



James Ellis  
Head of Legal and Democratic  
Services

**MEETING** : AUDIT AND GOVERNANCE COMMITTEE  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : THURSDAY 29 SEPTEMBER 2022  
**TIME** : 7.00 PM

### **PLEASE NOTE TIME AND VENUE**

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### **MEMBERS OF THE COMMITTEE**

Councillor Mark Pope (Chairman)  
Councillors A Alder, S Bell, K Crofton, R Fernando, A Huggins and  
A Ward-Booth (Vice-Chairman)

### **Substitutes**

Conservative Group: Councillors J Burmicz and A Curtis

Liberal Democrat Councillor M Goldspink

Group:

Independent Group: Councillor

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

### **CONTACT OFFICER:**

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- 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;
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## **AGENDA**

1. Apologies

To receive any apologies for absence

2. Minutes - 19 July 2022 (Pages 6 - 16)

To approve as a correct record the minutes of the meeting held on 19 July 2022.

3. Declarations of Interest

To receive any declarations of interest.

4. Chairman's Announcements

5. Transforming East Herts Programme - Full Business Case Report (Pages 17 - 60)

6. Annual Governance Statement 2021/2022 (Pages 61 - 101)

7. 2021/2022 Provisional Outturn

Report to follow.

8. Financial Management 2022/2023 - Quarter 1 Forecast to Year End

Report to follow.

9. Strategic Risk Register - Monitoring - Quarter 1 2022/23 (Pages 102 - 141)

10. Audit and Governance Work Programme (Pages 142 - 155)

11. Urgent Items

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to

involve the disclosure of exempt information.

# Agenda Item 2

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MINUTES OF A MEETING OF THE  
AUDIT AND GOVERNANCE COMMITTEE  
HELD IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON TUESDAY 19  
JULY 2022, AT 7.00 PM

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PRESENT: Councillor M Pope (Chairman)  
Councillors S Bell, R Fernando and A Ward-Booth

ALSO PRESENT:

Councillors P Ruffles

OFFICERS IN ATTENDANCE:

Michele Aves	- Democratic Services Officer
Ben Wood	- Head of Communications, Strategy and Policy

ALSO IN ATTENDANCE:

Darren Bowler	- Shared Anti-Fraud Service (SAFS)
Simon Martin	- Shared Internal Audit Service

99 APOLOGIES

There were apologies for absence from Councillors Alder, Crofton and Huggins.

100 MINUTES - 31 MAY 2022

It was moved by Councillor Ward Booth and seconded by Councillor Fernando, that the minutes of the Meeting held on 31 May 2022 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote take, this motion was declared CARRIED. It was noted that Councillor Bell abstained from the vote as she was not present at the meeting.

**RESOLVED** – that the Minutes of the Committee meeting held on 31 May 2022 be confirmed as a correct record and signed by the Chairman.

101 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded all participants to use their microphones when speaking as the meeting was being webcast.

The Chairman sent the Committee's warmest regards to Nick Jennings from the Shared Anti-Fraud Service (SAFS), and wished him a speedy recovery from recent ill health. He welcomed Darren Bowler, Counter Fraud Manager from SAFS to the meeting.

102 DECLARATIONS OF INTEREST

There were no declarations of interest.

103 TRAINING - SHARED ANTI-FRAUD SERVICE - FRAUD AND CORRUPTION AWARENESS FOR ELECTED MEMBERS

The Counter Fraud Manager from The Shared Anti-Fraud Service (SAFS) gave a training presentation to Members on 'Fighting Fraud in Partnership'. He explained what fraud was and the reasons as to why it was committed, referring to Dr Cressey's Fraud Triangle.

Members were advised of the essential role they played in protecting the public purse, and were directed to a must read reference book (the link for which had been provided in the presentation slides).

The Counter Fraud Manager explained the membership of SAFS, their joint working partnerships and their capabilities. He provided Members with case studies and confirmed that the training slides would be made available to all Members in the next edition of the Members Information Bulletin.

The Chairman asked why there were not more members of SAFS. The Counter Fraud Manager said that there were other Local Authorities interested in joining, which he hoped would happen as the service was a great model which offered a bespoke service to each Authority.

The Chairman asked for an update on the Fraud Hub. The Counter Fraud Manager said that that there had been IT problems, but that it was in progress, and was a great idea.

The Chairman asked if councils were affected by reputational damage from fraud. The Counter Fraud Manager said that it was a double edged sword, as Authorities needed to acknowledge incidents and put



procedures in place to avoid repeat occurrences. He said that in his experience, publicity from fraud incidents was not seen negatively, especially when monies were recovered and/or offenders prosecuted.

The Chairman thanked the Counter Fraud Manager for his presentation.

**RESOLVED** – that the presentation be received.

104 ANTI-FRAUD REPORT 2021/2022

The Counter Fraud Manager introduced the report. He explained how the Shared Anti-Fraud Service (SAFS) was a shared service of which East Herts was a founding member of in 2015, and how it provided a counter fraud function for the council and six others across Hertfordshire and Bedfordshire.

The Counter Fraud Manager advised that the report gave details of the work of both the council and SAFS in 2021/22. He provided Members with some background on SAFS, and explained how it provided a variety of functions for the council to help develop policies and processes to deter fraud.

The Counter Fraud Manager said that SAFS helped to design an anti-fraud plan for the council each year, and directed Members to Appendix A of the report which provided a copy of the 2021/22 Anti-Fraud Plan for the council, which was approved by the Committee in March 2021.

The Counter Fraud Manager said that as usual SAFS had deployed one Counter Fraud Officer to work exclusively for the council in 2021-2022. He explained how this Officer was managed by SAFS and had access to SAFS intelligence, data analytics and financial investigation expertise at all times.

He said that during 2021-22 SAFS worked closely with East Herts Officers on a review of Anti-Fraud policies for publication, and were also working with the council's Human Resources Team to update a number of Fraud related e training packages.

The Counter Fraud Manager said that the effects of Covid continued to impact on SAFS work throughout the year, and although the service was well placed in its working practices to be able to minimise this impact there were some areas which were out their control, as detailed at page 21 of the report.

The Committee heard how SAFS resources were deployed, including the support given to the council with the administration of various Covid grant schemes, and the twenty fraud and cyber alerts issued to Council Officers in 2021/22.

The Counter Fraud Manager said that the reporting of fraud had declined in 2021/22 compared to previous years, and that it was thought that staff working from home may have resulted in some loss of 'visibility' for SAFS and fraud. In response to this he said that the service was working hard to improve their presence across all council services, and continued to build on the council's anti-fraud culture, including in respect of housing fraud.

The Counter Fraud Manager gave Members an overview of the results achieved by SAFS for 2021/2022, and was pleased to advise the Committee that all but one of the Key Performance Indicators agreed as part of the Plan for 2021/22 had been achieved or exceeded. He concluded by saying that an update of work to date for the first quarter of the year, including the work on revised policies could be seen at page 29 of the report.

The Chairman referred to page 24 of the report and asked if the number of 'failed' referrals by outcome was a typical number. The Counter Fraud Manager said that this was typical, and explained how the service received a lot of referrals which could not be developed due to the sparse information given, or by virtue that they need to be passed onto a different team.

Councillor Bell referred to paragraph 4.3 on page 29 of the report, and asked if the estimated fraud loss attributed to the allegations received by the service was proportionate to a council similar in size to East Herts. The Counter Fraud Manager said that it was comparable, and explained that the use of estimates was a good way for SAFS to identify the differences in the types of fraud being suffered by councils and therefore the areas which required work.

Councillor Fernando asked for clarification of paragraph 2.33 on page 27 of the report. The Counter Fraud Manager apologised for a typing error in this paragraph, and confirmed that the word 'good' needed to be removed from the first sentence. He said that

East Herts had not used the Council Tax Review Framework in 2021/2022 and so would not to be charged for this.

The Chairman asked about the Council's money laundering policy. The Counter Fraud Manager said that this was one of the policies being worked on. He explained that councils do not have to have a money laundering officer, but that this was best practice. He said that the use for such an Officer was minimal but the training overwhelming, and that SAFS were to take over this function. The Counter Fraud Manager gave examples of scenarios where the council may encounter potential money laundering situations.

The Chairman congratulated the Counter Fraud Manager for his report. He summarised that Members had had an opportunity to examine and comment on the work done in 2021/2022 to combat fraud, and to review the performance of SAFS in meeting its key performance indicators.

**RESOLVED** – that the report be considered and received.

#### 105 SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT

The Shared Internal Audit Manager introduced the report, advising Members that it was the first progress report for 2022/2023. He said that there had so far been no changes to the audit plan. He listed the reports key points, and referred to the two high priority outstanding items as detailed in Appendix B. He said that an update would be circulated by email to Members in the next few days.

The Chairman thanked the Shared Internal Audit Manager for his report. He said that the council was broadly where it should be for the time of year, and asked if technology was being used to streamline processes. The Shared Internal Audit Manager said that data analytics had been embedded into their work, but were best used on audits which had a large data set. He said that they were currently a few audits behind the work programme due to recruitment/retention challenges, which was an issue for many audit services.

The Chairman said that it was good that there were no other high/critical actions outstanding. The Shared Internal Audit Manager said that there was work in progress with regards to cyber security, for which management response had just been received. He said that this would therefore be circulated to Members shortly.

It was moved by Councillor Fernando and seconded by Councillor Bell that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared carried.

**RESOLVED** – that (A) the Internal Audit Progress Report be noted;

(B) that the status of the critical and high priority recommendations be noted.

The Head of Communications, Strategy and Policy introduced the report, outlining the Community Asset Register and its associated legislation. He said that it was good practice for the Committee to have an oversight of the register, and explained how it protected communities from losing their local assets.

The Head of Communications, Strategy and Policy said that at the time of writing the report there were twenty six Assets of Community Value in East Herts. There had now been one change to this, as the owner of the Countryman Inn had since given notice to sell. He referred to paragraph 2.15 of the report which detailed five further assets which were in the process of being registered and explained that Ley Parkland in Much Hadham was now unfortunately null and void.

The Chairman asked if Members were being advised when an asset was listed or renewed. The Head of Communications, Strategy and Policy said that there was a recommendation made at last year's meeting to alert Members when an asset in their Ward was renewed or listed. He said that this was now happening.

The Chairman thanked the Head of Communications, Strategy and Policy for his comprehensive report, and confirmed that it was useful for the Committee to see this once per year. He summarised that Members had had an opportunity to examine and comment on the Assets of Community Value Report 2022.

**RESOLVED** – that the report be considered and received.

107 AUDIT AND GOVERNANCE WORK PROGRAMME

The Chairman said that the Work Programme did not appear to have altered since the last meeting of the Committee. He said that the final audit accounts had not been available at the meeting, and so it was assumed they would be received in time for the September agenda and feature alongside the relevant training.

The Chairman noted that there was currently no training programmed for the meeting of the Committee in November, and he asked for any suggestions from Members as to what was required. The Shared Internal Audit Manager suggested that cyber security was a training option, and stated that he would make enquiries regarding who could provide this. The Chairman said that this would be useful and asked for this training request to be noted.

It was moved by Councillor Bell and seconded by Councillor Fernando, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) the Work Programme, as detailed in the report be approved;

(B) that any training requirements be specified.

108 URGENT ITEMS

There were no urgent items.

The meeting closed at 8.07 pm

Chairman .....

Date .....



## **East Herts Council Report**

### **Audit & Governance Committee**

**Date of meeting:** 29 September 2022

**Report by:** Steven Linnett, Head of Strategic Finance & Property

**Report title:** Transforming East Herts Full Business Case

**Ward(s) affected:** All

**Summary – This report presents the full business case for Transforming East Herts investment programme to reduce the net cost of operating the council, increase efficiency, deliver improvements in customer service and upskill and empower staff as part of requirements to deliver a financially sustainable council.**

### **RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:**

- a) Endorse the Transforming East Herts Full Business Case as approved by the Executive.

#### **1.0 Proposal(s)**

- 1.1 The Transforming East Herts full business case delivers the investment to deliver the principles of agile working and transformation of the council in order to ensure the council is financially sustainable and to protect the services supplied to our residents.

#### **2.0 Background**

- 2.1 The council has undergone significant change over recent years, facing pressures linked to the UK economic and

wider global downturns and more recently Brexit uncertainty, Covid19 and war in Europe. As noted in the budget report approved by the Full Council and reports later this year, the requirement to find ongoing revenue savings will continue with £4 million already saved from annual running costs and £1 million to come from the Transforming East Herts programme.

2.2 Council on 2 March 2021 mandated a Transformation Programme with the objectives as listed below.

2.3 The Transformation Programme will be delivered alongside savings plans. Savings from the programme will be calculated and agreed for delivery as the Programme evolves. The aims of the programme are:

2.3.1 Ensuring our staff teams are resourced appropriately, allowing us to focus on our corporate plan priorities;

2.3.2 Accelerating a number of operational projects to improve efficiency such as bringing together administrative and business support functions;

2.3.3 Recognising the need to drive and realise a more commercial approach to how the council operates;

2.3.4 Ensuring flexibility and collaboration – working across council services and with partners to share expertise, capacity and space;

2.3.5 Consulting with our residents to understand what services they find most useful and why;

2.3.6 Undertaking an agile working review to:

2.3.6.1 transform existing working practices to ones that are more effective and efficient and ensure that previous investment in technology is being fully utilised to support

agile working, starting with the finance system

2.3.6.2 create a culture which acknowledges that it is about the work you do not where you do it

2.3.6.3 maximise customer self-service and digital engagement

2.3.6.4 identify and then deliver new ways of working smarter through IT and technology solutions that will underpin how we collaborate and communicate; and

2.3.6.5 review our future office and space needs and ensure that we have the right space of the right size in the right place.

2.4 The Full Business Case presents the investment needed to deliver on these requirements and the anticipated payback through savings.

### **3.0 Reason(s)**

3.1 To deliver, firstly and most importantly, a financially sustainable council by transforming the operations of the council and the amount of office space required. Secondary benefits will include customer service improvements and more efficient operations.

### **4.0 Options**

4.1 Endorse the Full Business Case – **recommended**.

4.2 Not endorse the Full Business Case – **not recommended** – as this would require an alternative strategy of service cuts to deliver the savings targets.

### **5.0 Risks**

5.1 These are contained in Appendix A

## **6.0 Implications/Consultations**

### 6.1

#### **Community Safety**

No

#### **Data Protection**

See Appendix A

#### **Equalities**

See Appendix A

#### **Environmental Sustainability**

See Appendix A

#### **Financial**

See Appendix A

#### **Health and Safety**

See Appendix A

#### **Human Resources**

See Appendix A

#### **Human Rights**

No

#### **Legal**

See Appendix A

#### **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

### 7.1 Appendix A Transforming East Herts Full Business Case

*Contact Member*

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# Transforming East Herts Business Case

Final- 04/07/2022

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# 1. Executive Summary

## Thorny problems

East Herts Council is facing two serious issues which, in large part, are intertwined.

- We have clunky systems that simply get in the way of customers interacting with us in an easy, 24/7 way. For example, why do we often make it so difficult to pay us, report a problem or track how we are dealing with something a resident has already raised? Currently so much contact with us is funneled to the telephone because our internet-based self-service offer is so limited. We need to free up resources so that we have the time to speak on the phone with those residents who really need to communicate with us in this way.
- We are facing a £2.6m hole in our revenue budget. If this wasn't bad enough, out-of-date systems which demand duplication of officer effort or positively act against collaboration mean we are wasting the resources we have on 'double-keying' information we elicit from our customers or responding to complaints that would never have arisen if we had 'single view of the customer' from the get-go.

Something has to change and that change has to be transformational.

## Transformational change

The Transforming East Herts programme aims to tackle the dual headaches of systems and process that are past their sell by dates and finances that don't stack up. At the outset, the objective was set for the Transforming East Herts programme to deliver at least £1m in savings to contribute to the overall need for £2.6m.

The private sector and growing numbers of public sector organisations understand that people are increasingly turning to online and mobile methods of communicating and conducting transactions. We, like all local authorities, are now facing increasing demands from residents and government alike to embrace digital technology. We need catch up and do so at pace.

The Transforming East Herts programme will enable the council to continuously improve the lives of our residents, businesses and visitors by delivering what they require in a way which suits them and provides best value for taxpayers. Research by the Office for National Statistics, published in 2021, shows that 93% of people in Hertfordshire used the internet in the previous three months in 2020 (the latest available figures). This figure is higher than either the East of England or UK-wide percentages of 92.2% and 92.1% respectively. Clearly, East Herts residents are major users of the internet in their everyday lives, although of course



a small number will continue to rely on telephone and face-to-face contact for a few years to come. We will not be dis-enfranchising any part of the community through the delivery of this programme. On the contrary, delivery of the programme will allow those who can to use the website for end to end transactions thereby reducing the volume of telephone calls to the council. This will mean that those who have to use the telephone will have their call answered quickly and the time spent on the call reduced because customer services staff will be using a single system instead of the current 15 systems.

Economic, demographic and technological pressures are forcing councils to re-think the way they deliver and this has left councils with difficult choices about reducing levels of service, increasing charges, changing and reducing their ambitions or innovating and changing what they do.

This business case sets out a detailed plan to re-model the council around customer outcomes and maximise self-service so that our specialist officers can focus on complex cases. It builds on the concept of blended and mobile working and creates a major opportunity for the workforce to work differently by removing unnecessary processes and organisational silos.

## **New ways of organising ourselves**

This report lays out a Future Operating Model (FOM) for the council, an implementation plan for a radical transformation of our technology architecture and a benefits realisation forecast to support the investment. This will be underpinned by significant people and culture change and the embracing of commercial aspirations.

## **Delivering financial benefits**

The current staffing numbers or FTEs (full time equivalents) posts have been mapped from activity analysis and a finance reconciliation of establishment and actual FTEs. As a result of this, a programme of staffing and service redesign has been assessed to enable transition to a FOM. As a result of this assessment, the number of FTE posts across the organisation would reduce by circa 10%.

In addition, a series of further service redesign and cost avoidance measures are proposed which do not impact on staffing changes. These amount to circa £440k. Furthermore, there are proposals for income generation in the region of totaling £250k.

Each of the figures has been rated as to the deliverability of the proposed benefits. For the purposes of the business case acid test, the aspirational savings, the most difficult to deliver, have been excluded for the purposes of ensuring the deliverable elements pay back the investment. The savings considered deliverable stand at £1.706 million. We have therefore

assumed that by 2025/26, the council will benefit from an improved annual revenue position of £1.706 million.

To support the significant change envisaged, there are a number of implementation costs which are described in the business case. These include external partner support, potential redundancy and digital costs. These costs total £1.612 million. These are essential to delivering a new operating model to support the deliverable annual savings of £1.706 million and total potential savings of £1.937 million. This results in payback over 1 year once the council has transitioned to the future operating model. The Medium Term Financial Plan will be predicated on these estimated costs and savings. The savings totals do not include items which cannot yet be quantified and include:

- potential increases in income arising from reviewing charges using the new Fees & Charges Policy which will commence from August 2022 with revised fees being built in from 2023/24 subject to Council approval as part of the Budget and MTFP process
- potential Shared Service opportunities are being explored as part of the Service Review Work Strand but these are in the discovery phase. Should they progress from the discovery phase then this total will be increased by any savings that are identified in the outline business case
- potential income from leasing space at Wallfields has not been included at this stage whilst officers explore the potential to let space “as is”, which would only be attractive to a very small number of potential tenants, and ascertain the refurbishment costs to bring space up to a market lettable standard to judge payback on the improvements.

There are no real, deliverable alternatives to this approach other than a continued reduction of front line and back office services over the course of the next five years and beyond. The resulting retraction of services would undermine the council’s corporate priorities and members’ aspiration that East Herts remains one of the best places in the county to live, work and visit.

## 2. East Herts Context

It needs to be recognised that advances in technology and changes in customer and resident behaviour mean different forms of service delivery are now possible.

The business sector has started to embrace different ways of working and provide services through different routes. This has been embraced by parts of local and central government, such as the DVLA, and has been accelerated during the Covid pandemic with the introduction of, for example, electronic vaccine passes.

An important lesson from the business sector is that the full benefits of channel shift and new technology cannot be derived from simply bolting on a new system to existing business models and service delivery; the whole business and operating model needs to be reviewed and transformed.

East Herts' corporate plan 'East Herts: a place to grow' and the work of the Transforming East Herts programme to date, reported to the Executive on 6<sup>th</sup> July 2021 and 23<sup>rd</sup> November 2021, recognise many of these challenges:

### **Improving customer experience, including access through digitisation (Customer Relationship Management – CRM)**

The vision for the Transforming East Herts programme approved by the Executive on 6<sup>th</sup> July 2022 is *'By 2025 East Herts Council will be a customer focused, financially sustainable, effective organisation with flexible, empowered employees'*.

The council's corporate plan states, *'The way people work, interact, and access goods and services is changing rapidly... the council will continue to transform its own services so they are more customer responsive and maximise the use of digital technology'*.

In order to deliver key objectives of the Transforming East Herts Programme, implementation of a new CRM system is recommended, with a total of up to £487k funded from the council's £3m corporate reserve transformation budget.

Through the digitisation of processes across the council's services, efficiencies will be achieved to enable officers to focus on higher priority work and/or provide greater direct customer support to those who require it.

With CRM, ('My East Herts'), a full 360-degree view of the customer can be created, regardless of who in the organisation is liaising with the customer. It also provides the opportunity to:

- Personalise communication

- Offer relevant content and service
- Respond quickly to customer requests
- Gain customer satisfaction feedback
- ....and ensure that no question goes unanswered

By having modern 24/7 online self-serve functionality, customers will have greater accessibility to relevant council services, as well as delivering a significantly improved customer experience.

The implementation of a CRM system and resulting channel shift will be key to securing the anticipated cost savings in the separate Corporate Business Support hub transformation piece. The following way forward is recommended, as it avoids the greatest risks to achieving the anticipated cashable savings brought about through the development of a Corporate Business Support hub:

- Drive out inefficient processes through the implementation of a CRM system, funded from the council's corporate reserve transformation budget
- Improve the customer experience and journey
- Reduce avoidable contact – direct this time to those customers who need specific assistance or to higher priority work
- Analyse and use the intelligence gained through the rollout of the CRM system and efficiencies achieved to feed into the central support resource (Corporate Business Support hub) service review to inform required resourcing going forward
- Deliver an efficient and effective Corporate Business Support hub, meeting the needs of the council and its customers
- Realise significant anticipated year on year cashable savings
- Meet corporate priorities and objectives of the council's transformation programme

### **Benefitting from a flexible and skilled workforce**

The report to the Executive on 6<sup>th</sup> July 2021 introducing the Transforming East Herts programme outlined the potential to be derived from a more flexible and skilled workforce; *'Working remotely has become a way of life for many but it is recognised that better collaboration takes place face to face and it is recognised that not all officers or members have found the transition as easy as others. Through Transforming East Herts it is proposed that blended, flexible ways of working are adopted to help reduce the councils carbon footprint, supporting*

*sustainability, reduce the required office space’.*

The report to the Executive went on to explain that the Transforming East Herts programme provides an *‘opportunity to review how the council services are delivered to the customer and what we can achieve as an organisation to serve our residents even more efficiently and effectively’.*

In short, through the Transforming East Herts programme staff will have the ability to work more efficiently for the customer and our workforce plan development will set out future requirements for the organisation. We will continue to develop our skilled workforce with more digital skills, agility and a more flexible, coordinated approach to working across services.

### **Ensuring a sustainable budget**

Crucial to the Transforming East Herts programme is that we ensure we are *a ‘financially sustainable council by transforming the staff and operations of the council and the amount of office space required’.* Thus:

- we will ensure we have proper arrangements in place for securing financial resilience. The Medium Term Financial Plan details our financial position and the resources allocated to service areas and capital projects that will enable the council priorities to be delivered
- proposals to resolve potential short and longer-term deficits have been developed and will continue to be as integral means of achieving the overall aspirations of the Transforming East Herts programme. Invest-to-save projects will achieve efficiencies and generate income, supporting this organisation to become sustainable in future years, whilst retaining the optimum level of value for money.

Delivery of the Transforming East Herts programme’s ambitious goals is built on the need for organisational transformation more than simply service improvement and therefore it is necessary to understand the difference between the two.

<b>Service Improvement</b>	<b>Organisational Transformation</b>
<ul style="list-style-type: none"><li>• Retain vertical service units (often termed ‘silos’)</li><li>• Improve efficiency in these verticals</li><li>• Line of business applications integrates more effectively with portal and customer management.</li></ul>	<ul style="list-style-type: none"><li>• Remodel around customer outcomes, maximise self-service, leave specialists to focus on complex/ vulnerable cases</li><li>• Data management drives delivery</li><li>• Relationships built and data shared across specialist areas that support</li></ul>

	customer requests to get things right first time (thus reducing avoidable contact)
<b>Benefits</b> <ul style="list-style-type: none"> <li>• Remove Waste</li> <li>• Reduce paper</li> <li>• Increase automation</li> <li>• Digitise end to end</li> <li>• Remove unnecessary approval processes</li> <li>• Improve access</li> </ul>	<b>Benefits</b> <ul style="list-style-type: none"> <li>• Use workforce differently</li> <li>• Remove unnecessary silos</li> <li>• Drive self-service and reduce other channels for simple cases</li> </ul>

At the heart of the council’s thinking is a drive to provide the best, most cost-effective services possible. This will require organisational transformation across the whole council.

### 3. Overview of the Future Operating Model

The over-arching ambition propelling the Transforming East Herts programme is to:

- embark upon a major programme to transform the way the council operates
- deliver services to customers in ways that more flexibly meet their needs and expectations
- deal effectively with the council's future service and financial challenges.

To do this, East Herts has developed the concept on a new Future Operating Model (FOM) that identifies a different way of working for the council.

The Future Operating Model (FOM) provides a model of how the council can deliver services to customers and how the customer will interact with the council. This provides the rationale for how the work is done and what types of roles are required to deliver the work.

Understanding the difference between the operating model and organisational model is critical in helping understand the scope of the work to be done:

- the **operating model** lays out the types of activities the council completes and how they relate to one another
- the **organisational model** provides an internal framework for how the council organises itself to deliver the operating model. This drives considerations of spans of control, levels of seniority within role families and management structures required.

Inherently there will be choices the council will need to make concerning the organisational model with regard to any further changes to teams and individuals' roles to respond to any changes in the other parts of the operating model with changes needed to move from the 'as is' situation to the 'to be' set-up.

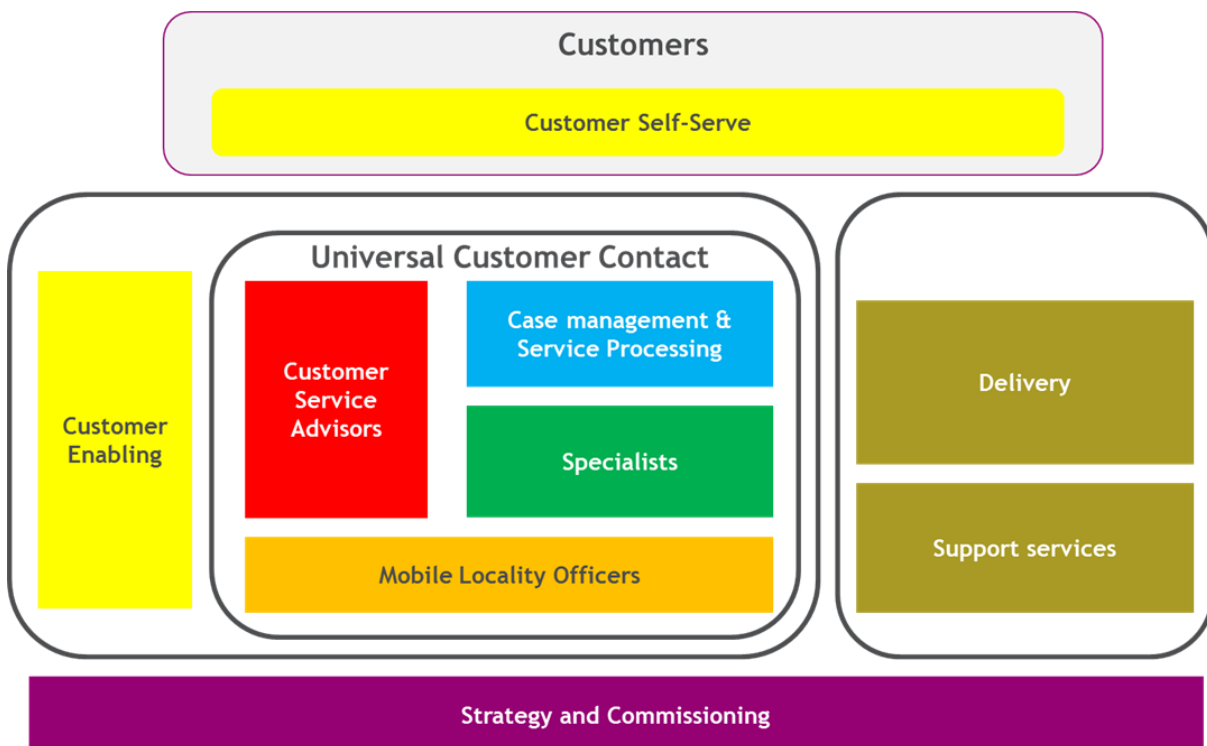
It is through the six key workstrands within the Transforming East Herts programme, first presented to the Executive at its meeting of 6<sup>th</sup> July 2021, that the shift from the 'as is' ways of working to the 'to be' structure will be delivered. The six workstrands are:

- Commercial approach
- Lean processes
- Modern workforce
- Modern workspace
- Technology

- Service reviews.

Experience gained in and from other councils indicates that a transformation programme across all these aspects is essential to release the full potential benefits of the FOM approach. Of course, the approach will need to be tailored to the East Herts context and it is recognised that based on the choices made, the organisational model will develop through detailed design aligned with our agreed design principles, local constraints and corporate ambitions.

The model as shown below has been gleaned from best practice across a number of local authorities.



The key components are:

- **Customers:** different customer groups access services in different ways. Some groups can be encouraged to self-serve online or draw on support from customer service staff only, whereas others may need to access the support of specialist staff more quickly
- **Strategy and Commissioning:** translates community/customer intelligence and political will and ambition into strategic direction, and commissions what's required to deliver this
- **Customer Enabling:** helps the community and customers to help themselves and in doing so reduce request for information and demand for services
- **Universal Customer Contact:** all activity associated with customer contact,



customer service, managing cases, resolving questions and issues (simple and complex), and scheduling input from others where required

- **Delivery:** delivery of core services, for example environmental health, waste collection, street cleaning
- **Support Services:** non-customer facing back office functions, much of which is transactional although some requires organisation-specific intelligence.

## 4. Implementation

### Moving into the implementation phase

Work is well underway on the Transforming East Herts programme. For each workstrand:

- a member of the Leadership Team has been assigned to drive forward the key actions
- a staff engagement session has been held to commence dialogue across the organisation and gather initial views
- regular check-and-challenge is provided by the council's Leadership Team.

Once this business plan has been approved by the Executive, the programme can proceed to the implementation phase.

### Change and engagement

The change and engagement work is about ensuring that all stakeholders of the programme are engaged, supported, involved and inspired. It ensures that the people of the organisation are kept informed and any potential negative views are heard and addressed.

To date, engagement has included:

- staff engagement sessions, open to all, have been held for each workstrand
- quarterly staff briefings give updates on the Transforming East Herts programme
- a 'change resilience' staff development programme has been delivered
- nine officers have been trained to the Six Sigma green belt standard to provide expertise within the lean process review programme across the council.

Further work to support the programme includes or will include:

- a new set of staff competencies that lay out the behaviours the council expects its officers to exhibit. These have been aligned to the Transforming East Herts programme and, for example, including a commercial thinking competency
- a Leadership Team development scheme to build transform knowledge and capability within the programme and ensure organisational readiness for change.

### Human Resources

Given the likely amount and pace of change, Human Resources input and expertise is essential. As noted above, considerable work has already commenced to prepare officers for

upcoming change, however, a whole schedule of Human Resource work will be required to enable the process of staff changing from one role to another in a fair, legal and equitable manner, whilst ensuring the wellbeing of all staff is considered. Some of the key elements of this work will need to be to:

- introduce the principles and required approach to manage the magnitude of the change within a Future Model transformation
- develop and deliver a short-term action plan of activities that need to be completed to prepare for implementation
- develop a plan of HR/restructure activities for implementation
- put in place any interim arrangements in readiness for implementation.

## The scope for financial savings and income

The Transforming East Herts programme has identified three broad means of delivering financial sustainability for the council. These are:

- **staffing redesign** – realigning functions and consequently defining new teams and/or job roles
- **service redesign and cost avoidance** – making savings from changing processes or the way the service is delivered or within a service offer altering the existing service level to allow a new service to be incorporated whilst the overall cost of the new service offer remains the same; being more commercial in our approach to procurement to avoid or reduce costs
- **income generation**– increasing income derived from existing ‘charged for’ services by ensuring fees and charges levied at least cover the costs expended by the council on those services; and creating new sources of income.

## Service re-design

The Lean Processes and Service Review workstrands are concerned with the enhancement of existing, and the delivery of new, capabilities within East Herts to improve the service and experience of residents, members, officers and partners interacting with the council. To achieve this, service re-design will have some primary aims, these being to:

- eliminate processes that do not add value to the organisation or its customers.
- simplify processes as much as possible to give a good customer experience for customers and staff
- standardise processes where possible, to speed up the build of new technology and provide a consistent experience for customers and staff
- automate any steps and stages in processes that remove manual effort

- enable tasks to be conducted by generic officers or processes wherever possible, thus freeing up professional staff to focus on more complex tasks and issues.

Processes subject to lean process reviews need to be:

- the most frequently used services, thus maximising the benefits of service redesign to residents and officers alike
- re-designed in ways that makes it better and easier for colleagues to deliver services to citizens and colleagues
- aligned to the new organisation design, new roles and ways of working.

Getting the process redesign right is expected to yield the following outcomes:

- a reduction in customer contacts and complaints
- improvements in the morale of officers operating these processes
- a significant increase in the take up of self service capabilities, requiring less resources and thus resulting in the realisation of financial savings.

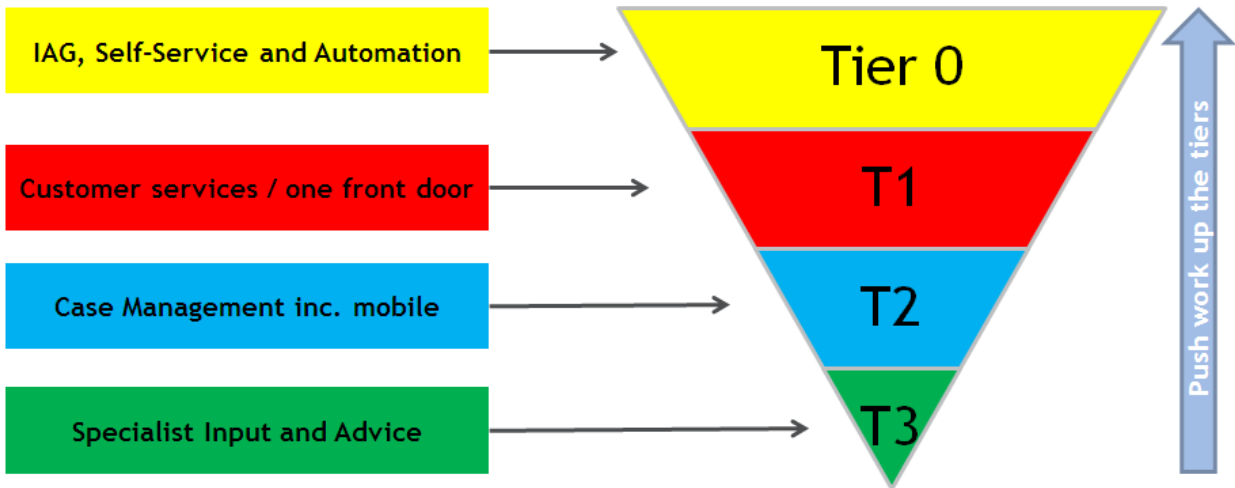
Central to the operating model is making sure the organisation and its processes are designed around the customer. To ensure the teams always have the customer at the forefront when redesigning a process, those leading lean process reviews will constantly refer to the design principles most aligned to the process on which they are working. They will utilise customer personas to understand and empathise with the proposed customer in order to design a process to meet the need of the customer.

Existing customer journeys will also be used to ensure the overall customer experience is enhanced. At the heart of the Lean Processes workstrand will be the testing of assumptions, solutions and redesigned processes with East Herts customers. This will allow the team to gain rapid feedback from the customer and learn quickly what will deliver an exceptional customer experience.

## **Technology assessment**

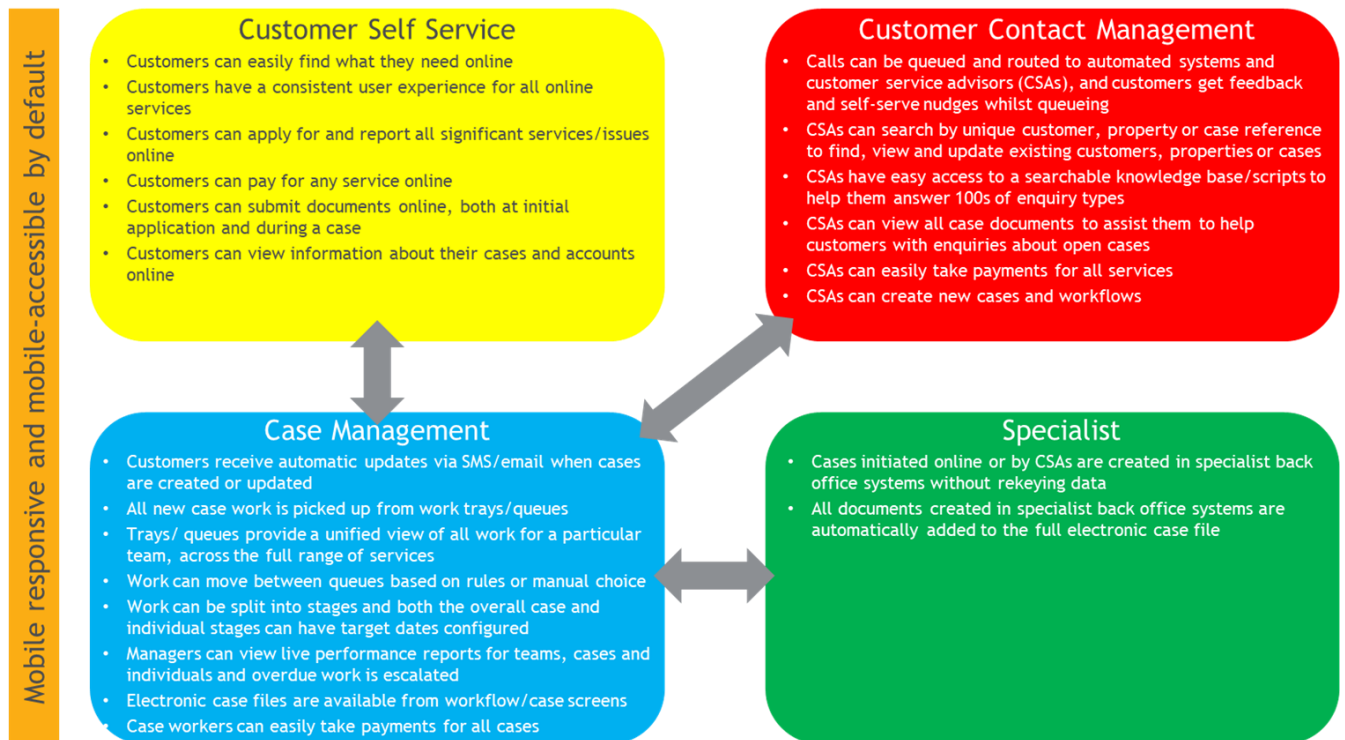
Improved and better integrated technology and systems are key to delivering the new ways of working advocated in the Future Operating Model. The specialist consultancy, Ignite, has provided the council with a detailed technology assessment.

Ignite has used service tiers to illustrate the concept that the more work an organisation can get done by the customer or by staff on the frontline at the first point of contact with the customer, the less that work tends to cost and the more control can be given to the customer. Different tiers are supported by different technology capabilities.



The table below highlights what the technology needs to be able to do for each tier of the core capabilities constituting the FOM activity types.

## Core Capabilities



## **Transition management**

Transition management is necessary to ensure that the 'lights are kept on' and services continue to be delivered while the council is transitioning and that skills, knowledge and contacts are handed over when appropriate. This also means making sure that staff moving into new roles are trained, engaged and supported to deliver the council services.

## 5. Business Case

### Summary of financial benefits to the council of the Transforming East Herts programme

The financial benefits deriving from each of the Transforming East Herts programme workstrands, and split into the different sources of financial benefit discussed above, are summarised in the table below.

The table lists the full year benefits to the council's revenue budgets. The profiling of the financial benefits across the coming three years is described in more detail in the subsequent sections of this chapter of the business case.

The invest-to-save costs that will need to be incurred by the council to deliver these financial benefits are laid out towards the end of this chapter.

Programme	£'000s			
	Staff redesign	Service redesign and cost avoidance (including staffing changes)	Income generation	Total financial benefit
<b>Target Savings</b>	<b>1,100</b>	<b>600</b>	<b>250</b>	<b>1,950</b>

Note 1 This does not include potential increases arising from reviewing charges using the new Fees & Charges Policy which will commence from August 2022 with revised fees being built in from 2023/24 subject to Council approval as part of the Budget and MTFP process.

Note 2 Potential Shared Service opportunities are being explored as part of the Service Review Work Strand but these are in the discovery phase. Should they progress from the discovery phase then this total will be increased by any savings that are identified in the outline business case.

Note 3 Potential income from leasing space at Wallfields has not been included at this stage whilst officers explore the potential to let space "as is", which would only be attractive to a very small number of potential tenants, and ascertain the refurbishment costs to bring space up to a market lettable standard to judge payback on the improvements

### Design principles

The over-arching design principles raised with the Executive on 6<sup>th</sup> July 2021 have been further developed as the Transforming East Herts programme has progressed. The following principles listed under each workstrand are seen as crucial to modern, cost-effective and

customer-focused approach.

Workstrand	Design principles
<b>Commercial approach</b>	<ul style="list-style-type: none"> <li>• Business-like behaviour</li> <li>• Being business-friendly</li> <li>• Promoting local economic growth</li> </ul>
<b>Lean processes</b>	<ul style="list-style-type: none"> <li>• Fewest number of steps for the customer</li> <li>• Professional officers freed from low level queries so they can deal with complex cases</li> <li>• Contact less and tell us once</li> </ul>
<b>Modern workforce</b>	<ul style="list-style-type: none"> <li>• Efficient blended and mobile working</li> <li>• Clear set of expected competencies</li> <li>• Use our skills and expertise effectively</li> <li>• Continuous staff development</li> </ul>
<b>Modern workspace</b>	<ul style="list-style-type: none"> <li>• Office design to promote collaborative working</li> <li>• Smaller, flexible, generic working spaces</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Digital by default so as to support customers to do more themselves</li> <li>• A single view of the customer</li> <li>• Seek to resolve customer's issues at first point of contact</li> <li>• Use of technology to help ensure compliance</li> <li>• IT solutions to underpin collaboration and communication</li> </ul>
<b>Service reviews</b>	<ul style="list-style-type: none"> <li>• Focus on the customer experience</li> <li>• Proactively prevent and shape demand</li> <li>• Openness to other service delivery models where this makes sense</li> <li>• Real time measurement and performance indicators to target areas for improvement</li> </ul>

These design principles will help the council make decisions that are consistent and in line with the benefits of the programme. These principles will assist East Herts to move forward as an organisation with a shared, common purpose, helping staff establish an understanding of 'business as usual' in the transformed organisation. These principles are already being used to support decision making and will continue to be utilised in this way.



## Benefit drivers

By embedding the design principles into the overall Transforming East Herts programme, each workstrand can be seen to contribute to the overall programme.

### Commercial

The Commercial workstrand is concerned with enabling the council to act in a more business-like and commercial way so as to increase revenues flowing into the council.

### Lean processes

The Lean Processes workstrand is concerned with driving out inefficient ways of working that hamper the council's ability to provide streamlined, easy-to-understand and easy-to-use processes from both the customer's and officer's perspective. This workstrand includes designing the staffing structure to enable nimble and lean back office systems.

Work on the Transforming East Herts programme to date regarding the council's provision of back office support and administrative functions has found:

- significant fragmentation of effort and no collaborative demand management
- high levels of manual processes and duplication within administration and frontline service teams
- a disproportionate amount of time and resource is being spent on business support activities
- work of a similar nature is carried out in all areas of the council without consistency and coordination in order to meet the demands of the customer and business
- staff engaged in support and administrative activities are often frustrated by lack of consistent systems, processes and development opportunities
- a high dependency on support staff to undertake low level tasks that could either be avoided altogether, such as 'double-keying', or could be replaced by more staff self-service, such as arranging meeting, taking notes in meetings.

Transforming the council's support and administrative functions is not a straightforward task that could be readily achieved by simply 'lifting-and-shifting' administrative staff distributed across the organisation into one single team. This alone would be address inefficient work practices or duplication of effort. Instead, a number of fundamental changes will need to be implemented in order to successfully deliver a more efficient, corporate administrative

operating model for support functions and the full amount of associated savings. A successful transformation requires:

- eliminating and simplifying policies and procedures across the full range of support and administrative functions in order to significantly reduce activity in this area where possible
- capturing significant amounts of information currently held by specialists across services within online portals and self-serve systems, thus improving information, advice and guidance to enable staff to self-serve easily and effectively
- expecting managers and staff to self-serve for a large number of simpler support service enquiries and activities that will be embedded into the council's intranet and automated, giving them enough guidance and support to ensure it becomes genuinely self-serve
- investing in modern, fit-for-purpose back office IT systems to enabling the redesign of the structure of the council's support and administrative function.

### **Modern workforce**

It is considered that the modern workforce workstrand is primarily concerned with 'facilitating' the transformation listed under the other workstrands rather than, of itself, delivering financial benefits. It is recognised that this workstrand is crucial to ensure the:

- separating out and defining the desired and necessary operational and strategic leadership and management activities and competencies
- provision of clearer more co-ordinated strategy, direction and priorities to better harness the efforts of the specialists in the council
- breaking down of any remaining silos in specialist teams and replacing them with communities of practice to encourage multi-disciplined teams to come together to address the priorities of the council.

### **Modern workspace**

This workstrand will deliver a number of significant benefits to the Transforming East Herts programme which can be broadly characterised as:

- ensuring the office space enables collaborative working
- ensuring the office space matches the Operating Model's expectation of blended working
- freeing up space within the council's existing offices that can be leased to others and/or hired out on an hourly basis in order to generate a revenue income stream.

It is recognised that in order to meet these aims, some investment will be needed in the Wallfields building to:

- improve its energy efficiency and in doing so reduce running costs
- maximise the attractiveness of the office space to prospective leases.

The council will seek out government grants wherever possible to support upgrades to the sustainability of the building.

## Technology

It is arguably self-evident that to transform the council to one built on a modern workforce, following customer-focused lean processes in modern workspaces, we need a fit-to-purpose IT platform and suite of interconnected software products. In 2021, the council invited the highly regarded IT consultancy, Ignite, to carry out an assessment of our overall approach to and use of technology.

Ignite's review found:

- in the absence of a strong strategic steer on the direction of the council's digital services, services have followed their own paths:
  - some have delivered standalone self-service solutions, for example, garden waste, housing options, council tax
  - others have struggled to make much progress without corporate support, for example environmental health, licensing
- the services that have standalone solutions are generally more satisfied, whereas those who have struggled to make progress are frustrated, both with suppliers and with the support received from the ICT service. Those that struggle often lack project management and business analyst support and look to the shared ICT service to provide this, but the skills and capacity do not exist there
- in adopting this approach, there has been little consideration of the impact on the customer or the council's customer services team. Both customers and customer services officers need to interact with many different systems and user interfaces
- the Transforming East Herts design principles suggest that the council wishes to move to a more customer-focused approach with a stronger 'one team' ethos, including a more efficient and empowered customer services team and integrated business support. This will require significant change over time.

Based on the above, it is apparent that the adoption of a 'single view of the customer' IT

system is fundamental to achieving the opportunities for customer-focused improvements and financial efficiencies presented by the Transforming East Herts programme.

The 'My East Herts' Portal will be a platform where customers can easily check their council tax, benefit payments, waste services and more, aligned to the following technology focussed design principles:

- **Technology**

- Digital by default so as to support customers to do more themselves
- A single view of the customer
- Seek to resolve customer's issues at first point of contact
- Use of technology to help ensure compliance
- IT solutions to underpin collaboration and communication

- **Lean processes**

- Fewest number of steps for the customer
- Professional officers freed from low level queries so they can deal with complex cases
- Contact less and tell us once

The Transforming East Herts programme will enable the council to continuously improve the lives of its residents, businesses and visitors by delivering what they require in a way which suits them and provides best value for taxpayers. We will ensure that those who are able to can take advantage of our self-servicing options allowing faster resolution for those customers who need to speak to us over the telephone or in person.

Latest Office of National Statistics (ONS) data highlight that 93% of people in Hertfordshire were users of the internet in 2020, with this figure no doubt rising as a result of the pandemic and increasing reliance on technology. Of course we will consider and make provisions for those who need telephone and face-to-face contact, to ensure our services remain accessible to all. So, regardless of the channel a customer is using to contact us, we need to have a culture of adding value to every transaction undertaken and seeking the root cause of a customer's issue, rather than just resolving the presenting need. This approach will always be hampered if the officer or the digital system being interacted with only has a partial view of the customer. We need to adopt a 'single view of the customer' (CRM) with the necessary IT infrastructure to support it. By having a system that can track every customer interaction with us, it is experience shows that a more efficient and improved service can be delivered to our residents. A 'single view of the customer' IT infrastructure will provide this.

The central component of a 'single view of the customer' IT solution is generally the creation

of a single shared customer database, allowing information to be collected once but used many times. The sharing of this customer data across the council, in conjunction with the functional tools provided by an IT solution, will allow the council to make the gains in both efficiency and effectiveness which are at the very heart of the Transforming East Herts programme. A 'single view of the customer' IT system could allow us to deal automatically with enquiries that originate over the web while also improving the ability of front line staff to resolve more complex issues at first contact.

Thus, the benefits to the Transforming East Herts programme of implementing a 'single view of the customer' system are:

- a single system to capture all customer contacts. This will enable the council to adopt a truly integrated approach to customer management which goes beyond simply traditional customer services function
- a swift capture of a customer's service record history of interaction with the council which would provide a mechanism for more effective handling of complaints, a proportion of which snowball as the complaint is passed around the organisation or because the customer is only provided with a partial response
- a single application for all customer service advisors to use as the primary system for capturing service user details and service requests
- improved performance management information and customer history. Deployment of a 'single view of the customer' system will automate contact record keeping and aid management reporting on individual service transaction volumes providing greater customer insight for future service improvements
- improved audit ability and security of transactions as the system's associated workflow and back office system integration will aid the recording of audit trails and provide and enhance security mechanisms outside the normal security functions within line of business systems
- consistent call answering processes because of the scripting capability of a 'single view of the customer' system whether applied to online, automated transactions, chatbots, online chat functions or telephone/face-to-face interactions. The system would ensure every transaction is delivered to the same consistent high quality
- increased call efficiency and value for money delivered by efficient service user and service request capture
- ultimately, increased customer satisfaction and improved reputation as we service customer requests more consistently and efficiently.

There are many applications on the market some of which lean heavily to the commercial

model and others than have been designed with local government working in mind. Equally, some of these applications will enable easier and cheaper integration with the council's back office data whereas others have not been designed with wider data integration in mind. In summary, the council's technology requirements to implement a 'single view of the customer' solution will have to be fully captured with the associated cost assumptions. Further review and validation will be needed before procurement.

Given the range of services we provide, the council's IT infrastructure will need to go beyond a 'single view of the customer' IT product, however, it is vital that the council maximises the functionality of the software it has already procured, such as MS 365 and Teams, and implements any new products within a 'single view of the customer' environment.

### **Current Position and the 'To Be' Customer Service Model**

In terms of customer experience, the council can make significant improvements from its current customer facing position by:

- Enabling a 'My East Herts' portal with online self-service functionality, to minimise the amount of avoidable contact with Customer Services and other services across the council
- Improving resolution of customer related transactional activity at the first point of contact, resulting in queries not being emailed to individual services for response
- Creating capacity released from reducing avoidable contact to direct officer time to where it is needed most. This may include improving council performance in a high priority or demand areas, such as current customer call answering rates, and/or provision of support and assistance to customers that require it

At present, approximately 75 processes across the council require manual intervention, whereby a customer enquiry or request is emailed to the relevant service for action.

There are currently three fully automated processes in place, i.e. replacement bin request, notification of a missed refuse collection and council tax (moving in/out) confirmation. A separate garden waste service was introduced early 2021 with a 92% online sign up, evidencing the demand for such customer self-serve digital functionality.

Through the implementation of a CRM system, current applicable processes (such as those that can be web form based) will move to fully automated end to end experiences, delivering a buy once and benefit many outcome to ensure the council's services continue to be relevant and represent value for money.

By introducing a CRM system it is possible to then look to bring all appropriate customer service-related activity into one place. This will create efficiency through economies of scale and cost savings through the separate Corporate Business Support hub business case.

Current (As-Is) customer service model (Figure 1)

As is illustrated, the current service model places demand and pressure on more costly specialist support teams and services resources, rather than the cheaper online option via customer self serve.

Figure 1



### Proposed 'To Be/CRM' customer service model (Figure 2)

In summary, a CRM system will:

- Drive channel shift to a lower cost more efficient customer self-serve model, with routine enquiries handled by either the customer or Customer Services, rather than the current 'as-is', whereby they are directed to specialist teams
- Deliver efficiencies by introducing leaner processes
- Improve customer call answer rates
- Increase accessibility to online council services
- Enable saved officer time to be redirected to those customers who require support/assistance
- Improve council customer information and data quality
- Enhance the customer experience and journey
- Lead the way to the development of a Corporate Business Support hub to realise cashable savings to the council
- Meet Corporate priorities and objectives of the council's transformation programme

The approach to be taken must support a move for the vast majority of customer contact to take place via the self serve portal. Ideally 90%+ of customer contact should be through the CRM self serve portal, including question/problem resolution. By limiting contact to the Customer Service team to more challenging or sensitive enquiries and contact to specialist support teams by exception for example professional planning advice, the greatest efficiencies and cost savings can be achieved.

Figure 2



### Outputs and outcomes

- Fully implement the govService CRM system and move the majority of customer contact to digital channels of communication
- Reduce current email, telephone and face-to-face customer queries received by Customer Services and council services

### The implementation of a CRM system will:

- Provide every council customer with the opportunity to self-serve, with their own Single Sign-On and online portal to track and view submitted service requests/queries/communications
- Achieve channel shift, by reducing the number of telephone queries to Customer Services and subsequent service areas across the council, by increasing online customer self-serve through the full launch of the CRM system
- Enable 24/7 access to services, e.g., bulky waste collections and other transactional services that are currently only available during office hours



- Direct officer capacity created to areas of higher, for example improving customer call answering rates
- Enable Customer Services to more easily assist the customer and view submitted service requests/queries/communications, increasing first call resolution
- Enable customers to pay for transactional services online (e.g., bulky waste collections) and make calendar bookings that will improve efficiency and the customer experience
- Reduce processing costs and manual intervention by council officers when carrying out transactional processes, which will release capacity
- Lead to the creation of a Corporate Business Support hub and unlock cashable savings
- Deliver greater customer satisfaction
- Meet corporate priorities and the objectives of the council's transformation programme

## Service reviews

A mature, confident organisation is one that embraces and indeed welcomes the opportunity to regularly review its services and challenge the status quo. This stance is at the heart of the council's approach to reviewing all its services.

Each head of service, together with their service managers, has been required to thoroughly analyse their existing structures and means of service delivery. The resulting service reviews have been subject to challenge by members of the Leadership Team and colleagues from across the council trained in the Six Sigma process review methodology.

In summary, each service review needed to examine current practices and address how to:

### **Enhance customer experience**

- improve the customer journey
- proactively prevent and shape demand
- encourage channel shift

### **Deliver organisational change**

- break down silo-working and/or support corporate organisational change by relocating/combining services across the council
- operate or explore operating through different service models, such as shared services

### **Identify financial savings**

- make cashable financial savings
- increase existing income streams and/or create new income
- avoid/minimise costs

**Benefit from continuous learning**

- identify the processes that should be prioritised for a lean process review
- continually make amendments to proposals stemming from the service review challenge sessions.

A wide range of new or amended ways of doing things have been identified which support the new Operating Model. Of note, service reviews have uncovered:

- simpler ways to access the data needed to perform jobs
- a recognition of which current process are most in need of more intuitive workflows and systems
- how better integrated technology providing a ‘joined up’ experience
- ways to remove duplication between teams and with delivery partners
- how in some cases we are doing too little of some tasks and too much of others
- how a failure to use the right systems for the right job.

## 6. Implementation Investment and Programme Payback

To deliver this scale of change, there is a need for a range of internal and external expertise to support the successful implementation of this operating model and technology solution. An initial assessment is described in the table below which show that these include implementation, external partner, redundancy and digital costs and total £1,603k. These are essential to delivering a new operating model to support the annual savings of £1,811k which results in payback after 1 year.

The Medium Term Financial Plan will include these estimated costs and savings. The costs will be met from existing reserves in line with the capital programme. Further options to meet the current budget savings requirement of £3.6 million are being developed for the council to consider. The net gain from this programme totals around £12.99million over a ten year period.

Title	Investment (£000)	Description
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<b>Title</b>	<b>Investment (£000)</b>	<b>Description</b>
<b>Interim East Herts Council resource</b>	185	<ul style="list-style-type: none"> <li>• Business and technology analysts to map processes and develop scripts</li> <li>• Additional IT capacity to support the implementation and change to systems</li> </ul>
<b>External Change and Implementation expertise</b>	128	<ul style="list-style-type: none"> <li>• Change management expertise to bring best practice approach to implementing such a complex multi-faceted change programme</li> <li>• Expertise to train, develop and support the wider team in technology implementation and includes implementation consultancy for new systems</li> </ul>
<b>Functional support</b>	100	<ul style="list-style-type: none"> <li>• HR, change and communications support to ensure the change processes are implemented and the workforce is supported through the change</li> </ul>
<b>Training</b>	29	<ul style="list-style-type: none"> <li>• Training and development to transition to new ways of working and to support the adoption of new technology</li> </ul>
<b>Technology including hardware and infrastructure</b>	260	<ul style="list-style-type: none"> <li>• To purchase of appropriate systems to enable digital service delivery, including: a 'single view of customer' system; replacement of the ICON income management and card payment system; upgrading the E5 Finance system to the cloud with simplified browser and mobile device access to enable self-service and workflow</li> <li>• Laptops and associated IT kit to enable blended working</li> </ul>
<b>Redundancy and pension strain Costs</b>	900	<ul style="list-style-type: none"> <li>• Costs associated with transitioning to the Future Operating Model</li> </ul>
<b>Total</b>	<b>1,602</b>	

## **Benefits realisation and timeline**

The financial savings realised through the programme will not be delivered all at once. Therefore, the order and timescales of the financial benefit realisation has been estimated based on the likely phasing of the programme. There is an assumption that the financial saving occurs at the end of each financial year. This assumption has been made as the majority of employees tend to leave at the end of the phase. However, financial savings are likely to be realised earlier in the process if employees leave earlier than expected.

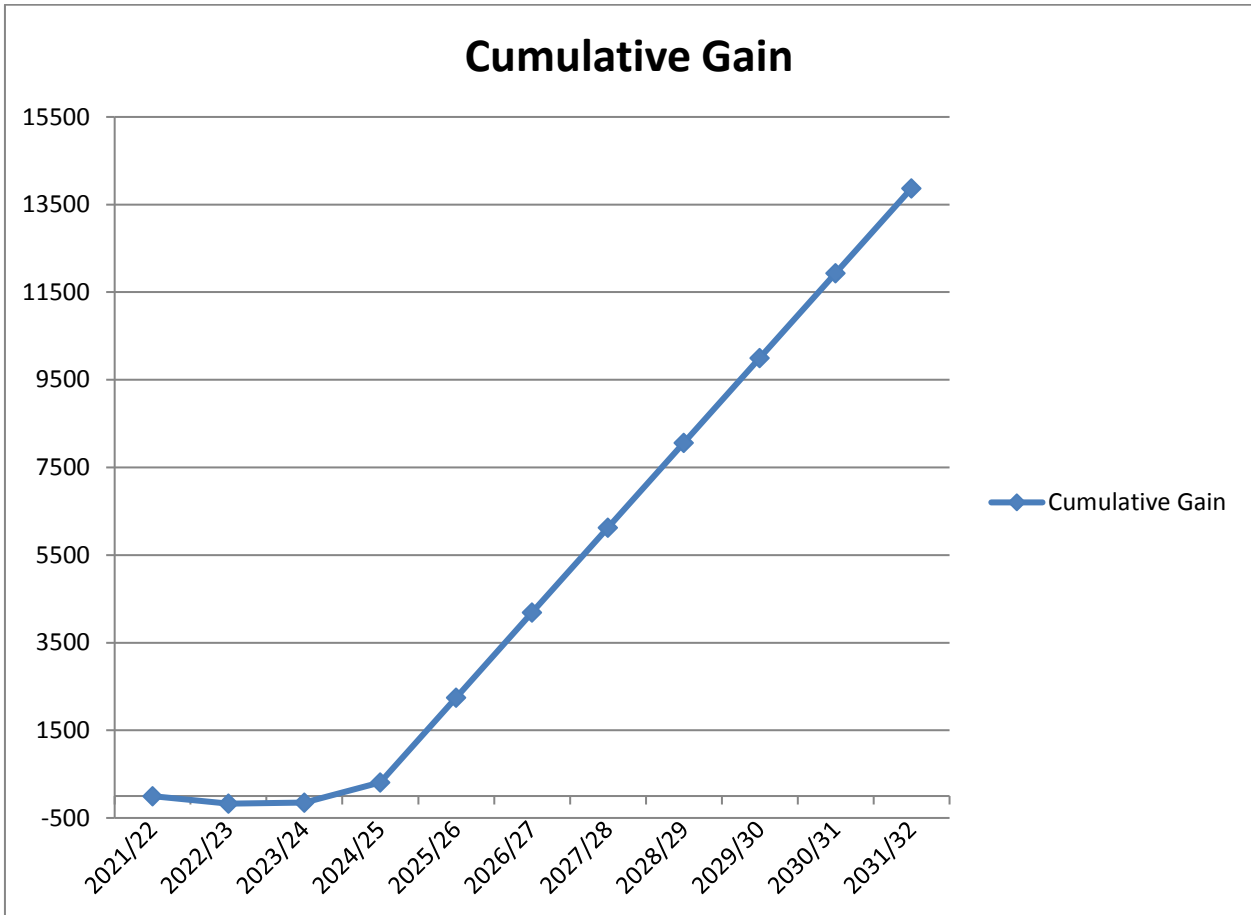
Financial benefits £000	Estimated financial saving in Year 2022/23	Estimated financial saving in Year 2023/24	Estimated financial saving in Year 2024/25	Total Estimated financial saving 22/23 – 24/25
Staffing redesign	150	450	500	<b>1,100</b>
Service Redesign		150	450	<b>600</b>
Income generation		250		<b>250</b>
<b>Total Savings</b>	<b>150</b>	<b>850</b>	<b>950</b>	<b>1,950</b>

## Programme payback

The above financial savings do not account for the costs of the programme. The table below outlines programme costs for which there is more detail in the implementation delivery in part above.

Costs of the Programme £000	Estimated costs in Year 2022/23	Estimated costs in Year 2023/24	Estimated costs in Year 2024/25	Total
Financial benefit	153	827	957	1,937
Invest-to-save costs	327	800	496	1,623
<b>Net benefits</b>	<b>-174</b>	<b>27</b>	<b>461</b>	<b>314</b>

Based on the figures in the two tables above, we have sought to model the net position in the below graph. This puts the financial savings against the various costs of investing in a large-scale transformation programme.



Our analysis shows the return on investment will be positive from 2024/25.

# 7. Implementation Plan

## Implementation approach

Key considerations from the FOM, organisational design, recruitment, process redesign and technology specification have been used to develop the implementation plan. These considerations drive the proposed high-level phasing of implementation.

The implementation plan has been developed based on best practice from other similar organisations and workstrand leads to ensure the plan is the best option for East Herts.

Implementation will be ordered in such a way that it:

- reduces reputational risks by transforming services that interact with the internal customer first, learning lessons from this before moving onto areas of the council that impact directly on the customer
- early identification of which officers will adopt the key leadership and management roles within the programme so that they can drive the change throughout the organisation and act as change champions for the programme
- allows transformation support and administrative functions to be underpinned by the right IT so that these officers are equipped to support the remainder of the organisation as it moves through its own transformation
- delivers key technology components and allows concepts to be thoroughly proven before they are deployed across the wider organisation
- builds the structures around customer interaction that will support the later phases of the programme in delivering the on-the-ground presence and customer enabling functions required to drive efficiencies and channel shift.

The implementation of the programme will be delivered in an agile manner. Some key agile principles are outlined below:

- programme and project goals are clearly and continuously aligned to business strategy
- benefits are realised incrementally and as early as possible
- governance focusses on creating coherent capability
- decision making powers are delegated to the lowest possible level.

A series of key activities to deliver the above objectives are already in place:

- a detailed programme plan with activities, dependencies and milestones which is kept up-to-date

- a programme risk and issue log
- the Leadership Team acting as the board for monitoring and assurance purposes
- a definition of the overall benefits and linked activity within the overall programme plan and financial savings
- Transforming East Herts programme meetings conducted in a professional and focused way
- development of an agile reporting process that is value add across the programme.

## Risk management

In creating the implementation plan for this significant change programme, risks have started to be considered at both the programme and service level. There is in place a risk-register for the programme which identifies the key risks and their mitigations. It includes:

- delay in programme implementation timetable
- not meeting the financial efficiency savings
- IT delays
- disruption to staff
- disruption to customers and business as usual.

In addition to these, there are a number of other key risks currently captured and tracked on the risk register.

## Governance

Governance through a Transformation Delivery Board has been established and the six work streams have been further focused to more closely align with our Corporate Priorities: We already have an established vision and set of corporate priorities that the transformation programme should align to. Our vision is that **'By 2025 we will be a customer focused, financially sustainable, effective organisation with flexible empowered employees'**. We will achieve this by putting **'Sustainability at the heart of everything we do,'** **'Enabling our communities,'** **'Encouraging economic growth,'** and being **'Digital by Design.'**

The Delivery Board will take the corporate priorities and pivot them to provide a structure to provide governance and oversight across its change and transformation programmes. The alignment provides consistency, clear communications of change and integrated with performance KPIs, a basis to deliver change that is understood by all staff.



Figure 1: EHC Corporate priorities

The Be Agile and Sustainable workstream refers to the ability of the council to be quick, resourceful, and adaptable to enable it to continue over the longer term.

Aligning to the corporate priorities also means that the workstreams have a life beyond the current transformation programme and can easily transition into continuous improvement activities as the transformation programme ends. Having a strong governance structure in place that has a life beyond the programme means that it reduces the risk of failure to maintain the integrity of transformed end-state and provides a clear approach for continued improvement.

In our 'future state' through transformation we will....		
Be Agile and Sustainable	Be Commercial	Be Digital
We will make changes to how the council manages its own premises, people, and services, by ensuring we are agile, efficient, financially sustainable, and modern in our approaches.	We will be business-like and develop new sources of income by being entrepreneurial innovative and creative.	We will make our digital services easy and the first channel of choice, becoming digital by default - freeing up time for customers with the highest need or those at risk
We will design our services to be quick, resourceful,	We will maximise existing revenue streams to ensure that we can continue to provide value for money services to customers.	We will use technology to modernise and simplify the



and adaptable.		way we work.
We will have sustainable premises to work from, and an agile sustainable workforce and approach to service delivery that is future proofed for years to come		We will maximize the use of data and technology to provide customers with a smooth customer experience.
<b>Enable our communities:</b> By focusing on the above corporate priorities our fourth priority to 'enable our communities' will be effectively supported by improving the customer experience and enabling us to move towards being a truly customer focused organisation.		

### Governance of change that reflects our Corporate Priorities

The Corporate Priorities provide a solid foundation for our change activities and aligning them will give a more transparent line of sight to organisational change. Often transformational change requires input, engagement, and cooperation from across organisations to achieve shared outcomes and outputs beyond traditional organisational line management boundaries. The Corporate Priorities provide a clear themed scope.

The priority workstream approach to governance will provide–

- **A clear line of sight** between change and outcomes against the priority workstreams.
- **Visible leadership** for each priority workstream to lead at the delivery group level to drive success and change across the organisation. All workstream delivery group members are expected to champion and be a vocal advocate across all priority workstreams.
- **Clear Communications.** Communicating change and outcomes for projects and change will become easier organised around our priority workstreams to support focused messages and be consistent with our overall communications promoting our Corporate Priorities.
  - New proposals for change and existing projects will become more accessible and clarify the outcome and **project benefits** sought.
- **Rebalance the programme of projects.** Provide better insight into projects and programmes or refocus and develop new thinking on how to deliver against our priority workstreams. Any gaps can be quickly addressed as a result.
- **Performance financial savings and KPIs.** By providing a clear link between priority workstreams and our savings and performance and KPI data, EHC will be able to address issues and have intervention plans to address poor KPIs or even where

KPIs trend analysis indicates an early intervention is required. EHC will become more agile and responsive to our performance data.

- **Provide more cross-group collaboration and thinking.** By bringing together senior leaders from across EHC around the priority workstream themes, better collaboration and innovative thinking can be promoted. The workstream delivery groups are encouraged to establish other project task groups for further cross-collaboration into specific areas under specific priority workstream issues.
- **Better oversight and reporting.** By coalescing around our priority workstreams the reporting and management will become more transparent around key themes, financial savings and performance KPIs. In addition, we will be better able to report to the Programme Board progress against each priority workstream.
- **Scaling the transformation.** Transformation and change require active participation from across EHC with all employees. The proactive engagement across our senior leaders delivering the consistent message is essential and with the priority workstreams we will be better positioned to provide any change management and communications. An inclusive one team EHC participatory approach is required if not vital to embed the change.
- **Remove team barriers.** Creating organisational-wide change requires cross organisational boundaries. The priority workstream delivery groups will have scope and mandate to drive change to pursue the priority workstream seeking to solve problems independent of service or team boundaries.

The development of our Corporate Priorities set the blueprint for what success looks like and our aspiration to be a strong, modern, efficient, commercial organisation delivering financial savings and a smooth digital experience for our customers. The corporate vision has set the foundation and the proposed priority workstreams show how they can be leveraged for change across EHC as outlined below

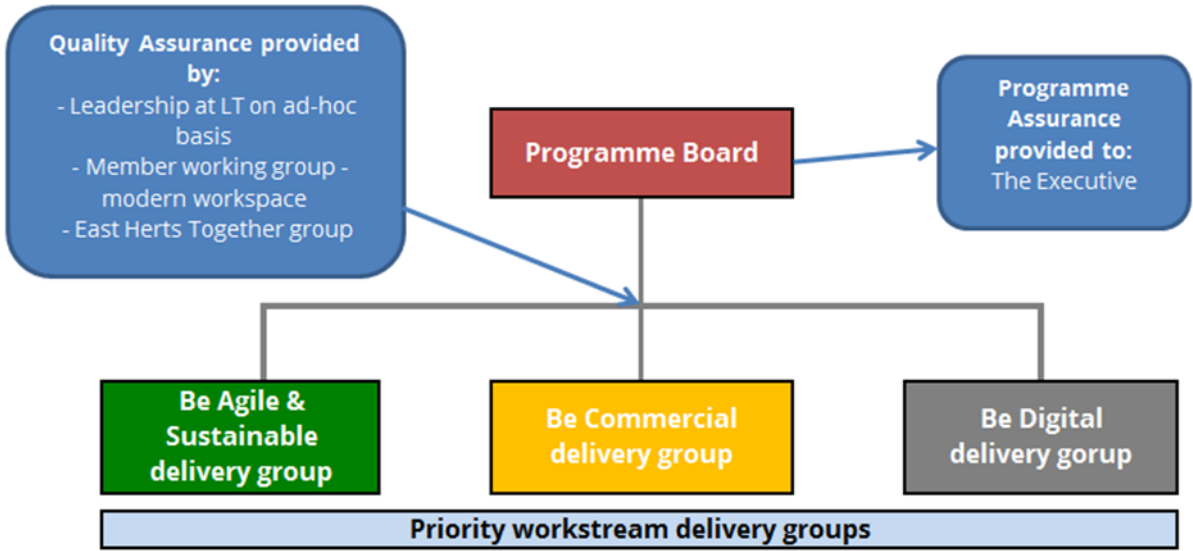
The Transformation **Programme Board** is required to oversee the strategy, overall prioritisation and strategic decision making for change across EHC. Those who sit on the programme board must have authority and decision-making capacity proportional to the board objectives. For the purposes of balanced decision making there must be more than two members of the board.

The board is chaired by the Senior Responsible Officer (SRO) otherwise known as the Programme Sponsor, who takes executive responsibility for decisions relating to the programme. For best practice governance, there must be distinction between those who make decisions and sit on the Board and those who report to it. Specialist advisers can contribute critical items and advise the board to aid decision making.

Programme Board membership;

Name	Position	Role on Board
Helen Standen	Deputy Chief Executive	Chair (SRO)
Richard Cassidy	Chief Executive	Board member
James Ellis	Head of Legal and democratic services	Board member

Steven Linnett	Head of strategic finance & property	Specialist advisor
Simon O'Hear	Head of HR and OD	Specialist advisor
Lindsey Creed	Communications manager	Specialist advisor



## 8. Conclusion

The Transforming East Herts programme aims to achieve service improvements and genuine efficiency savings rather than purely a reduction in service provision and simply scaling back the council's ambitions. It will ensure that the council is a forward thinking and agile organisation which better addresses future challenges and opportunities.

Not changing means standing still while the world changes around us. Failing to do this now means a greater risk that services will not be sustainable in the future, risking a continued reduction of frontline and back office services over the course of the next five years and beyond.

## **East Herts Council Report**

**Audit and Governance Committee**

**Date of Meeting: 29 September 2022**

**Report by: Steven Linnett, Head of Strategic Finance & Property**

**Report title: Annual Governance Statement 2021/22**

**Ward(s) affected: All**

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### **Summary**

**The Accounts and Audit Regulations 2015 require that all authorities conduct a review of the effectiveness of the system of internal controls and prepare an Annual Governance Statement each year. The Annual Governance Statement must be considered separately from the Statement of Accounts.**

### **RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:**

- (a) That Members review and comment on the draft Annual Governance Statement for 2021/22.**

### **1.0 Proposal(s)**

- 1.1 That Members review and comment on the draft Annual Governance Statement (AGS) for 2021/22.

### **2.0 Background**

- 2.1 The Council is responsible for preparing and publishing its Annual Governance Statement in accordance with the Chartered Institute of Public Finance & Accountancy (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:
- (a) their business is conducted in accordance with all relevant laws and regulations;
  - (b) public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
  - (c) 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 acts as a vehicle for the review of the Council's governance arrangements. The review should be reported both internally within the Council, to the Audit and Governance Committee and externally within the published accounts to provide assurances that:
- (a) Governance arrangements are adequate and operating effectively in practice or
  - (b) 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 draft Annual Governance Statement is attached as appendix A for Members to review and comment on.

### **3.0 Reason(s)**

- 3.1 As part of a framework of good governance, it is important that management and Members can demonstrate that governance issues are acted upon and the implementation of recommendations is monitored.

### **4.0 Options**

- 4.1 Members can suggest amendments or additions to the draft Annual Governance Statement.

### **5.0 Risks**

- 5.1 The timely implementation of governance recommendations will reduce the risks to the Council.

### **6.0 Implications/Consultations**

- 6.1 Leadership Team have been consulted on the draft Annual Governance Statement and have provided confirmation that appropriate controls have been in place in their service areas throughout the year.

### **Community Safety**

No

### **Data Protection**

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to data protection.

### **Equalities**

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to equalities.

### **Environmental Sustainability**

No

## **Financial**

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to financial control, budgeting and medium-term resource planning.

## **Health and Safety**

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to health and safety.

## **Human Resources**

Part of the Annual Governance Statement is to consider how the council's officers and members behave ethically and also how the council plans its workforce over the medium term

## **Human Rights**

No

## **Legal**

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

Part of the Annual Governance Statement specifically considers how the council complies with the law.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant mater**

Appendix A – Annual Governance Statement 2021/22

### **Contact Member**

Councillor Geoffrey Williamson, Executive  
Member for Financial Sustainability

[geoff.williamson@eastherts.gov.uk](mailto:geoff.williamson@eastherts.gov.uk)



**Contact Officer**

Steven Linnett, Head of Strategic Finance and  
Property

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[steven.linnett@eastherts.gov.uk](mailto:steven.linnett@eastherts.gov.uk)

**Report Author**

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Property

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# Annual Governance Statement 2020/21



## 1. Scope of Responsibility

East Herts Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. East Herts Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, East Herts Council is responsible for ensuring arrangements are in place for the good governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

East Herts Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016.

This statement explains how East Herts Council has complied with the Code and also meets the requirements of Regulation 6 of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement on internal control.

## **2. The Purpose of the Governance Framework**

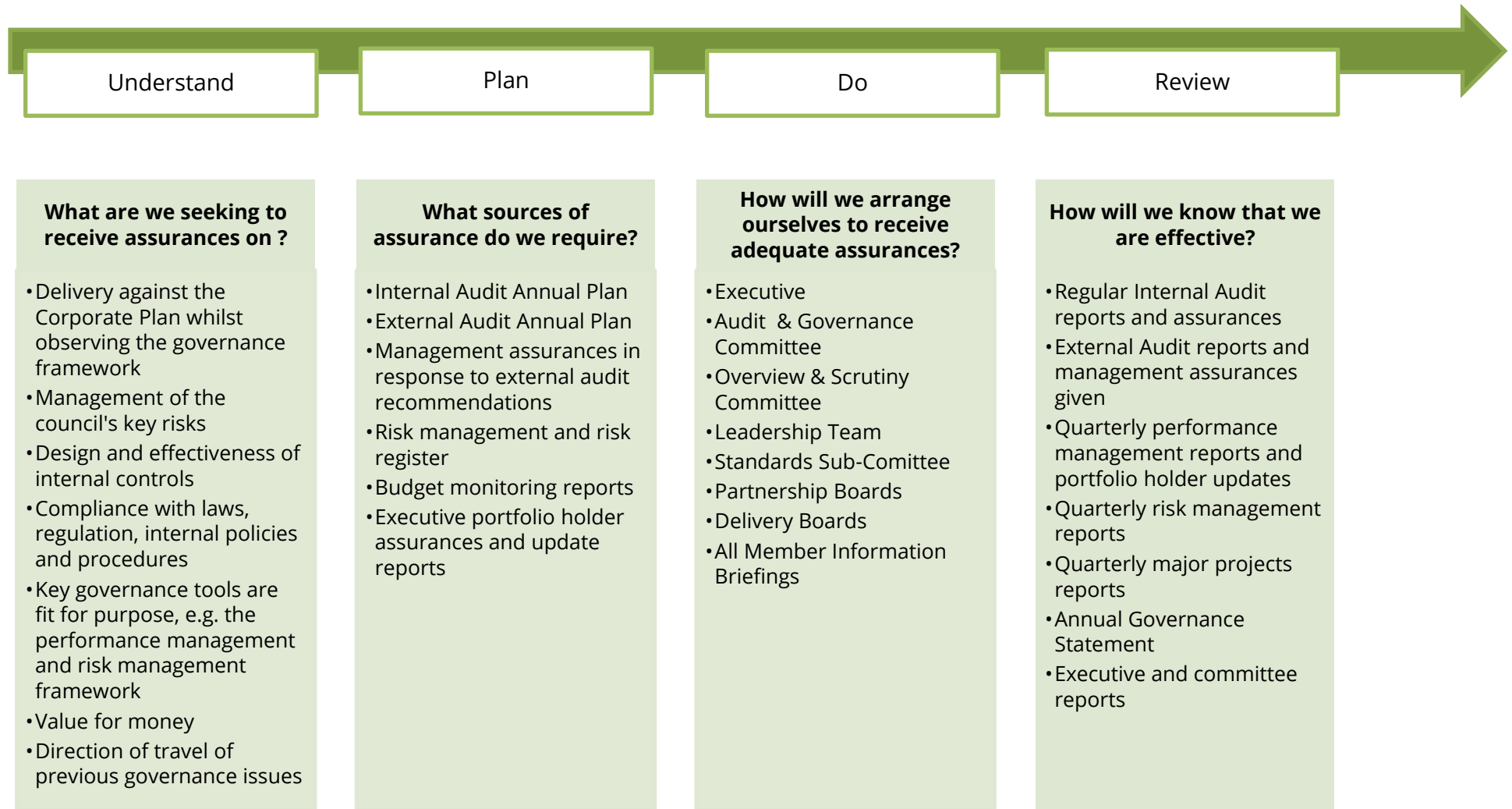
The governance framework comprises the cultures, values and systems and processes by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services and value for money. The overall aim is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assessment/assurances of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of East Herts Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

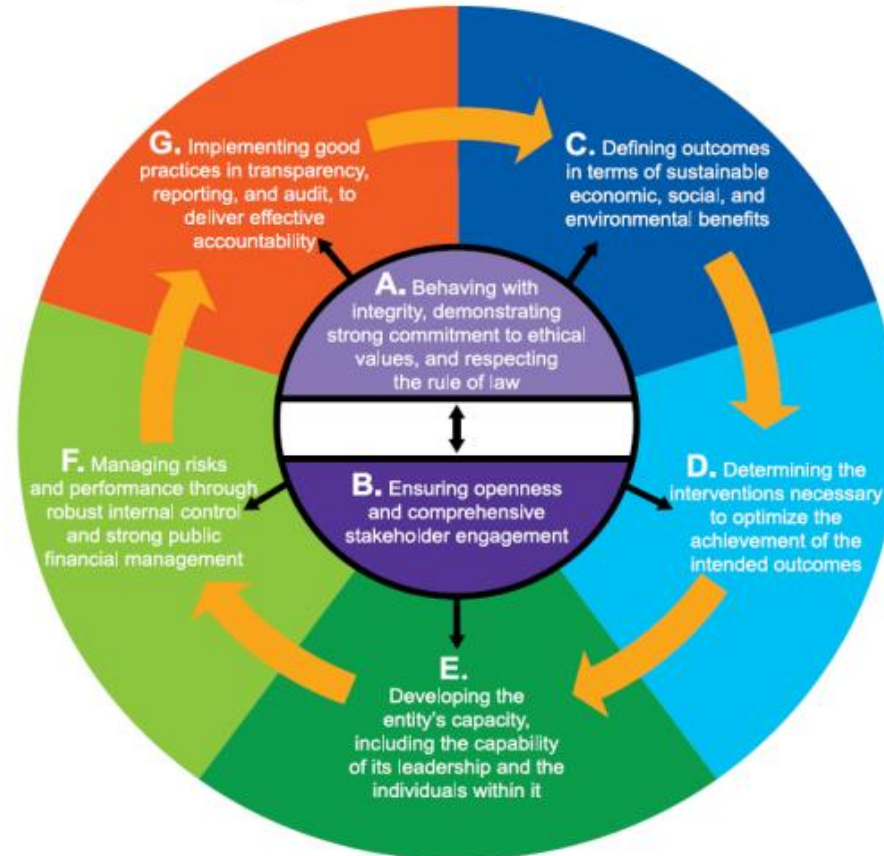
The governance framework has been in place at East Herts Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

### 3. Assurance Cycle



## 4. The Governance Framework

**Achieving the Intended Outcomes  
While Acting in the Public Interest at all Times**



Source: CIPFA 2016

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
<p><b>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b></p> <p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.</p>	<p><b>Behaving with integrity</b></p> <ul style="list-style-type: none"> <li>Ensuring Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Codes of conduct for Members and Officers</li> <li>Members sign an individual commitment to comply with the Code</li> <li>Induction for new Members on the Code of Conduct and staff on standards of behaviour expected</li> <li>Performance appraisals</li> <li>Related party transaction declarations</li> <li>Action taken on Local Government Ombudsman (LGO) complaints</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring Members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Plan sets operating direction and organisational values approved by the Council</li> <li>Member Code of Conduct is based on Nolan Principles</li> <li>Corporate objectives cascaded down into Service Plans</li> <li>Corporate Plan and Service Plan objectives reflected in individual appraisal goals</li> </ul>
	<ul style="list-style-type: none"> <li>Leading by example and using these standard operating principles or values as a framework for decision making and other actions</li> </ul>	<ul style="list-style-type: none"> <li>Members trained on and familiar with code of conduct requirements</li> <li>Declarations are made at, and recorded, at meetings</li> <li>Meetings conducted according to values</li> <li>Standards Sub-Committee in effective operation including delivering training sessions to others to be proactive in communicating positive messages about good conduct</li> <li>Requirement for elected Members to be specifically trained before serving on Planning and/or Licensing Committees</li> </ul>

<b>Principles of good governance</b>	<b>Sub-principles and behaviours and actions that demonstrate good governance in practice</b>	<b>East Herts Council's Compliance &amp; Supporting Evidence</b>
	<ul style="list-style-type: none"> <li>• Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-fraud and anti-corruption policies are working effectively</li> <li>• Up-to-date register of interests (Members and staff)</li> <li>• Related Party Transactions completed annually</li> <li>• Up-to-date register of gifts and hospitality</li> <li>• Whistleblowing policies are in place, up to date and protect individuals raising concerns</li> <li>• Whistleblowing policy has been made available to members of the public, employees, partners and contractors</li> <li>• Complaints policy in place and reported upon annually to Executive</li> <li>• All policies are managed through corporate performance management system to ensure effective and timely review with communication of changes and provision of training as appropriate</li> <li>• Policies are published online to demonstrate openness and transparency</li> <li>• Changes/improvements as a result of complaints received and acted upon and reported in annual report to Members</li> <li>• Members and officers code of conduct refers to a requirement to declare interests</li> <li>• Minutes show declarations of interest were sought and appropriate declarations made</li> <li>• Relevant recommendations from LGO incorporated into future working practices and procedures</li> <li>• Legal implications identified in all Executive and committee reports</li> </ul>

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<p><b>Demonstrating strong commitment to ethical values</b></p> <ul style="list-style-type: none"> <li>Seeking to establish, monitor and maintain the organisation's ethical standards and performance</li> </ul>	<ul style="list-style-type: none"> <li>Good ethical governance is championed by Members, particularly through Executive, the Standards Sub-Committee, the Monitoring Officer and Leadership Team</li> <li>Audit &amp; Governance Committee takes the lead in overseeing and promoting good governance</li> <li>Clear mechanisms in place for reporting / referral to Monitoring Officer</li> </ul>
	<ul style="list-style-type: none"> <li>Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</li> </ul>	<ul style="list-style-type: none"> <li>Provision of ethical awareness training including thorough Code of Conduct training</li> <li>Standards Sub-Committee takes the lead in promoting this</li> </ul>
	<ul style="list-style-type: none"> <li>Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</li> </ul>	<ul style="list-style-type: none"> <li>Appraisal process in place</li> <li>Procurement policy and approach include good governance and ethical conduct</li> <li>Requirement to declare conflicts of interest</li> <li>Robust processes with checks and balances to ensure that procurement is undertaken in accordance with the principles of transparency, fairness and equal treatment.</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Partnership Guidelines and reviews</li> <li>Procurement Strategy showing commitment to local businesses and SMEs</li> <li>Adhering to Bribery and Anti-Corruption policies as required by the Council</li> <li>Ensuring confidentiality of information throughout the process</li> <li>Data protection requirements specifically built into contract specification</li> </ul>



Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<p><b>Respecting the rule of law</b></p> <ul style="list-style-type: none"> <li>Ensuring Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> <li>Statutory guidance and provisions are followed</li> <li>These are assessed through internal and external audit</li> <li>Audit &amp; Governance Committee oversee this</li> <li>Legal implications identified in all Executive and committee reports</li> </ul>
	<ul style="list-style-type: none"> <li>Creating the conditions to ensure that the statutory officers, other key post holders and Members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Job description/specifications</li> <li>Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2016). The Council's arrangements conform to these governance requirements with the CFO reporting directly to the Chief Executive</li> <li>Legal implications identified in all Executive and committee reports</li> <li>The Monitoring Officer routinely attends Leadership Team meetings.</li> <li>The CFO routinely attends Leadership Team. In addition, the CFO has access to (and regularly attends) the Audit &amp; Governance Committee and to the internal and external auditors. In performing the role, the CFO is able to bring influence to bear on all material decisions of the Council through advice and guidance on all corporate reports. As part of that role, the CFO leads on the budget monitoring reports, financial strategy reports and is able to promote to the organisation the delivery of good financial management. In discharging this role, the CFO is supported by a team of officers, including a deputy, and these arrangements ensure that the CFO has adequate resources to support the design and maintenance of sound financial governance arrangements.</li> </ul>
	<ul style="list-style-type: none"> <li>Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Executive reports / decision making reports all document legal advice / implications</li> <li>Where appropriate, make use of general power of competence e.g. Millstream or the power to charge for discretionary services</li> </ul>

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<ul style="list-style-type: none"> <li>• Dealing with breaches of legal and regulatory provisions effectively</li> <li>• Ensuring corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring Officer takes lead role in ethical governance and ensuring compliance with the law</li> <li>• Decision making process incorporates this</li> <li>• Legal team provide in-house advice and guidance</li> <li>• Statutory teams familiar with and operating effectively to deliver on their statutory duties</li> <li>• Effective anti-fraud and anti-corruption policies and procedures are in place and are regularly updated and incorporated into all contracts</li> <li>• Assurance mapping exercise to be completed by Internal Audit will improve likelihood of detection</li> <li>• Grievance and disciplinary code for officers</li> <li>• Monitoring Officer at senior level within the organisation</li> <li>• Mature and experienced Standards Sub-Committee</li> <li>• 360 appraisal of managers acts as an additional layer of challenge</li> <li>• Annual appraisal review assesses competencies and behaviours.</li> </ul>
<p><b>B Ensuring openness and comprehensive stakeholder engagement</b></p> <p>Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such</p>	<p><b>Openness</b></p> <ul style="list-style-type: none"> <li>• Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly performance reports to record performance against Corporate Plan</li> <li>• Freedom of Information publication scheme</li> <li>• Information Governance Team input to all FOI requests to ensure that exemptions are not unreasonably applied</li> <li>• Data Protection Information Charter</li> <li>• Compliance with the General Data Protection Regulation 2016 and Data Protection Act 2018</li> <li>• Transparency web pages</li> <li>• Website publishes clear and accessible information</li> <li>• Public inspection of accounts</li> <li>• Annual publication of accounts</li> </ul>

<b>Principles of good governance</b>	<b>Sub-principles and behaviours and actions that demonstrate good governance in practice</b>	<b>East Herts Council's Compliance &amp; Supporting Evidence</b>
as individual citizens and service users, as well as institutional stakeholders		<ul style="list-style-type: none"> <li>Public consultation on new policies and individual development applications.</li> <li>Webcasting of all Committee meetings since the COVID 19 Pandemic</li> </ul>
	<ul style="list-style-type: none"> <li>Making decisions that are open about actions, plans, use of resources, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided in accordance with rules governing e.g. exemptions.</li> </ul>	<ul style="list-style-type: none"> <li>Record of decision making and supporting materials</li> <li>Publish decisions by Members and Officers in accordance with the Constitution, Scheme of Delegation, Financial Procedure Rules and Contract Procedure Rules.</li> <li>Forward Plan promotes community interest in democracy by publishing report schedule</li> </ul>
	<ul style="list-style-type: none"> <li>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</li> </ul>	<ul style="list-style-type: none"> <li>Decision making protocols</li> <li>Report template including requirement to obtain professional advice in key areas</li> <li>Meeting reports show details of advice given</li> <li>Discussion between Members and officers on the information needs of Members to support decision making</li> <li>Committee work programmes</li> <li>Agreement on the information that will be provided and timescales</li> <li>Calendar of dates for submitting, publishing and distributing timely reports is adhered to</li> </ul>
	<ul style="list-style-type: none"> <li>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</li> </ul>	<ul style="list-style-type: none"> <li>Community Engagement Strategy</li> <li>Annual budget consultation</li> <li>Consultation on Master Plan options</li> <li>All Member Information sessions</li> <li>Online consultation exercises</li> </ul>

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<p><b>Engaging comprehensively with institutional stakeholders</b></p> <ul style="list-style-type: none"> <li>Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> </ul>	<ul style="list-style-type: none"> <li>Communications Strategy and specific communications strategies for major projects</li> <li>Local ward Member communication networks</li> <li>Specific consultation with underrepresented groups through Equalities Strategy</li> <li>Community Engagement Strategy</li> <li>Statement of Community Involvement for District Plan</li> </ul>
	<ul style="list-style-type: none"> <li>Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> </ul>	<ul style="list-style-type: none"> <li>Online databases of residents who register to be kept informed / consulted about matters e.g. planning policy</li> <li>Significant partnership working e.g. Harlow &amp; Gilston Garden Town, Hertfordshire Growth Board</li> <li>Shared services for Revenues &amp; Benefits, ICT, Waste and Recycling Services, Building Control, CCTV and Equalities. The Council is also part of the Hertfordshire Emergency Resilience Partnership.</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring that partnerships are based on: <ul style="list-style-type: none"> <li>Trust</li> <li>a shared commitment to change</li> <li>a culture that promotes and accepts challenge among partners</li> <li>and that the added value of partnership working is explicit</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Shared services for Revenues &amp; Benefits, ICT, Waste and Recycling Services, Building Control, CCTV and Equalities</li> <li>Joint Committee/Joint Member Boards/Officer Boards as appropriate with a shared commitment to improvement, cost reduction and value for money</li> <li>Open culture of challenge between partners to seek improvement</li> </ul>

<b>Principles of good governance</b>	<b>Sub-principles and behaviours and actions that demonstrate good governance in practice</b>	<b>East Herts Council's Compliance &amp; Supporting Evidence</b>
	<p><b>Engaging stakeholders effectively, including individual citizens and service users</b></p> <ul style="list-style-type: none"> <li>Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Online record of public consultations</li> <li>Feedback reports on public consultations</li> <li>Consultation responses included in relevant Executive reports e.g. budget</li> <li>Service user satisfaction surveys</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring that communication methods are effective and that Members and officers are clear about their roles with regard to community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Communications Strategy</li> <li>Monitoring reports on the effectiveness of our communications output including regular reports on the effectiveness of East Herts Council's Social Media Usage</li> <li>Communications and media training for Members and Senior Leadership Team</li> </ul>
	<ul style="list-style-type: none"> <li>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</li> </ul>	<ul style="list-style-type: none"> <li>Communications Strategy</li> <li>Community Engagement Strategy</li> <li>Resident Satisfaction Survey as part of budget consultation</li> <li>Themed consultation exercises</li> </ul>
	<ul style="list-style-type: none"> <li>Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</li> </ul>	<ul style="list-style-type: none"> <li>Feedback included online in response to consultations</li> <li>Reports to Executive include feedback on consultation e.g. budget report</li> <li>Extensive use of East Herts Council's social media to interact with communities</li> </ul>

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	<ul style="list-style-type: none"> <li>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>Taking account of the interests of future generations of tax payers and service users</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Equalities Objectives</li> <li>Equalities Policy and Action Plan</li> <li>Consultation with specific underrepresented groups within our community</li> <li>Corporate Plan</li> <li>Executive / Scrutiny reports</li> <li>Strategic Housing Needs Assessment</li> <li>Harlow &amp; Gilston Garden Town</li> </ul>
<p><b>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</b></p> <p>The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this</p>	<p><b>Defining outcomes</b></p> <ul style="list-style-type: none"> <li>Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions</li> <li>Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</li> <li>Delivering defined outcomes on a sustainable basis within the resources that will be available</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Plan</li> <li>Published performance indicators</li> <li>MTFP and Capital Programme to fund ambitions</li> <li>Commercial Strategy development</li> <li>Performance management report</li> <li>Pentana performance management system</li> <li>Statement of organisational values</li> <li>Statement of Community engagement</li> <li>Consultation strategy</li> <li>Service plans</li> <li>Quarterly budget reports</li> <li>Quarterly performance monitoring reports</li> <li>Medium Term Financial Plan</li> <li>Capital Programme</li> <li>Commercial Strategy development</li> </ul>

<b>Principles of good governance</b>	<b>Sub-principles and behaviours and actions that demonstrate good governance in practice</b>	<b>East Herts Council's Compliance &amp; Supporting Evidence</b>
<p>process and in balancing competing demands when determining priorities for the finite resources available.</p>	<ul style="list-style-type: none"> <li>Identifying and managing risks to the achievement of outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Risk management report</li> <li>Risk management training</li> <li>Risk assessments for specific projects</li> <li>External Audit report giving assurance that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources</li> </ul>
	<ul style="list-style-type: none"> <li>Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul>	<ul style="list-style-type: none"> <li>Service plans</li> <li>Performance indicators</li> <li>Executive reports identify issues of competing community demands</li> <li>How your Council Tax is Spent information issued with annual Council Tax bills</li> </ul>
	<p><b>Sustainable economic, social and environmental benefits</b></p> <ul style="list-style-type: none"> <li>Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</li> </ul>	<ul style="list-style-type: none"> <li>Capital programme</li> <li>Medium Term Financial Plan</li> <li>Treasury management strategy</li> <li>Corporate Plan</li> <li>Commercial Strategy</li> </ul>
	<ul style="list-style-type: none"> <li>Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</li> </ul>	<ul style="list-style-type: none"> <li>Corporate plan with four year time horizon</li> <li>Medium Term Financial Plan</li> <li>Reports on decision making</li> <li>Mandatory training (e.g. for the Development Management Committee)</li> </ul>
	<ul style="list-style-type: none"> <li>Determining the wider public interest associated with balancing conflicting</li> </ul>	<ul style="list-style-type: none"> <li>Consultation and community engagement strategy</li> <li>Consultation and community engagement diary</li> </ul>

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<p>interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p> <ul style="list-style-type: none"> <li>Ensuring fair access to services</li> </ul>	<ul style="list-style-type: none"> <li>Customer service strategy</li> <li>24/7 Website offering online services</li> <li>Transparency webpages</li> <li>Clear policies explaining the Council's processes and what customers can expect from the Council e.g. housing allocations</li> </ul>
<p><b>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</b> Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decisionmaking mechanisms to ensure that their defined outcomes can be achieved in a way that</p>	<p><b>Determining interventions</b></p> <ul style="list-style-type: none"> <li>Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided</li> </ul> <p>Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</p>	<ul style="list-style-type: none"> <li>Options appraisals within key decision reports</li> <li>All Executive reports available for consideration at Overview &amp; Scrutiny</li> <li>Reports to Audit &amp; Governance Committee</li> <li>Legal, Financial and HR implications considered as part of every decision and evidenced within committee reports</li> <li>Individual risk assessment on larger projects</li> </ul> <ul style="list-style-type: none"> <li>Consultation outcomes incorporated within key Executive / Council reports</li> <li>Specific consultation part of the annual budgeting process</li> <li>Complaints process</li> </ul>



<b>Principles of good governance</b>	<b>Sub-principles and behaviours and actions that demonstrate good governance in practice</b>	<b>East Herts Council's Compliance &amp; Supporting Evidence</b>
<p>provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations.</p>	<p><b>Planning interventions</b></p> <ul style="list-style-type: none"> <li>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</li> </ul>	<ul style="list-style-type: none"> <li>Calendar of meetings</li> <li>Annual work programmes for Audit &amp; Governance and Overview &amp; Scrutiny Committees</li> <li>Executive Forward Plan</li> </ul>
	<ul style="list-style-type: none"> <li>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> </ul>	<ul style="list-style-type: none"> <li>Communication strategy</li> <li>East Herts Together</li> </ul>
	<ul style="list-style-type: none"> <li>Considering and monitoring risks facing each partner when working collaboratively including shared risks</li> </ul>	<ul style="list-style-type: none"> <li>Risk management report</li> <li>Risk identified within Executive reports</li> <li>Risk register for specific projects</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances</li> </ul>	<ul style="list-style-type: none"> <li>Report cycles allow flexibility to respond to changing priorities</li> </ul>
	<ul style="list-style-type: none"> <li>Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Plan KPIs in place</li> <li>Service plan KPIs established</li> <li>Financial performance regularly measured through quarterly budget meetings and report</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring capacity exists to generate the information required to review service quality regularly</li> </ul>	<ul style="list-style-type: none"> <li>Pentana is the Council's online performance management system</li> <li>Quarterly performance management reports</li> <li>Members have on-line access to Pentana</li> </ul>
	<ul style="list-style-type: none"> <li>Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan</li> </ul>	<ul style="list-style-type: none"> <li>Clear alignment between corporate objectives and resources</li> <li>Regular budget monitoring analysis and reporting across all Council Services</li> </ul>

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	<ul style="list-style-type: none"> <li>Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</li> </ul>	<ul style="list-style-type: none"> <li>Medium Term Financial Plan</li> <li>Capital Strategy – reports to Executive / Audit and Governance Committee on performance / progress</li> </ul>
	<p><b>Optimising achievement of intended outcomes</b></p> <ul style="list-style-type: none"> <li>Ensuring the Medium Term Financial Plan integrates and balances service priorities, affordability and other resource constraints</li> </ul>	<ul style="list-style-type: none"> <li>Annual budget consultation</li> <li>Audit and Governance Committee Reports</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> </ul>	<ul style="list-style-type: none"> <li>Full and detailed budgeting exercise, both capital and revenue, over the medium term</li> <li>Internal and External Audit review</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring the Medium Term Financial Plan sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</li> </ul>	<ul style="list-style-type: none"> <li>MTEFP identifies plan for savings</li> <li>Transformation Programme business case predicts a minimum amount of £1 million of savings from changes to the customer service model and moving the financial system to the cloud. Further budget reductions will come from additional income following the Fees and Charges Policy and the Commercial Strategy.</li> <li>External auditor report gives assurance</li> <li>Quarterly budget reporting</li> </ul>

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	<ul style="list-style-type: none"> <li>Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community over and above the direct purchasing of goods, services and outcomes"</li> </ul>	<ul style="list-style-type: none"> <li>Procurement strategy identifies social value</li> <li>Social value assessed as part of award process under procurement</li> </ul>
<p><b>E. Developing the entity's capacity, including the capability of its leadership and the individuals within it</b></p> <p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the</p>	<p><b>Developing the entity's capacity</b></p> <ul style="list-style-type: none"> <li>Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Assets Strategy</li> <li>Asset Management Group – regular review of assets</li> <li>Commercial Strategy</li> </ul>
	<ul style="list-style-type: none"> <li>Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently</li> </ul>	<ul style="list-style-type: none"> <li>Benchmarking</li> <li>LGA Peer Review on services</li> <li>External Audit Use of Resources Statement</li> <li>Local benchmarking exercise at Service level</li> </ul>
	<ul style="list-style-type: none"> <li>Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> </ul>	<ul style="list-style-type: none"> <li>Significant commitment to partnership working</li> <li>Joint working / shared services</li> </ul>
	<ul style="list-style-type: none"> <li>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> </ul>	<ul style="list-style-type: none"> <li>Review of workforce development plan and strategy</li> <li>Commitment to apprenticeships</li> </ul>

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<p>organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<p><b>Developing the capability of the entity's leadership and other individuals</b></p> <ul style="list-style-type: none"> <li>Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> </ul>	<ul style="list-style-type: none"> <li>Constitution contains job descriptions for lead Members</li> <li>Officer Job descriptions</li> <li>Shared understanding of roles between Leader and CE</li> <li>Officer Member protocol</li> </ul>
	<ul style="list-style-type: none"> <li>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> <li>Scheme of Delegation</li> <li>Financial Procedure Rules</li> <li>Individual reports for major projects set out decision making basis so that this is open and transparent, particularly for new projects</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority</li> </ul>	<ul style="list-style-type: none"> <li>Job description for Chief Executive</li> <li>Role profile for Leader in Constitution</li> </ul>

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	<ul style="list-style-type: none"> <li>• Developing the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:               <ul style="list-style-type: none"> <li>• ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</li> <li>• ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</li> <li>• ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings between Executive and Leadership Team</li> <li>• Senior Leadership Training &amp; Development - ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</li> <li>• Induction programme for both staff and Members</li> <li>• Annual staff appraisal</li> <li>• Annual training programme for Members</li> <li>• Commitment to apprenticeships including those at a higher level and support for appropriate professional qualifications</li> <li>• Bespoke training at committees including presentations by service departments to Audit and Governance Committee</li> <li>• Community Leadership is discussed and led by Portfolio Holder</li> <li>• Member support through Democratic Services</li> <li>• Member training programme</li> <li>• Officer training e.g. professional training, continuing professional development, management and leadership training</li> <li>• Internal Audit reports on governance to Audit and Governance Committee</li> <li>• Workforce monitoring reports to Executive through Portfolio Holder</li> </ul>

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	<ul style="list-style-type: none"> <li>Ensuring that there are structures in place to encourage public participation</li> </ul>	<ul style="list-style-type: none"> <li>Community Engagement Strategy</li> <li>Residents' satisfaction survey</li> <li>Regular user satisfaction surveys</li> <li>The Council also has a Statement of Community Involvement (SCI) - a document that sets out what consultation will take place when the Council is developing and reviewing its planning policy documents (including the District Plan) and when determining planning applications.</li> </ul>
	<ul style="list-style-type: none"> <li>Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</li> </ul>	<ul style="list-style-type: none"> <li>Publish member attendance records</li> <li>Annual training plan</li> <li>Participation in appropriate Peer Reviews</li> </ul>
	<ul style="list-style-type: none"> <li>Holding staff to account through regular performance reviews which take account of training or development needs</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance appraisals and probationary appraisals</li> <li>Staff development plan within appraisal process</li> <li>Capability procedure</li> <li>Sickness procedure</li> <li>Routine Service Team Meetings and 1:1 Meetings</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Conditions of Service</li> <li>Health and Safety policies</li> <li>Employee Assistance Programme – Confidential Helpline</li> <li>Mental Health First Aiders</li> <li>Workplace Health Scheme Monthly Programme</li> <li>Council policies which support employees e.g. bereavement</li> </ul>
<b>F. Managing risks and performance through robust internal control and strong public financial management</b>	<b>Managing risk</b> <ul style="list-style-type: none"> <li>Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> </ul>	<ul style="list-style-type: none"> <li>Risk management specifically reported to Executive and Audit and Governance Committee on a quarterly basis</li> <li>Risk assessments on larger projects</li> </ul>

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<p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture</p>	<ul style="list-style-type: none"> <li>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</li> </ul>	<ul style="list-style-type: none"> <li>Risk management strategy and policy</li> <li>Annual internal audit plan</li> <li>Risk management within individual project plans e.g. elections</li> <li>Emergency plan and Business Continuity Plan and the review of risks specific to emergencies such as the Covid-19 pandemic</li> <li>Regular exercises to test the Emergency Plan, Business Continuity Plan ,Disaster Recovery and Cyber Security</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul>	<ul style="list-style-type: none"> <li>Risks assigned with responsible owners</li> <li>Named officers for e.g. Health and Safety, Data Protection, Emergency Planning, Business Continuity</li> </ul>
	<p><b>Managing performance</b></p> <ul style="list-style-type: none"> <li>Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</li> </ul>	<ul style="list-style-type: none"> <li>Departmental service plans which are reviewed regularly</li> <li>Senior Leadership ownership of specific Corporate Plan outcomes.</li> <li>Performance monitoring</li> <li>Benchmarking</li> <li>Transparency pages on website</li> <li>Report format strengthening consideration of implications</li> </ul>
	<ul style="list-style-type: none"> <li>Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</li> </ul>	<ul style="list-style-type: none"> <li>Report template to Executive / Committees includes specific sections for analysis, options, risk, finance, and other relevant considerations</li> <li>Agendas published at least 5 days in advance</li> <li>Decision notices and minutes published after meetings</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that</li> </ul>	<ul style="list-style-type: none"> <li>Constitution defines roles and responsibilities of Overview &amp; Scrutiny Committee and Audit and Governance Committee</li> <li>Annual work programmes for those committees</li> <li>Regular training sessions for committee members pertinent to that committee and the wider business and functions of the council</li> </ul>

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
<p>and structure for scrutiny is in place as a key part of accountable decision-making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>	<p>of any organisation for which it is responsible</p>	
	<ul style="list-style-type: none"> <li>• Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> </ul>	<ul style="list-style-type: none"> <li>• Annual timetable / calendar of meetings</li> <li>• Work programmes / forward plan for Executive and Committees</li> <li>• Senior Leadership ownership of specific Corporate Plan outcomes.</li> <li>• Annual Budget and Tax Setting report to Executive</li> </ul>
	<ul style="list-style-type: none"> <li>• Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Procedure Rules</li> <li>• Annual accounts and Statement of Accounts</li> <li>• External auditor reports</li> </ul>
	<p><b>Robust internal control</b></p> <ul style="list-style-type: none"> <li>• Aligning the risk management strategy and policies on internal control with achieving the objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Audit Plan</li> <li>• Regular reports from Internal Audit to Audit and Governance Committee</li> </ul>
	<ul style="list-style-type: none"> <li>• Evaluating and monitoring the authority's risk management and internal control on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly risk management reports</li> <li>• Risk management training for Members and officers</li> <li>• Internal Audit Review of Effectiveness</li> <li>• Annual Governance Statement</li> <li>• External Audit Annual Report</li> </ul>
	<ul style="list-style-type: none"> <li>• Ensuring effective counter fraud and anti-corruption arrangements are in place</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-fraud and anti-corruption policy</li> <li>• Whistleblowing policy</li> <li>• Shared Anti-Fraud Service</li> <li>• Acquisition and use of specialist data analysis software to detect fraud and corruption</li> <li>• Regular reports to Audit and Governance Committee on counter fraud activity</li> <li>• Shared Anti-Fraud Service fraud risk evaluation of all business grants applied for as a consequence of Covid-19</li> </ul>



<b>Principles of good governance</b>	<b>Sub-principles and behaviours and actions that demonstrate good governance in practice</b>	<b>East Herts Council's Compliance &amp; Supporting Evidence</b>
	<p><b>Strong public financial management</b></p> <ul style="list-style-type: none"> <li>Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</li> <li>Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</li> </ul>	<ul style="list-style-type: none"> <li>Clear links between Corporate Plan, Medium Term Financial Plan and subsequent reporting on outcomes</li> <li>Asset Management Strategy</li> <li>Embedded financial management process covering process from beginning to end</li> <li>Review of that process through External Audit</li> </ul>
<p><b>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p> <p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit</p>	<p><b>Implementing good practice in transparency</b></p> <ul style="list-style-type: none"> <li>Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</li> <li>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</li> </ul> <p><b>Implementing good practices in reporting</b></p> <ul style="list-style-type: none"> <li>Reporting at least annually on performance, value for money and the stewardship of its resources</li> </ul>	<ul style="list-style-type: none"> <li>Publication of all reports and decisions on website</li> <li>Transparency pages on website</li> <li>Consistent, accessible, reporting style used with supporting evidence providing more detail for those who require it. Web pages give key information and ability to drill down to specific documents and background papers for those requiring detail.</li> <li>Annual performance report</li> <li>Regular internal audit reports to Audit and Governance Committee</li> <li>Annual performance report that supplements quarterly performance and budget reports</li> <li>Annual reports from External Auditor</li> <li>Value for money opinion</li> <li>Statement of Accounts</li> </ul>

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
contribute to effective accountability.		<ul style="list-style-type: none"> <li>Internal audit reports also comment on Value for Money implications where applicable</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring Members and senior management own the results</li> </ul>	<ul style="list-style-type: none"> <li>Clearly defined roles for Executive portfolio holder, Audit and Governance Committee and Overview and Scrutiny Committee</li> <li>Portfolio holders present reports at Executive</li> <li>Each portfolio holder has regular briefings with officers</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</li> </ul>	<ul style="list-style-type: none"> <li>Annual Governance Statement</li> <li>Assurance mapping exercise planned for 2021/22</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Shared service legal agreements</li> <li>Annual Governance Statement</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations</li> </ul>	<ul style="list-style-type: none"> <li>Benchmarking</li> <li>Quarterly performance reports to Executive and Overview &amp; Scrutiny Committee including end of year performance.</li> </ul>
	<p><b>Assurance and effective accountability</b></p> <ul style="list-style-type: none"> <li>Ensuring that recommendations for corrective action made by external audit are acted upon</li> </ul>	<ul style="list-style-type: none"> <li>Management comments / response is incorporated as part of the reports from both Internal and External Audit</li> <li>Annual Opinion on the Control Environment report from Internal Audit</li> </ul>

<b>Principles of good governance</b>	<b>Sub-principles and behaviours and actions that demonstrate good governance in practice</b>	<b>East Herts Council's Compliance &amp; Supporting Evidence</b>
	<ul style="list-style-type: none"> <li>Ensuring an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon`</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with CIPFA's Statement on the Role of the Head of Internal Audit (2019)</li> <li>Compliance with Public Sector Internal Audit Standards</li> <li>Annual review of effectiveness of internal audit reported to Audit and Governance Committee</li> <li>Annual Governance Statement Action Plan and follow up</li> </ul>
	<ul style="list-style-type: none"> <li>Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Executive report on outcomes and recommendations / action plan arising from review</li> <li>Self-challenging through entry for various awards and nomination as finalist</li> </ul>
	<ul style="list-style-type: none"> <li>Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</li> </ul>	<ul style="list-style-type: none"> <li>Annual Governance Statement</li> <li>Risk management report</li> <li>Performance report</li> <li>Requirement for performance information to management is specified in contract specification.</li> </ul>
	<ul style="list-style-type: none"> <li>Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</li> </ul>	<ul style="list-style-type: none"> <li>Proportionate governance arrangements in place for partnership working</li> <li>Service Level Agreements for some community grants ensuring that outcomes are measurable and delivered.</li> </ul>

## **5. Review of Effectiveness**

East Herts Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Leadership Team, the Monitoring officer, the Chief Finance Officer (Head of Financial Services), and the Head of Business Services who have responsibility for the development and maintenance of the governance environment, and also by comments made by the external auditors and other review agencies and inspectorates. The following processes have been applied in maintaining and reviewing the effectiveness of the governance framework:

### **Council**

Council is responsible for approving the budget and policy framework, which includes the Corporate Plan and the Constitution.

### **Executive**

Executive has approved the Council's performance management framework. Executive also approves the risk management policy and receives quarterly reports on risk management, performance monitoring and budget monitoring.

### **Audit and Governance Committee**

This Committee undertakes the core functions of an Audit Committee and approves the annual Internal Audit Plan, receives quarterly monitoring reports updating them on progress against that plan. It also receives the external auditor's annual audit letter, annual governance report, annual plan and grant claim certification report. It approves the risk management policy and receives quarterly reports on risk management. The Committee has lead oversight responsibility for corporate governance, risk management and other internal control issues. It also leads the cross Member scrutiny and consideration of the budget. The Audit & Governance Committee also reviews the Constitution.

### **Standards Sub-Committee**

This Sub-Committee undertakes a proactive role in relation to the promotion of the ethical conduct framework. It has also published documents to inform the public about its role, the importance of good ethical conduct in the area, and the high standards of conduct evident in the District. A new framework for dealing

with ethical governance has been adopted by the county and the district and borough councils in Hertfordshire in order to maintain a level of consistency across the geographical area, particularly in relation to twin-hatted Members. The Standards Sub-Committee has put in place arrangements for dealing with complaints, conduct investigations and hearing allegations.

### **Overview & Scrutiny Committee**

The Overview & Scrutiny Committee reviews performance across all services delivered by the Council and partner organisations, and the impact they have on the District and its communities.

### **Chief Finance Officer (Head of Strategic Finance & Property)**

The Chief Finance Officer (CFO) has been designated as the s151 Officer. That officer maintains the statutory powers to report to Executive or Council on any proposals, decision or omission that gives rise to any unlawful expenditure. The CFO also has clearly defined responsibilities for Risk Management, Internal Control, and systems and processes for financial administration and control, which are set out in the Financial Procedure Rules.

### **Monitoring Officer**

The Head of Legal & Democratic Services has been designated as the Monitoring Officer. The Monitoring Officer has the specific duty, contained within Section 5 of the Local Government and Housing Act 1989, to ensure that the Council, its officers, and its Elected Councillors, maintain the highest standards of conduct in all they do. The role of the Monitoring Officer is:

- To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration;
- To be responsible for matters relating to the conduct of Councillors and officers; and
- To be responsible for monitoring and reviewing the operation of the Constitution, to ensure that the aims and principles of our Constitution are given full effect.

## **Internal Audit**

The internal control system comprises the whole network of systems established within the Council to provide reasonable assurance that corporate objectives will be achieved, with particular reference to:

- The effectiveness of operations
- The economic and efficient use of resources
- Compliance with applicable policies, procedures, laws and regulations
- The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- The integrity and reliability of information, accounts and data
- Effective monitoring systems and optimum use of performance management information

## 6. Governance Issues – Progress from last year

Key Improvement Area	Lead Officer	Update
<p><u>Full implementation of high priority recommendations related to IT</u></p> <p>The implementation of some recommendations has had to be re-scheduled. Management is actively monitoring these issues and full implementation should be achieved during 2020/21</p>	<p>Helen Standen</p>	<p><b>In progress.</b> Network upgrade completed and substantial improvement in network reliability. Upgrade to Windows 10 and Microsoft 365 on target to be completed by December 2022. Laptop roll out to staff and Members 75% complete and due for completion by December 2022.</p>
<p><u>Procurement</u></p> <p>The Procurement Strategy requires updating to reflect the new national procurement strategy and the enhanced profile of social value as well as reflecting net zero ambitions.</p> <p>The council should produce an annual procurement programme as well as a 3 year “procurement pipeline” in order that local businesses can see what opportunities are coming up and to encourage them to bid.</p>	<p>Steven Linnett</p>	<p><b>In progress.</b> The National Procurement Strategy has been delayed therefore work on the Procurement Strategy has been paused pending its approval.</p> <p>See above</p>

Key Improvement Area	Lead Officer	Update
<p>The council requires a social value policy to inform potential bidders of the social value priorities of the council</p> <p>The council should produce an annual procurement report showing: savings or costs avoided; social value gained; contracts awarded to local businesses by size; contracts awarded to SMEs; and the contribution from procurement to net zero targets.</p>		<p><b>Completed</b></p> <p><b>Will follow from approval of new procurement strategy.</b></p>
<p><u>Assurance Mapping</u></p> <p>The Audit &amp; Governance Committee should have an assurance map of all the major financial systems within the council. This provides:</p> <ul style="list-style-type: none"> <li>• Factual high level summary of the state of assurance</li> <li>• Enables better decision making, e.g. how better to use internal audit and</li> </ul>	<p>Steven Linnett / Simon Martin (SIAS)</p>	<p><b>Completed for all the major financial systems</b></p> <p>Other systems will be mapped over a period of years when they are due for review in the Internal Audit Plan.</p>



Key Improvement Area	Lead Officer	Update
<p>other assurance providers against risk and where there are gaps</p> <ul style="list-style-type: none"> <li>• Creates better evidence to support assurances provided to the Council on the state of internal control</li> <li>• Supports public reports on governance and statement of internal control</li> </ul>		
<p><u>Asset Strategy</u></p> <p>The asset strategy requires updating to ensure the council's strategy is up to date and meets best practice.</p> <p>The council would benefit from the establishment of a cross service officer group to discuss asset management issues and also review assets and identify assets for disposal</p>	Steven Linnett	<p><b>In progress.</b> To be completed as part of the 2023/24 MTFP process.</p> <p><b>In progress.</b> The cross service officer group is expected to be established following approval of the asset strategy.</p>
<p><u>Commercial Strategy</u></p> <p>The council would benefit from a commercial strategy setting out its attitude to risk and expectations about return on</p>	Steven Linnett	<b>Completed</b>

Key Improvement Area	Lead Officer	Update
investment and its attitude towards services that could be provided on a trading basis as well as services where spare capacity could be sold under the Local Authorities (Goods & Services) Act		
<p><u>ICT Resilience</u></p> <p>An external review of the ICT Strategy and delivery vehicle has been commissioned by the partner councils and recommendations arising from that will need to be taken forwards</p>	Helen Standen	<p><b>In progress.</b> SOCITM review completed and recommendations being implemented. New Joint Committee established with Member oversight of Joint ICT Service now in place to ensure delivery of improved ICT Service. Business systems being progressively migrated to the cloud to increase resilience and single points of failure in current infrastructure</p>
<p><u>Workforce Plan</u></p> <p>Following changes to working practices as a result of COVID 19 and anticipated changes from the Transformation Programme the council would benefit from a workforce plan that analyses its workforce and determines the steps it</p>	Simon O'Hear	<p><b>In progress.</b> The workforce plan will be fully developed once changes associated with Service Reviews, new customer service model and Finance in the cloud are implemented.</p>

Key Improvement Area	Lead Officer	Update
must take to prepare for future staffing needs. These future skill needs can be met by recruiting, by training or by outsourcing the work.		

## 7. Governance Issues

The following governance issues have been identified as needing addressing during 2022/23

Key Improvement Area	Lead Officer	Update
<p>With the district council elections in 2023 we will concentrate on the following principles of good governance:</p> <ul style="list-style-type: none"> <li>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law; and</li> <li>Developing the council's capacity, including the capability of its leadership and the individuals within it.</li> </ul> <p>It is anticipated that with a number of longstanding Members retiring at the next election officers will need to work with the newly elected council to ensure that the new council can move forward within very tight financial constraints and operate at full capacity as soon as possible after the election.</p>	<p>Richard Cassidy / Helen Standen / James Ellis / Steven Linnett</p>	

## **8. Certification**

To the best of our knowledge, the governance arrangements, as defined above have been effectively operating during the year with the exception of those areas identified in Section 7. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for the improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Cllr Linda Haysey**  
**Leader of the Council**

**Date:**

**Richard Cassidy**  
**Chief Executive**

**Date:**

# Agenda Item 9

East Herts Council Report

## **Audit and Governance Committee**

**Date of meeting:** 29 September 2022

**Report by:** Executive Member for Corporate Services

**Report title:** Strategic Risk Register – Monitoring 2022/23 quarter one

**Ward(s) affected:** All

**Summary** – The report provides details the changes to the Strategic Risk Register for quarter one.

### **RECOMMENDATIONS FOR** Audit and Governance Committee:

**a) The 2022/23 quarter one Strategic Risk Register be reviewed and officers advised of any further action that could be taken to manage risk.**

#### **1.0 Proposal(s)**

1.1 This report details the controls introduced during quarter one.

#### **2.0 Background**

2.1 Leadership Team reviews the content of the Strategic Risk Register quarterly and provides updates that are relayed within this monitoring report to Audit and Governance Committee.

### **3.0 Reason(s)**

3.1 The Strategic Risk Register details significant business risks; essentially those that could prevent the council meeting its objectives.

3.2 Leadership Team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed in order to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Heads of Service but these are often delegated. (Heads of Service are responsible for keeping all risks under review and taking action to reduce the impact of the risk on the council.)

3.3 A summary of business risks and the risk tolerance line is shown in the matrix below. Risks in the red area of the grid are those actively managed by Leadership Team in accordance with the Risk Management Strategy.

<b>Impact</b>	<b>A</b>	7, 9, 13	10	3	1, 8, 12
	<b>B</b>		4, 11	2	
	<b>C</b>			6	5
	<b>D</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>Likelihood</b>				

	Description	Likelihood of occurrence	Probability of occurrence
<b>Likelihood</b>	4 High	Monthly	The event is expected to occur or occurs regularly
	3 Medium	Annually	The event will probably occur
	2 Low	1 in 5 years	The event may occur
	1 Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances

	Description	Financial	Reputation	Service / operation
<b>Impact</b>	A Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long term disruption to services
	B Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality



1	Financial resources
2	Corporate governance and external political environment
3	Performance, resilience and security of IT systems
4	Staff capacity and skills to deliver services
5	Poor performance or failure of key partner or contractor
6	Judicial review and or major legal challenge
7	District Plan
8	Climate change
9	Child / vulnerable adult protection
10	Equalities
11	Internal control
12	Outbreak of disease in humans
13	Business Continuity Plan / Emergency Plan

#### **4.0 Options**

4.1 No new strategic risks have been identified in quarter four and no risks have become obsolete.

4.2 All existing risks have been reviewed and updated as necessary and Leadership Team has not proposed any changes to scores.

4.3 The council's most significant risks at present remain:

4.3.1 The current financial climate and the impact on the council's medium and long term financial planning.

4.3.2 Although the initial difficulties caused by the pandemic continue to recede, supply chains and the labour market have been affected (and following Brexit and now the cost of living crisis) and costs have increased. There is further demand on services as residents and businesses experience further difficulties.

4.3.3 Climate change and the need to reduce the council's carbon footprint.

4.3.4 Performance, resilience and security of IT systems and the increased threat of cyber-attacks.

## **5.0 Risks**

5.1 This report details the top business risks facing the council.

## **6.0 Implications/Consultations**

6.1 Leadership Team reviewed on 30 August 2022. The Executive Member for Corporate Services has also been consulted.

### **Community Safety**

No

### **Data Protection**

None specific but the topic features within the Strategic Risk Register.

### **Equalities**

None specific but the topic features within the Strategic Risk Register.

### **Environmental Sustainability**

None specific but climate change features within the Strategic Risk Register.

### **Financial**

None specific but risk management can provide protection of budgets from unexpected losses. Better governance can be demonstrated and the annual audit plan is risk based.

### **Health and Safety**

None specific but risk management processes can provide a safer environment across the District and all services for the benefit of the public, staff and our contractors.

### **Human Resources**

No

## **Human Rights**

No

## **Legal**

None specific but legal matters feature within the Strategic Risk Register.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 Please see the Strategic Risk Register with changes tracked at Appendix 1.

## **Contact Member**

Councillor George Cutting, Executive Member for Corporate Services

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## **Contact Officer**

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## **Report Author**

Graham Mully, Insurance and Risk Business Advisor

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Appendix 1

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
1	A 4	Financial Resources	<p>Reduction in government grant combined with higher demand for demand-led services such as homelessness, or failure to generate income.</p> <p>Failure to realise capital receipts from disposals to support capital expenditure.</p> <p>External auditor challenges MRP Policy and capital financing decisions</p> <p>Council Tax Referendum levels set too low to generate sufficient tax revenue. Sudden economic Down turn results in negative Tax Base figures because of increased local</p>	<ul style="list-style-type: none"> <li>• Reductions in services required</li> <li>• Performance against community expectations and targets reduced</li> <li>• Investment in improvement not possible or severely reduced</li> <li>• Failure to meet statutory duties with potential for legal action or Local Government Ombudsman finds significant cases of maladministration</li> <li>• Corporate Manslaughter charges if maintenance works not carried out, e.g. Legionella in air handling and cooling units</li> </ul>	Head of Strategic Finance & Property	<ul style="list-style-type: none"> <li>• Minimum Balances held on risk assessment basis to cushion impact over short term (max 2 years)</li> <li>• Modelling of impact of grant settlement scenarios and function and funding changes</li> <li>• Three year MTFP savings programme</li> <li>• Transforming East Herts savings plan due to be reported at June Executive to deliver savings and efficiencies through an emphasis on: digital self-service; process automation; agile working leading to a much reduced accommodation requirement with target of £1 million cashable savings.</li> <li>• Transforming East Herts Commercial Strategy will specify commercial skill sets</li> </ul>

East Herts Council Corporate Risk Register – 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>Council Tax support claims</p> <p>Members do not agree significant savings at budget setting leading to an unbalanced budget leading to a s.114 report.</p> <p>Delay and/or significant cost over runs on major projects</p>	<ul style="list-style-type: none"> <li>• Large numbers of staff redundancies</li> <li>• Major media engagement</li> <li>• Potential for MHCLG intervention</li> <li>• Delay leads to cost increases beyond the ability of the council to finance the capital costs</li> </ul>		<p>and set out the council's approach to risk appetite and give guidance on how income generating ideas should be taken forward.</p> <ul style="list-style-type: none"> <li>• New capital programme items must make a return for the investment in cost reductions or income on top of covering the interest and MRP costs</li> <li>• Charges will be required to be in conformity with proposed corporate policy on charging recovering total costs and concessions will need to be justified in policy terms and funded by higher charges for others.</li> <li>• Business case reviews to ensure that projects make a return</li> <li>• Cost and income estimates commissioned from industry expert consultants to feed into business case</li> </ul>

East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				<ul style="list-style-type: none"> <li>• Delays and cost overruns lead to non-delivery of savings requiring service offer reductions to compensate</li> <li>• Projected savings not achieved after project completion due to changes in market away from service offer</li> <li>• Significant local media engagement</li> <li>• Reputational damage.</li> </ul>		<ul style="list-style-type: none"> <li>• Project delivery by Major Projects Team with quarterly reports on progress to Leadership Team and Executive.</li> <li>• Capital Programme is phased and financed across years and contingency built into budgets so can be re-phased if required.</li> </ul>

**Update on current position**

1		<ul style="list-style-type: none"> <li>• In developing our medium and longer term plans we will need to have regard to the broader context in which we will be working. This includes:               <ul style="list-style-type: none"> <li>○ The impact of operating in the current economic situation with significant inflation driven by global supply chain issues and the impact of the Russo-Ukrainian war and the “weaponisation” of energy supplies by the Russian government causing global price increase and supply shortages.;</li> <li>○ The shape of the new government’s economic and policy agenda, the impact of “going for growth” rather than fiscal constraints, with resulting increases in borrowing, will not result in additional funding for local government and when the borrowing needs to be paid for may well result in the return of austerity and cuts in future funding. There is also now uncertainty about the Government’s Levelling Up agenda and whether future funding streams will be honoured;</li> </ul> </li> </ul>
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**Update on current position**

- The cost of living crisis and the high likelihood of the UK falling into recession will cause spending pressures through potential increases in local council tax support, reductions in payments and higher levels of debt, increases in voluntary arrangements and bankruptcy increasing write offs;
- Specific uncertainty over the future of local government funding, with key reforms due to be introduced from 2023/24 as indicated in the Levelling Up White Paper. The level of Government funding that the council will receive from 2022/23 onwards is not confirmed but the Comprehensive Spending Review levels indicate local government funding overall will be flat, i.e. no growth.; These are significant areas of change will have a potentially significant financial impact and absolutely key will be any floor protection mechanism as East Herts is judged to have too much government support at present;
- The lasting impact the pandemic will have on young people in terms of education and employment opportunities;
- The growing impact of climate change, the national and local commitments to achieve carbon neutrality and the introduction of a range of new measures through the Environment Bill;
- The impact of Government reviews and reforms of public services and changes in policy– for example changes to infrastructure, transport and planning and potential local government structural changes;
- The ongoing need to support post-Covid recovery and adjustment, both in our services and for society and the economy, against a backdrop of residual risk of further waves of infection and the potential need for an ongoing vaccination programme; and
- Reviewing the way that we work and accelerating our planned changes to move towards a more hybrid way of working, and evolving our working practices to ensure we have modern, flexible workspaces and workstyles as part of the Transforming East Herts Programme. In addition, as part of the MTFP process for 2023/24 Heads of Service have been asked to model a minimum savings target of 20% with the constraint concerning no significant change to the service offer being imposed;
- The Council’s business and financial planning is underpinned by the Corporate Plan and its four priorities, which provide a clear focus for decisions about spending and savings and direct activity across the Council. The four priorities are:
  - Sustainability at the heart of everything we do;

**Update on current position**

- Enabling our communities;
- Encouraging economic growth; and
- Digital by default.
- Officers will continue to explore options to further reduce net cost to meet the savings target for submission to the Executive. This will include examining non-statutory service provision levels and also reviewing and benchmarking contracts to ensure the prices remain competitive. A recent review of the office furniture contract resulted in an indicative 68% saving by switching to an alternative framework. A procurement strategy and indicative procurement timeline both featured in the improvements identified in the Annual Governance Statement endorsed by Audit & Governance Committee. A Social Value Policy has been approved to leverage funding for the third sector and as well as applying to procurement it will invite developers to submit social value statements alongside planning applications, although this cannot be made compulsory until it is taken into consideration as part of the review of the East Herts District Plan.
- Rent payments on investment properties have no significant defaults to date. Rent reductions have been agreed for 2 tenants in Charringtons but this has to set against compensation that would have been payable when we need to move tenants out for handover for the Old River Lane regeneration as we have included appropriate break clauses as part of the new rent agreement. We are now planning for Charringtons to be vacant by April 2023 and given the nature of the building and its services, which are all time life expired, it is not possible to let it to tenants before it is handed over to City Heart for regeneration. We will instead be offering the building to the emergency services for training purposes.
- Savings plan for 2022/23 is on target
- Fees and Charges policy approved at December 2021 Council which sets full recovery as the standard charging basis. There have been a number of below cost charges agreed with no clear policy or justification in the past that are having to be dealt with as part of aligning charges with North Herts for joint commercial waste services. New template developed for staff hourly charges for full cost recovery developed for income opportunities with other local authorities.
- Grange Paddocks Leisure Centre construction completed October 2021 and 3G pitch construction underway. Northgate End construction work is substantially complete with multi-storey car park open in June 2022. Numerous



**Update on current position**

snagging and design issues have been identified since opening and are being addressed between property, parking and the contractor, Real. We anticipate practical completion of the commercial and residential block in September 2022 and this will be marketed for leasehold disposal.

- Hartham contract awarded and works commenced late March 2021 with extension now underway.
- Old River Lane /Arts Centre change in scope progressing and approved by Council in March 2021 alongside the business plan. Development Agreement and Development Management Agreement draft to be agreed with s.151 officer and monitoring officer input. Master Planning process is underway and approval of the Masterplan SPD by Executive in June 2022.
- Hertford Theatre construction works commenced May 2022.
- All major capital projects are at risk of price increases as a result of the combined impact of COVID / BREXIT related inflationary pressures. In addition to the increasing cost of materials, there is a significant shortage of labour supply for the construction and M&E industries, which is in turn pushing up the price of labour. This is a national issue as evidenced by the average 13% increase in the Office for National Statistics Construction Output Prices Index. The insurance market has also hardened significantly which will likely result in higher buildings insurance premiums and / or levels of excess or difficulties obtaining cover.
- The national shortage of HGV drivers and labour market shortages is driving up pay and this will lead to pressures on the cost of the waste contract as well as the cost and delivery of building materials.

East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
2	B 3	Corporate Governance and external political environment	<p>Brexit trade deal risks</p> <p>Planning Policy Changes</p> <p>Local government reorganisation / Devolution</p>	<ul style="list-style-type: none"> <li>• Potential project delays due to labour shortages or materials imports, or increased project costs due to tariffs or supply chain difficulties.</li> <li>• Non-Tariff barriers leading to supply chain price increases and longer replenishment times. Some UK businesses may relocate to the EU making current domestic supplies into imports.</li> <li>• Government policy changes to introduce development zones, ends s.106 and CIL for government infrastructure levy</li> <li>• Government impose unitary authorities and reduce exchequer grants by savings made</li> </ul>	Chief Executive	<ul style="list-style-type: none"> <li>• Address issues of labour shortage with contractors at progress meetings. Raise skills shortages at the LEP to ensure we train young people.</li> <li>• Consider forward funding stockpile of materials subject to delays as part of contract mobilisation</li> <li>• Consider risks to supply chain as part of procurement exercises</li> <li>• Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies</li> <li>• Both officers and Members are engaged in Herts Growth Board (with consideration of the devolution framework in</li> </ul>

East Herts Council Corporate Risk Register – 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>Climate Change / Zero Carbon / Build Back Greener</p> <p>Changes to local taxation</p>	<ul style="list-style-type: none"> <li>• District required to be carbon neutral from 2030 and Government targets set with fines for non-achievement</li> <li>• Business Rates and or Council Tax replaced with Land Value Tax or Local Income Tax</li> <li>• Potential protests and non-payment campaigns</li> <li>• Measure may end land banking with developers commencing on multiple sites to build out permissions and avoid LVT</li> <li>• Uncertainty as to tax yields and redistribution mechanisms cause difficulties budgeting</li> </ul>		<p>the Levelling Up White Paper which was published in February 2022)</p> <ul style="list-style-type: none"> <li>• Work underway to progress carbon reduction and also exploring potential investments that support this aim but would also produce income for the council in the medium term.</li> <li>• Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies.</li> <li>• LVT is in operation in Denmark, Estonia and Latvia and there are suggested routes to implementation already published. Local Income Tax would require key data from HMRC before implications could be understood.</li> </ul>

East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			<p>Leadership / Management change</p> <p>Recession leading to increase in unemployment, business failure; low business growth and commercial property values decreasing significantly.</p>	<ul style="list-style-type: none"> <li>• Change in leadership politically sets radically different policy agenda and tone</li> <li>• Change in Leadership Team structure</li> <li>• Unemployment.</li> <li>• Empty properties / shops.</li> <li>• Lower rental income from council property portfolio.</li> <li>• Increased demand on council services.</li> <li>• Reduction in Council Tax Base due to LCTSS being a discount.</li> <li>• Reduction in Business Rates income to the safety net level</li> </ul>		<ul style="list-style-type: none"> <li>• Corporate Plan process</li> <li>• Member induction and training</li> <li>• Code of conduct</li> <li>• Monitoring Officer/ s.151 officer</li> <li>• HR policies</li> <li>• Estimates of workload v capacity</li> <li>• Corporate Plan process</li> <li>• European Regional Development Fund project to support businesses with advice and support on growing. Ware and Bishop's Stortford Launchpad are both seeing strong demand.</li> <li>• UK Shared Prosperity Fund investment plan submitted to DLUHC, focusing partially on business support and growth.</li> </ul>

**Update on current position**

2

- Officers are considering the lessons from how the Council has been able to operate during the pandemic within the Transforming East Herts Programme. It is evident that working from home is possible on a greater scale and this will have implications for our future accommodation needs and reduce travel leading to lower carbon emissions.
- Council is actively targeting food waste reduction. The Climate Change Committee say that for the UK's next carbon budget food waste must be reduced by 75% i.e. the vast majority of carbon emissions are from the production and transportation of food that is wasted. The UN report on food waste said that almost a billion tons of food was wasted and led to carbon emissions that if it were a country, would be third behind the USA and China.
- UK Shared Prosperity Fund investment plan for East Herts was submitted to DLUHC on 1 August. This will create 2 further grant schemes for businesses. One focused on incentivising businesses opening up new premises or expanding existing premises) and another focused on supporting existing businesses bring in new technology or enter new markets. Some of the funds will also be used to support countywide activity through the Herts LEP on business start up advice and support.

East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
3	A 3	Performance, resilience and security of IT systems	<p>Data and/or information lost causing breach of Data Protection Act</p> <p>Cyber-attack results in total loss of data and systems</p> <p>Investment in ICT does not result in savings</p>	<ul style="list-style-type: none"> <li>Substantial fine from Information Commissioner</li> <li>Major media engagement</li> <li>Reputational damage</li> <li>Disruption to services potentially long-running</li> <li>Inability to carry out enforcement as no records to check against</li> <li>Resources devoted to recovery moved off to assist police investigation delaying recovery</li> <li>Major media engagement</li> <li>Reputational damage</li> <li>Council becomes financially unsustainable</li> </ul>	Deputy Chief Executive	<ul style="list-style-type: none"> <li>Network Virtual Desktop configuration prevents download of data to local storage devices</li> <li>Network firewall and security systems tested and monitored</li> <li>Staff training</li> <li>Confidential waste shredded</li> <li>Massive reductions in printing since pandemic</li> <li>Intuned laptops to be rolled out underway</li> <li>Projects to include estimated benefits and monitored through benefits realisation reports. The investment requirements are tried and tested</li> </ul>

East Herts Council Corporate Risk Register – 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
						systems that have resulted in savings elsewhere.

**Update on current position**

3		<ul style="list-style-type: none"> <li>• The GDPR/Data Protection Officer is now fully effective and undertaking the full range of duties. Training has been delivered to staff and there are regular reminders regarding phishing and other potential fraudulent attacks.</li> <li>• M365 has started to be rolled out across the organisation with priority to Elected Members. M365 and the new VDI roll out has started to staff with over 100 users now migrated. There has been a short pause – agreed by the Board, to ensure all UAT issues have been resolved. The rollout will resume in early August 2022.</li> <li>• SOCITM continue to provide external support and guidance. The newly constituted ICT Joint Committee held it’s first meeting to provide challenge and oversight. Recruitment has commenced for the roles identified within the SOCITM report and we have secured the cyber security funding to recruit to a dedicated post. We are working with external companies to complete the network upgrade, firewalls and other infrastructure requirements in a shorter timeframe, enhancing our security.</li> <li>• The interim ICT Partnership Manager has been extended to enable recruitment to a permanent post and to enable a full handover / induction.</li> <li>• Cyber insurance not procured within insurance tender. Review situation following improvements scheduled.</li> <li>• Compulsory cybersecurity training undertaken by staff and Members. All staff completed the training. Some Members did not and had their access withdrawn. There are still some EHC members with restricted access. We continue to encourage those affected to complete the training.</li> </ul>
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East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
4	B 2	Staff capacity and skills to deliver services	<p>Loss of key staff</p> <p>Staff capacity unable to deliver projects</p> <p>Unable to recruit to key posts</p>	<ul style="list-style-type: none"> <li>• Disruption to Council services</li> <li>• Poor customer service</li> <li>• Internal control or governance failure</li> <li>• Reputation damaged in the media</li> <li>• Staff cannot undertake level or volume of work to meet all priorities</li> <li>• Council does not deliver performance expectations</li> <li>• Opportunities lost to improve outcomes</li> <li>• Partners lose confidence in ability to deliver</li> <li>• Public lose confidence in ability to deliver</li> <li>• Disruption to Council services</li> <li>• Poor customer service</li> <li>• Internal control or governance failure</li> <li>• Reputation damaged in the media</li> </ul>	Head of Human Resources and Org Development	<ul style="list-style-type: none"> <li>• Staff / manager development including the on-line learning pool and maximise the benefits of the apprenticeship levy.</li> <li>• Develop a future manager programme.</li> <li>• Succession planning for key staff within Services</li> <li>• Use of flexible retirement to ensure continuity of experienced staff whilst bringing on staff into roles</li> <li>• Prioritisation of work through the Corporate Plan and Executive Members</li> <li>• Major projects taken forward with corporate project management standards via the Major Projects Team</li> <li>• Market supplements where appropriate</li> <li>• Selective use of external resources and contingent labour through neutral vendor to drive down costs.</li> </ul>



## East Herts Council Corporate Risk Register – 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
			Industrial action	<ul style="list-style-type: none"> <li>• Disruption to Council services</li> <li>• Poor customer service</li> <li>• Non-delivery of projects</li> </ul>		<ul style="list-style-type: none"> <li>• Internal communications emphasising welfare and mental health</li> <li>• Review the external trading model to ensure it ‘washes its face’ and does not impede on our ability to support HR / OD within the council.</li> <li>• Contingency planning</li> </ul>

### Update on current position

4		<ul style="list-style-type: none"> <li>• The transformation programme includes service reviews aimed at improving structure and ways of working i.e. to increase efficiency and effectiveness. Service reviews have begun in all services and will be looking at staffing structure and roles to ensure fit for purpose.</li> <li>• Turnover <ul style="list-style-type: none"> <li>○ is at 14.4% for the annual period 21/22 which is an increase from last year as to be expected following the pandemic. Many people have made career changes and held off leaving during the initial stages.</li> </ul> </li> <li>• In terms of sickness absence this remains lower than other authorities but has increased this year to 6.15 days. Again this is due to the pandemic, vaccinations, COVID illness and mental health impacts. Please see Employee Health and Wellbeing Report 21/22.</li> <li>• In line with savings required all recruitment must be approved by the Leadership Team sub-group for Recruitment with enhanced justification and a requirement to explore either restructures or process changes to eliminate the need for the post.</li> </ul>
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**Update on current position**

- The transformation programme includes a Modern Workforce Development strand which includes organisation development to support transformation (e.g. staff briefings, resilience training, six sigma training etc.), new staff and management competencies, a revised PDR, development to improve our one team culture as well as a blended work offer.
- The Blended Work Offer has been shared with staff, the trials have worked well and from 1/11/2021 staff who wish to and their role allows are working up to 50% at home and 50% in the office. There will be rota based system continuing in the shared Revenues and Benefits service where staff will continue with higher levels of home working in line with the shared service and potential growth. This has helped with some retention but the employment market is difficult in terms of hard to recruit posts becoming harder due to limited supply as well some employers offering full home working meaning that staff can be based further away.
- The temporary labour supply arrangement went live in April 2020 which has reduced fees paid to agencies and ensures a wider pool of potential candidates. This is working fairly well with issues resolved with Matrix where they arise to improve the pooling.
- The Indeed EHC branded website is working ok but has not been as successful as hoped and is being replaced with a multi-site package which will use several of the top recruitment platforms as well as indeed. This is being implemented through an Applicant Tracking System (ATS) which will include an improved online application form, online shortlisting, name blind shortlisting and improve our presence online. The new system will also aid onboarding again improving the candidate/new starter experience.
- Ongoing work has continued with the Communications team and HR to improve the online presence and promote the employer brand further. Case studies have been developed to support welcoming diversity and a photographer is creating better images.
- Career graded posts are continuing to be used and proving successful for hard to recruit posts with all four Lawyer roles successfully filled last year. A review of apprentices is continuing to both manage costs and support succession. This has been slowed by the pandemic, but we now recruiting into customer services as this allows progression into a range of services. We are awaiting a new planner framework and will potentially use this to bring further planning apprentices.

**Update on current position**

- A further important update to note is that the Council has secured funding to commission an 8 module resilience programme from a company called Art of the Brilliant which will run over 8 months for all staff to improve and support their wellbeing and reliance and therefore support this key risk area.
- Once completed, Northgate End, Hertford Theatre and Old River Lane sites will all require IT and Facilities Management support over extended operating hours.

East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
5	C 4	Poor performance or failure of key partner or contractor	<p>Poor performance or failure of key partner or contractor</p> <p>Failure to mobilise major outsourced contracts properly and/or on time</p>	<ul style="list-style-type: none"> <li>• Disruption to all Council services</li> <li>• Additional costs resulting from response</li> <li>• Demand to partner organisations to provide mutual aid to support our response</li> <li>• Cost and time involved in unplanned procurement exercises</li> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Damage to relations with outsourcing partner and potential damages claim</li> </ul>	Head of Operations	<ul style="list-style-type: none"> <li>• Risk of contractor failure increased due to COVID. Regular discussions are continuing with contractors and key third sector partners to ensure minimal failures in delivery.</li> <li>• Credit risk scores are obtained for major contractors during the operation of the contract and particular attention is paid to trade news concerning contractors' financial health.</li> <li>• Offer of open book accounting to examine any potential cost increases as a result of changing circumstances.</li> <li>• Waste-related business continuity plans are also regularly reviewed. Brexit restrictions and the closure of Asian export markets will impact on the sale of materials and income may</li> </ul>

East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
						cease and costs may increase. Talks are ongoing with other Hertfordshire authorities to determine alternative options. The council is investigating a circular economy option for the plastics waste stream in particular.

**Update on current position**

5		<ul style="list-style-type: none"> <li>• Risk of business failure remains the same due to COVID and Brexit i.e. staff shortages, there remains an increased use of agency staff (and risks associated with service delivery of no shows, not knowing the routes etc). Business continuity plans refreshed and regular dialogue maintained with contractors who have been informed the council would look sympathetically at cost increases provided the council was told in advance and the contractor undertook to use reasonable endeavours to resolve cost pressures themselves utilising furlough and other central government support.</li> <li>• Customer confidence growing slowly within leisure centres, continued discussions with contractor to monitor impacts.</li> <li>• Contingency plans to step in should contractors fail. Principal route will be to use a TEKAL company to provide the service pending retendering as the company vehicle preserves the private sector T&amp;Cs of employment.</li> <li>• Council has and is prepared to offer loans to help contractors with cash flow, subject to an assessment that they are a going concern.</li> <li>• Requirement for higher recycled packaging content has caused some plastic materials prices to increase.</li> <li>• Escalated performance management discussions have taken place with waste contractor, an action plan to manage recruitment and vehicle breakdown is now in place.</li> </ul>
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**Update on current position**

- Internal audit of the council's risk analysis and preparedness for supply chain interruption planned to commence in quarter 2.

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
6	C 3	Judicial Review and or major legal challenge	<ul style="list-style-type: none"> <li>• Council loses case</li> </ul>	<ul style="list-style-type: none"> <li>• Council policies may no longer be fit for purpose</li> <li>• Unregulated activity until soundly based policy put in place</li> <li>• Large costs award against Council</li> <li>• Reputational damage</li> <li>• Major media engagement</li> <li>• Monitoring Officer and/or s.151 officer issues Report in the Public Interest</li> <li>• Department for Levelling Up, Housing and Communities intervention</li> <li>• Potential requirement to repeat procurement exercise and</li> </ul>	Head of Legal and Democratic Services	<ul style="list-style-type: none"> <li>• All Executive, Committee and Council reports require sign off by legal and finance to ensure compliance with budget and policy framework and current legislation.</li> <li>• List of policies maintained with review dates.</li> <li>• Information Governance function strengthened to ensure compliance with data protection.</li> <li>• Policies should be backed by evidence and Leadership Team consideration involves constructive challenge as well as formal Monitoring Officer and s.151 officer.</li> </ul>

East Herts Council Corporate Risk Register – 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
		Inability to recruit to key posts	<ul style="list-style-type: none"> <li>• Not enough staff to deliver services internally</li> </ul>	compensate unsuccessful bidders in first exercise <ul style="list-style-type: none"> <li>• Additional and or abortive costs</li> <li>• Dip in quality of support being offered.</li> <li>• Delay in response time and consequential impact on deadlines.</li> <li>• Points not being picked up at an early enough stage.</li> <li>• Increased expenditure on obtaining external support.</li> <li>• Existing staff spread too thinly.</li> </ul>		<ul style="list-style-type: none"> <li>• Periodically going out to recruit to test the market at a given time.</li> <li>• Reviewing external advice to ensure it is to the required standard.</li> </ul>

**Update on current position**

page 127		<ul style="list-style-type: none"> <li>• <u>Since the Council recruited to its four solicitor posts, two (Planning and Contracts) have since left. Despite going out to advert on multiple occasions, we have been unable to recruit to the Planning Solicitor role, meaning that cover is currently being provided by the Legal Services Manager as well as some external providers. We have had some more success in recruiting to the Contracts post, but they are not yet in post, meaning we're not in a position to</u></li> </ul>
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**Update on current position**

count our chickens yet. Were the Contracts post not ultimately filled, this will have a significant impact on projects such as the waste contract procurement etc. The Council's Information Governance and Data Protection Manager who started at the beginning of 2021, has undertaken a great deal of work with regards data mapping and updating the Council's policies, providing the Council with greater resilience against data breaches.

- Work being outsourced has begun to increase, having once more or less ceased, meaning that, where legal advice is required, East Herts Legal Team are now less able to be consulted on matters and are instead having to seek external, often expensive, advice .
- Elections also finding it difficult to recruit staff that remain in post for a long enough period of time to be effective.



East Herts Council Corporate Risk Register – 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
7	A 1	District Plan	Failure to refresh District Plan to timescales and /or refreshed District Plan found to be unsound at examination	<ul style="list-style-type: none"> <li>• Planning becomes developer led rather than planning policy led through 5 year land supply test</li> <li>• Additional costs to redo work Additional costs of planning appeals and possible judicial reviews</li> <li>• Reputational damage</li> <li>• Loss of affordable housing and S.106 / community infrastructure levy benefits</li> <li>• Failure to meet 5 year Housing Land Supply requirements</li> <li>• Possible intervention by the Department for Levelling, Housing &amp; Communities</li> </ul>	Head of Planning	<ul style="list-style-type: none"> <li>• Evidence based planning policy decisions</li> <li>• Strong focus on Member, Parish, partner and community buy-in</li> </ul>

**Update on current position**

- The District Plan was adopted in October 2018 following a successful examination in public.
- Planning in East Herts is therefore ‘plan-led’ rather than ‘developer-led’.

**Update on current position**

- The majority of strategic sites now have an agreed Masterplan.
- Following the Housing Delivery Test results in January, the Council has maintained the minimum 5% buffer and therefore can demonstrate a housing year land supply in excess of 5 years.
- The Council has also continued its trend of annual improvements on the Housing Delivery Test, this year being able to demonstrate a 130% delivery rate meaning that the Council is meeting its housing need and addressing the undersupply of previous years as well.
- A total of 808 dwellings were completed in 2020/21. Of these, 267 were affordable homes which represents 33% of all completed dwellings in the district.
- To be effective plans need to be kept up-to-date. The National Planning Policy Framework states policies in local plans, should be reviewed to assess whether they need updating at least once every 5 years, and should then be [updated as necessary](#). Officers are currently considering whether a review of the District Plan is required.

East Herts Council Corporate Risk Register – 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
8	A 4	Climate change	<p>Severe Weather causing major incident (includes flood, wind, snow, cold and heat)</p> <p>Drought</p> <p>Weather extremes require substantial retrofit costs for asset adaptations</p>	<ul style="list-style-type: none"> <li>• Disruption to Council services as staff diverted to response</li> <li>• Additional costs of response</li> <li>• Service changes required if long recovery phase</li> <li>• Service change required to adapt e.g. heatwave early day starts</li> <li>• Major media engagement</li> <li>• Disruption to some services through water restrictions</li> <li>• Additional costs of support to vulnerable service users</li> <li>• Public health issues</li> <li>• Non-availability of capital resources may cause working conditions on some days to be unbearable.</li> <li>• Instances of abandoning assets</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Business Continuity Plan Severe Weather section</li> <li>• Emergency Plan including specific response plans to flooding etc.</li> <li>• Health and Safety Policy details severe weather response</li> <li>• Council reducing carbon footprint for the district</li> <li>• Emergency Plan</li> <li>• Business continuity plan</li> <li>• Council reducing carbon footprint for the district</li> <li>• New modern workspace work stream of the Transformation Programme will address climate change issues in the design</li> </ul>

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
				where hold the line defences against floods no longer viable <ul style="list-style-type: none"> <li>Increasing attacks by non-native species causing biodiversity loss</li> <li>Increased costs arising from new operating requirements, e.g. sustained +30 degree heat requires refuse freighter insides to be degreased and jetted out regularly to prevent oils and fats combusting</li> </ul>		

**Update on current position**

8		<ul style="list-style-type: none"> <li>Climate change motion agreed July 2019.</li> <li>Multi-agency environmental and climate change forum continues.</li> <li>Energy efficiency modifications to key existing buildings and new electricity contract is from renewable sources.</li> <li>Review underway of motor fleet with extended use of e-vehicles.</li> <li>Carbon footprint reducing as a consequence of pandemic and homeworking. Future agile working will support.</li> <li>Food waste minimisation campaign to reduce carbon footprint by food being wasted as well as the disposal route.</li> <li>List of achievements posted on website at <a href="https://www.eastherts.gov.uk/about-east-herts-0/environmental-sustainability/sustainability-get-involved">https://www.eastherts.gov.uk/about-east-herts-0/environmental-sustainability/sustainability-get-involved</a>.</li> <li>Training commenced for officers.</li> </ul>
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**Update on current position**

- Clean Air Day campaign held.
- Engagement with insurers over design / materials for new buildings. Use of sustainable materials and modern methods of construction proving problematic. Insurers want more emphasis on property protection (in addition to life saving standards). Major developments are also situated in or adjacent to flood zones. Construction insurance for Hertford Theatre procured after significant difficulties due to the materials and methods of construction, plus the flood risk. Premium rates substantially higher than normal. Similar difficulties anticipated with buildings insurance upon completion.
- HCCSP strategic theme – adaptation.
- Climate Change Strategy 2022 – 2026 to be considered by Council in July 2022.

East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
9	A 1	Child / Vulnerable Adult Protection	Child / Vulnerable Adult protection failure	<ul style="list-style-type: none"> <li>• Possible legal action for damages</li> <li>• Possible prosecution</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>• Safeguarding policy</li> <li>• Annual training for staff and Members</li> </ul>

**Update on current position**

9		<ul style="list-style-type: none"> <li>• 90% of Members have received safeguarding training or briefings.</li> <li>• Officer training on safeguarding annually. Targeted training took place for 10 officers in quarter one with 40 booked to future sessions. Further training being provided to Community Safety Partnership Board and Joint Advisory Group Partners.</li> <li>• Quarterly safeguarding report submitted to Leadership Team.</li> <li>• Hertfordshire Safeguarding Adults Board self-assessment complete. Favourable feedback received along with recommendations for further improvement.</li> <li>• SIAS audit of safeguarding function reported in Feb 2022. 'Reasonable' assurance provided with one 'medium priority' recommendation made to instigate a process of further compliance checks among grant recipients, taxi licence holders and contracts. This work will be carried out by 31.03.23. Domestic Abuse Policy considered and approved by HR committee in November 2021.</li> </ul>
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## East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
10	A 2	Equalities	Council found to have discriminated against individuals or communities with protected characteristics OR council has made a decision without considering equalities and diversity implications.	<ul style="list-style-type: none"> <li>• Possible legal action for damages</li> <li>• Possible enquiry and report by Equalities &amp; Human Rights Commission</li> <li>• Major media engagement</li> <li>• Reputational damage</li> </ul>	Head of Comms, Policy & Strategy	<ul style="list-style-type: none"> <li>• New strategy being developed to address challenges and embed equalities and diversity in decision making.</li> </ul>

### Update on current position

10		<ul style="list-style-type: none"> <li>• New strategy was approved by Council on 28 July 2021. Since then significant work has been undertaken on training staff on the equalities impact assessment process and forming a staff equalities group</li> <li>• Unfortunately shared service with HCC ended in April 2022 due to post holder leaving. We are currently reviewing options for provision within the limited resources we have for corporate equality support.</li> </ul>
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East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
11	B 2	Internal control	Failure of internal control or unethical behaviour	<ul style="list-style-type: none"> <li>• Qualified accounts</li> <li>• Possible Police involvement if fraud involved</li> <li>• Major media engagement</li> <li>• Reputational damage</li> <li>• Increased costs as a result of loss or fine or compensation payments</li> </ul>	Head of Strategic Finance and Property	<ul style="list-style-type: none"> <li>• Key reconciliations carried out regularly.</li> <li>• Internal audit work planned and undertaken on key areas.</li> <li>• Assurance Mapping</li> <li>• Electronic workflow where controls much harder to circumvent</li> <li>• Separation of duties appropriate to the staffing numbers</li> </ul>

**Update on current position**

11		<ul style="list-style-type: none"> <li>• Audits remain mostly on track and there is sufficient audit scope for an assurance opinion to be given</li> <li>• Assurance Mapping approach to be introduced which will show visually where assurance is gained and also identifies duplications and unnecessary steps which will inform officers undertaking lean process reviews and help Audit &amp; Governance Committee to see where there are risks and then internal audit resources can be directed there.</li> </ul> <p>Full suite of updated anti-fraud and corruption policies approved by Audit and Governance Committee in November 2021. Intranet and website content to be updated. The new policies will be publicised to all employees.</p> <ul style="list-style-type: none"> <li>• The Shared Anti-Fraud Service recommenced meetings with teams to provide training and increase awareness.</li> </ul>
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East Herts Council Corporate Risk Register - 2022/23 quarter one

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
12	A 4	Outbreak of disease in humans	Pandemic and/or Public Health Emergency Declared	<ul style="list-style-type: none"> <li>• Loss of staff and/or key skills due to illness and related absenteeism</li> <li>• Requirement to enable entire workforce to work from home</li> <li>• Requirement for Council and Committees to meet via video conference</li> <li>• Loss of income/additional costs</li> <li>• Loss of essential services /utilities/ suppliers</li> <li>• Demand from partner organisations to provide staff and other resources to support their response</li> <li>• Major media engagement</li> <li>• Disruption to all Council services</li> <li>• Increased risk of fraud from support programmes</li> </ul>	Head of Housing and Health	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Emergency Plan</li> <li>• Dynamic risk assessments and keeping office open and COVID secure in line with government guidance.</li> <li>• Agile working introduced and scaled up to ensure social distancing</li> <li>• Fraud alerts on pandemic circulated by SAFS</li> </ul>

**Update on current position**

12

- Updates on financial compensation are included under Risk 1
- Updates on recovery work on supporting the local economy are detailed under Risk 2
- Alternative working methods instigated as a result of Covid 19 including home working and IT communications solutions (Zoom, Teams, WhatsApp and the like)
- Blended working arrangements commenced autumn 2021 with staff working 50% at the office and 50% from home.
- Detailed, up-to-date risk assessments in place including frequent Covid self-testing
- Live Well, Work Well programme amended to incorporate greater emphasis on staff mental health
- Joined up working with key partners, notably HCC and the police, to ensure coherent and planned use of financial and staff resources, for example Covid marshals and joint visits/advice/enforcement actions re: businesses. (Covid marshal scheme extended during quarter one.) Shop safe, shop local campaign held.
- Restart grants for businesses and community covid recovery grant schemes opened.
- Public facing recovery plan published in April.
- In-person Member meetings resumed.
- East Herts vaccination plan drawn up. Bidding for resources for vaccine tracing.
- The council continues to work with HCC Public Health as the national Covid measures and guidance recede.

**East Herts Council Corporate Risk Register – 2022/23 quarter one**

No	Score	Vulnerability	Trigger	Consequence	Risk owner	Mitigation / control
13	A 1	Business Continuity Plan / Emergency Plan	Major Incident Occurs  Plan fails	<ul style="list-style-type: none"> <li>Loss of essential services / utilities/ suppliers</li> <li>Demand from partner organisations to provide staff and other resources to support their response</li> <li>Major media engagement</li> <li>Disruption to all Council services</li> <li>Unable to support partner organisations to provide staff and other resources to support their response</li> <li>Possible legal action or public inquiry</li> </ul>	Head of Housing & Health	<ul style="list-style-type: none"> <li>Emergency Plan Major Incident protocols</li> <li>Business Continuity Plan</li> <li>Keep plans under review every 6 month and keep evidence.</li> <li>Review of response after every incident</li> <li>Training for staff in EP roles</li> <li>Regular exercises once a quarter</li> <li>Emergency and Resilience work provided through Hertfordshire County Council</li> </ul>

**Update on current position**

13		<ul style="list-style-type: none"> <li>Normal business continuity and emergency planning activities have continued during the pandemic.</li> <li>Mutual aid was provided to the NHS to support staff shortages as well as supporting testing and vaccination</li> <li>Desk top exercise accessing plans and refresh of contact lists undertaken</li> <li>Communications test undertaken from County to Districts to check notification cascade.</li> </ul>
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**Update on current position**

- Review of business continuity plan by Hertfordshire County Council Resilience Officer underway, particularly in light of the potential heightened risk of cyber attacks in the context of Russia's invasion of Ukraine. All staff mandated to complete cyber risk online training by 08.04.22.
- Proposed test of the emergency plan postponed during pandemic. The test will be the priority once the business continuity plan review is complete.
- Review of IT Disaster Recovery Plan to take place.
- Internal audit of the council's risk analysis and preparedness for supply chain interruption planned to commence in quarter 2.

## East Herts Council Corporate Risk Register – 2022/23 quarter one

	Description	Likelihood of occurrence	Probability of occurrence	
Likelihood	4 High	Monthly	The event is expected to occur or occurs regularly	
	3 Medium	Annually	The event will probably occur	
	2 Low	1 in 5 years	The event may occur	
	1 Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances	
Impact	Description	Financial	Reputation	Service / operation
	A Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long term disruption to services
	B Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
D Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality	

# Agenda Item 10

## **East Herts Council Report**

### **Audit & Governance Committee**

**Date of meeting: 29 September 2022**

**Report by: Head of Strategic Finance & Property**

**Report title: Audit and Governance Committee Work Programme**

**Ward(s) affected: All**

**Summary** – To present to Audit and Finance Committee the work programme for the year of finance and audit business with a brief summary of each report so that Members can see the business that will come before the Committee at each meeting.

### **RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE**

- a)** Approve the work programme as set out in the report; and
- b)** Specify any training requirements.

#### **1.0 Proposal(s)**

- 1.1 Audit and Governance Committee's audit functions are:
  - 1.1.1 Approving the Council's statement of accounts.
  - 1.1.2 Consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
  - 1.1.3 Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.

- 1.1.4 Be satisfied that the Council's assurance statements, including reviewing the Annual Governance Statement against the good governance framework, properly reflect the risk environment and any actions required to improve it.
  - 1.1.5 Approve internal audit's strategy, its plan and monitor its performance.
  - 1.1.6 Approve the shared anti-fraud service strategy, its plan and monitor its performance.
  - 1.1.7 Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
  - 1.1.8 Receive the annual report of the head of internal audit.
  - 1.1.9 Receive and consider the reports of external audit (including the annual audit letter) and inspection agencies, and monitor management action in response to the issues raised.
  - 1.1.10 Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted.
  - 1.1.11 Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
  - 1.1.12 Oversight of the Council's commercial projects.
- 1.2 Audit and Governance Committee's finance functions are:
- 1.2.1 Receive budget monitoring reports and risk management reports.

- 1.2.2 Lead the cross Member scrutiny and consideration of the Council's draft annual budget and medium term financial plan.
  - 1.2.3 Scrutinise the Council's Annual Investment Strategy, Annual Capital Strategy, Mid-Year Treasury Management Report and Annual Treasury Management Report and through review gain assurance that systems of governance and control for Treasury Management are effective.
  - 1.2.4 Where appropriate, assisting the Council and the Executive in the development of its budget and policy framework by in-depth analysis of financial, procurement and governance related policy issues.
  - 1.2.5 Where relevant to the audit or finance functions of the Committee, overseeing and scrutinising all Internal, Corporate and Corporate Governance functions of the Council.
- 1.3 In order to fulfil these functions a series of reports will be brought to Members to provide:
- 1.3.1 Assurance that the council's financial affairs are being properly managed and that the council is making the best use of resources;
  - 1.3.2 An adequate and effective system of internal audit is operating and that it's approved plan is being delivered;
  - 1.3.3 The Council's governance arrangements are adequate;
  - 1.3.4 That key business risks have been identified, evaluated and are being managed;



- 1.3.5 That key systems and controls are operating effectively giving assurance that the Statement of Accounts is materially correct and can be approved;
- 1.3.6 Receive and consider the external auditor's Audit Plan, report and Annual Audit Letter; and
- 1.3.7 Receive copies of Executive budget monitoring reports, for information, so that the final accounts outturn position can be compared to forecasts during the year.

## **2.0 Training**

- 2.1 Training for Members of the Committee will be delivered for the first 30 minutes of the Committee meeting and will be related to the business before the Committee.
- 2.2 Members are recommended to review the proposed work programme and suggested training and identify any other training needs they require.

## **3.0 Work Programme**

- 3.1 The Committee will recall that the external audit of the council's accounts was due to start in October 2021 and conclude in December 2021. EY delayed the start to the audit until 3 January 2022. The audit is still not concluded, and the external auditor ceased working on the council's audit in May and June to work on their NHS audits. The external auditor has given no estimated date for the completion of the audit.
- 3.2 The work programme for the Committee is proposed to be as follows:

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
Audit & Governance	15 November 2022	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		Receipt of the External Auditor's Annual Governance Report	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Finance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance'.
		Approval of the Statement of Accounts	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately

Committee	Date	Report Title	Report Summary
			following the end of a year, or as soon as practicable after the conclusion of the audit.
		Annual Infrastructure Funding Statement Report 2021/22	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report 2020/21
		Budget 2023/24 and Medium Term Financial Plan 2023/24 – 2027/28	To provide Audit and Governance Committee with an update on the budget and MTFP including costs pressures, savings and efficiencies against the original proposals, forward budget and planning assumptions for scrutiny.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
		External Audit Planning Report 2022/23	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
		Annual Treasury Report 2021/22	To provide Audit and Governance Committee with a copy of the Annual Treasury Report so that they can scrutinise the Report.

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
		Treasury Management 2022/23 Mid-Year Review	To provide Audit and Governance Committee with a copy of the Treasury Management Mid-Year Review Report so that they can scrutinise the Report
		Strategic Risk Register Monitoring Q2 2022/23	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 2.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year
Audit & Governance	24 January 2023	Budget Scrutiny - Budget 2023/24 and Medium Term Financial Plan 2023-27	To present to Audit and Governance Committee the Executive's proposed General Fund Budget and Medium Term Financial Plan for scrutiny.
		Investment Strategy 2023/24 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Investment Strategy for scrutiny.
		Capital Strategy and Minimum Revenue Provision Policy 2023/24 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Capital Strategy and Minimum Revenue Provision Policy for scrutiny.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
		Financial Management 2022/23 – Quarter 2 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 2.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance	28 March 2023	Training: Risk Management	Presentation on risk management and its importance for the council
		Strategic Risk Register Monitoring Q3 2022/23 and Annual Review of Risk Management Strategy	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 3 and the annual review of the council's risk management strategy.
		Financial Management Quarter 3 Forecast to Year End	To provide Audit and Finance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 3.
		Review of Internal Audit	To present to Audit and Governance Committee the review of the effectiveness of Internal Audit. Regulation 6 of The Accounts and Audit Regulations 2015 require the

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
			Council, at least once a year, to conduct a review of the effectiveness of its internal audit.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance	June 2023	Training	The role of internal audit
		Annual Report on Internal Audit Activity	To present to Audit and Governance Committee the Annual Report on Internal Audit Activity for the preceding financial year.
		Strategic Risk Register Monitoring Q4 2021/22	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 4.
		Receipt of the External Auditor's Annual Governance Report	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Finance Committee) at the time they are

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
			considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 ‘Communication of Audit Matters to Those Charged With Governance’.
		Approval of the Statement of Accounts	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance	September 2023	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		Receipt of the External Auditor’s Annual Governance Report	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out during their audit of accounts, the

Committee	Date	Report Title	Report Summary
			<p>conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Finance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom &amp; Ireland) – ISA (UK&amp;I) - 260 ‘Communication of Audit Matters to Those Charged With Governance’.</p>
		Approval of the Statement of Accounts	<p>Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.</p>
		Shared Anti-fraud Service Anti-Fraud Plan progress report	<p>To present to Audit and Governance Committee the Shared Anti-Fraud Service’s progress against the Anti-Fraud Plan.</p>
		Draft Annual Governance Statement	<p>To present to Audit and Governance Committee for comment the Draft Annual Governance Statement for incorporation in</p>



<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
			the Statement of Accounts. Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and approve an annual governance statement to accompany the statement of accounts.
		2022/23 Provisional Outturn	To provide Audit and Governance Committee with a copy, for information, of the Executive Report with the provisional outturn position on revenue spending and the capital programme as at the end of the financial year.
		Financial Management 2023/24 – Quarter 1 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 1
		Strategic Risk Register Monitoring Q1 2023/24	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 1.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

## **4.0 Reasons**

4.1 To ensure that Audit and Finance Committee is aware of the work programme and ensure that Members have the opportunity to request any training or briefing around upcoming items.

## **5.0 Risks**

5.1 Risk Management is reported to the Committee regularly.

## **6.0 Implications/Consultations**

### **Community Safety**

No

### **Data Protection**

Data Protection reports and policies will be brought before the Committee as appropriate.

### **Equalities**

No

### **Environmental Sustainability**

No

### **Financial**

The report details the Committee's responsibilities in relation to finance.

### **Health and Safety**

No

### **Human Resources**

No

### **Human Rights**

No

## **Legal**

Legal requirements are noted in the report summaries in the table in this report.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 None

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