identified as highly likely not to produce the minimum financial savings expected should be escalated to Leadership Team so that remedial action to adjust or re-assign targets can be taken in a timely manner.</p> <p>We also recommend that management should develop a new list of potential digital projects for Leadership Team to consider, as a way to find solutions to</p>	<p>Issue in most cases is that project delivery (in terms of outputs) is on track. However, the cashable savings linked to the project are at risk of not materialising.</p> <p>For example, where new systems have been implemented the work has been completed however no direct savings have been realised. In some projects also, savings are being discussed as part of a review of shared budgets between East Herts and Stevenage.</p> <p>As part of the year end close down process, each Head of Service will be discussing their 18/19 and 19/20 budgets. Savings will be validated at this point. A wider piece of work will also take place afterwards looking at efficiency targets for</p>	Head of Communications, Strategy and Policy.	September 2019.	<p><u>July 2019</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		cover the £50,000 shortfall presently being forecast.	19/20 where the remaining shortfall will be identified.				
20.	Joint Waste Contract (2018/19).	<p>The four performance indicators in place have a significant weighting within the PMR and therefore measuring these allows management to assess service delivery. We recommend that management undertake an exercise of prioritising the remaining indicators and determine which the next most important service measurement indicators are. This should be part of the project currently underway.</p> <p>In addition, we recommend that priority is given to formally agreeing the service failure types to be measured. A clear and defined record of all adjustments to the PMR should be maintained and appropriate approval</p>	<p>A clear structure including timescales for the full implementation of PMR criteria was in place at the time of audit and since close of audit this has continued to be worked upon.</p> <p>We are currently carrying out works on the remaining categories and anticipate these to be fully implemented for end of August 19.</p>	Joint Waste Services Manager.	30 August 2019.	<p><u>July 2019</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS





No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		<p>retained.</p> <p>A contract variation notice should be raised to formalise any locally agreed changes to performance criteria, with the support of the Legal Commercial Team Manager.</p>					

APPENDIX C – AUDIT PLAN ITEMS (APRIL 2019 TO MARCH 2020) – INDICATIVE START DATES AGREED WITH MANAGEMENT

Apr	May	Jun	July	Aug	Sept
2018/19 Projects Requiring Completion	Complaints Policy and Procedures (Draft Report Issued)	IT Shared Service Agreement (b/f from Sept) (Allocated)	Land Charges (In Fieldwork)	CCTV (follow up) (Allocated)	Budgetary Control (Allocated)
Payroll Annual Pension Certificate (Cancelled)	Insurance (Final Report Issued)	S106 (follow up) (In Planning)	Business Continuity Planning (Final Report Issued)	Community Grants/Lottery (Allocated)	Herts Home Improvement Agency (Not Yet Allocated)
Health and Safety (Final Report Issued)		Consultation and Engagement (In Fieldwork)	Members Allowances and Expenses (In Planning)	Procurement (Allocated)	
		IT Information Management (b/f from Nov) (Allocated)	Risk Management (b/f from Jan) (Draft Report Issued)	Contract Management (In Planning)	
Oct	Nov	Dec	Jan	Feb	Mar
Recruitment Process (Not Yet Allocated)	Council Tax (Not Yet Allocated)	Payroll (Not Yet Allocated)	Main Accounting (Not Yet Allocated)	IT Cyber Security (follow up) (Allocated)	
Recycling (Not Yet Allocated)	Business Rates (Not Yet Allocated)	Debtors (Not Yet Allocated)	Homelessness/Temporary Accommodation (Not Yet Allocated)	Asset Management (Not Yet Allocated)	
	Housing Benefits (Not Yet Allocated)	Creditors (Not Yet Allocated)		IT Project Management (c/f from June) (Allocated)	
	IT Information Management (Allocated)	Treasury Management (Not Yet Allocated)			

APPENDIX D – ASSURANCE / PRIORITY LEVELS

Assurance Level	Definition
Good	The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory	The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited	The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No	The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.

Priority Level			Definition
Corporate	Critical		Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	High		Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
Service	Medium		Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory		Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

This page is intentionally left blank



East Herts Council
2018/19 Annual Assurance Statement and
Internal Audit Annual Report

31 July 2019

Recommendations

Members are recommended to:

Note the Annual Assurance Statement and Internal Audit Annual Report

Note the results of the self-assessment required by the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP)

Accept the SIAS Audit Charter

Seek management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2018/19

Contents

1. Purpose and Background
 - 1.1 Purpose
 - 1.2 Background
2. Annual Assurance Statement for 2018/19
 - 2.1 Context
 - 2.2 Control Environment
 - 2.4 Review of Effectiveness - compliance with the PSIAS and QAIP
 - 2.10 Confirmation of independence of internal audit and assurance on limitations
 - 2.11 Assurance Opinion on Internal Control
 - 2.12 Assurance Opinion on Corporate Governance and Risk Management
3. Overview of Internal Audit Activity at the Council in 2018/19
4. Performance of the Internal Audit Service in 2018/19
 - 4.1 Performance Indicators
 - 4.2 Service Developments
5. Audit Charter 2019/20

Appendices

- A Final position against the Council's 2018/19 Audit Plan
- B Definitions of Assurance and Recommendation Priority Levels
- C Position against Public Sector Internal Audit Standards as at May 2019
- D Internal Audit Charter 2019/20

1. Purpose and Background

Purpose of Report

1.1 This report:

- a) Details the Shared Internal Audit Service's (SIAS) overall opinion on the adequacy and effectiveness of East Herts Council's (the Council) control environment. Reference is made to significant matters and key themes.
- b) Shows the outcomes of the self-assessment against the Public Sector Internal Audit Standards (PSIAS) incorporating the requirements of the Quality Assurance and Improvement Programme (QAIP).
- c) Summarises the audit work that informs this opinion.
- d) Shows SIAS's performance in respect of delivering the Council's audit plan.
- e) Presents the 2019/20 Audit Charter.

Background

- 1.2 A key duty of the Head of Assurance is to provide an annual opinion on the Council's internal control environment. This opinion informs the conclusions of the Council's Annual Governance Statement.
- 1.3 The assurance opinion in this report is based on internal audit work undertaken during 2018/19 which was planned and amended to give sufficient assurance on the Council's management of its key risks. Also considered is any relevant work undertaken in 2019/20 before the audit committee report deadline.
- 1.4 SIAS is grateful for the co-operation and support it has received from client officers during 2018/19.

2. Annual Assurance Statement 2018/19

Context

Scope of responsibility

- 2.1 Council managers are responsible for ensuring Council business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. They are also responsible for ensuring internal controls are robust and risk management arrangements are appropriate.

Annual Assurance Statement and Internal Audit Annual Report – East Herts Council

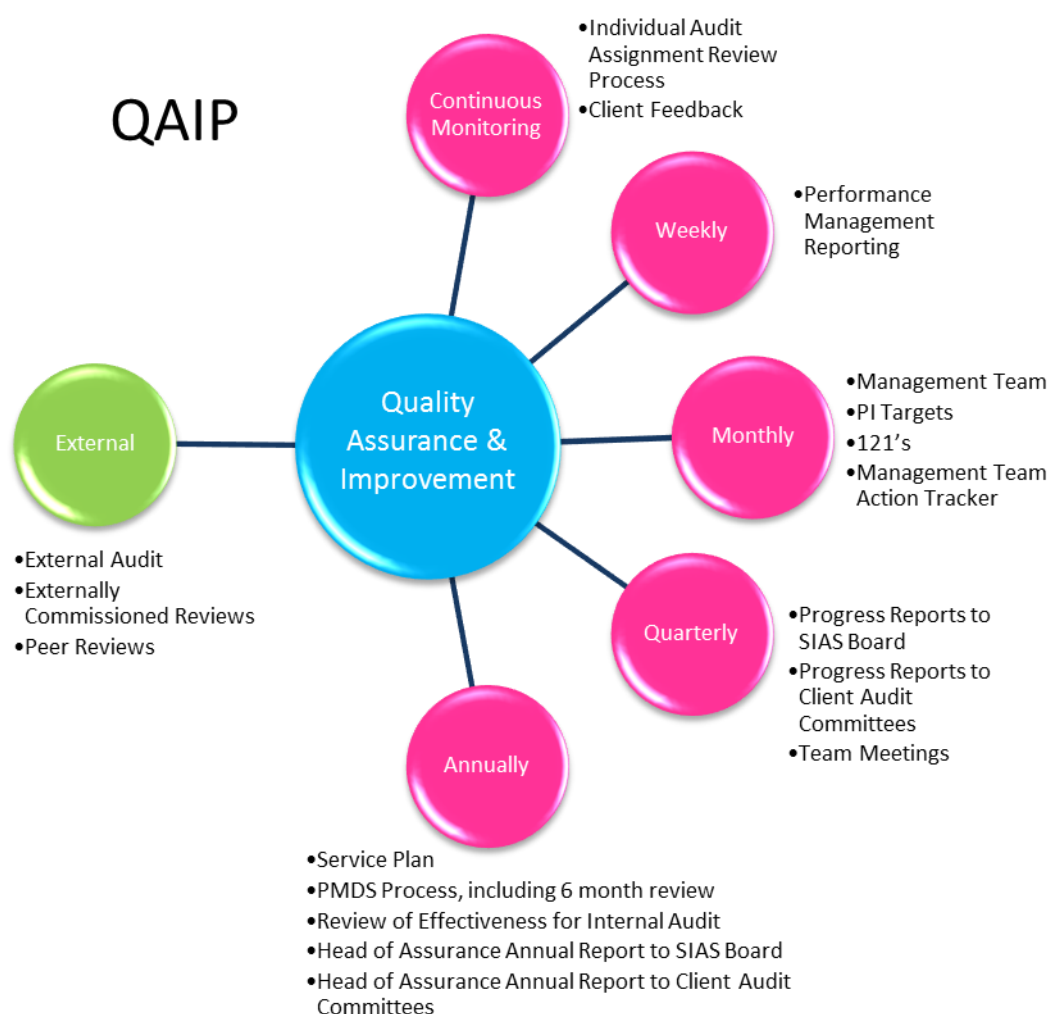
Control environment

- 2.2 The control environment comprises three key areas: governance; risk management; and internal control. Together these aim to manage risk to an acceptable level but it is accepted that it is not possible to completely eliminate it.
- 2.3 A robust control environment helps ensure that the Council's policies, priorities and objectives are achieved.

Review of effectiveness

- 2.4 The Head of Assurance must confirm annually that the internal audit function is suitably qualified to carry out the work that informs the assurance opinion.
- 2.5 As part of a QAIP, a self-assessment was conducted against the Public Sector Internal Audit Standards (PSIAS). The PSIAS encompass the mandatory elements of the Chartered Institute of Internal Auditors (CIIA) International Professional Practices Framework (IPPF). They promote professionalism, quality, consistency and effectiveness of internal audit across the public sector. They highlight the importance of robust, independent and objective internal audit arrangements to provide senior management with the key assurances needed to support them in both managing the organisation and producing the Annual Governance Statement.
- 2.6 The 2018/19 self-assessment identified 2 areas of agreed non-conformance. These are detailed in Appendix C. There are no significant deviations from Standards which warrant inclusion in the Council's Annual Governance Statement
- 2.7 The Head of Assurance has concluded, therefore, that SIAS 'generally conforms' to the PSIAS, including the Definitions of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. 'Generally conforms' is the highest rating and means that SIAS has a charter, policies and processes assessed as conformant to the Standards and is consequently effective.
- 2.8 The SIAS QAIP includes both internal and external monitoring and reporting to assess the efficiency and effectiveness of internal audit activity and identify opportunities for improvement. The diagram below details the methods used to monitor and report on these. Detailed information outlining activity in each area is contained in the SIAS Audit Manual.
- 2.9 The Head of Assurance confirms that during 2018/19 SIAS operated according to its QAIP with evidence available within the service to support the achievement of each QAIP element.

Annual Assurance Statement and Internal Audit Annual Report – East Herts Council



Confirmation of independence of internal audit and assurance on limitations

2.10 The Head of Assurance confirms that during the year:

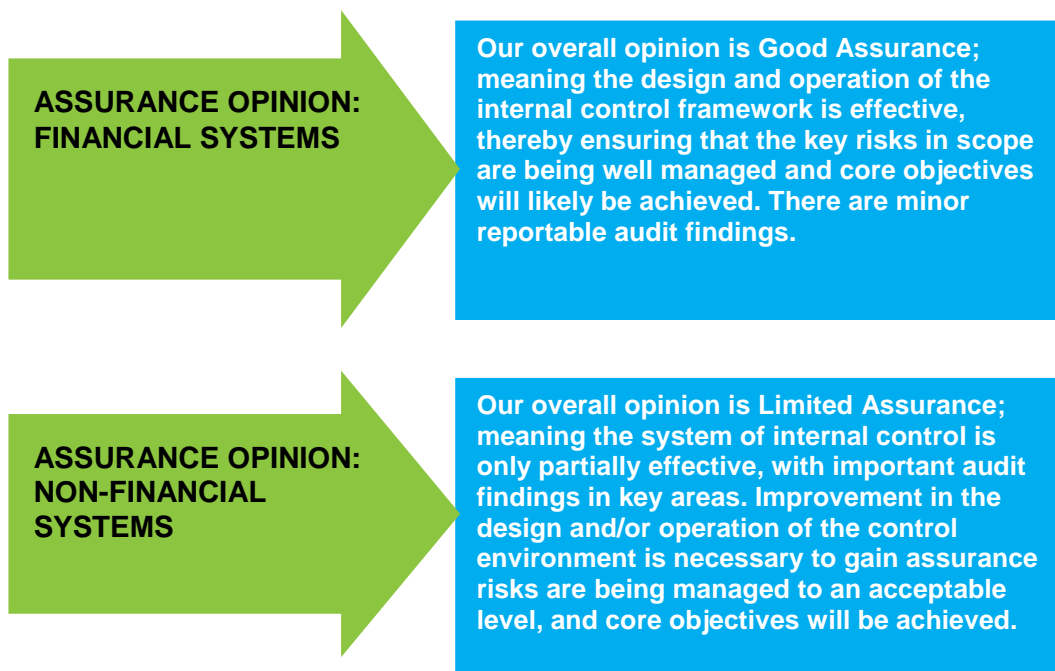
- No matters threatened SIAS's independence; and
- SIAS was not subject to any inappropriate scope or resource limitations.

Annual Assurance Statement and Internal Audit Annual Report – East Herts Council

Annual Assurance Statement for 2018/19

Assurance opinion on internal control

- 2.11 Based on the internal audit work undertaken at the Council in 2018/19, SIAS can provide the following opinion on the adequacy and effectiveness of the Council's control environment, broken down between financial and non-financial systems.



Assurance opinion on Corporate Governance and Risk Management

- 2.12 SIAS has concluded that the corporate governance and risk management frameworks substantially comply with the CIPFA/SOLACE best practice guidance on corporate governance. This conclusion is based on the work undertaken by the Council and reported in its Annual Governance Statement for 2018/19. Although no specific review of Risk Management was carried out by SIAS during the year, risk management arrangements are considered during annual audit planning and delivery of individual audit assignments.

**Head of Assurance for the Shared Internal Audit Service
May 2019**

3. Overview of Internal Audit Activity at the Council in 2018/19

- 3.1 This section summarises work undertaken at the Council by SIAS in 2018/19. It highlights any significant internal control matters and opportunities for improvement.
- 3.2 Appendix A shows the final position against the agreed revised audit plan, assurance levels and the number of recommendations made. A summary of assurance levels and recommendation priorities is shown in the tables below. While we have shown the number of recommendations for 2017/18, we have not done so for the number of reports and assurance levels due to the changes in assurance opinion definitions described at paragraph 3.8 and 3.9 below.

Assurance Level	Number of reports 2018/19	Percentage of reports 2018/19
Good	8	27%
Satisfactory	9	30%
Limited	6	20%
No	0	0%
Not Assessed	4	13%
Not Complete	3	10%
Total	30	100%

Recommendation Priority Level	Number of recommendations 2018/19 (2017/18 data in brackets)	Percentage of recommendations made 2018/19 (2017/18 data in brackets)
Critical	0 (0)	0% (0%)
High	21 (6)	33% (8%)
Medium	29 (40)	45% (52%)
Low	14 (31)	22% (40%)
Total	64 (77)	100% (100%)

- 3.3 **The Good assurance opinion overall on financial systems** (Substantial in 2017/18) has been concluded from 10 financial systems audits, where an opinion has been given. Seven received Good assurance, two received Satisfactory assurance and one was Not Assessed. No Critical or High priority recommendations were made in these audits.

Annual Assurance Statement and Internal Audit Annual Report – East Herts Council

3.4 The Limited assurance opinion overall on non-financial systems

(Moderate 2017/18) has been concluded from fourteen non-financial systems audits, where an opinion has been given. One received Good assurance, seven received Satisfactory assurance and six received Limited assurance. Further details on the audits where Limited assurance opinions were provided are given in paragraph 3.5 below. Sixteen High priority recommendations were made across these audits.

3.5 Details of the Limited assurance audits issued during 2018/19 are as follows. These cover a wide range of services and many are of a significant corporate nature:

- a) CCTV (joint audit with partners)
- b) TSS Improvement Plan – Governance
- c) Section 106 Spend Arrangements
- d) Business Grants Scheme
- e) Digital East Herts
- f) Contract Management

Management action plans have been prepared to address the matters arising in the above audits.

3.6 A further three audit projects were classified as “Not Assessed”, i.e. no audit opinion was given. These were DFG Capital Grant Certification, Cyber Security Follow up and Incident Management Follow up. These projects have also informed the overall Limited assurance opinion on non-financial systems, as they were important pieces of consultancy and advice work carried out during the course of the year. Five High priority recommendations were made across these audits.

3.7 Two audits were not at final report stage at the time of writing this Annual Report. Waste Contract – Client Services and Herts Home Improvement Agency were at draft report stage and management responses for the recommendations proposed are awaited. These Limited assurance draft reports are unlikely to change and these consequently informed our overall Limited assurance opinion on non-financial systems. The Commercialisation / Income Generation audit was deferred to 2019/20.

3.8 It should be noted that at the start of the financial year, SIAS changed the range of definitions used for providing our assurance opinions for individual audits, moving from a five-tier scale to a four-tier scale. This change is likely to have resulted in some 2018/19 audits receiving a Limited assurance rating (3rd of 4 levels), that may otherwise have attracted a Moderate opinion 3rd of the five levels) under the previous assessment scale. For this reason, we have not looked to provide a direction of travel for our overall assurance level provided for 2017/18 and 2018/19.

3.9 SIAS also added an additional priority level for recommendations made at the start of 2018/19, this being “Critical”. This change was to allow SIAS to differentiate between recommendations that were critical to the

Annual Assurance Statement and Internal Audit Annual Report – East Herts Council

organisation as opposed to those that are of importance (High priority) to a particular service. We are pleased to report that no Critical level recommendations were made during 2018/19.

Critical and High Priority Recommendations

- 3.10 Members will be aware that a final audit report is issued when it has been agreed by management; this includes an agreement to implement the recommendations made. It is Internal Audit's responsibility to advise Members of progress on the implementation of Critical and High priority recommendations; it is the responsibility of Officers to implement the recommendations by the agreed date.
- 3.11 Twenty one High priority recommendations were made within audits carried out during 2018/19 (six during 2017/18). This has been a contributory factor in our assessment of the overall assurance opinions. In respect of these recommendations, the agreed management actions were not yet all due for completion.
- 3.12 Members will continue to receive updates on the implementation progress of Critical and High priority recommendations through the SIAS quarterly progress reports to the Audit Committee.

4. Performance of the Internal Audit Service in 2018/19

Performance indicators

- 4.1 The table below compares SIAS's performance at the Council against the 2018/19 targets set by the SIAS Board.

Indicator	Target 2018/19	Actual to 31 March 2019
1 SIAS Planned Days – percentage of actual billable days delivered against planned billable days	95%	97% (335.5 / 345)
2 SIAS Planned Projects – actual completed projects to draft report stage against planned completed projects	95%	97% (29 / 30)
3 External Auditors' Satisfaction – the Annual Audit Letter formally records that the External Auditors are able to rely upon the range and quality	Formal Reliance	Yes

Annual Assurance Statement and Internal Audit Annual Report – East Herts Council

of SIAS' work		
4 SIAS Annual Plan – presented to the March Audit Committee or the first meeting of the financial year should a March committee not meet.	Deadline met	Yes
5 Client Satisfaction - client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	100%	100% (8 received).
6 Head of Assurance's Annual Report – presented at the first Audit Committee meeting of the financial year.	Deadline met	Yes
7 Number of High Priority Audit Recommendations agreed	95%	100% (21 agreed)

Service Developments

4.2 During 2018/19 the development activities for SIAS included:

- Recruitment of two new trainee auditors forming a key part of our 'grow your own' strategy, given known industry difficulties in recruiting at the senior auditor level.
- Tendering for our co-sourced audit delivery partner to provide service resilience and access to audit specialists, saw the re-appointment of BDO for a second term.
- Hosting a Commercialisation and Local Authority workshop for our partners in January 2019.
- Continued review of key business processes, including work allocation, the Audit Manual and performance dashboards, to reduce administrative overheads and improve efficiency in delivering the audit plan.
- Designed a new self and management assessed training and skills matrix to supplement the appraisal process and personal development plans for each auditor. This is an important part of our Quality Assurance and Improvement Programme (QAIP) required by the

Annual Assurance Statement and Internal Audit Annual Report – East Herts Council

professional standards. Analysis of the results will inform a training programme in 2019/20.

5. Audit Charter 2019/20

- 5.1 The PSIAS require a local authority to formally adopt an Audit Charter which covers the authority and responsibility for an internal audit function.
- 5.2 The SIAS Audit Charter sets out the framework within which it discharges its internal audit responsibilities to those charged with governance in the partner councils. It details the permanent arrangements for internal audit and key governance roles and responsibilities to ensure the effectiveness of internal audit provision.
- 5.3 The Audit Charter is reviewed annually. The review in April 2019 did not result in any fundamental changes and the 2019/20 Charter is attached at Appendix D.

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2018/19 AUDIT PLAN

East Herts Council Audit Plan – 2018/19

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Key Financial Systems							
Asset Management	Satisfactory	0	0	1	1	10	Final Report Issued
Benefits	Good	0	0	0	0	6	Final Report Issued
Council Tax	Good	0	0	0	0	6	Final Report Issued
Creditors	Good	0	0	0	0	10	Final Report Issued
Debtors	Satisfactory	0	0	0	0	10	Final Report Issued
Main Accounting	Good	0	0	0	0	10	Final Report Issued
NDR	Good	0	0	0	0	6	Final Report Issued
Payroll	Good	0	0	0	1	12	Final Report Issued
Treasury Management	Good	0	0	0	1	6	Final Report Issued
Payroll Annual Pension Certificate	NA	0	0	0	0	1	Complete

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2018/19 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Operational Audits							
Development Management	Satisfactory	0	0	1	1	12	Final Report Issued
Section 106 - Spend Arrangements	Limited	0	3	2	0	10	Final Report Issued
Business Grants Scheme	Limited	0	0	4	1	8	Final Report Issued
Performance Management / Data Quality	Satisfactory	0	0	1	1	10	Final Report Issued
Land Charges	-	-	-	-	-	1	Audit Cancelled
Freedom of Information	Satisfactory	0	0	3	1	8	Final Report Issued
GDPR - PIR	Satisfactory	0	0	1	0	10	Final Report Issued
Homelessness Reduction Act / Temporary Accommodation	Satisfactory	0	0	2	2	12	Final Report Issued
Houses in Multiple Occupation (HMOs)	Good	0	0	1	0	10	Final Report Issued
Herts Home Improvement Agency						2	Draft Report Issued *
Digital East Herts	Limited	0	2	1	0	12	Final Report Issued
Agency Staffing	Satisfactory	0	0	1	1	12	Final Report Issued

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL'S 2018/19 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Commercialisation / Income Generation						12	Audit Deferred
DFG Capital Grant Certification	NA	0	0	0	0	1	Complete
Garden Town Project Assurance	NA	0	0	0	0	2	Complete
CCTV	Limited	0	9	0	0	2	Final Report Issued
Waste Contract - Client Services (joint audit)						15	Draft Report Issued *
Compliance Monitoring Contract joint audit	-	-	-	-	-	0	Audit Cancelled
Contract Management	Limited	0	0	4	1	12	Final Report Issued
IT Audits							
Cyber Security (follow-up)	NA	0	2	1	2	6	Final Report Issued **
Incident Management (follow-up)	NA	0	3	1	0	6	Final Report Issued **
Mobile Device Management and Bring Your Own Device	Satisfactory	0	0	2	1	6	Final Report Issued
TSS Improvement Plan – Governance	Limited	0	2	3	0	12	Final Report Issued

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL'S 2018/19 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Other Chargeable							
2019/20 Audit Planning	-	-	-	-	-	10	Complete
Plan Delivery Monitoring	-	-	-	-	-	9	Complete
Head of Internal Audit Opinion 2018/19	-	-	-	-	-	4	Complete
Client Liaison	-	-	-	-	-	10	Complete
External Audit Liaison	-	-	-	-	-	1	Complete
Adhoc Advice	-	-	-	-	-	2	Complete
Audit Committee	-	-	-	-	-	12	Complete
Shared Learning	-	-	-	-	-	8	Complete
SIAS Development	-	-	-	-	-	5	Complete
Advice on Control Issues Identified by SAFS	-	-	-	-	-	3	Complete
Follow up of High Priority Audit Recommendations	-	-	-	-	-	3	Complete

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2018/19 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
2017/18 Projects Requiring Completion							
New Payroll System – Roll Out of Self Service	NA	0	0	0	0	3	Final Report Issued
Joint Review – SOCA	NA	0	0	0	0	1.5	Complete
Other	Various	-	-	-	-	15.5	Final Reports Issued
Contingency	-	-	-	-	-	15	N/A
Total		0	21	29	14	360	

* At Draft Report stage before 31 March 2019.

** Draft Report issued before 31 March 2019, Final Report issued after 31 March 2019.

Key to Assurance Level and Recommendation Priority Levels: NA = Not Assessed; C = Critical priority recommendations; H = High priority recommendations; M = Medium priority recommendations; LA = Low/Advisory priority recommendations.

APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

2017/18 Definitions of Assurance

Levels of assurance	
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified.
Substantial Assurance	Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key control areas, which put the system objectives at risk.
No Assurance	Control is weak, leaving the system open to material error or abuse.

2018/19 Definitions of Assurance and Recommendation Priority Levels

Assurance Level		Definition
Good		The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory		The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited		The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No		The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.
Priority Level		Definition
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

APPENDIX C – PROGRESS AGAINST PUBLIC SECTOR INTERNAL AUDIT STANDARDS AT APRIL 2019 – ACTION PLAN

Section A: Conformance - During 2018/19 all areas apart from those identified in Section B below were conforming.

Section B: Intentional Non-Conformance

Ref	Area of Non-Conformance with the Standard	Commentary	
3.1a	Purpose, Authority and Responsibility Does the board (defined as the Audit Committee) approve decisions relating to the appointment and removal of the Chief Audit Executive (CAE) (Head of Assurance)?	The Director of Resources, Hertfordshire County Council (HCC), in consultation with the Board of the Shared Internal Audit Services approves decisions relating to the appointment and removal of the CAE. This is as provided for in the governance of the Shared Internal Audit Service.	Non-conformance No further action proposed. The current arrangements are considered effective given the shared nature of SIAS.
3.1c	Purpose, Authority and Responsibility Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the CAE?	The performance appraisal is carried out by the Director of Resources (HCC).	Non-conformance No further action proposed. The appraisal process was carried out by the Director of Resources (HCC) with input from all partner chief finance officers. The current arrangements are considered effective given the shared nature of SIAS.



Audit Charter 2019/2020

1. Introduction and Purpose

- 1.1. Internal auditing is an independent and objective assurance and consulting activity. It is guided by a philosophy of adding value to the operations of an organisation. It assists a council in achieving its objectives and ultimately provides assurance to the public by systematically evaluating and improving the effectiveness and efficiency of risk management, control and governance processes.

2. Scope

- 2.1. This Charter applies to all clients of the Shared Internal Audit Service (SIAS).

3. Statutory Basis of Internal Audit

- 3.1. Local government is statutorily required to have an internal audit function. The Accounts and Audit Regulations 2015 require that 'a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 3.2. In addition, a council's Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To fulfil this requirement, the S151 officer relies, amongst other sources, upon the work of internal audit.

4. Role

- 4.1. SIAS internal audit activity is overseen by each client council's committee charged with fulfilling audit committee responsibilities herewith referred to as the Audit Committee. As part of its oversight role, the Audit Committee is responsible for defining the responsibilities of SIAS via this Charter.
- 4.2. SIAS may undertake additional consultancy activity requested by management. The Head of Assurance will determine such activity on a case by case basis

assessing the skills and resources available. Significant additional consultancy activity not already included in the Internal Audit Plan will only be accepted and carried out following consultation with the SIAS Board.

5. Professionalism

- 5.1. SIAS governs itself by adherence to the Public Sector Internal Audit Standards (PSIAS). These standards include the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (IPPF). They set out the fundamental requirements for the professional practice of internal auditing and the evaluation of the effectiveness of an internal audit function's performance.
- 5.2. SIAS also recognises the Mission of Internal Audit as identified within the IPPF, 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight' and the Core Principles for the Professional Practice of Internal Auditing, which demonstrate an effective internal audit function, achieving internal audit's mission.
- 5.3. SIAS's operations are guided by its operating procedures manual as well as applicable, Chartered Institute of Internal Auditors (CIIA) Position Papers, Practice Advisories and Guides, and relevant council policies and procedures, including compliance with the Bribery Act 2010.
- 5.4. Should non-conformance with the PSIAS be identified, the Head of Assurance will investigate and disclose, in advance if possible, the exact nature of the non-conformance, the reasons for it and, if applicable, its impact on a specific engagement or engagement outcome.

6. Authority and Confidentiality

- 6.1. Internal auditors are authorised full, free, and unrestricted access to any and all of a client's records, physical properties, and personnel as required to carry out an engagement. All client employees are requested to assist SIAS in fulfilling its roles and responsibilities. Information obtained during the course of an engagement is safeguarded and confidentiality respected.
- 6.2. Internal auditors will only use information obtained to complete an engagement. It will not be used in a manner that would be contrary to the law, for personal gain, or detrimental to the legitimate and ethical objectives of the client organisation(s). Internal auditors will disclose all material facts known which if not disclosed, could distort a report or conceal unlawful practice.

7. Organisation

- 7.1. The Head of Assurance and their representatives, have free and unrestricted direct access to Senior Management, the Audit Committee, the Chief Executive,

the Chair of the Audit Committee and the External Auditor. The Head of Assurance will communicate with any and all of the above parties at both committee meetings and between meetings as appropriate.

- 7.2. The Chairman of the Audit Committee has free and unrestricted direct access to both the Head of Internal Audit, and the Council's External Auditor.
- 7.3. The Head of Assurance is line managed by the Director of Resources at Hertfordshire County Council (HCC), who approves all decisions regarding the performance evaluation, appointment, or removal of the Head of Assurance, in consultation with the SIAS Board. Each partner's Section 151 Officer is asked to contribute to the annual appraisal of the Head of Assurance.

8. Stakeholders

The following groups are defined as stakeholders of SIAS:

- 8.1. The Head of Assurance and the Head of The Shared Internal Audit service, both suitably experienced and qualified (CCAB and / or CMIIA), are responsible for:
 - hiring, appraising and developing SIAS staff in accordance with the host authority's HR guidance
 - maintaining up-to-date job descriptions which reflect the roles, responsibilities, skills, qualifications, and attributes required of SIAS staff
 - ensuring that together, SIAS staff possess or obtain the skills, knowledge and competencies (including ethical practice) needed to effectively perform SIAS engagements
- 8.2. The Audit Committee is responsible for overseeing the effectiveness of SIAS and holding the Head of Assurance to account for delivery. This is achieved through the approval of performance targets set by the SIAS Board and receipt of regular reports.
- 8.3. The Audit Committee is also responsible for the effectiveness of the governance, risk and control environment within the Council, holding managers to account for delivery.
- 8.4. The Audit Committee, as set out in its formal Terms of Reference, also ensures that there is appropriate communication of, and involvement in, internal audit matters as required from the wider publicly elected Member body.
- 8.5. Senior Management, defined as the Head of Paid Service, Chief Officers and their direct reports, are responsible for helping shape the programme of assurance work. This is achieved through analysis and review of key risks to achieving the Council's objectives and priorities.

- 8.6. The SIAS Board is the governance group charged with monitoring and reviewing the overall operation of SIAS including:
- resourcing and financial performance
 - operational effectiveness through the monitoring performance indicators
 - the overall strategic direction of the shared service

9. Independence and Objectivity

- 9.1 No element in the organisation should interfere with audit selection, scope, procedures, frequency, timing, or report content. This is necessary to ensure that internal audit maintains the necessary level of independence and objectivity.
- 9.2 As well as being impartial and unbiased, internal auditors will have no direct operational responsibility or authority over any activity audited. They will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that might impair their judgment.
- 9.3 When asked to undertake any additional roles/responsibilities outside internal auditing, the Head of Assurance will highlight to the Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the PSIAS Code of Ethics as well as any relevant requirements set out in other professional bodies to which the CAE may belong. The Audit Committee will approve and periodically review any safeguards put in place to limit any impairments to independence and objectivity.
- 9.4 The Head of Assurance will confirm to the Audit Committee, at least annually, the organisational independence of SIAS.

10. Conflicts of Interest

- 10.1. Internal auditors will exhibit clear professional objectivity when gathering, evaluating, and communicating engagement information. When forming judgments, they will make a balanced assessment of all relevant circumstances and not be influenced by their own interests or the views and interests of others.
- 10.2. Each auditor will comply with the ethical requirements of his/her professional body and proactively declare any potential conflict of interest, whether actual or apparent, prior to the start of an engagement.
- 10.3. All auditors sign an annual declaration of interest to ensure that the allocation of work avoids conflict of interest. Auditors who undertake consultancy work or are new to the team will be prohibited from auditing in those areas where they have worked in the past year. Audits are rotated within the team to avoid over-familiarity and complacency.

- 10.4. SIAS procures an arrangement with an external partner to provide additional internal audit days on request. The external partner will be used to deliver engagements as directed by the Head of Assurance in particular providing advice and assistance where SIAS staff lack the required skills or knowledge.
- 10.5. In the event of a real or apparent impairment of independence or objectivity, (acceptance of gifts, hospitality, inducements or other benefits) the Head of Assurance will investigate and report on the matter to appropriate parties.

11. Responsibility and Scope

- 11.1. The scope of SIAS encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes (as they relate to the organisation's priorities and objectives) and the promotion of appropriate ethics and values.
- 11.2. Internal control and risk management objectives considered by internal audit extend to the organisation's entire control and risk management environment and include:
- consistency of operations or programs with established objectives and goals, and effective performance
 - effectiveness and efficiency of governance, operations and employment of resources
 - compliance with significant policies, plans, procedures, laws, and regulations
 - design, reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information
 - safeguarding of assets
- 11.3. SIAS is well placed to provide advice and support on emerging risks and controls and will, if requested, deliver consulting and advisory services or evaluate specific operations.
- 11.4. SIAS is responsible for reporting to the Audit Committee and senior management, significant risk exposures (including those to fraud addressed in conjunction with the Shared Anti-Fraud Service), control and governance issues and other matters that emerge from an engagement.
- 11.5. Engagements are allocated to (an) internal auditor(s) with the appropriate skills, experience and competence. The auditor is then responsible for carrying out the work in accordance with the SIAS Operating Procedures Manual, and must consider the relevant elements of internal control, the needs and expectations of clients, the extent of work required to meet the engagement's objectives, its cost effectiveness, and the probability of significant error or non-compliance.

12. Role in Anti-Fraud

- 12.1. The SIAS work programme, designed in consultation with Senior Management, the Audit Committee and, where applicable, the Shared Anti-Fraud Service, seeks to help deter fraud and corruption.
- 12.2. In conjunction with the Shared Anti-Fraud Service SIAS shares information with relevant partners to increase the likelihood of detecting fraudulent activity and reducing the risk of fraud to all.
- 12.3. The Head of Assurance should be notified of all suspected or detected fraud, corruption or impropriety so that the impact upon control arrangements can be evaluated.

13. Internal Audit Plan

- 13.1. Following discussion with appropriate senior management, the Head of Assurance will submit a risk based plan to the Audit Committee for review and approval. This will occur at least annually. The plan sets out the engagements agreed and demonstrates the priorities of both SIAS (the need to produce an annual internal audit opinion) and those of the organisation. Also included will be any relevant declarations of interest.
- 13.2. The plan will be accompanied by details of the risk assessment approach used and will take into account the organisation's assurance framework. Also shown will be the timing of an engagement, its budget in days, details of any contingency for new or changed risks, time for planning and reporting and a contribution to the development of SIAS.
- 13.3. The plan will be subject to regular review in year, and may be modified in response to changes in the organisation's business, risks, operations, programmes, systems and controls. All significant changes to the approved internal audit plan will be communicated in the quarterly update reports.

14. Reporting and Monitoring

- 14.1. A draft written Terms of Reference will be prepared and issued to appropriate personnel at the start of an engagement. It will cover the intended objectives, scope and reporting mechanism and will be agreed with the client. Changes to the terms of reference during the course of the engagement may occur and will be agreed following consultation with the client.
- 14.2. A report will be issued on completion of an engagement. It will include a reasoned opinion, details of the time period and scope within which it was prepared, management's responses to specific risk prioritised findings and recommendations made and a timescale within which corrective action will be /

has been taken. If recommended action is not to be taken, an explanation for this will also be included.

- 14.3. SIAS will follow-up the implementation of agreed recommendations in line with the protocol at each client. As appropriate, the outcomes of this work will be reported to the audit committee and may be used to inform the risk-based planning of future audit work. Should follow-up activity identify any significant error or omission, this will be communicated by the Head of Assurance to all relevant parties. A revised internal audit opinion may be issued on the basis of follow-up activity.
- 14.4. In consultation with senior management, the Head of Assurance will consider, on a risk-basis, any request made by external stakeholders for sight of an internal audit report.
- 14.5. Quarterly update reports to the Audit Committee will detail the results of each engagement, including significant risk exposures and control issues. In addition, an annual report will be produced giving an opinion on the overall control, governance, and risk management environment (and any other issues judged relevant to the preparation of the Annual Governance Statement), with a summary of the work that supports the opinion. The Head of Assurance will also make a statement of conformance with PSIAS, and detail the nature and reasons for any impairments, qualifications or restrictions in scope for which the Committee should seek reassurances from management.

15. Periodic Assessment

- 15.1. PSIAS require the Head of Assurance and the SIAS Board to make arrangements for an independent review of the effectiveness of internal audit undertaken by a suitably knowledgeable, qualified and competent individual or organisation. This should occur at least every five years.
- 15.2. The Head of Assurance will ensure that continuous efforts are made to improve the efficiency, effectiveness, and quality of SIAS. These will include the Quality Assurance and Improvement Programme, client feedback, appraisals and shared learning with the external audit partner as well as coaching, supervision, and documented review.
- 15.3. A single review will be carried out to provide assurance to all SIAS partners with the outcomes included in the partner's Annual Report.

16. Review of the Audit Charter

- 16.1. The Head of Assurance will review this charter annually and will present, to the first audit committee meeting of each financial year, any changes for approval.

16.2. The Head of Assurance reviewed this Audit Charter in April 2019. It will next be reviewed in April 2020.

Glossary of Terms

Audit Committee	The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.
Management	Operational officers of the Council responsible for creating corporate policy and organising, planning, controlling, and directing resources in order to achieve the objectives of that policy. Senior management is defined as the Head of Paid Service, Chief Officers and their direct reports.
The SIAS Board	The Board that comprises officer representatives from the client authorities and that is responsible for the governance of the SIAS partnership
The Audit Plan	The programme of risk based work carried out by the Shared Internal Audit Service on behalf of its clients
The Public Sector Internal Audit Standards	These standards, which are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. They reaffirm the importance of robust, independent and objective internal audit arrangements to provide stakeholders with the key assurances they need to support them both in managing and overseeing the organisation and in producing the annual governance statement.

Note:

For readability, the term 'internal audit activity' as used in the PSIAS guidance has been replaced with 'SIAS' in this Charter.



SIAS

Shared Internal Audit Service
Hertfordshire in Partnership

Shared Internal Audit Service

Annual Report **2018/19**

Annual Report Contents

Introduction & Highlights	1
Levels of Delivery	2
Shared learning – The Power of Partnership	3
Developing Our People and Processes	4
First Class Customer Service	5
Performance - Outcomes	6
Performance Indicators and Financial Performance of SIAS	7
Future Developments	8
Our Board Members	9
Appendix A: SIAS Trading Account	10
Appendix B: Definitions	11

**WELWYN
HATFIELD**
BOROUGH COUNCIL



THREE RIVERS
DISTRICT COUNCIL



Stevenage
BOROUGH COUNCIL




Hertfordshire

Introduction

Welcome to the Shared Internal Audit Service (SIAS) Annual Report for 2018/19.

I am writing this year's introduction with a smile on my face, and a quiet sense of professional satisfaction. We have reason to celebrate success this year in that we achieved our overall performance targets again despite several ongoing challenges. This follows a two-year period where our targets were narrowly missed.

This has only been possible with the commitment and dedication of both the in-house team and our external service provider, as well as the co-operation of our partners and stakeholders. I am very proud of the work of the SIAS Team and delighted to be able to look to the future with a sense of cautious optimism.

Following the completion of the SIAS restructure in 2017/18, the year had a strong focus on delivery of our partners audit plans, as well as consolidation, stability and revisiting the 'nuts and bolts' of the service to ensure that we had solid foundations for the future.

We are pleased to have BDO back with us as our external delivery partner after a competitive tender process. They have been a vital component of service resilience and access to specialist skills, and we look forward to the continuation of our successful relationship.

I received some sage advice recently from one of our Audit Committee Chairs, who reminded me that internal audit is not just about performance indicators but also about positive outcomes for good governance. To this end, we expanded and developed hugely beneficial relationships with our Audit Committees and achieved notable success in areas such as follow-up and implementation of internal audit recommendations.

For further highlights, I invite you to delve into the Annual Report itself and, as ever, I enjoy the engagement, dialogue and feedback the report fosters.

Chris Wood

Head of the Shared Internal Audit Service

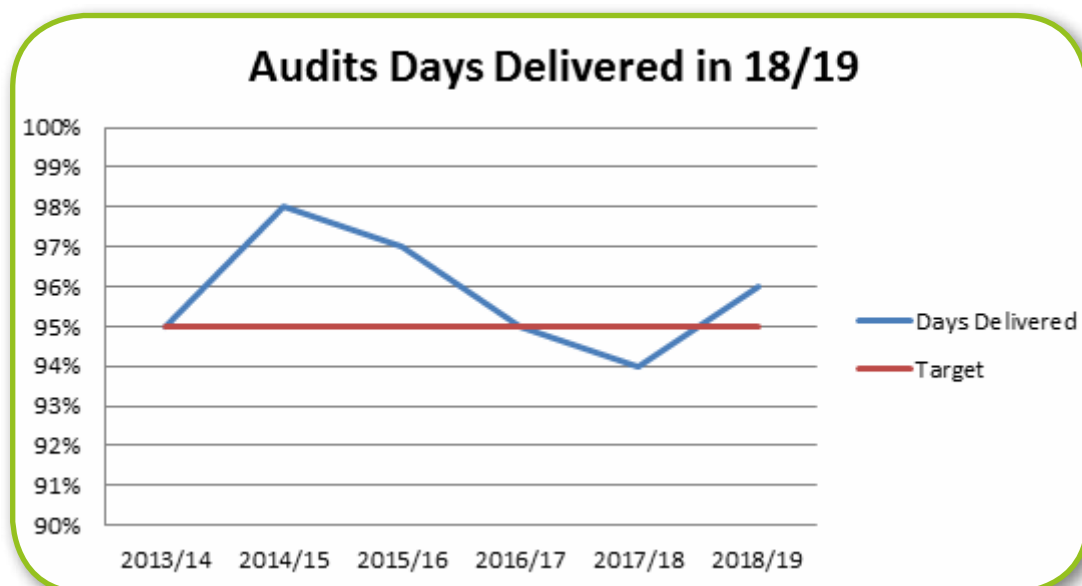
June 2019

Levels of Delivery

Whilst the Service faced some challenges during the year arising from staff sickness absences and vacancies, it nonetheless surpassed its overall target of delivering 95% of days commissioned by clients with a final outturn of 96%. This is a testament to the hard work and resilience of the SIAS Team.

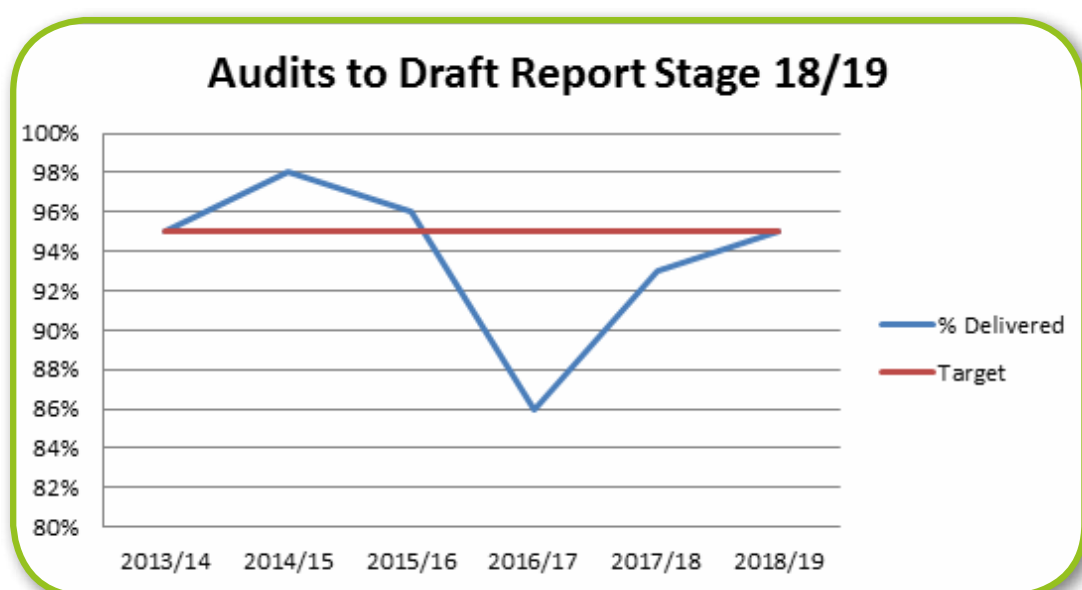
Despite the challenges referred to above, the Service achieved its overall target of delivering 95% of its audit reviews to draft report stage by the close of the year.

Figure 1: Percentage of audits days delivered



**Achieved
its overall
targets despite
resilience
challenges...**

Figure 2: Percentage of audits to draft stage



Shared learning - The Power of Partnership

Shared learning happens through the dialogue we have with others. It has long been part of the vision of our Board that the service acts to facilitate the sharing of learning across its partners. A shared learning culture, both formal and informal, is embedded through our team, our sister services within Assurance and across our partners and opportunities abound to publicise and promote issues big and small.

Our quarterly shared learning papers are now a regular feature at management boards, governance groups and team meetings across our partners

Over the course of 2018/19, our quarterly shared learning papers continued to be a regular feature at management boards, governance groups and team meetings across our partners. General learning points arising from our work (e.g. high priority recommendations from across our partners) and the wider local government environment have been disseminated through our regular papers with contributions from across our Assurance Services. A recurring theme arising from our internal audit work was partnership or shared service governance.

In addition to our shared learning papers and newsletters, we hosted a very well received follow-up workshop for our partners and other stakeholders building on the Local Authority Trading and Commercial Governance themes from last year, utilising the commercial expertise of our audit delivery partners BDO.

We have used our governance expertise to develop internal audit recommendation databases, update Audit Committee Terms of Reference and facilitate the Annual Governance Statement process for our partners, with the learning from one partner informing similar exercises at others.

During the year, an audit on Financial Monitoring and Business Continuity Arrangements– 3rd Party Contractors fed directly into a Member-led Scrutiny on supply, market and contractor volatility post Carillion at one of our partners. This topic has now informed several audit plans of other SIAS partners and had also featured in the 'Audit Together' newsletter to which we contribute, along with other topical issues such as Brexit Preparedness.

Our involvement with 'Audit Together', a strategic alliance of similar internal audit partnerships, our audit delivery partners (BDO) and an array of contacts through bodies such as the Local Authority Chief Auditors Network (LACAN) and Home Counties Chief Internal Auditors Group (HCCIAG) have been invaluable in sharing experiences, points of practice and ideas that help us to develop as a service in response to client need and the ever-evolving field of internal audit. Our staff, partners and Audit Committee members continue to provide helpful challenge, which causes us to pause and think about matters big and small, whether about assurance levels, recommendation priorities, professional judgement and intellectual curiosity or about our skills, performance, systems and culture.

Developing our People and Processes

SIAS is committed to providing its services to clients in the most cost effective and resilient way possible, while giving the service the management and performance information it needs to support decision making and work allocation processes. The development of our in-house time recording, and audit plan management system is an excellent example of a service development that has delivered on both counts.

The technology for the new systems is based around established Microsoft products (Excel and Access) and the costs associated with system maintenance are absorbed within existing corporate overheads. This has allowed the Service to not only secure a financial saving of circa £3,000 per annum but, more importantly, to future proof its existing business processes.

Building on these recent developments, SIAS has introduced an online, real-time performance dashboard that allows our team to track their individual performance against targets, review their work allocation and monitor progress of audit delivery. This has been integrated into the monthly one-to-one meetings the team has with their line managers, as well as the formal appraisal (PMDS) process.

We also commenced the process of reviewing and updating our Internal Audit Manual. This is a comprehensive set of working documents designed to inform, direct, guide and train internal auditors within the team, and includes things such as our vision, structure charts, policies, audit methodology, quality control arrangements and working paper and report templates.

New assurance levels and internal audit recommendation priorities were introduced across our partners and became 'business as usual' as the year progressed.

Processes of course mean nothing without skilled team members to meet the ever-changing demands on a modern internal audit service. We rolled out a Training and Skills Matrix based on the Chartered Institute of Internal Auditors (CIIA) Core Competency Framework, the Internal Audit Apprenticeship and the requirements of the Public Sector Internal Audit Standards to identify opportunities for collective and individual improvement and development. The results will inform a training, development, skills and succession planning project in 2019/20 (see Future Developments below).

We also successfully recruited two Trainee Auditors, one of whom is the first in our team to embark on the new Internal Audit Apprenticeship. One of our Client Audit Managers was the public sector representative on the CIIA / Barclays Learning and Development Forum that developed the Apprenticeship Standard in the first instance.



Service developments delivering cost effectiveness and resilience, while informing decision-making

Skilled team members to meet the ever-changing demands on a modern internal audit service

“A professional and friendly service which will provide value...”

First Class Customer Service

In order to monitor our effectiveness and improve our service, at the end of each assignment we request the completion of a short satisfaction survey. We have been given and have acted upon invaluable improvement ideas, and we are proud of the fact that in 2018/19 we have received 100% satisfactory or higher feedback rating from our customers; an improvement on the previous year.

Some of the comments that accompany the formal scoring document are shown below:

“Auditor astute and approachable. A number of insightful queries regarding process and record keeping were made to inform the assessment.”

“Excellent service conducted by experienced Auditor with a wealth of experience who understood our processes and systems.”

“A professional and friendly service which will provide value to the strategic direction of ICT at Hertsmere”

“Auditor was really good during the process, asking us questions and probing us when necessary. It was good to complete this to make sure we are following the correct processes and to have formal confirmation that we are doing everything that we should be doing to a high standard.”

“The service received was professional and took the time to investigate the issues surrounding this project. At the same time officers were easy to communicate with putting me at ease with the process. At all times I felt that there was a genuine desire to identify any issues and concerns without being onerous or overbearing to reach a predetermined outcome. There was no prejudgement of the situation and I had plenty of opportunities to ask for clarifications throughout the process.”

“Outstanding service. Thank you for the advice and help. Very happy with the service provided. ‘The auditor’ gave excellent advice which was very helpful. Thank you”

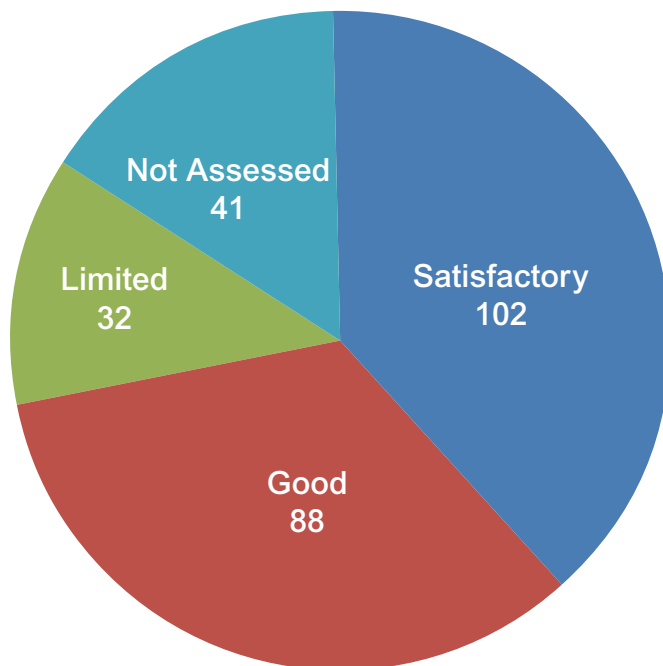


Performance - Outcomes

SIAS completed 263 assurance and other projects to final report stage, giving the assurance opinions and recommendations detailed in the charts below.

For those pieces which resulted in a formal assurance opinion, the distribution of opinions is set out in figure 3 below:

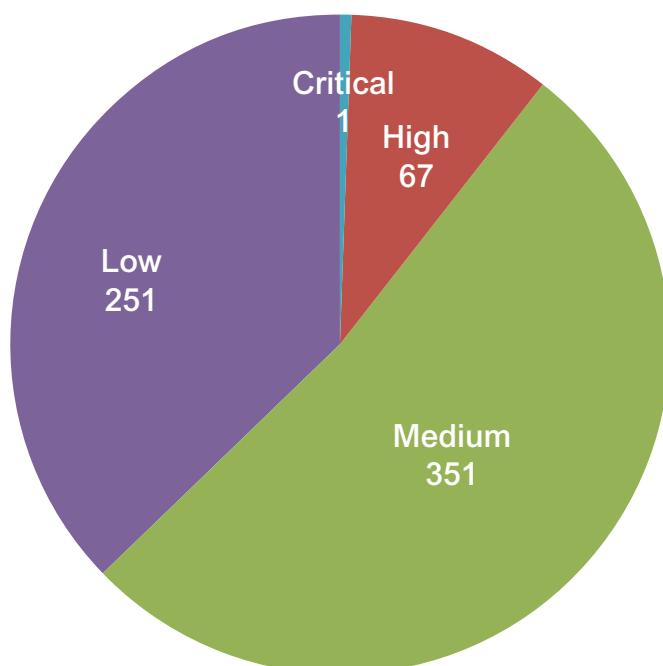
Figure 3: Distribution of Audit Opinions 2018/19



263 assurance and other projects identifying 670 recommendations

For those audits where recommendations were required, the priority ratings are set out in figure 4 below:

Figure 4: Prioritisation of Recommendations 2018/19



Performance Indicators

The overall business performance of SIAS is monitored by the SIAS Board by means of a balanced scorecard which provides a range of measures by which progress can be evaluated.

The overall performance of SIAS against our key performance indicators is reported below.

Table 1: SIAS Business Performance

Indicator	Target	Actual as at 31 March 2018	Actual as at 31 March 2019	Commentary
Progress against plan: actual days delivered as a percentage of planned days.	95%	94%	96%	Despite continued resilience challenges in year, the service achieved both of its targets.
Progress against plan: audits issued in draft by 31 March	95%	93%	95%	
Client satisfaction	100% client satisfaction questionnaires returned at 'satisfactory overall' level or above	97%	100%	Continued good performance in this area

Financial Performance of SIAS

SIAS began operating on a fully traded basis in 2012/13.

Appendix A sets out the summary financial position at 31 March 2019. The partners determined that the service should aim to build a reasonable surplus and to consider the financial position of the service on a three-year rolling basis.

The intention of this is to smooth the impact of any unforeseen events impacting on trading performance in future years.

Future Developments



The SIAS Service Plan for 2019/20 is divided into four themes focusing on People, Performance, Position and Process. This facilitates undertaking service development in a structured and methodical way to achieve our vision of being an exemplar shared service at the leading edge of audit service delivery.

The SIAS Management Team held an away afternoon in April to develop the main ideas in our 2019/20 Service Plan. A number of 'quick wins' were identified, as well as three projects that we would like to complete ahead of our next peer review required by the end of 2020. The projects centre on the following:

- a) Training, skills, development and succession planning (People theme),
- b) Work allocation (Performance theme), and
- c) Updating and improving the SIAS profile and content on partner intranet and websites, as well as Schools Grid (Position theme)

The changing face of service delivery within Local Government also presents the Service with new opportunities, challenges and demands and a need to provide higher levels of consultancy advice, evolve our knowledge and skills, and apply new approaches and techniques to the work at hand. The increased use of, or access to, data analytics tools is likely to become a key feature in the work of the Service going forward. The use of these tools will allow the Service to facilitate delivery of the widest coverage of process driven areas.

Our Board Members

The SIAS Board provides strategic direction and oversight for the partnership, bringing a wealth of local government experience and insight to our operation.

In 2018/19, our Board members were as follows:

Name	Title	Partner
Clare Fletcher	Assistant Director (Finance and Estates)	Stevenage Borough Council
Sajida Bijle	Corporate Director	Hertsmere Borough Council
Steven Pilsworth	Interim Director of Resources	Hertfordshire County Council
Ian Couper	Service Director (Resources)	North Hertfordshire District Council
Ka Ng	Executive Director – Resources, Environment and Cultural Services	Welwyn Hatfield Borough Council
Isabel Brittain	Head of Strategic Finance and Property	East Herts Council
Jo Wagstaffe	Shared Director of Finance	Watford Borough Council and Three Rivers District Council
Terry Barnett	Head of Assurance	SIAS



Appendix A - SIAS cost centre: revised budget against outturn 2018/19

	Budget £	Outturn £
Salaries & Salary Related	1,054,410	980,670
Partner / Consultancy Costs	95,875	137,313
Transport	8,500	7,313
Supplies	18,483	9,890
Office Accommodation Cost	17,005	17,005
Total expenditure	1,194,273	1,152,191
Income	1,209,339	1,220,711
Net (surplus) / deficit	(15,066)	(68,520)



Appendix B - Definitions of Assurance Levels and Priority of Recommendations

Assurance Level	Definition
Good	The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory	The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited	The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No	The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.

Priority Level		Definition
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
Service	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.



EAST HERTS COUNCIL

PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE 31 JULY 2019

REPORT BY CHAIRMAN OF PERFORMANCE, AUDIT AND GOVERNANCE WORK PROGRAMME

WARD(S) AFFECTED: *none*

Purpose/Summary of Report

- To invite Members to review and determine the future work programme of Performance, Audit and Governance Oversight Committee.

RECOMMENDATION FOR PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE DECISION: That Members	
A	Agree the main agenda items for the next meeting; and
B	Agree the draft work programme for the remainder of the year. (Essential Reference Paper B attached).

1.0 Background

- 1.1 Items previously required, identified or suggested for the PAG work programme are set out in **Essential Reference Paper 'B'**.

Report

- 2.0 The draft agenda for 24 September 2019 meeting of PAGO Committee is shown in **Essential Reference Paper 'B'**. Members are asked to confirm that these are the key items they wish to consider.
- 2.1 **Essential Reference Paper "B"** also sets out provisional items for future meetings of the committee. Whilst the timing of

some items shown may have to change depending on availability of essential data (eg. from central government), members are asked to consider the future programme and add, remove or move items as they see fit.

2.2 Members are asked whether there is any training relevant to the function and remit of the PAG Committee that they wish to suggest.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers: none

Contact Member: PAG, Committee Chairman: Councillor M Pope
mark.pope@eastherts.gov.uk

Contact Officer: Alison Stuart, Head of Legal and Democratic Services
alison.stuart@eastherts.gov.uk

Report Author: Michael Edley: Interim Support Officer
Mike.edley@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS: PAGO Work Programme

Contribution to the Council's Corporate Priorities/ Objectives	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	Committee members and officers
Legal:	None
Financial:	<i>NONE</i>
Human Resource:	None
Risk Management:	<i>NONE</i>
Health and wellbeing – issues and impacts:	None
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	NONE
Environmental Sustainability	NONE

This page is intentionally left blank

Performance, Audit & Governance Oversight (PAGO) Committee

Work Programme 2019/20 – DRAFT

[NB: This is a working document and is likely to be subject to ongoing amendments]

?? May 2019	
Topic	Lead Officer
Risk Management Annual Report	Isabel Brittain, Head of Strategic Finance Author: Graham Mully, Risk and Insurance Business Advisor
Delivery of Housing and Health Strategy – Year 2 Review	Jonathan Geall, Housing Development and Strategy Manager
Work Programme	

31 July 2019	
Topic	Lead Officer
Annual statement of accounts	Isabel Brittain, Head of Strategic Finance Author: Rob Winterton
Annual Performance Report 2018/19	Ben Wood
Council Tax Reduction Scheme 2020/2021	Su Tarran, Head of Revenue and Benefits
Shared Internal Audit Service – update on Annual Assurance	
Shared Internal Audit Service – update on Audit Plan	

Performance, Audit & Governance Oversight (PAGO) Committee

Work Programme 2019/20 – DRAFT

[NB: This is a working document and is likely to be subject to ongoing amendments]

31 July 2019	
Topic	Lead Officer
Annual Governance Statement and Action Plan	Isabel Brittain, Head of Strategic Finance
Work Programme	

24 September 2019	
Topic	Lead Officer/s
Performance on Theme/Issue:	<i>Ben Wood</i> Isabel Brittain,
Financial Health check (April – June 2019),	
Treasury Management Strategy Review 18/19 Outturn	Isabel Brittain, Head of Strategic Finance
SAFs Annual Fraud Report 2018/19 and progress report of delivery of 2019/20 Annual Fraud Plan	Nick Jennings
SIAS Shared Internal Audit Plan and Board Report Update	Nick Jennings
Insurance options report	Graham Mully / Isabel Brittain
Work Programme	

19 November 2019	
Topic	Lead Officer
Performance on Theme/Issue:	Ben Wood,
Financial Health Check Report (July – Sept	Isabel Britain,

Performance, Audit & Governance Oversight (PAGO) Committee

Work Programme 2019/20 – DRAFT

[NB: This is a working document and is likely to be subject to ongoing amendments]

19 November 2019	
Topic	Lead Officer
2018)	
Audit Results Report	Earnst and Young
Asset Management Update	Isabel Brittain
Corporate strategic plan 2020/21 development progress.	Isabel Brittain,
Treasury Management - Mid-year Review 2018-19	
Update on the Implementation of the Annual Governance Statement 2018/19 – Action Plan	Isabel Brittain,
Work Programme	

14 January 2020	
Topic	Lead Officer
Performance on Theme/Issue:	Ben Wood
Financial Health Check Report (Oct – Dec 2019),	Isabel Brittain
Budget report & Medium Term Financial Plan	Isabel Brittain, Head of Strategic Finance
2019/20 Corporate Service Plans Progress update	Ben Wood, Head of Comms, Strategy and Policy
Annual Audit Letter and External Audit Grants Certification Summary	Natalie Clark, EY
Shared Internal Audit Service (SIAS) Update on Audit Plan	Simon Martin SIAS, HCC
Treasury Management Strategy 2019-20	Isabel Brittain, Head of

Performance, Audit & Governance Oversight (PAGO) Committee

Work Programme 2019/20 – DRAFT

[NB: This is a working document and is likely to be subject to ongoing amendments]

14 January 2020	
Topic	Lead Officer
	Strategic Finance and External Auditor from Ernst & Young
Work Programme	

17 March 2020	
Topic	Lead Officer
Performance on Theme/Issue:	Isabel Brittain, Head of Strategic Finance
Financial Health Check Report (Jan–March 2020),	
External Auditor 2018-19 Audit Plan	External Auditor Ernst & Young
Shared Anti-Fraud Service with draft plan for 2019/20 for approval	Nick Jennings HCC
Shared Internal Audit Plan (SIAS) 2019/20	Simon Martin SIAS, HCC
SIAS Audit Plan Update	As above
Insurance options report	Graham Mully / Isabel Brittain
Annual Review of Risk Management Strategy	Isabel Brittain, Head of Strategic Finance/Graham Mully, Risk and Insurance Business Advisor
Annual risk report	Isabel Brittain, Head of Strategic Finance/Graham Mully, Risk and Insurance Business Advisor
Work Programme	

Performance, Audit & Governance Oversight (PAGO) Committee

Work Programme 2019/20 – DRAFT

[NB: This is a working document and is likely to be subject to ongoing amendments]

Other items/notes:

- **Financial Health check Reports** (Isabel Brittain, Head of Strategic Finance)

Finance will continue to provide quarterly finance health checks for 2019-20.

These reports include risk management except for the outturn report when

the annual risk report is submitted independently.

The dates for the quarterly finance health checks to go to PAG are as follows:

Quarter 1 (April – June 2019) PAG – 4/09/2019

Quarter 2 (July – September 2019) PAG – 21/11/2019

Quarter3 (October – December 2019) PAG – 17/03/2020

Outturn (full year 2018/19) PAG – will go to PAG in July 2020

- **Performance:** Members will focus on specific issues/themes at each meeting allowing them to explore issues on connected KPIs in a more detailed manner. On 31 July members will take a view on what issues they wish to look at for each future meeting.
- **Complaints lodged with the monitoring officer** (Alison Stuart, Head of Democratic and Legal Support Services) - This will be as and when there are updates to report.
- **Changes to Constitution Review Update** (Alison Stuart, Head of Democratic and Legal Support Services): As and when there are updates to report.
- **Shared Anti-Fraud Service (SAFS):**
November reports: *Progress - Anti-Fraud Plan 2018/2019 & SAFS/EHC Anti-Fraud Report 2017/2018.*
March report: *SAFS/EHC Anti-Fraud Plan 2019/2020.*

Performance, Audit & Governance Oversight (PAGO) Committee

Work Programme 2019/20 – DRAFT

[NB: This is a working document and is likely to be subject to ongoing amendments]

- **Shared Internal Audit Service (SIAS):**

31 July 2019: Shared Internal Audit Service – update on Shared Internal Audit Service – update on Annual Assurance; and Audit Plan

4 September 2019: SIAS Shared Internal Audit Plan Update; Annual SIAS- Board Report 2018-19;

14 Jan 2020: Shared Internal Audit Service (SIAS) Update on Audit Plan

17 March 2020: Shared Internal Audit Plan (SIAS) 2019/20; SIAS Audit Plan Update

PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT – Deadlines for Papers

DATE OF MEETING	REPORT DEADLINE (midday)
21 May 2019	8 May 2019
31 July 2019	11 July 2019
24 September 2019	14 September 2019
19 November 2019	5 November 2019
14 January 2020	3 January 2020
17 March 2019	3 February 2020