

# Agenda

## Audit and governance committee

Date: **Wednesday 19 September 2018**

---

Time: **2.00 pm**

---

Place: **Committee Room 1, Shire Hall, St. Peter's Square,  
Hereford, HR1 2HX**

---

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

**Caroline Marshall**

Tel: 01432 260249

Email: [caroline.marshall3@herefordshire.gov.uk](mailto:caroline.marshall3@herefordshire.gov.uk)

---

If you would like help to understand this document, or would like it in another format, please call Caroline Marshall on 01432 260249 or e-mail [caroline.marshall3@herefordshire.gov.uk](mailto:caroline.marshall3@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the meeting of the Audit and governance committee**

## **Membership**

**Chairman**                      **Councillor PD Newman OBE**  
**Vice-Chairman**              **Councillor ACR Chappell**

**Councillor CR Butler**  
**Councillor EE Chowns**  
**Councillor EPJ Harvey**  
**Councillor RJ Phillips**  
**Councillor J Stone**

## Agenda

<b>THE PUBLIC RIGHTS TO INFORMATION AND ATTENDANCE AT MEETINGS</b>		<b>Pages</b>
<b>1. APOLOGIES FOR ABSENCE</b>	To receive apologies for absence.	
<b>2. NAMED SUBSTITUTES (IF ANY)</b>	To receive details any details of members nominated to attend the meeting in place of a member of the committee.	
<b>3. DECLARATIONS OF INTEREST</b>	To receive any declarations of interest by Members in respect of items on the agenda.	
<b>4. MINUTES</b>	To approve and sign the minutes of the meeting held on 30 July 2018.	9 - 16
<b>5. QUESTIONS FROM MEMBERS OF THE PUBLIC</b>	To receive questions from members of the public.  <i>Deadline for receipt of questions is 5.00 pm on 13 September 2018 (3 clear working days from date of meeting).</i>  <i>Accepted questions and answers will be published as a supplement prior to the meeting.</i>	
<b>6. QUESTIONS FROM COUNCILLORS</b>	To receive any questions from councillors.  <i>Deadline for receipt of questions is 5.00 pm on 13 September 2018 (3 clear working days from date of meeting).</i>  <i>Accepted questions and answers will be published as a supplement prior to the meeting.</i>	
<b>7. CAPITAL PROJECT MANAGEMENT AND CONTROL INTERNAL AUDIT UPDATE – CLOSURE REPORT</b>	To enable the committee to receive the closure report from SWAP in respect of the recommendations made in the audit findings report regarding the joint customer services hub capital report presented to the committee in September 2017.	17 - 36
<b>8. ANNUAL EXTERNAL AUDIT LETTER - 2017/18</b>	For the committee to receive the external auditor's annual audit letter for 2017/18 and determine whether further action or inclusion in the committee's work programme is appropriate.	37 - 52
<b>9. PROGRESS REPORT ON 2018/19 INTERNAL AUDIT PLAN</b>	To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently	53 - 76

- completed. To enable the committee to monitor performance of the internal audit team against the approved plan.
- 10. CORPORATE RISK REGISTER** 77 - 96
- To consider the status of the council's corporate risk register in order to monitor the effectiveness of the performance, risk and opportunity management framework.
- 11. COMMUNITY GOVERNANCE REVIEWS.** 97 - 134
- To make recommendations to Council following the Community Governance Reviews (CGRs) undertaken in the Bishopstone group, Bredenbury District Group, Brockhampton Group, Kilpeck Group, Peterchurch, Longtown Group Moreton On Lugg, and Wellington parishes.
- 12. ENERGY FROM WASTE LOAN UPDATE** 135 - 140
- To provide assurance to the audit and governance committee on the current status of the energy from waste loan arrangement to enable the committee to fulfil its delegated functions.
- 13. GOVERNANCE ARRANGEMENTS FOR HOOPLE** 141 - 146
- To outline to the committee the governance arrangements for Hoople to enable the committee to provide independent assurance on the adequacy of the risk management framework, including the internal control of the financial reporting and annual governance processes.
- 14. WORK PROGRAMME UPDATE** 147 - 150
- To provide an update on the work programme for the committee for 2018/19.
- 15. EXCLUSION OF PRESS AND PUBLIC**
- In the opinion of the Proper Officer, the following item will not be, or is likely not to be, open to the public and press at the time it is considered.
- RECOMMENDATION:** that under section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act, as indicated below and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2 Information which is likely to reveal the identity of an individual.**
- 16. INDEPENDENT PERSON FOR STANDARDS** 151 - 178
- To inform Council of the progress in the recruitment of independent persons and to recommend a way forward.

## **The public's rights to information and attendance at meetings**

### **You have a right to: -**

- Attend all council, cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the council and all committees and sub-committees and written statements of decisions taken by the cabinet or individual cabinet members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all councillors with details of the membership of cabinet and of all committees and sub-committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the council, cabinet, committees and sub-committees.
- Have access to a list specifying those powers on which the council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the council, cabinet, committees and sub-committees and to inspect and copy documents.

### **Public transport links**

The Shire Hall is a few minutes walking distance from both bus stations located in the town centre of Hereford.

## **Recording of this meeting**

Please note that the council will be making an official audio recording of this public meeting. These recordings form part of the public record of the meeting and are made available for members of the public via the council's website.

To ensure that recording quality is maintained, could members and any attending members of the public speak as clearly as possible and keep background noise to a minimum while recording is in operation.

Please also note that other attendees are permitted to film, photograph and record our public meetings provided that it does not disrupt the business of the meeting.

If you do not wish to be filmed or photographed, please identify yourself so that anyone who intends to record the meeting can be made aware.

Please ensure that your mobile phones and other devices are turned to silent during the meeting.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

## **Fire and emergency evacuation procedure**

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit and make your way to the Fire Assembly Point in the Shire Hall car park.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.

The chairman or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.

## Guide to Audit and Governance Committee

The Audit and Governance Committee is a non executive committee of the council. The committee consists of 7 non executive councillors and may include an independent person who is not a councillor.

Councillor PD Newman OBE (Chairman)	Conservative
Councillor ACR Chappell (Vice Chairman)	Herefordshire Independents
Councillor CR Butler	Conservative
Councillor EE Chowns	Green Party
Councillor EJP Harvey	It's Our County
Councillor RJ Phillips	Conservative
Councillor J Stone	Conservative

The purpose of the audit and governance committee is to provide independent assurance on the adequacy of the risk management framework together with the internal control of the financial reporting and annual governance processes. The committee do this by:

- (a) ensuring the effective and fully compliant governance of the council and in particular to ensure that all aspects of the financial affairs of the council are properly and efficiently conducted;
- (b) reviewing and approve the council's annual governance statement, annual statements of account, the contract procedure rules and financial procedure rules;
- (c) scrutinise the effectiveness of, and management compliance with, the systems identified in the annual governance statement framework;
- (d) monitor the progress made by management in implementing improvements to elements of that framework identified by external or internal audit review; and.
- (e) reviewing the constitution and recommending any necessary amendments to Council as appropriate.
- (f) reviewing the corporate risk register

### Who attends audit and governance committee meetings?

Coloured nameplates are used which indicate their role at the committee:

Pale pink	Members of the committee, including the chairman and vice chairman.
Orange	Officers of the council – attend to present reports and give technical advice to the committee
Green	External advisors - attend to present reports and give technical advice to the committee
White	Other councillors may also attend as observers but are only entitled to speak at the discretion of the chairman.





**Minutes of the meeting of Audit and governance committee held at Committee Room 1, Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Monday 30 July 2018 at 2.00 pm**

**Present:** Councillor PD Newman OBE (Chairperson)  
Councillor ACR Chappell (Vice-Chairperson)

Councillors: CR Butler, EPJ Harvey, RJ Phillips and J Stone

**In attendance:** Councillors Hardwick and Shaw

**Officers:** Annie Brookes, Paul Harris, Andrew Lovegrove and Claire Ward

**297. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor EE Chowns.

**298. NAMED SUBSTITUTES (IF ANY)**

In accordance with paragraph 4.1.169 of the council's constitution, Councillor FM Norman attended the meeting as a substitute member for Councillor FM Norman.

**299. DECLARATIONS OF INTEREST**

There were no declarations of interests.

**300. MINUTES**

**RESOLVED:**

**That the minutes of the meeting held on 21 March 2018 be confirmed as a correct record and signed by the chairperson.**

**301. QUESTIONS FROM MEMBERS OF THE PUBLIC**

There were no questions from members of the public.

**302. QUESTIONS FROM COUNCILLORS**

There were no questions from councillors.

**303. EXTERNAL AUDIT FINDINGS REPORT - 2017/18 STATEMENT OF ACCOUNTS**

The external auditor, Grant Thornton, presented the report and highlighted the following:

- A revised version of the findings had been published on Friday 27 July 2018.
- The conclusions were positive and the intention was to issue an unqualified audit opinion and unmodified value for money conclusion.
- The outstanding points were small compared to other councils in the country and it had been a relatively straightforward audit.

The biggest issue in relation to the audit was set out on page 10 of the supplemental pack and was related to the valuation of property, plant and equipment. Due to the cyclical approach to valuing assets there was a proportion of assets which would not have been valued recently and the council had needed to demonstrate that there were no material changes. Grant Thornton had made suggestions on how this could be mitigated in future.

Following a query from a member of the committee, it was confirmed that Grant Thornton were satisfied with the treatment of the Hoople pension issue. The issue still remained but now group accounts had been prepared, the liability was visible. Grant Thornton had welcomed the introduction of group accounts and the audit opinion would now include Hoople.

The chief finance officer confirmed that there would be lessons learnt in order to consider the follow up recommendations made by Grant Thornton.

A member of the committee requested information of the changes in valuations between assets valued by the previous valuer and the current valuer and whether the current valuer had taken into account Brexit. The chief finance officer agreed to provide a written response which would also include how long the previous valuer had been in place. It was noted that the majority of the council's investment property was occupied by tenants who were paying rent. Grant Thornton assured the committee that the council's approach was appropriate and in accordance with their professional assurance guidance.

Following a query from a member of the committee, Grant Thornton confirmed that the changes in the valuation and sale of the smallholdings were contained in note 10 of the statement of accounts. It was noted that the sale of freehold properties in connection with the Rotherwas Industrial Estate were exceeding the valuations and that the farms had also exceeded the valuations and it was queried whether the assets were being undervalued. The chief finance officer explained that the agents instructed to sell the assets were using a guide price and the difference was what the market was willing to pay for the properties.

Grant Thornton confirmed that in connection with the recording of the capital programme, they had received assurances that recommendations were being followed up. The value for money conclusion formed a view on the adequacy of the arrangements and they are fit for purpose but there were areas which needed improvement.

It was noted that it would be helpful if audit firms would give evidence over the sustainability of councils and the examples of Northampton, Somerset and Bristol were used. Grant Thornton informed the committee that CIPRA were planning on introducing a financial resilience index which will highlight this.

Following a query from a member of the committee, it was confirmed that there had been no transactions with the LEP during the last financial year.

The committee thanked Grant Thornton for their work on the audit.

## **RESOLVED**

**That the report of the external auditor be noted.**

### 304. ANNUAL GOVERNANCE STATEMENT

The chairman used his discretion to move the annual governance statement to the second substantive item to be discussed.

The head of corporate governance presented the report and highlighted:

- Committee had approved the draft statement at its March meeting and considered that it properly reflected the risk environment as it stood at that point in time.
- The statement had been updated and the majority of the changes reflected factual statements, e.g. internal audit's reasonable assurance.
- Deprivation of Liberties (DoLS) had been updated due to planned legislative changes but there were currently no timescales for implementation.
- Cabinet had now considered the report of the LGA corporate peer challenge and agreed how to take forward the findings; this was reflected in the statement.
- The development regeneration partnership (DRP) contracts had been completed and this section had been updated.
- The consultation section included the views of the independent person (from paragraph 16 of the report on page 173 of the agenda pack) and the responses to those views. It was reported that the independent person remained of the view that the three areas highlighted represent a significant governance weakness.

With regard to the lack of a joint protocol with West Mercia Police, it was confirmed that both parties needed to agree a protocol which could not be imposed by one party. However, assurance was given that if there was a suggestion or potential for the reported breach to the code of conduct to be a criminal act, this would be reported to the police and the absence of a written protocol would have no impact on this action. Discussions with the police over a joint protocol would continue.

It was confirmed that three interviews for further independent persons would be taking place over the next week.

With regard to the failure of a group leader to take action in connection with a breach of the code of conduct, it was confirmed that this would form part of the annual report on code of conduct which was due to be presented to the committee at its September meeting. The monitoring officer indicated that the maximum amount of time in reporting to the committee about a failure of a member complying with a resolution or the group leader taking action was 18 months.

The monitoring officer stated that the Localism Act 2011 does not require the independent person to be involved at the initial assessment stage. The monitoring officer confirmed that the views of the independent person were confidential. It was further noted that the council's standards complaints procedure contained more than what was required by law.

The revised constitution had introduced sampling by the Standards Panel. It was agreed that sampling by the Standards Panel would take place prior to the report on the annual report on the code of conduct. It was also agreed that for future years, the annual report would be presented to the July meeting and that a Standards Panel meeting would take place in May.

A vote was undertaken in relation to approving the annual governance statement.

In favour of approving: 5

Abstentions: 2

**RESOLVED**

**That the annual statement governance 2017/18 be approved.**

**305. SIGNING OF THE 2017/18 STATEMENT OF ACCOUNTS**

The chief finance officer presented the report.

It was noted that in the interests of transparency, details of the sale of the freehold properties would be provided on the council's website as previously advised.

**RESOLVED**

**That (a) the 2017/18 statement of accounts be approved; and  
(b) the letter of representation is signed by the chairperson of the committee and chief finance officer.**

**306. 2016/17 EXTERNAL AUDIT FEE**

The chief finance officer presented the report.

It was noted that the additional work was primarily in relation to resolving property, plant and equipment issues.

**RESOLVED**

**That the additional fee of £15,500 to Grant Thornton for additional work carried out to complete the 2016/17 statement of accounts external audit be approved.**

**307. INTERNAL AUDIT ANNUAL REPORT AND OPINION 2017/18**

South West Audit Partnership (SWAP) presented the report and highlighted that it was a strategic overview and that the majority of the items had previously been reported to the committee throughout the 2017/18 financial year. The report represented the annual opinion of SWAP and the reasoning was contained on pages 209 to 210 of the agenda pack.

SWAP reported that the re-audit of the Blueschool House recommendations would be reported back to the committee at its September 2018 meeting. Since the publication of the report, three audits had been completed (public health contracts, GDPR readiness and estates) which would be reported to the committee at its September meeting.

It was noted that SWAP would be running free member training on 23 October in Powys and 25 October in Gloucester.

It was confirmed that the audit plan is informed from the views of key officers, SWAP and management board. It was further confirmed that where an audit is advisory and an action plan is still produced.

**RESOLVED**

**That the annual report be noted.**

The meeting adjourned at 1518 hrs and recommenced at 1527 hrs.

Prior to discussion of the next item, it was noted that the letter of representation which had been approved by signature earlier in the meeting contained a technical imperfection. It was agreed that the following wording at paragraph x would be amended:

Current wording – “*We have considered the unadjusted misstatements ...*”

New wording: “*We have considered the adjusted misstatements and disclosures ...*”

### **308. CORPORATE RISK REGISTER**

The performance service manager presented the corporate risk register as at 31 March 2018 and highlighted that a new risk had been added to the register.

The directorate risk registers had been included as part of the report so that the committee could assure themselves that risks were being considered consistently across the organisation. It was noted:

- All risks should be assessed in line with the performance risk opportunity management (PROM) criteria
- It appeared that the RAG ratings were inconsistent across all the registers, e.g. a score 16 would appear as red in one register but amber in another. Members requested assurance that the RAG rating was being consistently applied.
- That the committee received a simplified version of the risk register and requested an explanation for this.
- The risk owner was not always the same across the corporate risk register and the directorate risk register. The risk owner should be the same across both registers.
- The direction of travel indicators were not consistent across the register and on one register did not appear.

The committee requested sight of the directorate risk registers again in order to assure themselves that risks were being consistently rated and in line with the PROM framework. The committee also requested confirmation that the senior management team view the directorate risk registers so that they had an across the board view of risk. It was agreed that the committee would continue to receive quarterly updates on the corporate risk register.

### **RESOLVED**

**That the report be noted.**

### **309. TRACKING OF INTERNAL AUDIT RECOMMENDATIONS**

The performance service manager presented the report and highlighted the following:

- Appendix 1 provided an update on the 4 outstanding priority 3 to 5 internal audit recommendations for the period ended 30 September 2017.
- Appendix 2 provided an update on the 12 outstanding priority 3 to 5 internal audit recommendations for the period 1 October 2017 to 31 March 2018.

The committee expressed concern that there were still internal audit recommendations outstanding from September 2017. A member of the committee requested consideration be given to a way of indicating whether or not there had been any action to progress the recommendations.

It was noted that the direct payment personal budgets (children's) outstanding recommendation required a revised target date.

**RESOLVED**

**That the report be noted.**

**310. NMITE ASSURANCE REVIEW**

It was noted that the council were being reimbursed for the engagement costs which included officer time.

A member of the committee expressed surprise at having to find out from the newspaper about the principal leaving his post. It was noted that the level of communication from the university appeared not to be very good which could hamper progress and erode confidence.

It was noted that the committee needed to assure itself that the council in its role as accountable body for the DfE funding, were satisfied that the university were complying with the set range of criteria. The committee requested a breakdown of the public funding that the council is accountable for in respect of its role as accountable body. It was confirmed that there would be transparency between the council's role as accountable body and any negotiations with the university re any sales or leasing of land or property to the university.

The committee noted that the whole picture needed to be taken into account and the chief finance officer confirmed that the chief executive is talking to the university about reputational management.

The head of corporate governance confirmed that the cabinet member for economy and communication represented the council at a member level on the joint university delivery board. There were also a number of university sub committees which also had council representation. More broadly consideration of the impact of the university on development of the city was being taken forward through the Hereford Area Plan process led by the cabinet member for infrastructure.

A member of the committee queried whether an overview of the NMiTE project, e.g. how it is being project managed, could be provided which would give assurance that the work was joined up. It was suggested that, as an item of interest to all members, the cabinet member economy and communication, with support from relevant officers, be asked to arrange an all member briefing.

It was noted that the wider elements in connection with the university would sit within the functions of the General Scrutiny Committee. The committee could consider that there was sufficient risk within the university project to refer the issue to the General Scrutiny Committee and request that the project be scrutinised. It was agreed that when the risk registers were presented to the committee in September, the committee would check to see where the university sat on the registers.

**RESOLVED**

**That the report be noted.**

**311. WORK PROGRAMME UPDATE**

The committee's updated work programme was presented, and it was noted that the following reports had been moved to the September meeting due to resource issues:

- Contract procedure rules and finance procedure rules
- Energy for waste loan update
- Hoople governance.

It was agreed that the annual report on the code of conduct be moved to the November meeting in order to allow for a Standards Panel to be convened and their views included in the report. It was further agreed that the report would cover 2017/18 and details relating to the period 1 April to 30 September 2018.

**RESOLVED**

**That subject to the above, the updated work programme be agreed.**

The meeting ended at 16:43

**Chairperson**







<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Capital project management and control internal audit update – closure report</b>
<b>Report by:</b>	<b>Chief finance officer</b>

### **Classification**

Open

### **Decision type**

This is not an executive decision

### **Wards affected**

(All Wards);

### **Purpose and summary**

To enable the committee to receive the closure report from SWAP in respect of the recommendations made in the audit findings report regarding the joint customer services hub capital report presented to the committee in September 2017.

The report to the September 2017 committee meeting confirmed that SWAP would carry out a further review, and the report from SWAP in respect of this further review is appended to the report.

The September 2017 meeting approved the creation of an internal control improvement board and a working group of the Audit and Governance Committee. An update on the work of the working group was presented to the committee on 29 November 2017.

The September 2017 meeting resolved to ask the council's management board to consider commissioning a peer review. The Local Government Association LGA accepted an invitation from the council to carry out a corporate peer challenge, which was carried out in spring 2018.

## Recommendation(s)

That:

- (a) the committee identifies any further recommendations it wishes to make to secure further improvements; and
- (b) the member working group is stood down

## Alternative options

1. To not receive the report, this is not recommended as it is a function of the committee to consider summaries of specific internal audit reports and the main issues arising and seek assurance that the action has been taken where necessary, in order to provide assurance about the effectiveness of the councils system of internal controls.

## Key considerations

2. SWAP were appointed to carry out a special investigation into the scheme to develop a joint customers service hub, the full findings report was considered by the committee at its meeting in September 2017.
3. The annual governance statement approved by the committee at its 30th July 2018 meeting clarified the council's approach to dealing with the issues raised as in the audit findings report regarding the joint customer services hub capital report presented to the committee in September 2017.
4. The Internal Control Improvement Board (ICIB) is being brought together with the capital strategy programme board to remove duplication and provide oversight of ongoing implementation and embedding of change.
5. The culture of the organisation is being changed so that the changes are embedded in the organisation and care is being exercised to ensure that the changes are fit for purpose and have been designed in such a way as to minimise the incentive to circumvent the processes. In addition processes and controls have been implemented to flag if people attempt to circumvent the process. The appendix evidences progress against the actions in relation to the SWAP recommendations.
6. Cabinet, at its meeting on 28 June 2018, considered the findings of the Local Government Association (LGA) corporate peer challenge that was carried out during the spring of 2018, and agreed how to take forward the recommendations made by the peer challenge team. The peer team were made aware of the issues relating to the management of Blueschool House as a key part of the context of the corporate peer challenge and their work included a focus on understanding whether processes are effective and whether there is a culture to address problems when they arise. The peer team did not find evidence that the issues in relation to Blueschool House were a manifestation of systemic cultural issues with the Economy, Communities and Corporate directorate. The team noted the council's improvement actions planned, and undertaken, which sought to strengthen capital management and mitigate against any further incidents of this type, and emphasised the importance of maintaining this focus.

7. The annual internal audit plan agreed by the committee in March 2018 covers internal control matters, which includes the issues raised in the SWAP report in September 2017.

## **Community impact**

8. To ensure clear and transparent processes are in place to govern how resources of the council are effectively managed to support the council's corporate plan objective to manage its finances effectively and to demonstrate one of the council's values, namely to be open, transparent and accountable.
9. Through its adopted code of corporate governance Herefordshire Council is committed to: behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law; managing risks and performance through robust internal control and strong public financial management; and implementing good practices in transparency, reporting, and audit to deliver effective accountability. The council is committed to promoting a positive working culture that accepts, and encourages constructive challenge. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. Internal audit contributes to effective accountability.

## **Equality duty**

10. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

## **Resource implications**

11. There are no resource implications arising directly as a result of the recommendations in the SWAP report. However the recommendations reflect best practice for governance and project management of major projects. Adopting these measures and ensuring best practice is adhered to at all times will ensure that the council achieves best value for its projects.

## **Legal implications**

12. There are no specific legal implications arising from this closure report.
13. The recommendations identified in the SWAP report identifies areas for action to ensure the council complies with legal requirements.

## **Risk management**

---

Further information on the subject of this report is available from  
Andrew Lovegrove, chief finance officer, email:  
[Andrew.Lovegrove@herefordshire.gov.uk](mailto:Andrew.Lovegrove@herefordshire.gov.uk)  
[andrew.Lovegrove@herefordshire.gov.uk](mailto:andrew.Lovegrove@herefordshire.gov.uk)

14. This report does not result in new additional risks.

## **Consultees**

15. None.

## **Appendices**

Appendix A – Blueschool House Refurbishment Special Investigation Follow-up Final report  
2018/19

## **Background papers**

None identified.

# Blueschool House Refurbishment Special Investigation

## Follow Up Final Report 2018-19

21

Issue Date: 11 September 2018

# Executive Summary

Audit Objective	Progress Summary			
	Recommendation	Complete	In Progress	Not Started
To assess the progress of agreed actions to mitigate against risk exposure identified within the 2017/18 Blueschool House Refurbishment - Special Investigation report.	1		Yes	
	2		Yes	
	3		Yes	
	4		Yes	
	5		Yes	
	6	Yes		
	7		Yes	
	8	Yes		
	9		Yes	
	10		Yes	
	11		Yes	
	12		Yes	
	13		Yes	
	<b>Total</b>		<b>2</b>	<b>11</b>

Details of the progress to support the status of the recommendations are captured in the report below.

22

## Audit Conclusion

This is a follow-up audit to verify the progress made in the development, implementation and embedding of the actions to improve the control framework, after the findings highlighted in the Blueschool House Refurbishment Special Investigation Report.

Despite the majority of the recommendations being in progress I am able to provide assurance that actions are being progressed to mitigate the risk. This was identified through the projects reviewed, as part of this follow up being compliant with existing procedures, governance, financial and procurement rules. However, a weakness remains in the full completion of the 'Notification of Compensation Event' document which needs to be addressed.

It was not possible to judge the overall effectiveness of all the key control improvements because some actions are still to be delivered. The Project Management toolkit – Capital Projects and templates are fundamental to the delivery of many of the recommendations and this remains incomplete.

Neither the Project Management Governance nor the Project Control System (PCS) training can be delivered until the Project Management toolkit is fully complete and approved for implementation. The table below provides the status of the Project Management toolkit – Capital Projects.

Deliverable	Status	Timescale
PCS	Subject to review flow of the system and to remove duplication to enter information only once.	September 2018
Templates to use with PCS	All existing approved templates are subject to further review which include the feasibility business case, full business case and financial template. De-duplication of information across all templates is required.	September 2018
Project Management training	Dependent on the delivery of PCS and templates. The Project Management trainer wishes to tailor the workshop to be aligned to the PCS and the templates to be used.	October 2018

All of the deliverables in the above table need to be in place to provide a more holistic approach to project management and are central to the delivery of the essential outcome required by the Internal Control Improvement Board (ICIB).

There has been success in some recommendations which are mitigating the risk as follows:

Deliverable	Status	Timescale
Council Governance	Decision making software – Modern.Gov no decision can be submitted for consent at the appropriate level without approval by multiple	Implemented July 2017

	discipline approvers e.g. financial, governance, legal, procurement, risk management etc. to proceed. Full audit trail is available.	
Introduction to Procurement training	Comprehensive workshop developing the necessary skills for officers to fulfil this task.	Ongoing monthly since October 2017
Overarching holistic financial monitoring and reporting of the capital programme	Newly appointed Strategic Capital Finance Manager is responsible to verify the capital programme is correctly set and appropriate governance is applied.	June 2018
Delegated authority Chief Finance Officer	The Council's decision to delegate authority to the Chief Finance Officer was supported by the full Council and the Cabinet Member, to accept external funding from grants and contributions to be added to the capital programme. Prior to acceptance of external funding the Chief Finance Officer is required to consult with the Cabinet Member Finance and Corporate Finance.	July 2018
Culture changes	Despite not being part of the original audit findings, within the ICIB ToR it refers to the need of culture change. Evidence was found of this through the embedding of the Modern. Gov software where decision making is seen as transparent with accountability identifiable.	Implemented July 2017

The appendices below show a more detailed representation of the Executive Summary.

Appendix A – Recommendations 1-13

Appendix B – Positives of the audit

Appendix C - Findings for Further Improvement

Since the majority of the recommendations are incomplete a further audit should be undertaken once the Project Management toolkit -Capital Projects is embedded.



## Background

The Blueschool House refurbishment special investigation identified significant control weaknesses across a number of areas namely:

- Incomplete audit trail to show how the budget figures had been derived.
- Non-compliance with the Council's Financial Rules
- Non-compliance with the Council's Governance Rules
- The absence of complete supporting business cases and relevant documentation such as full financials to make informed decision.
- Poor project management governance
- Non-compliance with the Council's Procurement Rules

It is against this background that the Internal Control Improvement Board was set up, the purpose of which is stated in the Terms of Reference below:

'To oversee development and implementation of an improvement plan to ensure effective internal controls in respect of capital spend, project management and contract management are in place and complied with across the council.'

The audit utilised the ICIB Action log of 14 June 2018 to assess the progress with the deliverables identified to address the recommendations made in SWAPs earlier investigative report 2017/18. This included an assessment of compliance where control weakness was identified in respect of three capital projects at different phases of completeness. The projects reviewed were:

- Hillside Project – feasibility stage
- Marlbrook school – phase 1 of development
- Herefordshire Enterprise zone – phase 4 of development

Evaluation of compliance for each of the projects commenced from the financial year April 2018.

## Scope

Testing has been performed in relation to all recommendations and supporting evidence obtained to support implementation of an improved control framework.

**Objective:**

The original investigation was to review the Blueschool House refurbishment project from the key decision in June 2016 to July 2017 to determine if the substantive increase in costs from £950K to the cost of £1.92M was appropriately approved.

This audit is to assess the status of the control framework agreed by the Internal Control Improvement Board (ICIB) to be developed and implemented, in respect of capital spend, project management and contract management to minimise the risk of unknown future overspends on capital projects.

## Appendix A - Recommendations 1-13

Recommendation	Issue	Management response	Status
1. The Council should ensure there is a clear audit trail to show how budget figures have been derived and what the budget is based on.	The budget included in the business case and the key decision was £950K however, the report provided limited information on what would be included within that figure.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• A Project Management Toolkit – Capital Projects</li> <li>• An Approved Feasibility Business Case Template</li> <li>• An Approved Full Business Case Template</li> <li>• An Approved Financial Template</li> </ul>	All deliverable- <b>in progress</b>
2. Key decision reports and supporting business cases should contain all relevant information for an informed decision to be made including on what basis the budget was determined and what the budget includes.	The budget included in the business case and the key decision was £950K however, the report provided limited information on what would be included within that figure.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• An Approved Feasibility Business Case Template</li> <li>• An Approved Full Business Case Template</li> <li>• An Approved Financial Template</li> <li>• Bespoke Governance Support page on the intranet which includes guidance.</li> <li>• Online training module re basic writing skills available.</li> <li>• Modern.gov system – online report management function</li> <li>• Programme of training on new constitution, use of modern.gov system and decision making/ accountability implemented.</li> <li>• Induction – manager induction training programme October 2018.</li> <li>• Report writing drop in centre dates on core news.</li> </ul>	<p>Bespoke Governance Support page – <b>complete</b></p> <p>Online training module re basic writing skills available - <b>complete</b></p> <p>Modern.gov system – online report management function - <b>complete</b></p> <p>Programme of training on new constitution, use of modern.gov system and decision making/ accountability - <b>complete</b></p> <p>All other deliverables -<b>in progress</b></p>

## Appendix A - Recommendations 1-13

28

Recommendation	Issue	Management Response	Status
3. The gross cost of a capital project should be costed prior to a proposal being submitted to the Capital Strategy Group.	There was a significant risk that the proposals cannot be delivered within the approved budget.'	<p>The development, implementation and embedding of:</p> <ul style="list-style-type: none"> <li>• An Approved Feasibility Business Case Template</li> <li>• An Approved Full Business Case Template</li> <li>• An Approved Financial Template</li> <li>• Approved CSWG Process for Capital Requests</li> </ul>	<p>All other deliverables – <b>in progress</b></p> <p>Approved CSWG Process for Capital Requests – evidence received - <b>complete</b></p>
4. When an external consultant is appointed to provide costing for a project this costing should be reviewed prior to the agreement of funding for a project.	The works would not be achievable within the Hub costing; this was confirmed by the Special Projects Officer when interviewed in May 2017.	<p>The development, implementation and embedding of:</p> <ul style="list-style-type: none"> <li>• A Project Management Toolkit – Capital Projects</li> <li>• An Approved Feasibility Business Case Template</li> <li>• An Approved Full Business Case Template</li> <li>• An Approved Financial Template</li> <li>• Approved Financial Procedure Rules</li> </ul>	<p>Financial Procedure Rules to be submitted to the Audit and Governance Committee on 18 November 2018 for approval - <b>in progress</b></p> <p>All deliverables - <b>in progress</b></p>

## Appendix A - Recommendations 1-13

Recommendation	Issue	Management Response	Status
5. Officers must ensure that Contracts Procedure Rules are followed for all procurement	There is also no evidence to support that Contracts Procedure Rules were followed for the procurement of Hub.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• Approved Contract Procedure Rules on website</li> <li>• Introduction to Procurement Training sessions.</li> <li>• Mandatory online Introduction to Procurement training module</li> </ul>	Contract Procedure Rules on website – <b>complete</b> Introduction to Procurement Training sessions - <b>complete</b> Mandatory online Introduction to Procurement training module - <b>in progress</b>
6. The rationale for decision to use two separate companies for the design and build stages or to use one company for both should be clearly documented at the outset of the project.	The rationale for the selection of the contractor cannot be demonstrated as there are no records to support this decision.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• Report Writing Guide</li> </ul>	<b>Complete</b>
7. Actions from project/programme boards should be completed by the relevant officer and the board should ensure that there is adequate governance oversight that actions are completed prior to any further decision being made on a project.	In line with the capital guidance, major projects should be overseen by a project board, generally chaired by the project sponsor at director or assistant director level. Such project boards should involve representatives from legal, finance, and procurement teams as well as relevant service professionals, and should have access to a governance advisor	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• A Project Management Toolkit – Capital Projects</li> <li>• Corporate Project Management Training – mandatory for all senior managers (Leadership Group)</li> </ul>	Project Management Toolkit – Capital Projects – <b>in progress</b> Corporate Project Management Training of the Project Control System is being delivered to the officers who are participating in the pilot phase of the development. - <b>in progress</b>
8. The decision of contractor selection to invite to tender must be clearly documented and consultation with key officers must be followed in line with Contracts Procedures Rules.	There is also no evidence to support that Contracts Procedure Rules were followed for the procurement of Hub.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• Additional information to be added to the Contract Procedures Rules</li> </ul>	<b>Complete</b>

29

## Appendix A - Recommendations 1-13

Recommendation	Issue	Management Response	Status
9. Officers must ensure that that value for money can be demonstrated as part of a tender submission and for any additional works during the project.	The Accommodation Programme Board, Minutes record that 'the Assistant Director – Environment and Place expressed concern that the note was not a procurement strategy as requested and did not include a recommendation supported by appropriate evidence to ensure value for money.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• A Project Management Toolkit – Capital Projects</li> <li>• An Approved Feasibility Business Case Template</li> <li>• An Approved Full Business Case Template</li> <li>• An Approved Financial Template</li> </ul>	All deliverable- <b>in progress</b>
10. If a tender submission is significantly different to the costing provided at the design stage or outside of the budget agreed as part of the key decision; the tender should be subject to scrutiny and challenge prior to proceeding with the project and the relevant officer should take the decision back to Cabinet.	The contracts procedure rules in place at the time are clear that any material variation in cost/timescale for a capital project must be reported to Cabinet.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• Role of Project Sponsor and roles and responsibilities within Projects Training.</li> <li>• Approved Contract Procedure Rules on website</li> <li>• Introduction to Procurement Training sessions.</li> </ul>	Project Management training – <b>to start October 2018</b>  Contract Procedure Rules on website – <b>complete</b> Introduction to Procurement Training sessions - <b>complete</b>
11. Compensation events should only be authorised by an officer with the relevant delegated authority.	There is no evidence that any form of appropriate approval was sought for the compensation events.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• A Project Management Toolkit – Capital Projects</li> </ul> Role of Project Sponsor and roles and responsibilities within Projects Training.	Project Management Toolkit – Capital Projects – <b>in progress</b> Role of Project Sponsor and roles and responsibilities within Projects Training - <b>to started October 2018</b>

## Appendix A - Recommendations 1-13

Recommendation	Issue	Management Response	Status
12. There should be robust budget monitoring and clear documentation of changes to a project as it progresses so there is a clear audit trail to support financial commitment.	Project costs escalating and spend going beyond the approved budget was identified as a major risk in the Business Case.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• A Project Management Toolkit – Capital Projects</li> <li>• Monthly monitoring meetings between Manager and Finance, reports quarterly to Cabinet.</li> </ul>	A Project Management Toolkit – Capital Projects – <b>in progress</b> Monthly monitoring meetings between Manager and Finance, reports quarterly to Cabinet – <b>complete</b> evidenced for each of the three projects reviewed.
13. Project boards must be presented with full and accurate information to ensure informed decisions can be made and actions recommended must be completed with a clear audit trail to show the action has been completed	There was no project board for the Blueschool House refurbishment after the Accommodation Programme Board ceased.	The development, implementation and embedding of: <ul style="list-style-type: none"> <li>• A Project Management Toolkit – Capital Projects</li> <li>• Corporate Project Management Training – mandatory for all senior managers (Leadership Group)</li> </ul>	A Project Management Toolkit – Capital Projects – <b>in progress</b> Corporate Project Management Training – mandatory for all senior managers (Leadership Group) – <b>not started due October 2018</b>

## Appendix B- Positive Findings

32

<p>Council Governance</p>	<p><b>Modern.gov system software</b> provides a good control framework for decision reports and requires supporting attachment such as the business case, financial information etc . The report must be submitted for acceptance/ amendment/challenge through this route by:</p> <p>Legal, Governance, Finance, Procurement Risk Communications</p> <p>No decision report can progress without full approval via Mod.Gov. Once this is achieved the report can be submitted to a cabinet member or cabinet etc for approval.</p> <p>Programme of training on new constitution, use of modern.gov system and decision making/accountability</p> <p>Report writing workshops</p> <p>Good support from the Head of Corporate Governance and other officers experienced with decision reporting writing after training completed.</p>
<p>Introduction to Procurement</p>	<p>Comprehensive workshop developing the necessary skills for officers to fulfil this task.</p> <p>Currently, a Category Manager is working with Human Resources to develop an ‘Introduction to Procurement’ e-learning course for anyone new or wishes a refresher. In addition, during quarter 3 of the 2018/19 financial year there is planned face to face training sessions for managers.</p>
<p>Collaboration between procurement staff and officers on the three projects reviewed.</p>	<p>The audit identified good collaboration between both parties to guarantee adherence to the contracts procedure rules throughout the process from Invitation to Quote, Evaluation of the tenders through to preparation of the contract.</p>
<p>Financials</p>	<p>Newly appointed Strategic Capital Finance Manager is responsible to verify the capital programme is correctly set and appropriate governance is applied.</p> <p>The Manager sits on major project boards which will allows her to provide an overarching holistic view of the capital programme from a financial prospective.</p>



## Appendix B- Positive Findings

33

<p>Financial Control Framework</p>	<p>New tasks being introduced at the time of the audit:</p> <ul style="list-style-type: none"> <li>• Checking the expenditure is relevant to the scheme and the capitalisation policy</li> <li>• Closing cost centres without budgets attached</li> </ul> <p>Additional information available to senior officers</p> <ul style="list-style-type: none"> <li>• Automated report shows budget/forecasts/actuals in real time and can be issued to the Capital Strategy Working Group (CSWG) in a timely way.</li> <li>• Forecasting loaded for all years which is to be submitted to the CSWG on a monthly basis.</li> <li>• Reprofiling of capital projects, which are to subject to challenge sessions within ECC directorate.</li> </ul> <p>This will then be reviewed at CWSG meeting.</p> <ul style="list-style-type: none"> <li>• 2018-21 Capital projects with budgets and it is only those with funding that purchase orders can be raised.</li> </ul>
<p>Delegated authority Chief Finance Officer</p>	<p>The Council's decision to delegate authority to the Chief Finance Officer was supported by the full Council and the Cabinet member, to accept external funding from grants and contributions to be added to the capital programme. Prior to acceptance of external funding the Chief Finance Officer is required to consult with the Cabinet Member Finance and Corporate Finance.</p> <p>Historically the offer of grant money had to be approved by Council. Unfortunately, if there was not a meeting to approve additions to the capital programme or creation of a new one there was a risk the Council was too late in deciding to obtain the funding.</p> <p>This is a good example of where Herefordshire Council has provided delegated authority to maximise the potential of funding from external sources.</p>
<p>Culture</p>	<p>Culture change in the Council is in its infancy but the embedding of the Modern.Gov software in respect of decision reports provides clear accountability, transparency and a good audit trail. This was absent when the Blueschool House special investigation took place.</p>

## Appendix C – Findings for Further Improvement

34

<p>Project Control System</p>	<p>Testing identified shortfalls in good governance in the development of the 'Project Control System'. There were a number of gaps identified:</p> <ul style="list-style-type: none"> <li>• The Project Control system development did not have a dedicated Project Sponsor nor a nominated reference point.</li> <li>• Director of ECC was described as being the nominally 'go to person.'</li> <li>• No project board or formalised records</li> <li>• Not a formalised project with a proper specification</li> <li>• No action log to record requests for or agreed amendments to the project control system was maintained</li> <li>• User Acceptance Testing of the Project Control System was only undertaken by Directorate business users in recent months. Prior to this testing was completed by the designer and builder of the software.</li> <li>• CEO only provided verbal approval of the system to go live with no formal record of this action</li> </ul> <p>Based upon this finding it cannot be seen that that there has been adequate governance oversight to verify that actions have been completed to develop a Project Control System that satisfies the needs of the Council. This is supported by the fact that additional amendments are required in August 2018 to the flow of the system and the accompanying document templates.</p>
<p>Project Governance</p>	<p>All three projects reviewed meet some of the requirements of good project governance but not all expected documents were present e.g. a risk register and action log.</p> <p>The testing identified that a standard approach to project management documentation should be considered to have consistency across the Council.</p>
<p>Compensation Events</p>	<p>Only one of the three projects had undertaken compensation events. Monitoring of compensation events was good to verify the budget was not exceeded.</p> <p>However, where there was a weakness was in the failure to fully complete all the 'Notification of Compensation event papers for Marlbrook school. This document represents a record of agreement between the Council and the Contractor to proceed with the work at an agreed price.</p> <p>Seventeen Notification of Compensation event papers were reviewed and of these seven had not been signed and dated by either the Council Project Manager or the Contractor. This demonstrates partial non-compliance with the full process.</p>

# Audit Framework and Definitions

## Assurance Definitions

<b>None</b>	The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Partial</b>	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Reasonable</b>	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Substantial</b>	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

35

## Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

<b>Priority 5</b>	Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.
<b>Priority 4</b>	Important findings that need to be resolved by management.
<b>Priority 3</b>	The accuracy of records is at risk and requires attention.

# Authors and Distribution

*Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.*

## Report Authors

This report was produced and issued by:

Jacqui Gooding	Assistant Director
Fiona Parnell	Senior Auditor

## Distribution List

This report has been distributed to the following individuals:

Andrew Lovegrove	Chief Financial Officer
Alistair Neill	Chief Executive



<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Annual external audit letter - 2017/18</b>
<b>Report by:</b>	<b>Chief finance officer</b>

## Classification

Open

## Decision type

This is not an executive decision

## Wards affected

(All Wards);

## Purpose and summary

For the committee to receive the external auditor's annual audit letter for 2017/18 and determine whether further action or inclusion in the committee's work programme is appropriate.

The audit findings report was presented to the committee in July; formal receipt of the annual audit letter completes the annual external audit process.

## Recommendation(s)

**That:**

- (a) having regard to the external auditor's annual audit letter 2017/18, attached at Appendix A, the committee determine any further actions to be recommended or items to be included in the work programme.**

## Alternative options

1. None, the sharing of an annual audit letter from the external auditors forms part of a statutory external audit process, therefore no alternatives are appropriate.

## Key considerations

2. The code of audit practice in local government requires external auditors to report to those charged with governance the conclusions they have drawn from their audit work and their opinion on the financial statements and value for money. The annual audit letter 2017/18, attached at appendix A provides this detail. It follows the audit findings report shared with the committee on 30 July. The committee is requested to consider whether any additional action relevant to the remit of the audit and governance committee is required.
3. The external auditors issued an unqualified opinion on the statement of accounts for 2017/18 and an unqualified conclusion was issued in respect of the value for money assessment for 2017/18. The external auditors are satisfied that the council has proper arrangements in place securing the economy, efficiency and effectiveness in its use of resources.
4. An agreed action plan for improvements going forward was presented to the committee at its meeting on 30 July, this centred on changing the date of asset valuations, to a later date than 1 April, work on adopting this change has commenced and progress on all agreed actions will be reported to future committee meetings.
5. The external audit certificate of closure of this year's and previous years audit has not been received due to outstanding matters from the previous years. Following a request from Grant Thornton this is to be stated on the council's website. This does not affect the opinions received on the council accounts or achieving value for money.

## Community impact

6. The council is responsible for ensuring that appropriate safeguards are in place to ensure that it operates effective governance arrangements and internal controls; the reports and opinions of external audit inform future improvement action.
7. One of the principles in the council's code of corporate governance is to implement good practices in transparency, reporting, and audit to deliver effective accountability. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. External audit contributes to effective accountability.

## Equality duty

8. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

9. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

## **Resource implications**

10. There are no specific resource implications arising from this report, the agreed actions will be completed within existing resources.
11. The cost of the annual audit is provided in the appendix, page 14, and is in line with the anticipated cost previously reported to the committee.

## **Legal implications**

12. The annual audit letter is shared as part of the statutory duty of the external audit function.

## **Risk management**

13. Appendix A identifies risks and the actions being taken to mitigate those risks.

## **Consultees**

14. None.

## **Appendices**

Appendix A - Annual audit letter 2017/18

## **Background papers**

None identified.







# Annual Audit Letter

*Year ending 31 March 2018*

---

**Herefordshire Council**

August 2018



# Contents



## Your key Grant Thornton team members are:

42

Jon Roberts

Partner &  
Head of Assurance

T: 0117 305 7699

E: Jon.Roberts@uk.gt.com

Zoe Thomas

Manager

T: 0121 232 5277

E: Zoe.Thomas@uk.gt.com

Zak Francis

Auditor In-Charge

T: 0121 232 5164

E: Zak.Francis@uk.gt.com

## Section

1. Executive Summary
2. Audit of the Accounts
3. Value for Money conclusion

## Page

- 3  
5  
9

## Appendices

- A Reports issued and fees

# Executive Summary

## Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Herefordshire Council (the Council) and its subsidiaries (the group) for the year ended 31 March 2018.

This Letter is intended to provide a commentary on the results of our work to the group and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit and Governance Committee as those charged with governance in our Audit Findings Report on 30 July 2018.

## Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council and group's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council and group's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

## Our work

<b>Materiality</b>	We determined materiality for the audit of the group's financial statements to be £6,644,000, which is 1.8% of the group's gross revenue expenditure. Council materiality was £6,550,000.
<b>Financial Statements opinion</b>	We gave an unqualified opinion on the group's financial statements on 31 July 2018.
<b>Use of statutory powers</b>	We did not identify any matters which required us to exercise our additional statutory powers.
<b>Value for Money arrangements</b>	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 31 July 2018.
<b>Certification of Grants</b>	We also carry out work to certify the Council's Housing Benefit Subsidy Claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2018. We will report the results of this work to the Audit and Governance Committee in our Annual Certification Letter.
<b>Certificate</b>	We are unable to certify that we have completed the audit of the accounts of Herefordshire Council due to outstanding matters from the previous years.

---

# Executive Summary

## **Recommendation tracking**

In our audit findings report we made a number of recommendations both in relation to the accounts process and our value for money considerations. Those recommendations are not repeated in this report, however the Audit and Governance Committee should ensure that progress against those recommendations are tracked as part of the committee programme. The Audit Findings Report is published within the papers for the July Audit and Governance committee and is available on the Council's website.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

**Grant Thornton UK LLP**  
**August 2018**

44

## **Working with the Council**

During the year we have delivered a number of successful outcomes with you:

- An efficient audit – we delivered an efficient audit with you in July, delivering the accounts by the deadline and two months ahead of 2017.
- Sharing our insight – we provided regular audit committee updates covering best practice. We also shared our thought leadership reports.
- Providing training – we provided your teams with training on financial accounts and working papers.

---

# Audit of the Accounts

## Our audit approach

### Materiality

In our audit of the group's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the group accounts to be £6,644,000 which is 1.8% of the group's gross revenue expenditure. We determined materiality for the audit of the Council's accounts to be £6,550,000, which is 1.8% of the Council's gross revenue expenditure. We used this benchmark as, in our view, users of the group and Council's financial statements are most interested in where the group and Council has spent its revenue in the year.

We also set a lower level of specific materiality for senior officer remuneration- as we consider this to be of specific interest to the user of the accounts.

We set a lower threshold of £332,000, above which we reported errors to the Audit and Governance Committee in our Audit Findings Report.

### The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Statement of Accounts and the narrative report and annual governance statement published alongside the Statement of Accounts to check they are consistent with our understanding of the group and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach is based on a thorough understanding of group's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

# Audit of the Accounts

## Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Valuation of property, plant and equipment</b>            The Council revalues its land and buildings on a 5 yearly basis to ensure that carrying value is not materially different from current value. This represents a significant estimate by management in the financial statements</p> <p>46</p>	<p>As part of our audit work we have reviewed:</p> <ul style="list-style-type: none"> <li>management's processes and assumptions for the calculation of the estimate,</li> <li>the competence, expertise and objectivity of any management experts used,</li> <li>the instructions issued to valuation experts and the scope of their work,</li> <li>the basis on which the valuation was carried out, challenging the key assumptions,</li> <li>and challenged the information used by the Valuer to ensure it was robust and consistent with our understanding,</li> <li>and tested revaluations made during the year to ensure they were input correctly into the Council's asset register,</li> <li>and evaluated the assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different to current value.</li> </ul>	<p>Detailed findings were reflected in the Audit Findings report and are summarised below. Adjustments were made to the Property Plant and Equipment (PPE) notes, Balance Sheet and the Comprehensive Income and Expenditure Statement (CIES) as a result of the audit. Additional disclosures were included.</p> <p>The Council had employed a new valuer this financial year. A significant proportion of the asset base was revalued. The value had made new assumptions on a number of assets which had impacted on the valuation. Additional disclosures were requested by audit to reflect this.</p> <p>Some additional valuations were undertaken as a result of audit queries and are reflected in the revised accounts.</p> <p>Additional work was undertaken and revised working papers were supplied to demonstrate that assets not valued in year were not materially misstated.</p> <p>Adjustments were made to PPE due to revisions to impairments and the asset register was updated.</p> <p>We have made recommendations to improve the estimate process in future years.</p>

# Audit of the Accounts

## Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Valuation of pension fund net liability</b> The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p> <p>We identified the valuation of the pension fund net liability as a risk requiring special audit consideration.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> <li>identified the controls put in place by management to ensure that the pension fund net liability is not materially misstated and assessed whether those controls were implemented as expected and whether they were sufficient to mitigate the risk of material misstatement.</li> <li>evaluated the competence, expertise and objectivity of the actuary who carried out the Council's pension fund valuation.</li> <li>gained an understanding of the basis on which the IAS 19 valuation was carried out, undertaking procedures to confirm the reasonableness of the actuarial assumptions made.</li> <li>checked the consistency of the pension fund net liability disclosures in notes to the financial statements with the actuarial report from your actuary.</li> </ul>	<p>No significant matters arising from our work.</p>
<p><b>Management override of controls</b> Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We identified management override of controls as a risk requiring special audit consideration.</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> <li>gained an understanding of the accounting estimates, judgements and decisions made by management</li> <li>tested journal entries</li> <li>reviewed accounting estimates, judgements and decisions made by management</li> <li>reviewed unusual significant transactions</li> <li>evaluated the rationale for any changes in accounting policies or significant unusual transactions.</li> </ul>	<p>No significant matters arising from our work.</p>

---

# Audit of the Accounts

## **Audit opinion**

We gave an unqualified opinion on the group's financial statements on 31 July 2018, in advance of the national deadline.

## **Preparation of the accounts**

The group presented us with draft accounts in accordance with the national deadline. The finance team responded to our queries during the course of the audit.

## **Issues arising from the audit of the accounts**

We reported the key issues from our audit to the Council's Audit and Governance Committee on 30 July 2018.

We made a number of recommendations within our Audit Findings Report (AFR) and we suggest that the Audit and Governance Committee receive an update on the implementation of these specific recommendations.

## **Annual Governance Statement and Narrative Report**

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website in the Statement of Accounts in line with the national deadlines.

We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council. Our recommendations in the AFR include suggestions to improve the content of the narrative report.

## **Other statutory powers**

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts. We have not exercised these powers.

## **Certificate of closure of the audit**

We are unable to certify that we have completed the audit of the accounts of Herefordshire Council until we resolve outstanding matters in relation to the previous year. We have asked that the Accounts section on the Council's website should highlight this.



---

# Value for Money conclusion

## Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

*In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.*

## Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out overleaf.

During the year new matters came to our attention and we considered the risk to the value for money conclusion. The new matters were:

- Local Government Association Corporate Peer Challenge
- Children Act 1989, section 20 judgement
- Ofsted Inspection Children's Services

We concluded that these matters did not pose a significant risk to our value for money conclusion.

As part of our Audit Findings report agreed with the Council in July 2018, we agreed recommendations to address our findings. Implementation of these specific recommendations should be routinely considered by the Audit and Governance Committee.

## Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2018.

# Value for Money conclusion

## Key Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Summary Findings and conclusions
<p><b>Sustainable resource deployment: Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.</b></p> <p>If the key assumptions within the medium-term financial plan are not reasonably based then the future financial position of the Council could be at risk.</p> <p>50</p>	<p>We considered the key assumptions in the medium term financial plan focussing on the assumptions around children's services and adult social care as the areas having most risk.</p>	<p>We noted that the Council had adequate levels of balances in comparison with its neighbours and that there had been net additions made to both revenue and capital reserves. A significant increase in capital reserves occurred in year due to the sale of the farming stock</p> <p>We considered the risks in relation to service areas, in particular we noted the risks to delivery of the children's services savings plans. Children's services once again overspent in 2017/18 and reducing the numbers of looked after children is an ongoing challenge.</p> <p><b>We concluded that overall the Council had adequate arrangements to ensure to achieve planned and sustainable outcomes for taxpayers and local people.</b></p>
<p><b>Sustainable resource deployment</b> :Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.</p> <p><b>Informed decision making:</b> reliable and timely financial reporting that supports the delivery of strategic priorities.</p>	<p>We considered the actions that the Council is taking to respond to concerns raised around the governance of the capital programme.</p>	<p>The 'Blue School House' overspend and the subsequent internal audit highlighted the need for change in many aspects of the Councils arrangements around its capital programme and a number of recommendations for improvement were made. Officers have taken steps towards addressing the failings and reports are taken to the audit committee to update on progress periodically.</p> <p>There is clearly an appetite to learn form the matter and to embed robust management, reporting and governance arrangements throughout the Council. This is however still a 'work in progress'.</p> <p><b>We concluded that the Council had adequate arrangements to ensure to achieve planned and sustainable outcomes for taxpayers and local people.</b></p>

# A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

## Reports issued

Report	Date issued
Audit Plan	January 2018
Audit Findings Report	July 2018
Annual Audit Letter	August 2018

## Fees for non-audit services

Service	Fees £
<b>Audit related services: we have been asked to undertake the following for 2017/18:</b>	
- Skills funding agency	TBC
- Teachers pension	TBC
<b>Non-Audit related services</b>	12,000
- Continuation of 16/17 project work to support procurement of a development partner (completion of 2016/17 agreed work)	

51

## Fees

	Planned £	Actual fees £	2016/17 fees £
Statutory group audit	124,405	*131,092	124,405
Over-run		*tbc	**15,000
Housing Benefit Grant Certification	5,806	***tbc	5,415
<b>Total fees</b>	130,211	tbc	144,820

The planned fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)

\*Fee variations will reflect the additional time spent on resolving matters around property plant and equipment and first time preparation of group accounts. Fee variations are subject to approval by Public Sector Audit Appointments Ltd. We have yet to agree the additional fee for 2017/18 for the overrun with the council before submission to PSAA.

\*\*PSAA has yet to confirm the 2016/17 fee for the over-run.

\*\*\* the Council has asked us to complete additional work on their behalf populating the housing benefit workbooks. Fees for the additional time will be confirmed when that work is completed. This fee will be subject to agreement with PSAA

## Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the group's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the group's policy on the allotment of non-audit work to your auditor.



© 2018 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.



<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Progress report on 2018/19 internal audit plan</b>
<b>Report by:</b>	<b>Chief finance officer / internal audit</b>

## Classification

Openpen

## Decision type

This is not an executive decision

## Wards affected

(All Wards);All Wards)

## Purpose and summary

To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. To enable the committee to monitor performance of the internal audit team against the approved plan.

To assure the committee that action is being taken on risk related issues identified by internal audit. This is monitored by acceptance by management of audit recommendations and progress updates in implementing the agreed action plans. In addition, audit recommendations not accepted by management are reviewed and progress to an appropriate recommendation to cabinet if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.

## Recommendation(s)

That:

- (a) **performance against the approved plan be reviewed and any areas for improvement identified; and**
- (b) **consider the assurances provided and the recommendations which the report makes, commenting on its content as necessary.**

## Alternative options

---

Further information on the subject of this report is available from

Jacqui Gooding, email: [Jacqui.Gooding@swapaudit.co.uk](mailto:Jacqui.Gooding@swapaudit.co.uk)

1. There are no alternative recommendations; it is a function of the committee to consider these matters in fulfilling its assurance role.

## **Key considerations**

2. The internal audit progress report is attached at appendix A. In the period covered by the report, nine priority 2 recommendations were made. A summary of the significant findings is provided in the report.
3. The follow up audit for the Blueschool House Refurbishment Special Investigation is not covered in detail in the progress report. An update to members on the progress made in the development, implementation and embedding of the actions to improve the control framework, after the findings highlighted in the report is a separate item on today's agenda.
4. The annual plan summary and a glossary of terms is also provided in the report.

## **Community impact**

5. The council's code of corporate governance commits the council to managing risks and performance through robust internal control and strong public financial management and to implementing good practices in transparency, reporting, and audit to deliver effective accountability. By ensuring robust management responses to identified risks, the council will be better able to meet its corporate plan priority to secure better services, quality of life and value for money.

## **Equality duty**

6. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
7. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

## **Resource implications**

---

Further information on the subject of this report is available from

Jacqui Gooding, email: [Jacqui.Gooding@swapaudit.co.uk](mailto:Jacqui.Gooding@swapaudit.co.uk)

8. None arising from the recommendations; any additional recommendations made by the committee will be considered by the relevant manager or cabinet member and the financial implications of accepting those recommendations will be considered then.

## **Legal implications**

9. None.

## **Risk management**

10. There is a risk that the level of work required to give an opinion on the council's systems of internal control is not achieved. This is mitigated by the regular active management and monitoring of progress against the agreed internal audit plan.
11. Risks identified by internal audit are mitigated by actions proposed by management in response. Progress on implementation of agreed actions is reported to this committee every six months.

## **Consultees**

12. None.

## **Appendices**

Appendix A – SWAP Internal Audit plan progress report 2018-19 – quarter 1

## **Background papers**

None identified.





Appendix A

**Herefordshire Council**  
Report of Internal Audit Activity  
Plan Progress 2018/19 Quarter 1

57

# Contents

## The contacts at SWAP in connection with this report are:

### Gerry Cox

Chief Executive

Tel: 01935 385906

[gerry.cox@southwestaudit.co.uk](mailto:gerry.cox@southwestaudit.co.uk)

### Ian Baker

Director of Quality

Tel: 07917628774

[ian.baker@southwestaudit.co.uk](mailto:ian.baker@southwestaudit.co.uk)

### Jacqui Gooding

Assistant Director

Tel: 07872500675

[jacqui.gooding@southwestaudit.co.uk](mailto:jacqui.gooding@southwestaudit.co.uk)

●	Role of Internal Audit	Page 1
●	Internal Audit Work Programme – Summary of Partial Assurances	Page 2 -7
●	Added Value	Page 8
●	Summary of Control Assurance	Page 9
●	Summary of Recommendations	Page 10
●	Approved Changes to the Audit Plan	Page 11
●	Conclusion	Page 11
●	Appendices:	
	Appendix B – Internal Audit Definitions	Page 12 - 13
	Appendix C – Internal Audit Work Plan	Page 14 - 18

### Our audit activity is split between:

- **Operational Audit**
- **School Themes**
- **Governance Audit**
- **Key Control Audit**
- **IT Audit**
- **Grants**
- **Other Reviews**

### Role of Internal Audit

The Internal Audit service for Herefordshire Council is provided by SWAP Internal Audit Services (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and the CIPFA Local Government Application Note. The Partnership is also guided by the Internal Audit Charter approved by the Audit and Governance Committee at its meeting on 21 March 2018.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes:

- Operational Audit Reviews
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grants
- Other Special or Unplanned Review

## Internal Audit Plan Progress 2018/2019

### Outturn to Date

### Internal Audit Work Programme

The schedule provided at Appendix C contains a list of all audits as agreed in the Annual Audit Plan 2018/19. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed in Appendix B of this document.

To assist the Committee in its important monitoring and scrutiny role, in those cases where weaknesses have been identified in service/function reviews that are considered to represent significant service risks, a summary of the key audit findings that have resulted in the audit receiving a ‘Partial Assurance Opinion’ is given as part of this report.

In circumstances where findings have been identified which are considered to represent significant corporate risks to the Council, due to their importance, these issues are separately summarised.

# Internal Audit Plan Progress 2018/2019

## Outturn to Date

## Internal Audit Work Programme

This is the quarter 1 update for 2018-19. Nine audits have been completed and there are six audits in progress or at Draft report. Two audits have been deferred to quarter 4 at the request of the client and agreed with the Chief Financial Officer. Two audits were assessed as Partial assurance and eight priority 2 findings were identified across the two audits. There was a further priority 2 finding identified in one audit assessed as Reasonable assurance.

The following audits have been completed since the last update:

Audit	Assurance
New Model in Technology and Engineering (NMITE) Project (University)	Reasonable
Building Control – Completion Certificates	Reasonable
Schools Financial Value Standard - School 1	Partial
Schools Financial Value Standard - School 2	Reasonable
Schools Financial Value Standard - School 3	Partial
Schools Financial Value Standard - School 4	Reasonable
Safer recruitment - Children's Wellbeing - Staff and Agency Staff	Reasonable
Deprivation of Liberties	Follow Up
Internal Control Improvement Board	Follow Up

## Significant Corporate Risks

Identified Significant Corporate Risks should be brought to the attention of the Audit and Governance Committee.

## Significant Corporate Risks

We provide a definition of the 3 Risk Levels applied within audit reports. For those audits which have reached report stage through the year, I will report risks we have assessed as 'High'.

In this update there are no final reports included with significant corporate risks.

### SWAP Performance - Summary of Partial Opinions

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee.

### Summary of Partial Assurances and Significant Service Findings (Priority 1 and 2)

Two audits finalised in the period were awarded Partial assurance. The significant findings from this audit and the significant finding from the audit with Reasonable assurance have been summarised below.

#### Schools Financial Value Standard - Schools 1 and 3 - Partial

The Schools Financial Value Statement (SFVS) helps schools to manage their finances and provides assurance to the Local Authority that they have secure financial management in place.

The SFVS standard assessment form states Governing bodies/management committees have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors/management committees. Annual completion of the SFVS form is mandatory for Local Authority maintained schools'. A SFVS return signed by the Chair of Governors must be sent to the Local Authority each year.

Overall the Schools have engaged with the requirements of the Schools Financial Value Standard (SFVS) self-assessment and both School's financial management was found to be fundamentally secure. Skills audits have been completed by the Full Governing Body (FGB) and the Resources/Finance Committee to document competencies currently contained and identify any gaps in training. The SFVS financial skills analysis matrix has also been completed by school staff with financial management responsibility.

Priority 2 findings identified were:

- Lack of Finance Policy – the school was provided with the Councils example Finance Policy for schools and agreed a target date of 31 October 2018 to approve a Finance Policy at the next Governors Finance Meeting.
- Discrepancies were identified in the data in the approved five-year budget and the figures presented in the summary budget resulting in an incorrect cumulative surplus. The accuracy of the reports has been reviewed by the Headteacher and the Chair of the Finance Committee and the discrepancies resolved.

## Internal Audit Plan Progress 2018/2019

### SWAP Performance - Summary of Partial Opinions

**These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee.**

### Summary of Partial Assurances and significant service findings (Priority 1 and 2)

- There was no confirmation in the minutes that the budget is discussed by the Governing Body and the Headteacher does not sign off the monthly budget reconciliations prior to presenting them to both the Resources Committee and the Full Governing Body. The Headteacher has agreed to sign off monthly budget reconciliations before presenting to the Resources Committee and ensure that when the budget is discussed at the Full Governing Body meeting this is recorded. Target date for completion is September 2018.
- A school development plan was in place, but it was for only one year and had not been approved by the Governing Body. The costings in the plan were not clearly linked to the budget. The Chair of Governors has agreed to develop a three-year School Development Plan with costings linked to the budget. The plan will be approved at the Full Governing Body meeting in September 2018.
- A reconciliation of the budget and actual figures as recorded by the LEA to the school's SIMS FMS records identified ten variances that had not been resolved during the reconciliation and the reconciliation is not signed by the Headteacher. During the audit six variances were resolved and four remained outstanding. The Schools Administrator has agreed to liaise with the Schools Finance team to resolve the outstanding variances and the Headteacher has agreed to sign off each monthly reconciliation. Target for completion is September 2018.
- No detailed and approved asset management plan is in place. The Chair of Governors has agreed to update the asset management plan to include planned projects and maintenance works for the next 3-5 years. The plan will be presented to the Full Governing Body meeting in September 2018.

### SWAP Performance - Summary of Partial Opinions

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee.

### Summary of Partial Assurances and Significant Service Findings (Priority 1 and 2)

#### New Model in Technology and Engineering (NMiTE) Project (University) – Reasonable

DfE (Department for Education) has agreed to fund the development of a new Higher Education provider in Hereford. DfE is supporting the NMiTE project, that has been subject to Departmental and Treasury scrutiny, with funding via an agreed schedule of payments. DfE have agreed with NMiTE a schedule of payments to be triggered by set criteria that the Council have also been sighted on. The Council are acting as the publicly accountable body for the receipt of the funding and is responsible for ensuring that the Grant Conditions are adhered to.

A tri-partite Memorandum of Understanding (MoU) between DfE, NMiTE and the Council is now in place as part of the HC NMiTE Flow Through Agreement dated 18 January 2018 which details key milestones for payments of funding and stipulates Grant Conditions. DfE has requested receipt of quarterly reports from the Council on the progress of NMiTE based on the Council's assessment of the projects progress against the key milestones achievement and Grant Determination conditions of payment and conditions attached to NMiTE Grant Determination Nos 31/3151 and 31/3152.

In relation to the areas reviewed and the controls found to be in place in support of the production of the DfE Grant Letter for the New Model in Technology and Engineering (NMiTE) Capital Grant Determination (2017/18): No 31/3151 and NMiTE Revenue Grant Determination (2017/18): No 31/3152 grant conditions for instalment 3 delivered in March 2018 we were able to give assurance that the criteria of the grant had been complied with.

However, there is no agreed template for a Statement of Grant Expenditure, and the Council may not have full visibility of all available evidence required in support of the conditions of payment and key milestones achievement as set out in the HC - NMiTE Flow Through Agreement (18 Jan 2018) and may therefore not be in a position to provide DfE promptly with confirmation that conditions attached to NMiTE Grant Determination Nos 31/3151 and 31/3152 have been fully complied with i.e. DfE Grant Letter.



## Internal Audit Plan Progress 2018/2019

### SWAP Performance - Summary of Partial Opinions

**These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee.**

### Summary of Partial Assurances and Significant Service Findings (Priority 1 and 2)

NMiTE policies and procedures are currently under construction in support of the NMiTE control framework and we have highlighted the need for the following at this point:

- Expenses Policy
- Document Retention Policy
- Procurement Procedure

It has been agreed that NMiTE Quarterly Statement of Grant Expenditure Pack will be developed, approved and put into place to include:

- NMiTE Management Monthly Accounts x 3
- NMiTE Monthly Account Transactions x 3
- NMiTE Executive Management Monthly Milestone Monitoring x 3
- NMiTE Quarterly Assurance Review Letter to DfE
- Thorne Widgery Accountants Quarterly Report
- NMiTE Management Monthly Response/ Timetable Action Grid

## Internal Audit Plan Progress 2018/2019

### Added Value

**Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.**

### Added Value

Primarily, Internal Audit is an assurance function and will remain as such. However, as we complete our audit reviews and through our governance audit programmes across SWAP we seek to bring information and best practice to managers to help support their systems of risk management and control. The SWAP definition of “added value” is “it refers to extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something "more" while adding little or nothing to its cost”.

The followings audits have provided a cross comparison survey for the SWAP Partners – two of the cross comparison surveys – Building Control and SEN Transport were requested by Herefordshire Council.

**Building Control** - A questionnaire was sent to SWAP Partners to establish how Building Control teams currently maintain, and also plan to expand, their current market share of statutory Building Control business within their geographical area.

**Electoral Registration** - Under the Representation of the People Act 1983, the Council has a duty to maintain registers of UK Parliamentary and local government electors and the process for fulfilling this duty is prescribed and overseen by the Electoral Commission. A benchmarking exercise with our partners was undertaken to identify any areas in which Councils could improve the effectiveness and efficiency with which they implement this process.

**SEN Transport** - a review was conducted to review and compare policies from other authorities that cover provision of SEN Transport looking at different methods of transport provision, and where possible, their effectiveness and impact on the corporate budget and to review the codes of conduct for transport escorts.

# Internal Audit Plan Progress 2018/2019

## SWAP Performance - Summary of Audit Opinions

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

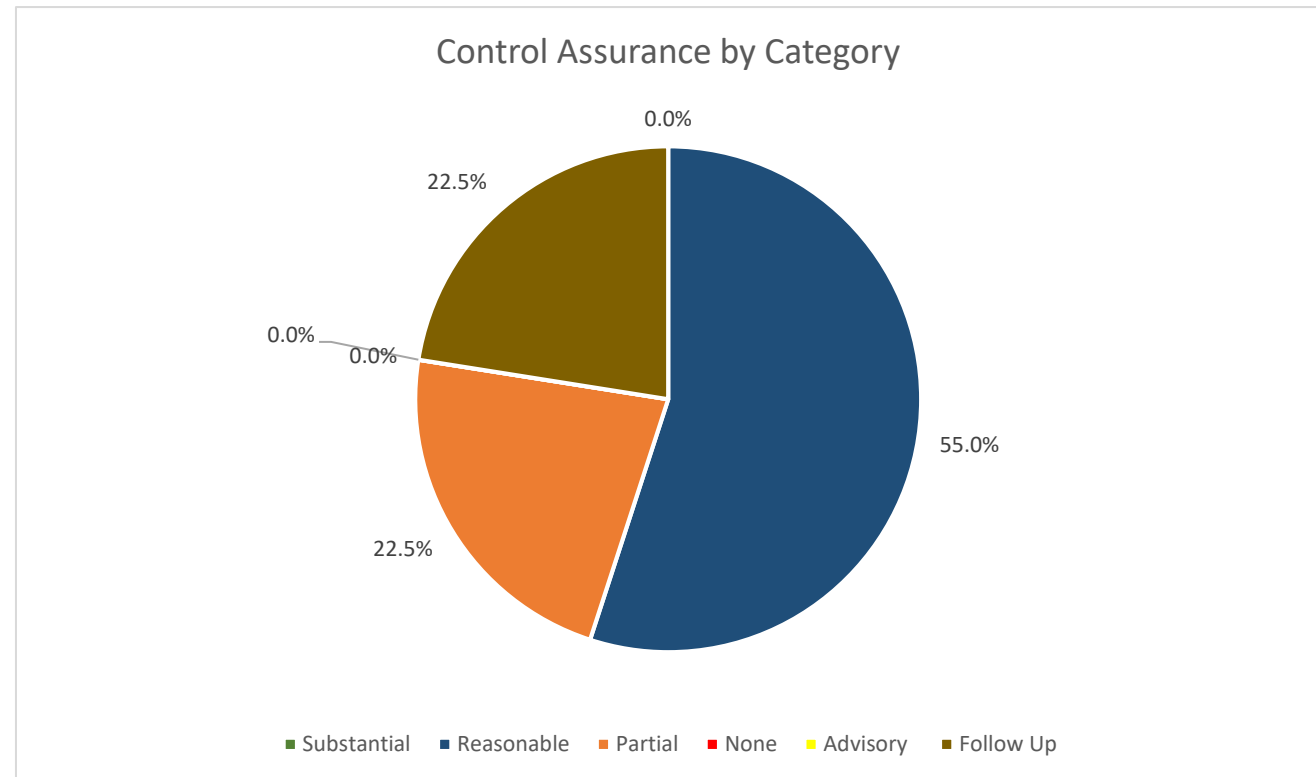
- Substantial
- Reasonable
- Partial
- None

We also undertake Advisory / Non-Opinion work on a consultancy basis where we have been asked to look at a specific area of potential concern.

Where we follow up on a previous adverse audit opinion the opinion is stated as follow up.

## Summary of Audit Opinion

Of the reviews that have a final report, the opinions offered are summarised below.



67

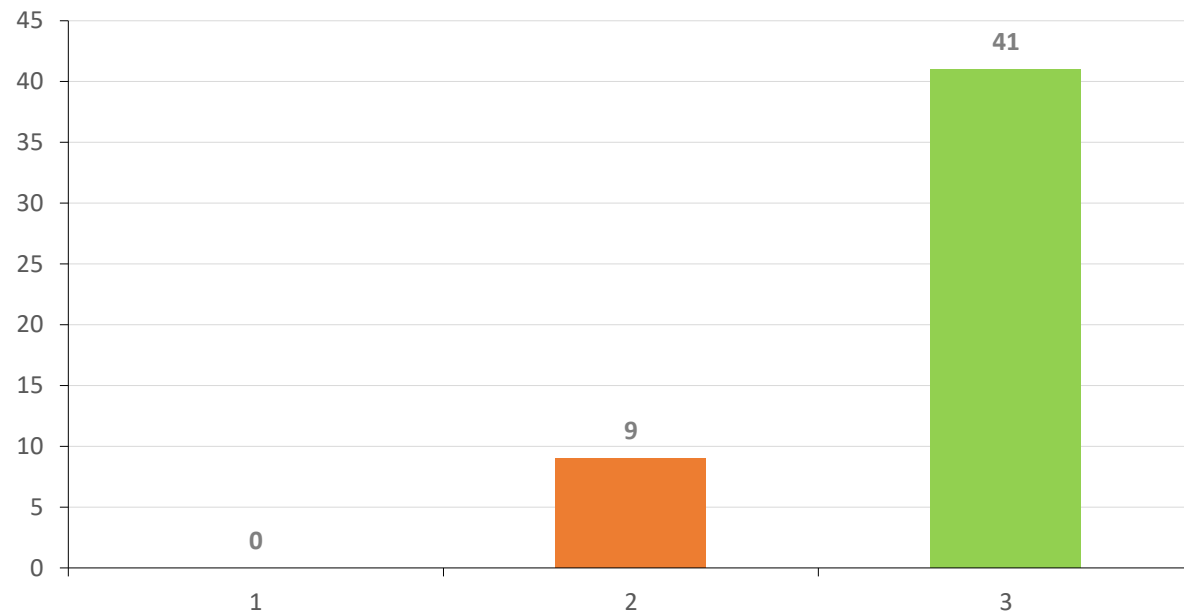
# Internal Audit Plan Progress 2018/2019

## Summary of Audit Recommendations by Priority

We rank our recommendations on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of fundamental concern requiring immediate corrective action.

## Summary of Recommendations

Audit Recommendations by Priority



## Internal Audit Plan Progress 2018/2019

**We keep our audit plans under regular review to ensure that we are auditing the right things at the right time.**

### Approved Changes to the Audit Plan

Unplanned work, special reviews or projects carried out on a responsive basis are requested through the Chief Finance Officer (Section 151 Officer). As new and emerging risks are identified, any changes to the plan will be subject to the agreement of the Chief Finance Officer (Section 151 Officer) and reported to this Committee.

The audit included in the 2018-19 plan for University Loan has been replaced by 4 audits for the New Model in Technology and Engineering (NMITE) Project (University) to satisfy the requirement to provide a report to the DfE for each quarter ending in January 2019. The days have been reallocated from the University Loan audit and some days used from contingency.

### Conclusion

Following completion of the 2017-18 audit work good progress has been made on delivery of the 2018-19 quarter 1 plan with eight audits at report stage of which five have been assessed as Reasonable and two as Partial. Two audits have been deferred to quarter 4 and the remaining audits are all in progress.

Whilst recommendations have been made for improvement, I do not consider there to be any areas of significant corporate concern for the areas reviewed. Where weaknesses have been identified all findings have been accepted by management and a target date agreed for implementation.

At the close of each audit review a Customer Satisfaction Questionnaire is sent out to the Service Manager or nominated officer. The aim of the questionnaires is to gauge satisfaction against timeliness, quality and professionalism. A score of 80% would reflect the fact that the client agreed that the review was delivered to a good standard of quality, i.e. agreed with the statement in the questionnaire and satisfied with the audit process and report. The current feedback score for the Council is 100%.

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- Substantial
- Reasonable
- Partial
- None
- Advisory

Audit Framework Definitions

Control Assurance Definitions

<b>Substantial</b>	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
<b>Reasonable</b>	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed, but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Partial</b>	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>None</b>	The areas reviewed were found to be inadequately controlled. Risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

**Advisory** - In addition to our opinion-based work we will provide consultancy services. The advice offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendation are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Audit Framework Definitions

Risk	Reporting Implications
	In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. Each recommendation has been given a priority rating at service level with the following definitions:
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

71

# Summary of Partial Opinions

# APPENDIX C

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ← 3 = Medium Recommendation		
						1	2	3
						Governance, Fraud & Corruption	NMITE Project (University)	1
Governance, Fraud & Corruption	Joint Use Agreement - Ledbury Rugby Club	1	Draft Report					
Governance, Fraud & Corruption	Highways Projects - Capital Spend	1	Testing Complete					
Operational	Building Control	1	Completed	Reasonable	7	0	0	7
Operational	Special Educational Needs Transport	1	Draft Report					
Operational	Property Maintenance - Schools	1	Deferred to qrt 4					
Operational	Internal Communications	1	Deferred to qrt 4					
Operational	Records Management	1	Initial meeting					
Schools	Schools Financial Value Standard - School 1	1	Completed	Partial	13	0	5	8
Schools	Schools Financial Value Standard - School 2	1	Completed	Reasonable	5	0	1	4
Schools	Schools Financial Value Standard - School 3	1	Completed	Partial	8	0	2	6
Schools	Schools Financial Value Standard - School 4	1	Completed	Reasonable	7	0	0	7
Operational	Safer recruitment - Children's Wellbeing - Staff and Agency Staff	1	Completed	Reasonable	6	0	0	6
ICT	Patch Management	1	Draft Report					
ICT	IT Access Controls –Mosaic and other systems used by AWB and CWB	1	In Progress					
Follow Up	Deprivation of Liberties	1	Completed	Follow Up	-	-	-	-

72



Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium Recommendation		
						1	2	3
						Key Control	Council Tax	2
Key Control	Housing and Council Tax Benefits	2	In Progress					
Governance, Fraud & Corruption	NMITE Project (University) End of July 18 assurance	2	In Progress					
Governance, Fraud & Corruption	Corporate Peer Challenge	2	Not Started					
Governance, Fraud & Corruption	Internal Control Improvement Board	2	Complete	Follow up	-	-	-	
Governance, Fraud & Corruption	Local Transport Block Funding	2	Initial meeting					
Grant Certification	Effectiveness of programme Boards for major system changes/projects	2	Not Started					
Operational	Health and Safety	2	Initial Meeting					
Operational	Compliance with contract and financial procedure rules – revenue	2	Not started					
Operational	Hoople	2	Not started					
Operational	Integrated Short Term Support and Care Pathway - DTOC plan – Front Door Customer Service – Redirected.	2	Initial Meeting					
Operational	Client finance System - Interface between all systems	2	Not Started					
Operational	Contract Monitoring	2	Not Started					
Operational	Use of regional framework for foster care	2	Not started					
ICT	Third Party Agreements (including Cloud)	2	Not Started					
Key Control	Accounts Payable	3	Not Started					
Key Control	Main Accounting	3	Not Started					

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium Recommendation		
						1	2	3
Key Control	Payroll	3	Not Started					
Key Control	Accounts Receivable	3	Not Started					
Key Control	Capital Accounting	3	Not Started					
Key Control	NNDR - Business rates avoidance	3	Not Started					
Governance, Fraud & Corruption	NMITE Project (University) End of October 18 assurance	3	Not Started					
Governance, Fraud & Corruption	Declaration of personal and business interests	3	Not Started					
Grant Certification	Redundant Building Grant Funding	3	Not Started					
Operational	Local population forecast using for future planning such as house building requirement	3	Not Started					
Grant Certification	Troubled Families	3	Not Started					
Operational	Integrated Short Term Support and Care Pathway - Carers Assessment	3	Not Started					
Governance, Fraud & Corruption	Children's centres – governance and financial control	3	Not Started					
Operational	Care Workforce Project – support to Domiciliary Care Agencies recruitment	4	Not Started					
Governance, Fraud & Corruption	NMITE Project (University) End of January 19 assurance	4	Not Started					
Governance, Fraud & Corruption	EU General Data Protection Regulation	4	Not Started					
Operational	P- Cards	4	Not Started					
Operational	Mandatory Training	4	Not Started					
Governance, Fraud & Corruption	Blue Badges	4	Not Started					

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium Recommendation		
						1	2	3
						Operational	Development Regeneration Partnership	4
Operational	Contract Management	4	Not Started					
Governance, Fraud & Corruption	Quality Assurance Framework	4	Not Started					
Operational	Homepoint - Review of new provider	4	Not Started					
Schools	Prevention of Fraud (Schools)	4	Not Started					
Follow Up	Serious and Organised Crime Audit checklist	4	Not Started					
Follow Up	Data Sharing Protocols with partners and third parties	4	Not Started					
Follow Up	Market Intelligence	4	Not Started					
Follow up	Emergency Planning - Public Health	4	Not Started					
Follow Up	Data Quality	4	Not Started					
Follow up	Contingency	4	Not Started					
Follow Up	Annual Care Assessment -Social Care Workforce Performance	4	Not Started					
Follow Up	Short Breaks - Childrens Wellbeing	4	Not Started					
Follow Up	Public Health Contracts	4	Not Started					
Follow Up	Data Quality - Decision Making Reports and Corporate Budget Performance Reports	4	Not Started					
Follow Up	CHC Funding	4	Not Started					





<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Corporate risk register</b>
<b>Report by:</b>	<b>Directorate services team leader</b>

## Classification

Open

## Decision type

This is not an executive decision

## Wards affected

(All Wards);

## Purpose and summary

To consider the status of the council's corporate risk register in order to monitor the effectiveness of the performance, risk and opportunity management framework. Since the corporate risk register was last reported to committee, six new risks have been added:

- CR042 - Partnerships
- CR043 - Recruitment
- CR044 - Brexit
- CR045 - Development Regeneration Partnership
- CR046 - Capital Programme
- CR047 - NMiTE University

## Recommendation(s)

That:

**the committee determine any recommendations it wishes to make to ensure effective risk management.**

## Alternative options

1. The committee could choose not to monitor the corporate risk register; this would not be recommended as this would not provide assurance that risk was being managed effectively within the council.

## Key considerations

2. The committee's role is to monitor the effective development and operation of risk management in the council and therefore periodically reviews the corporate risk register to assess whether risks have been rated in accordance with the performance, risk and opportunity management (PROM) framework. The committee currently receives the corporate risk register quarterly.
3. The corporate risk register is compiled from risks identified at a directorate level which have been escalated as per the PROM, along with those high-level generic risks which require strategic management. Entries within the corporate risk register reflect those risks identified by management board and are endorsed by cabinet, thereby strengthening their strategic perspective, management response and controls.
4. The inclusion of risks within any level of risk register does not necessarily mean there is a problem. Their inclusion reflects the fact that officers are aware of potential risks and that they have devised strategies for mitigating and controlling them.
5. Each entry within the register is scored to provide an assessment of the level of risk. All risks are scored based on an assessment of their impact and likelihood, adopting the scoring criteria within the PROM. These assessments are made at two points: before any actions are in place (inherent risk); and after identified controls are in place (residual risk).
6. Whatever level of residual risk remains, it is essential that the controls identified are appropriate, working effectively and kept under review.
7. The following six new risks have been added to the corporate register. Details of which can be referred to within appendix 1:  
  
CR042 - Partnerships  
CR043 - Recruitment  
CR044 - Brexit  
CR045 - Development Regeneration Partnership  
CR046 - Capital Programme  
CR047 - NMiTE University
8. At its meeting of 21 March, the committee asked to see the directorate risk registers so as it could assure itself that the escalation/ de-escalation of risk was being appropriately assessed in line with the PROM framework. Following its meeting of 30 July, the committee asked that the directorate registers be presented again alongside the corporate risk register in order to assure themselves that, in particular, the RAG rating was being consistently applied; the correct risk owners were carried through between the directorate and corporate risk register; and that direction of travel indicators were being applied. A review of the directorate registers has taken place since being last reported to ensure that the PROM is being correctly applied, and are attached as appendices 2-4.

## Community impact

9. In accordance with the principles of the council's adopted code of corporate governance, the council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective risk management is an important component of this performance management system.

## Equality duty

10. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
11. There are no equality duty implications arising from this report.

## Resource implications

12. There are no resource implications arising from this report.

## Legal implications

13. There are no legal implications arising from this report.

## Risk management

14. There are no risks arising directly from this report. By reviewing the corporate risk register greater assurance is given that the council is managing its risks appropriately.

## Consultees

15. None.

## Appendices

Appendix 1	Corporate risk register
Appendix 2	Adults and wellbeing risk register
Appendix 3	Children's wellbeing risk register
Appendix 4	Economy, communities and corporate risk register

## Background papers

---

Further information on the subject of this report is available from  
Steve Hodges, Tel: 01432 261923, email: [sthodges@herefordshire.gov.uk](mailto:sthodges@herefordshire.gov.uk)

None identified.

---

Further information on the subject of this report is available from  
Steve Hodges, Tel: 01432 261923, email: [sthodges@herefordshire.gov.uk](mailto:sthodges@herefordshire.gov.uk)



Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner (Name & Title)
CR.001	<b>Emergency events</b> <b>IF:</b> significant events happen (e.g. severe weather, major flooding, terrorism and/or influenza pandemic risks) <b>THEN:</b> there could be a significant cost implication to the Council and it may be necessitate staff redeployment to backfill and maintain critical services. Failing to respond effectively to major emergencies/incidents could result in a loss of public confidence through adverse publicity, loss of life to public or council employees, loss of service, economic damage or environmental impacts. Lack of trained staff (deployed or other) means we may not respond as quickly/effectively as we should.	Apr 11	16	Council and multi-agency plans reviewed as part of wider WM Local Resilience Forum objectives. Resilience Direct (cabinet officer system) to progress information sharing, planning and response mechanisms and data. Council Business Continuity Management System in place. Rest Centre training and provision for 200 people at Three Elms Unit. Gold and Silver officer training sessions and programme completed. BBLP tested new emergency road closure software, which will update the website automatically within the road closure map.	12	◀▶	Health Safety and Resilience Manager
CR.002	<b>Health &amp; Safety</b> <b>IF:</b> Herefordshire Council doesn't comply with Health and Safety legislation <b>THEN:</b> there is an increased risk of: employees injured through work activity; council prosecuted by HSE for breaches of legislation; increased insurance claims and insurance premiums; member of public, contractor or employee killed at work, possible corporate manslaughter, loss of reputation and financial costs to the council; sickness rates increase because of lack of compliance with good health, safety and wellbeing practice; increased employer/employee litigation through inconsistent approach to managing health and safety in the workplace; unable to defend H&S claims or disputes; and, fire damage and financial and reputational costs to the council through fire at a council owned building.	May 11	16	Strategy – Strategy/project plan in place to achieve full compliance with H&S legislation, prioritised by high risk activities; H&S policy current and reviewed each year. Cultural – Sharepoint H&S tool box available via front page of intranet; H&S and Fire Safety part of existing mandatory training; some improvement has been made in last period with wider engagement from employees with H&S systems (when things have gone wrong); employees consulted about H&S issues through 'house' meetings. Systems – Accident reporting/investigation and work based ill health in place; mandatory training; first aid/fire warden training in place; some systems updated (focused on high risk areas); employers liability insurance; Directorate H&S reps kept up to date with current risks and good practice control measures.	12	◀▶	Health and Safety Advisor
CR.003	<b>Medium Term Financial Strategy</b> <b>IF:</b> we do not have a sustainable Medium Term Financial Plan <b>THEN:</b> we will not achieve a balanced budget, risk serious service failure	Aug 12	20	MTFS to 19/20 approved by Council in February. All savings RAG rated and reviewed. MTFS linked to Corporate Priorities. Monthly financial reports to Management team and Cabinet; Performance Challenge meetings. Base budget review exercise completed. Prudent levels of reserves in place. Regular reviews by Cabinet of reserves and assumptions around inflation.	6	◀▶	Chief Finance Officer
CR.007	<b>Litigation</b> <b>IF:</b> ongoing contract changes and budget savings increase the level of exposure to litigation/dispute <b>THEN:</b> the Council may lose and be liable for costs in excess of £M (effecting budget position) and incurring reputational harm.	Jun 13	16	S151 Officer is made aware of pending financial claims against Council at earliest opportunity. For ongoing cases, an appropriate base line budget (from which to operate and deliver an effective legal service and to increase chances of Council losing litigation cases) has been provided. In house and external legal teams in place dealing with adjudications and litigation	8	▼	Assistant Director, Communities
CR.008	<b>Information governance</b> <b>IF:</b> staff do not treat the information they access appropriately <b>THEN:</b> this may lead to the risk of referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	Feb 14	16	A series of mandatory online training modules have been introduced (including Data Protection, Environmental Information Regulations, Freedom of Information, Information Security). All employees must also complete a staff confidentiality agreement in order to acknowledge that they agree to abide by the council's information governance policies. The new mandatory training modules have been produced and rolled out 1st February 2018. A new member of staff started with the team in May and is delivering the IG School Data Protection Officer (DPO) role and supporting the team with work load.	4	◀▶	Assistant Director, Communities
CR.011	<b>ICT Platforms</b> <b>IF:</b> the technology ICT systems/platforms are not appropriate or used to their full effect <b>THEN:</b> we fail to transform our services and cost the organisation more money	Apr 14	16	Programme Boards for major systems improvements, FWI, Adult Care. Measures are in place to ensure that access to systems/technology is in place and will be progressed through a number of initiatives.	6	◀▶	Assistant Director, Communities
CR.015	<b>Deprivation of Liberty</b> <b>IF:</b> The authority does not meet the statutory requirements for Deprivation of Liberty Safeguards and individuals are unlawfully deprived of their liberty <b>THEN:</b> The authority faces a risk of being taken to the Court of protection, increasing the risk of Costs and Financial penalties for the Local Authority	Oct-14	20	Additional investment into DOLS has been made, and weekly performance management of waiting list is in place. Regular reporting and review up to Director Level and to Safeguarding Adults Executive Group. Working with external Best Interest Assessors - although these are limited in availability due to national demand. DoLS team are checking all referrals for DoLS against list of open safeguarding referrals to ensure these cases are prioritised in terms of implementing DoLS. Other triage criteria are also followed to identify cases where there is a high risk to the individual and a high risk to the Council of litigation. Three full time BIA posts have been created and a MCA DoLS team manager post has been created as part of the adults social care restructure. The ADASS guidance for case prioritisation is being followed within the DoLS service. Further awareness training with staff and providers, additional legal support and constant review and prioritisation of cases waiting for assessment. Programme to train staff as BIAs in place. Independent BIA engagement plan ongoing two additional full time seconded posts created and filled. Multi agency MCA and DoLS policies completed.	12	◀▶	Assistant Director Care and Support

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner (Name & Title)
CR.017	<b>Demographic Pressures</b> <b>IF:</b> due to increasing financial and demographic pressures, the council is unable to meet its statutory obligations and assess clients in a timely manner and annually review all long-term packages of care <b>THEN:</b> clients might not receive the timely interventions required and we might miss the opportunity to maximise independence	Oct-14	25	Operational performance data reviewed on a monthly basis with operational managers. Objectives have been set for Heads of Service to improve output of assessments aligned to the more streamlined pathways. As part of new pathway model, system expectations have been identified. Pathway work now being implemented with a view to more effectively managing potential service users at the front end so as to minimise the long term requirement for care. Further to the implementation of the new pathway, there is evidence of improving outcomes for people and reducing the amount of people requiring social care intervention. In addition, we have implemented a SAS team to focus on re-assessment work. Pilot scheme being implemented to boost capacity to undertake assessments.	16	◀▶	Assistant Director Care and Support
CR.020	<b>Economic Resilience</b> <b>IF:</b> the Invest Herefordshire Economic Vision is not supported by key stakeholders and does not deliver initiatives which address economic growth prospects and local economic concerns and meet local need <b>THEN:</b> there will be a fall in indigenous and new business investment within Herefordshire engagement with the council which could affect large business retention, business rates income, productivity, employment and wage rates, and wider resilience in the local economy.	Jun 15	16	Implementation of the Economic Development Strategy. Economic Masterplan adopted. Delivery of the Fastershire project. Delivering and promoting the Local Development Framework. Implementing the delivery of the Enterprise Zone. Securing external funding. Delivery of Ross Enterprise park.	12	◀▶	Programme Director, Housing and Growth
CR.021	<b>Welfare Reform</b> <b>IF:</b> the impact of further welfare reform has a financial implication <b>THEN:</b> there might be a reduction in council tax, other financial liabilities to the council and increasing pressure for local support to be met by the council.	Jun-15	20	Welfare Rights service in place, IAS service will support individuals into community capacity that gives specialist advice on welfare issues	12	◀▶	Interim Director Adults & Wellbeing
CR.022	<b>Integration (One Herefordshire)</b> <b>IF:</b> there is a limited shared vision on the operational implications for One Herefordshire and integration <b>THEN:</b> there will be continued challenges in areas such as BCF/iBCF and continued risk of "cost shunting" between agencies rather than focussing on system costs.	Jun-15	25	An approved BCF between CCG and the local authority that approves integration and schemes to be delivered. Ongoing negotiations and monitoring through the BCF partnership board and Joint Commissioning Board.	9	▼	Interim Director Adults & Wellbeing
CR.023	<b>Council Redesign/Resources</b> <b>IF:</b> Reducing resources in the form of grant, uncertainty and the requirement to deliver transformation at speed combine <b>THEN:</b> there will be an risk of failure to meet statutory and/or legal duties and powers.	Jun-15	25	Transformation programme within each directorate, corporate plan, refreshed governance and constitution, quarterly performance management reporting and director performance management through appraisal system.	12	◀▶	Chief Executive
CR.028	<b>Workplace / Accommodation Programme</b> <b>IF:</b> the Programme is not managed to time and budget and does not include BWoW principles <b>THEN:</b> there will be significant risks to service delivery, savings plans and the life cycle of buildings.	Mar 16	12	Corporate Property Board. Escalation of high risk items to ECC management team and to members for political consideration of priorities. Create high level risk management plan identifying critical repairs for Capital Strategy and Asset Management Group to consider. Undertaking a programme of condition surveys on a cyclical basis will provide detail on scale of backlog maintenance. A programme is being developed for commencement in 2018-19. CWB internal review post-Ofsted needs to be completed before a strategic property review is completed including BWoW.	9	◀▶	Strategic Property Services Manager
CR.036	<b>Good decision-making</b> <b>IF:</b> officers and members do not uphold the principles of good decision-making <b>THEN:</b> the Council may make poor decisions which either result in lost opportunities or increased costs.	Apr-17	12	Decision reports are subject to a quality assurance process which includes review by risk, legal, finance, governance, equality, procurement and the lead director. A programme of training and development has been developed to support implementation of the new constitution. This will include report writing and decision making as appropriate. Internal Audit report commissioned to review quality of information in reports; report received and being actioned.	2	◀▶	Solicitor to the Council
CR.037	<b>Cyber attack</b> <b>IF:</b> we do not protect against a potential cyber attack <b>THEN:</b> we could be at risk of losing data in breach of principle 7 of the Data Protection Act which would lead to potential fines from the Information Commissioner Office and reputational damage.	Apr-17	15	Information Security' eLearning training (upon user induction). 'Information Security Refresher' eLearning training (conducted annually). Spoof phishing campaign conducted to raise user awareness. Hoople T&T apply technical measures to detect users clicking on malicious links and/or attachments. We have run some software against all system passwords to check how secure these are. 18% did not meet the standards. IG team are signing up to Care Cert in order to receive further warnings around cyber attacks. IT are in the process of signing up the council domain to a website that collects information from leaked data breaches. We will then be notified if any council domain email addresses have been misused/hacked. Completed and submitted Cyber Security stocktake to the LGA, and completed a Cyber Essentials self assessment.	12	◀▶	Assistant Director, Communities

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner (Name & Title)
CR.038	<b>Failure of council employees to adhere to standing orders and policy</b> IF: officers fail to adhere to standing orders (e.g. contract and finance procedure rules) and policies THEN: the number of internal disciplinary and/or exposure to legal challenge will increase, along with the likelihood of financial and reputational risk, resulting in claims being made and won against the Council with costs and reputational harm incurred.	Sep-17	16	Contract and finance procedure rules have been rewritten and published. Toolkits, guidance and training have been implemented. Schemes of delegation have been written as part of the new constitution. Governance training has been provided. Internal Control Improvement Board to oversee development and implementation of an improvement plan to ensure effective internal controls in respect of capital spend, project management and contract management are in place and complied with across the council.	12	◀▶	Head of Law and Governance
CR.039	<b>Safeguarding work to support the service during police investigation</b> IF: there is a lack of capacity in management THEN: there may be disruptions in casework, unsettled staff and service users.	Oct-17	16	Interim senior management in place to provide additional capacity. Staff communicated with and support in place.	8	◀▶	Director for children's wellbeing
CR.040	<b>Good internal controls protect against fraud and error</b> IF: good internal controls aren't in place and followed to protect against the potential of fraud, corruption, financial management, malpractice or error THEN: this produces a heightened risk of fraud, corruption and/or poor value for money with the consequent negative reputational impact.	Nov-17	16	Follow-up on SWAP audit recommendations so that they are all dealt with fully so that systems, processes and compliance are improved. EE code of conduct - should be issued with contract of employment. Recruitment process which ensures appropriate background checks. Induction programme. Fraud, bribery and corruption policies. Whistleblowing Policy. Finance procedure rules. Contract procedure rules. Agresso workflow. Governance processes.	8	◀▶	Head of corporate finance
<b>The following risks have been removed from the Corporate Risk Register</b>							
CR.024	<b>System resilience and urgent care</b> The role and responsibility of adult social care alongside system and process is not clearly set out in relation to system resilience and urgent care.	Oct-15	16	Transformation Board and Joint Commissioning Board in place underpinned by refreshed Health and Well Being strategy. Social care pathway for prevention of hospital admission and discharge is aligned with WVT. Joint post funded through SRG to manage interface is in place, number of schemes funded through BCF to support urgent care - however this post has now ceased. On call arrangements in place and AMPH/EDT rota is in place. Senior Management attend operational and strategic SRG. IUCS in place. Recently appointed a complex care pathway lead, to lead on EDT OOH provision.	16	◀▶	Interim Director Adults & Wellbeing
<b>The following risks have been added to the Corporate Risk Register</b>							
CR.042	<b>Partnerships</b> IF: the partnerships that the council's involved in are not developed / fail to operate effectively / or fail entirely THEN: the strategic objectives / priorities may not be achieved.	Aug-18	12	Partnership governance protocol. Effective communications. Contractual and partnering agreements.	6	NEW	Head of Corporate Governance
CR.043	<b>Recruitment</b> IF: the council is unable to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic THEN: there will be insufficient staff to meet service demands; an inability to progress service development; and a financial implication of using agency staff/contractors.	Aug-18	16	Short term reductions in capacity are accommodated by prioritisation and reallocating work amongst staff. Analysis identifying posts which are hard to recruit to. Involvement in regional workforce development and agency market management. Recruitment and retention initiatives.	12	NEW	Head of HR and Organisational Development
CR.044	<b>Brexit</b> IF: following Brexit there is uncertainty or policy decisions that impact the council THEN: there may be an impact on the economic and social programmes of the Council and its partners, including: interest rates and exchange rates impacting on the affordability of the council's capital programme; and restriction on the free movement of people which could lead to skills gaps and adverse impact on the workforce.	Aug-18	16	Continue to engage and participate on key legislation. Inclusion of an assessment of the risks associated with Brexit in our MTFs and Treasury Management Strategy, and our debt profile is monitored and managed to avoid exposure to interest rate fluctuations. The Capital Programme will include a risk assessment of the cost of borrowing, and it will be reviewed constantly to ensure its continued affordability.	12	NEW	Chief Finance Officer
CR.045	<b>Development Regeneration Partnership</b> IF: there is not an adequate pipeline of suitable projects THEN: we will not be able to deliver the benefits through the contract.	Feb-18	12	A pipeline of projects has been identified and discussed with the DRP Board.	6	NEW	Programme Director, Housing and Growth
CR.046	<b>Capital Programme</b> IF: we are unable to implement the strategic corporate and CWB capital programmes within budget and timescale THEN: operating costs will increase, assets will deteriorate, service delivery could be impacted and opportunities to realise value and benefits could be missed. Strategic change will not be implemented.	Feb-18	9	Corporate Property Strategy Board and CWB Capital Programme Board comprising senior Directors. Capital budget approved for 2018/19, authorisation to implement Capital Programme. Ongoing monitoring of programme and projects. Escalation of high risk items to Directors.	4	NEW	Strategic Property Services Manager
CR.047	<b>NMITE University</b> IF: there is a lack of accommodation, cultural and other infrastructure services to enable planned growth in student numbers THEN: this would impact upon the successful delivery of the new university and would create reputational risk for the council.	Aug-18	12	Sites identified for the University accommodation, e.g. Essex Arms. The council has procured a Development Partner to enable the development subject to Cabinet decision. Joint University Development Board (JUDB) has been put in place to effectively allow the University and council to manage the University's development collaboratively.	9	NEW	Programme Director, Housing and Growth



Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
CR.015 AWB.001	<b>Deprivation of Liberty</b> IF: the authority does not meet the statutory requirements for Deprivation of Liberty Safeguards and individuals are unlawfully deprived of their liberty THEN: the authority faces a risk of being taken to the Court of protection, increasing the risk of Costs and Financial penalties for the Local Authority.	Oct-14	20	Additional investment into DOLs has been made, and weekly performance management of waiting list is in place. Regular reporting and review up to Director Level and to Safeguarding Adults Executive Group. Working with external Best Interest Assessors - although these are limited in availability due to national demand. DoLS team are checking all referrals for DoLS against list of open safeguarding referrals to ensure these cases are prioritised in terms of implementing DoLS. Other triage criteria are also followed to identify cases where there is a high risk to the individual and a high risk to the Council of litigation. Three full time BIA posts have been created and a MCA DoLS team manager post has been created as part of the adults social care restructure. The ADASS guidance for case prioritisation is being followed within the DoLS service. Further awareness training with staff and providers, additional legal support and constant review and prioritisation of cases waiting for assessment. Programme to train staff as BIAs in place. Independent BIA engagement plan ongoing two additional full time seconded posts created and filled. Multi agency MCA and DoLS policies completed.	12	◀▶	Assistant Director Care and Support	Corporate
CR.017 AWB.002	<b>Demographic Pressures</b> IF: Due to increasing financial and demographic pressures, the council is unable to meet its statutory obligations and assess clients in a timely manner and annually review all long-term packages of care THEN: clients might not receive the timely interventions required and we might miss the opportunity to maximise independence	Oct-14	25	Operational performance data reviewed on a monthly basis with operational managers. Objectives have been set for Heads of Service to improve output of assessments aligned to the more streamlined pathways. As part of new pathway model, system expectations have been identified. Pathway work now being implemented with a view to more effectively managing potential service users at the front end so as to minimise the long term requirement for care. Further to the implementation of the new pathway, there is evidence of improving outcomes for people and reducing the amount of people requiring social care intervention. In addition, we have implemented a SAS team to focus on re-assessment work. Pilot scheme being implemented to boost capacity to undertake assessments.	16	◀▶	Assistant Director Care and Support	Corporate
CR.021 AWB.003	<b>Welfare Reform</b> IF: the impact of further welfare reform has a financial implication THEN: there might be a reduction in council tax, other financial liabilities to the council and increasing pressure for local support to be met by the council.	Jun-15	20	Welfare Rights service in place, IAS service will support individuals into community capacity that gives specialist advice on welfare issues .	12	◀▶	Interim Director Adults & Wellbeing	Corporate
CR.022 AWB.004	<b>Integration (One Herefordshire)</b> IF: there is a limited shared vision on the operational implications for One Herefordshire and integration THEN: there will be continued challenges in areas such as BCF/BCF and continued risk of 'cost shunting' between agencies rather than focussing on system costs.	Jun-15	25	An approved BCF between CCG and the local authority that approves integration and schemes to be delivered. Ongoing negotiations and monitoring through the BCF partnership board and Joint Commissioning Board.	9	◀▶	Interim Director Adults & Wellbeing	Corporate
AWB.006	<b>Market workforce economy</b> IF: the current limited capacity within the social care workforce continues THEN: will there will be an impact on availability of services - this is particularly true of Registered Managers and Nurses.	Mar-17	25	External market workforce project due for completion April 18 at which point we will launch the care heroes campaign to attract and retain more people into care.	16	◀▶	Assistant Director of Care & Support	Directorate
AWB.007	<b>Letting social and affordable housing</b> IF: housing providers act independently and try to operate unilaterally, the arrangements to let social and affordable accommodation may break down THEN: housing for many people in need may be limited and risk of provider failure.	Jun-17	20	There is now an agreed redesign solution for new arrangements there is an agreed timeline and project plan. Key governance is in place and provider partners are engaged and working closely with the council. Re-procurement of IT service has now been launched with somewhat increased confidence of contract award. Dedicated project management support.	15	◀▶	Community Capacity & Wellbeing Manager	Directorate
AWB.008	<b>Out of Hours</b> IF: the current model of Out of Hours and emergency duty delivery are not improved THEN: the limited numbers of AMHP's available within our workforce will fail to manage urgent out of hours MH work.	Sep-17	16	AMHP training has recently been run. Review of the service is currently underway and includes consultation with the AMHP practitioners. Pathway phase 3 has started and service is now under review.	12	◀▶	Assistant Director Care & Support	Directorate
AWB.009	<b>Market viability</b> IF: provider services fail THEN: we will need to manage the transfer of a (large) number of service users in very short timescales, in an already difficult market, with limited capacity.	Sep-17	16	QAF in place to monitor. Provider failure policy and procedures in place. Commissioning Dashboards are now in place helping to monitor the exposure to risk.	12	◀▶	Assistant Director of Care & Support	Directorate
AWB.010	<b>Market Capacity</b> IF: due to increasing demographic pressures, social care provision within Herefordshire is becoming increasingly limited THEN: we will experience significant difficulties in placing packages of care, delaying placements and increasing the cost of placements. This is particularly true of nursing care provision.	Sep-17	25	Managing the market work programme will include redesign of block contract beds to increase nursing capacity. Further strategic analysis work underway to review feasibility of council controlled care capacity complex/dementia care. Visits to care homes being scheduled to gain understanding of market which will inform a care home market position statement.	16	◀▶	Assistant Director of Care & Support	Directorate
AWB.011	<b>Staff Continuity</b> IF: staff within the service area with extensive knowledge of current processes etc., leave or are not available THEN: there are risks associated with effectively managing continuity.	Sep-17	15	Limited controls in place at present for example staff notice periods, IT systems, PPdP. Guiding principles need to be established, a process of identifying the relevant people, avoiding single points of failure when designing the organisation and application of principles by managers.	10	◀▶	Interim Director Adults & Wellbeing	Directorate
AWB.012	<b>Staff Culture:</b> IF: staff culture through the organisation remains inconsistent with the outcomes desired through the new pathways being implemented THEN: delivery of the pathway and its desired outcomes will be undermined.	Sep-17	15	Full strengths based training has been delivered to all staff. Managers bought in to process. Culture is maintained through active promotion of desired values.	6	◀▶	Interim Director Adults & Wellbeing	Directorate

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
AWB.013	<b>Continuing budget pressures</b> IF: a reduction in budgets, following reductions in the council's RSG results in staffing reductions THEN: there is a risk in our ability to undertake the work required to make further savings.	Sep-17	25	MTFS in place, proposing balanced budget until March 2020, with planned savings due to mitigate known increases. Regular budget monitoring, regular monitoring of project delivery, member challenge sessions. Improving budget forecasting processes, connecting budget forecasting more closely with operational activity, CIP approach.	12	◀▶	Interim Director Adults & Wellbeing	Directorate
AWB.014	<b>Contract &amp; Quality Management Capacity</b> IF: we have limited capacity in both contracts management and quality assurance teams THEN: there is a risk on pro-actively engaging with commissioned providers and focus is on providers subject to concerns.	Sep-17	20	QAF in place, AWb restructure will support the effective monitoring of services by increasing capacity within the quality assurance team and contract and compliance support. Recruitment campaign currently being undertaken. A skills audit of current staff and develop training programme for new roles.	16	◀▶▶	Better Care Fund & Integration Manager	Directorate
AWB.015	<b>Agency Staffing</b> IF: there is an over-reliance in agency staffing for key posts THEN: this will impact on the timeliness of delivery and increased costs.	Sep-17	12	Work with Hoople through recruitment processes. Agency staff considered. Redesigning roles so that they are easier to recruit to. Steps taken to reduce staff turnover and sickness rates. PpP. Additional work required with Hoople to ensure that appropriate recruitment processes are in place. Pilot for mixed economy staffing model in planning for August 2018.	9	◀▶	Interim Director Adults & Wellbeing	Directorate
AWB.016	<b>Management of client financials</b> IF: integration between core client finance systems is ineffective and debt management process are not adequate for AWb processes THEN: client financials will be managed poorly, and increase the risk of not collecting all available client income.	Sep-17	16	Processes in place to invoice and manage finances, as well as an existing debt management process.	6	◀▶	Assistant Director Care & Support	Directorate
AWB.017	<b>Increased Homelessness</b> IF: there are significant increases in homelessness arising from welfare reform and limited availability of short term and transitional accommodation THEN: there is an increased chance of poor outcomes for vulnerable people and reputational and regulatory harm for the council.	Sep-17	16	Accommodation strategy to greatly increase supported housing for vulnerable young people. Opportunity in new national supported housing policy to increase portfolio of short term housing for ex-offenders and young people. Review underway of hostel provision, allied to new posts working with rough sleepers.	6	◀▶	Head of Prevention and Support	Directorate
AWB.018	<b>Provider delivery problems</b> IF: there are periods of inclement weather, or provider workforce difficulties or financial issues THEN: providers may be unable to delivery services leaving vulnerable people at risk.	Sep-17	25	Quality and Review team and QA framework, market position statement, business continuity plans, Safeguarding process. Workforce recruitment and retention project, reviewing our fee rates and revising market position statement. Revising the QA framework.	12	◀▶	Interim Director Adults & Wellbeing	Directorate
AWB.019	<b>Availability of supported and targeted housing</b> IF: There is misalignment between the availability and pipeline of supported and targeted housing and evolving demand for accommodation among people with Adult Social Care need THEN: we will potentially miss the opportunity to place people in more appropriate locations.	Mar-18	9	General strategic approach and increased and phased pipeline of new accommodation. Discussion across services to develop more refined pathways for people with a range of different needs.	9	▲	Community Capacity & Wellbeing Manager	Directorate
AWB.020	<b>Supported Housing for Younger People</b> IF: there is insufficient availability of short term supported housing THEN: we will not effectively meet the needs of young people and homeless people.	Mar-18	12	Accommodation strategy for vulnerable young people. Temporary post implementing supported housing policy changes. C-PiP process. New whole system working group and proposed protocol.	9	▲	Community Capacity & Wellbeing Manager	Directorate
AWB.021	<b>General Asylum Dispersal</b> IF: joining the General Asylum Dispersal scheme is not managed effectively THEN: there are risks to social cohesion and to demand on local services from the council. Asylum seekers have no access to public funds and are often vulnerable to poor housing and other risks.	Mar-18	9	Council has agreed conditions on the profile of the asylum population to be family groups only and no more than 40 people. There is a detailed communication protocol to manage the process with G4S and HO. Improved availability of specialist legal support is being requested. A joined up approach by the council is being taken to monitor quality of asylum seekers accommodation. Joint working with DWP on NI numbers and benefits. Exploratory commissioning of specialist housing agency to source private sector accommodation for family stay. Also G4S encountering great difficulty in sourcing accommodation so scheme is now regarded as a pilot and may develop very slowly.	6	◀▶	Community Capacity & Wellbeing Manager	Directorate
AWB.022	<b>Voluntary Sector Disconnection</b> IF: the voluntary sector are unable/unwilling to change their practices THEN: there will be a disconnect from key council strategic agendas, leading to procurement problems and potential confusion and associated challenge.	Mar-18	12	Proposed new facilitated discussion between council and key cohort of voluntary organisations, allied to closer partnership working with NHS partners. cabinet members and directors engaged in developing a corporate approach to recasting the relationships.	6	◀▶	Community Capacity & Wellbeing Manager	Directorate
AWB.023	<b>Nursing Capacity</b> IF: the current trends of difficulty in placing in nursing beds due to increased complexity continue THEN: there will be a further increase in the spend in this area in order to make placements.	Mar-18	12	Continual engagement with providers, supporting planning applications, scoping alternative models of delivery.	2	▼	Head of Care Commissioning	Directorate
AWB.024	<b>Flu Immunisation:</b> IF: flu immunisation up-take with Council staff is low THEN: this will impact on the business continuity of the council.	Mar-18	12	Flu watches scheme and flu clinics are in place. We run a flu campaign to encourage staff to take up the flu vaccine.	6	◀▶	Director of Public Health	Directorate
AWB.025	<b>Court of Protection &amp; Appointeeship</b> IF: the reduced capacity of the Hoople team managing court of protection and/or appointeeship due to recruitment difficulties, are unable to meet the needs of vulnerable adults who not have mental capacity THEN: this would result in vulnerable people's finances not being dealt with in a timely manner and failure of the council's legal duties to court of protection.	Mar-18	16	Team in place to work with Hoople. Need to review future handling and delivery of the service.	16	◀▶	Interim Director Adults & Wellbeing	Directorate
AWB.026	<b>Sleep-In Shifts</b> IF: following national guidance sleep-in shifts have to be paid at National Living Wage legislation rates THEN: the council might be subject to increased spend, a backdated bill, as well as increased risk of provider failure.	Apr-18	15	Limited ability to control risk- outcome dependent on current legal action and central government response to that outcome- council continue to monitor risk and respond once outcome is clear. Engagement with provider market to assess awareness of liabilities and exposure to risk.	15	◀▶	Interim Director Adults & Wellbeing	Directorate

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
AWB.027	<b>Market Capacity from Provider Failure</b> IF: providers fail due to increased costs, reduced packages due to reablement through Home First, changes to CQC inspections and increase in quality concerns THEN: package costs are likely to increase for our clients and there will be further pressure on capacity in the market.	Jun-18	16	Working with the market to identify issues early on to prevent failure and ensure quality through contract management and intel into the quality dashboard. Scope resilience plan to support/react to failing services quickly. Encourage new providers to the market where appropriate.	2	▼	Head of Care Commissioning	Directorate
AWB.028	<b>NHS Re-organisation</b> IF: there is a major NHS re-organisation THEN: this might hinder effective joint working with social care.	Jun-18	16	One Herefordshire Group gives us strong communication with the NHS. Links through to ADASS give advance warning if developments in the NHS. Strengthen the One Herefordshire and Health and wellbeing board arrangements.	16	◀▶	Interim Director Adults & Wellbeing	Directorate
AWB.029	<b>Care Home Ratings</b> IF: the increasing trend of care homes with reduced ratings by CQC (to either Inadequate or RI) THEN: placing people will be more challenging and these homes will require additional support from our staff.	Jun-18	25	Proposal for future working with CCG and increased staff support within QA team. QAF under review and working closely with CCG on improvements. Training programme being developed for providers.	20	◀▶	Head of Partnerships and Integration	Directorate
AWB.030	<b>Contract Interest</b> IF: we get limited interest when re-procuring services (due to market fragility, limited budgets and innovation) THEN: we might have difficulties in successfully awarding contracts.	Jun-18	12	Substantial work with existing providers and potential markets to raise awareness of opportunities and the changes in design of services.	6	◀▶	Head of Strategic Housing & Wellbeing	Directorate
AWB.031	<b>Legal Support</b> IF: we do not receive appropriate levels of commercial contract legal services THEN: we run the risk of not underpinning contracts with the appropriate contract documents etc.	Jun-18	12	frequent requests for legal support and escalation of concerns over risks. The existence of a binding contractual relationship with providers despite the absence of a documented contract.	9	◀▶	Head of Strategic Housing & Wellbeing	Directorate
<b>The following risks have been removed from the Register</b>								
CR.024 AWB.005	<b>System resilience and urgent care</b> The role and responsibility of adult social care alongside system and process is not clearly set out in relation to system resilience and urgent care.	Oct-15	16	Transformation Board and Joint Commissioning Board in place underpinned by refreshed Health and Well Being strategy. Social care pathway for prevention of hospital admission and discharge is aligned with WVT. Joint post funded through SRG to manage interface is in place, number of schemes funded through BCF to support urgent care - however this post has now ceased. On call arrangements in place and AMPH/EDT rota is in place. Senior Management attend operational and strategic SRG. IUCS in place. Recently appointed a complex care pathway lead, to lead on EDT OOH provision.	16	◀▶	Interim Director, Adults & Wellbeing	Corporate





Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
CWB.006 EAC.001	<b>ICT Systems</b> IF: the technology ICT systems/ platforms are not appropriate or used to their full effect THEN: we fail to manage our services effectively and this can lead to poor practice and inefficient use of staff time	Apr-17	20	MOSAIC overseen by joint chaired adults and children ADs. Education System Group now in place. MOSAIC developments part of the safeguarding improvement plan for the directorate. Ensure Education systems are able to maintain robust data.	16	◀▶	MOSAIC - AD Safeguarding and family support E&C tactical systems interim assistant director	Directorate
CWB.007 EAC.002	<b>School Assets</b> IF: insufficient condition oversight of school assets is not in place THEN: there may be an increase in costs due to unplanned significant spend.	Apr-17	25	Education assets condition surveys to be completed and school capital investment strategy in place. Schemes to be developed.	9	◀▶	Director for children's wellbeing	Directorate
CWB.010	<b>Savings Plans</b> IF: the savings plans across the directorate are not delivered with support from council services THEN: resources and the MTFs across the council may be at risk.	Apr-17	20	Work is taking place across the directorate to deliver savings and this is being regularly reviewed by DLT/SMT/Management Board/Cabinet. Budget for 2018/19 adjusted to make further provision for placement costs.	16	◀▶	Director for children's wellbeing	Directorate
CWB.020	<b>Ofsted Preparations</b> IF: preparations are not made for Ofsted focused visit of safeguarding THEN: service areas and leadership may be judged poorly and positive outcomes for children not reflected in Ofsted judgements. This could lead to reputational damage, requirements for improvements including significant budget implications for the council.	Apr-17	15	Safeguarding improvement plan 2017/18 acted on. Peer Review processes provided external view. Ofsted engaged in audit training. CEX briefings taking place. Cabinet received briefings on emerging framework and current position of service. CWB Scrutiny in place. Ofsted ILACS inspection undertaken in June 2018 and provided an external view on Herefordshire practice overall and provided areas for focus on improvement including reducing caseloads, enabling managers to have more support, setting out a clear approach to support children with child in need plans, increasing the breadth and effectiveness of early help and improving performance management systems to enable staff to manage effectively.	10	◀▶	AD Safeguarding and family support	Directorate
CWB.021	<b>Staffing / Workforce</b> IF: we are unable to recruit and maintain a stable, experienced social care workforce THEN: caseloads for social workers will be higher than wanted and may affect the quality of casework for children.	Oct-17	20	OD Business Partner in place since Sept 2017. Recruitment and retention plan been developed and recruitment now following enhanced approach. Following the LGA safeguarding peer review in Feb/March 2018 cabinet have approved an additional £1.5m to support reducing caseloads by recruiting to social work posts, investing in posts to support team management, family support workers to enable working with children and young people and their families at an earlier stage, and business support to take some tasks off social workers.	15	◀▶	Director for children's wellbeing	Directorate
CWB.022 CR.039	<b>Safeguarding work to support the service during police investigation</b> IF: there is a lack of capacity in management THEN: there may be disruptions in casework, unsettled staff and service users.	Oct-17	16	Interim senior management in place to provide additional capacity. Staff communicated with and support in place.	8	◀▶	Director for children's wellbeing	Corporate
CWB.023	<b>Human Rights claims</b> IF: a result of high court decision regarding adoption cases THEN: Herefordshire council may face Human Rights claims associated with the 2 cases.	Dec-16	16	Case review work has been undertaken by children's social care and by legal services and submitted to court. Communications briefed on response from council, including training, audit of any cases with similar presenting features and action to address any recommendations from the judgement; communications to cabinet, children's scrutiny and all members; communication to chair of HSCB and also to regional lead for safeguarding with Ofsted. The results of cases involving adults has shown there is low risk, though cases involving children are to be resolved.	16	◀▶	Director for children's wellbeing	Directorate
CWB.024	<b>Whitecross PFI</b> IF: there is an increase in the roll at Whitecross school THEN: the PFI provider may impose a financial charge as 'soft service' charges.	Jul-18	16	There is no payment mechanism based on pupil numbers and any extra building work would be extremely expensive with any expansion being resisted on VFM grounds.	16	NEW	AD Education, Development and Skills (Interim)	Directorate
CWB.025	<b>Pupil Referral Unit</b> IF: the cabinet member does not decide to not proceed with the current proposals THEN: the council PRU provision will not meet the legal requirements stipulated by DFE and ESFA.	Jan-18	16	Current proposals have been scrutinised by the council's legal department and they have provided the necessary advice in order for the proposals to progress. Contingency plan is being prepared by Additional Needs service, children's commissioning, finance and legal.	16	◀▶	AD Education Development and Skills (Interim)	Directorate



Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
CR.001 ECC.004 LGR.001 LGR.002 LGR.005	<b>Emergency events</b> IF: significant events happen (e.g. severe weather, major flooding, terrorism and/or influenza pandemic risks) THEN: there could be a significant cost implication to the Council and it may be necessitate staff redeployment to backfill and maintain critical services. Failing to respond effectively to major emergencies/incidents could result in a loss of public confidence through adverse publicity, loss of life to public or council employees, loss of service, economic damage or environmental impacts. Lack of trained staff (deployed or other) means we may not respond as quickly/effectively as we should.	Apr-11	16	Council and multi-agency plans reviewed as part of wider WM Local Resilience Forum objectives. Resilience Direct (cabinet officer system) to progress information sharing, planning and response mechanisms and data. Council Business Continuity Management System in place. Rest Centre training and provision for 200 people at Three Elms Unit. Gold and Silver officer training sessions and programme completed. BBLP tested new emergency road closure software, which will update the website automatically within the road closure map.	12	◀	Health Safety and Resilience Manager	Corporate
CR.002 LGR.003	<b>Health &amp; Safety</b> IF: Herefordshire Council doesn't comply with Health and Safety legislation THEN: there is an increased risk of: employees injured through work activity; council prosecuted by HSE for breeches of legislation; increased insurance claims and insurance premiums; member of public, contractor or employee killed at work, possible corporate manslaughter, loss of reputation and financial costs to the council; sickness rates increase because of lack of compliance with good health, safety and wellbeing practice; increased employer/employee litigation through inconsistent approach to managing health and safety in the workplace; unable to defend H&S claims or disputes; and, fire damage and financial and reputational costs to the council through fire at a council owned building.	May-11	16	Strategy – Strategy/project plan in place to achieve full compliance with H&S legislation, prioritised by high risk activities; H&S policy current and reviewed each year. Cultural – Sharepoint H&S tool box available via front page of intranet; H&S and Fire Safety part of existing mandatory training; some improvement has been made in last period with wider engagement from employees with H&S systems (when things have gone wrong); employees consulted about H&S issues through 'house' meetings. Systems – Accident reporting/investigation and work based ill health in place; mandatory training; first aid/fire warden training in place; some systems updated (focused on high risk areas); employers liability insurance; Directorate H&S reps kept up to date with current risks and good practice control measures.	12	◀	Health and Safety Advisor	Corporate
CR.003 CFC.007 COR.008	<b>Medium Term Financial Strategy</b> IF: we do not have a sustainable Medium Term Financial Plan THEN: we will not achieve a balanced budget, risk serious service failure	Aug-12	20	MTFS to 2019/20 approved by Council in February. All savings RAG rated and reviewed. MTFS linked to Corporate Priorities. Monthly financial reports to Management team and Cabinet; Performance Challenge meetings. Base budget review exercise completed. Prudent levels of reserves in place. Regular reviews by Cabinet of reserves and assumptions around inflation.	6	◀	Chief Finance Officer	Corporate
CR.007 ECC.003 LGR.06 LGR.07 PBC.006	<b>Litigation</b> IF: ongoing contract changes and budget savings increase the level of exposure to litigation/dispute THEN: the Council may lose and be liable for costs in excess of £M (effecting budget position) and incurring reputational harm.	Jun-13	16	S151 Officer is made aware of pending financial claims against Council at earliest opportunity. For ongoing cases, an appropriate base line budget (from which to operate and deliver an effective legal service and to increase chances of Council losing litigation cases) has been provided. In house and external legal teams in place dealing with adjudications and litigation.	8	▼	Director, ECC Assistant Director, Communities	Corporate
CR.008 LGR.019	<b>Information governance</b> IF: staff do not treat the information they access appropriately THEN: this may lead to the risk of referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	Feb-14	16	A series of mandatory online training modules have been introduced (including Data Protection, Environmental Information Regulations, Freedom of Information, Information Security). All employees must also complete a staff confidentiality agreement in order to acknowledge that they agree to abide by the council's information governance policies. The new mandatory training modules have been produced and rolled out 1 February 2018. A new member of staff started with the team in May and is delivering the IG School Data Protection Officer (DPO) role and supporting the team with work load.	4	◀	Assistant Director, Communities	Corporate
CR.011 ECC.006	<b>ICT Platforms</b> IF: the technology ICT systems/platforms are not appropriate or used to their full effect THEN: we fail to transform our services and cost the organisation more money	Apr-14	16	Programme Boards for major systems improvements, FWI, Adult Care. Measures are in place to ensure that access to systems/technology is in place and will be progressed through a number of initiatives.	6	◀	Assistant Director, Communities	Corporate
CR.020 EEC.058	<b>Economic Resilience</b> IF: the Invest Herefordshire Economic Vision is not supported by key stakeholders and does not deliver initiatives which address economic growth prospects and local economic concerns and meet local need THEN: there will be a fall in indigenous and new business investment within Herefordshire engagement with the council which could affect large business retention, business rates income, productivity, employment and wage rates, and wider resilience in the local economy.	Jun-15	16	Implementation of the Economic Development Strategy. Economic Masterplan adopted. Delivery of the Fastershire project. Delivering and promoting the Local Development Framework. Implementing the delivery of the Enterprise Zone. Securing external funding. Delivery of Ross Enterprise park.	12	◀	Programme Director, Housing and Growth	Corporate

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
CR.028 CAM.002	<b>Workplace / Accommodation Programme</b> <b>IF:</b> the Programme is not managed to time and budget and does not include BWoW principles <b>THEN:</b> there will be significant risks to service delivery, savings plans and the life cycle of buildings	Mar-16	12	Corporate Property Board. Escalation of high risk items to ECC management team and to members for political consideration of priorities. Create high level risk management plan identifying critical repairs for Capital Strategy and Asset Management Group to consider. Undertaking a programme of condition surveys on a cyclical basis will provide detail on scale of backlog maintenance. A programme is being developed for commencement in 2018-19. CWB internal review post-Ofsted needs to be completed before a strategic property review is completed including BWoW.	9	◀	Strategic Property Services Manager	Corporate
CR.036 LGR.029	<b>Good decision-making</b> <b>IF:</b> officers and members do not uphold the principles of good decision-making <b>THEN:</b> the Council may make poor decisions which either result in lost opportunities or increased costs	Apr-17	12	Decision reports are subject to a quality assurance process which includes review by risk, legal, finance, governance, equality, procurement and the lead director. A programme of training and development has been developed to support implementation of the new constitution. This will include report writing and decision making as appropriate. Internal Audit report commissioned to review quality of information in reports; report received and being actioned.	2	◀	Solicitor to the Council	Corporate
CR.037 ERIC.009	<b>Cyber attack</b> <b>IF:</b> we do not protect against a potential cyber attack <b>THEN:</b> we could be at risk of losing data in breach of principle 7 of the Data Protection Act which would lead to potential fines from the Information Commissioner Office and reputational damage	Apr-17	15	Information Security' eLearning training (upon user induction). 'Information Security Refresher' eLearning training (conducted annually). Spoof phishing campaign conducted to raise user awareness. Hoople T&T apply technical measures to detect users clicking on malicious links and/or attachments. We have run some software against all system passwords to check how secure these are. 18% did not meet the standards. IG team are signing up to Care Cert in order to receive further warnings around cyber attacks. IT are in the process of signing up the council domain to a website that collects information from leaked data breaches. We will then be notified if any council domain email addresses have been misused/hacked. Completed and submitted Cyber Security stocktake to the LGA, and completed a Cyber Essentials self assessment.	12	◀	Assistant Director, Communities	Corporate
CR.038 LGR.030	<b>Failure of council employees to adhere to standing orders and policy</b> <b>IF:</b> officers fail to adhere to standing orders (e.g. contract and finance procedure rules) and policies <b>THEN:</b> the number of internal disciplinary and/or exposure to legal challenge will increase, along with the likelihood of financial and reputational risk, resulting in claims being made and won against the Council with costs and reputational harm incurred.	Sep-17	16	Contract and finance procedure rules have been rewritten and published. Toolkits, guidance and training have been implemented. Schemes of delegation have been written as part of the new constitution. Governance training has been provided. Internal Control Improvement Board to oversee development and implementation of an improvement plan to ensure effective internal controls in respect of capital spend, project management and contract management are in place and complied with across the council.	12	◀	Head of Law and Governance	Corporate
CR.040 RES.006	<b>Good internal controls protect against fraud and error</b> <b>IF:</b> good internal controls aren't in place and followed to protect against the potential of fraud, corruption, financial management, malpractice or error <b>THEN:</b> this produces a heightened risk of fraud, corruption and/or poor value for money with the consequent negative reputational impact.	Nov-17	16	Follow-up on SWAP audit recommendations so that they are all dealt with fully so that systems, processes and compliance are improved. EE code of conduct - should be issued with contract of employment. Recruitment process which ensures appropriate background checks. Induction programme. Fraud, bribery and corruption policies. Whistleblowing Policy. Finance procedure rules. Contract procedure rules. Agresso workflow. Governance processes.	8	◀	Head of corporate finance	Corporate
CCS.013	<b>Fastershire delivery</b> <b>IF:</b> coverage and take up falls short of plans with the revised broadband strategy <b>THEN:</b> premises will not be able to take up a service or make the most of investment in the fibre network effecting economic performance and community vitality.	Mar-17	20	Accepted BTs stage 2 delivery via deed of variation. New contract awarded to reach premises not included in phase one. Stage 4 programme to create bespoke solutions for premises not included in current contracted delivery. Digital inclusion and business support programme and awareness campaign to raise the opportunities of being online and taking up a fibre service. BT contract complete and data available via the Fastershire website. Mechanism in place for reporting any problems in ordering fibre network Complete understanding of outstanding premises to reach and unable to order a service.	9	◀	Assistant Director, Communities	Directorate

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
ECC.004 COMS.002 LGR.001 LGR.002 LGR.005	<b>Emergency Communications</b> IF: emergency communications are not effectively implemented in good time THEN: the public could be put at unnecessary risk	Sep-15	8	Emergency on-call rota to react when required. Developing social media communities to improve outreach and improving web content to establish a trusted online resource for local residents. Social sign-in offers this functionality but requires training for comms staff then roll-out to organisation. On call rota is extended when emergency is possible to extend to social media support.	4	◀	Communications Manager	Directorate
LGR.020	<b>Human rights claims</b> IF: as a result of s20 and S34(4) THEN: this may increase the risk of these types of claims	Oct-15	20	One of Herefordshire cases has concluded with no costs being made against us and no Human Rights claim. Others have incurred up to £5K each being awarded in costs. The revocation of placement order element of this risk has been greatly reduced, but replaced by potential legal challenge of the council's S20 and s34(4) processes	16	◀	Assistant Director, Communities. A/R by Solicitor to the Council	Directorate
LGR.021	<b>Deprivation of Liberty Safeguards (DoLs Claims)</b> IF: DoLs applications are challenged in respect of delays in assessment process and legal approval THEN: individuals/service users could make claim for being deprived of the liberty without due process having been followed, breaching their human rights.	May-16	20	The judgement has given guidance on consideration needing to be made prior to a challenge to an authorisation which could reduce the number of applications. There are now also community DoLs applications to be made in respect of 16-18 year olds. The cost of claims is not covered by the council's insurance policy Judgement received sets out guidance on considerations to be made by party challenging a dols authorisation which should lead to less section 21a appeals, although there is likely to be an increase in community applications and those for children 16-18 due to recent case law in this area.	15	◀	Solicitor to the Council	Directorate
WD.001	<b>Waste management services contract</b> IF: we fail to make best decision in regard to WMSC extension THEN: value for money to the council will not be delivered.	Apr-18	20	Contract governance in place with regular meetings between councils. Plan of work agreed and work underway to understand and assess all options	15	◀	Head of Environment and Waste Services. A/R by Disposal Team Leader	Directorate
WD.002	<b>Charging for waste</b> IF: We fail to agree change to implement charging for non household waste at household recycling centres THEN: savings will not be achieved	Apr-18	9	Contract governance in place with regular meetings between councils.	6	◀	Head of Environment and Waste Services. A/R by Waste Disposal Team Leader	Directorate
E&P.007	<b>Bridge Condition</b> IF: a robust asset management approach is not taken, and an appropriate level of investment is not made available THEN: the condition of the County asset stock will deteriorate with potential failure of structures, resulting in network closures thus affecting communities and the economic viability of growth areas.	Nov-16	16	Clear asset strategy in place , regular inspections are programmed and a forward programme of planned maintenance are in place. The annual plan identifies those schemes that have been prioritised for small capital works to be delivered. Any structures at risk are also included in the overall Network Risk Matrix which is reviewed by BBLP and HC as part of an ongoing process. £500k has been included in the council's Capital Programme to progress bridge design. Funding secured and included in 2018/19 annual plan.	8	▼	Head of Highways & Community Services	Directorate
	<b>Road Infrastructure</b> IF: we fail to deliver the necessary infrastructure to deliver core strategy growth THEN: impacting on the delivery of planned homes and jobs.	Aug-18	16	Develop robust programme for delivery of individual projects and commission the appropriate resource to deliver project through design, planning, statutory process and construction. Undertake scheme delivery in accordance with national standards and guidance. Ensure appropriate consultation with statutory organisations to ensure that delivery is not delayed. Develop robust business case to ensure funding can be secured. Continued review of project progress through MIDB governance to ensure progress to programme and within budget. Appropriate programme of governance / decision reports to ensure progress to programme and appropriate authority to progress. Regular meetings with funding organisations to agree blended funding package opportunities for projects. Close working with DfT and Highways England to ensure appropriate support given the existing A49 status and associated impact on delivery of a bypass and improved city centre.	12	◀	Richard Ball, Assistant Director, Environment & Place	Directorate

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
PBC.023	<b>South Wye Transport Package</b> IF: scheme cost following detailed design exceeds budget THEN: it will significantly affect ability to deliver the project to programme	Oct-16	16	Continue to review cost forecasts and estimates as detailed design progresses. Prioritise elements for delivery and consider alternative funding opportunities as project moves towards construction. Procurement of SLR contractor commenced - tender returns are currently scheduled to be returned late Summer 2018 - this will enable final business case of SWTP to be completed.	12	◀	Assistant Director, Environment & Place	Directorate
GRO.001	<b>5 year Housing Land Supply</b> IF: we do not actively address the current lack of five year land supply THEN: it will continue to be difficult to resist applications for planning permission for housing on sites not currently identified in the Local Plan which would undermine the plan led approach, lead to development of sites which are locally considered inappropriate and potentially affect the deliverability of identified strategic sites and associated infrastructure.	Mar-16	12	Adopted Core Strategy, annual refresh of Housing Land Assessment and monitoring of planning permissions and housing completions.	9	◀	Assistant Director, Environment & Place.  Programme Director, Housing & Growth	Directorate
GRO.004	<b>Development Regeneration Programme</b> IF: the council does not identify and include enough sites into the development and regeneration programme THEN: there is a risk that the programme will not deliver the regeneration and community benefits anticipated.	May-17	12	The council has procured two development partners with the expertise to support the council through the development process. The procurement has put in place a contract which will allow the council to control the development programme and will include commitments from the developer to deliver community and regeneration benefits. An annual draft programme will be developed which will provide estimated benefits from each proposed sites and from the programme as a whole. This will illustrate the likely benefits of delivering the programme and the opportunity costs associated with withdrawing sites or delaying delivery. Reports seeking agreement to enter into new sites for development drafted for stage 1 and stage 2 approvals. Developer/council workshops in place to manage the delivery of new approved projects.	9	▲	Programme Director, Housing & Growth	Directorate
GRO.005	<b>University loan</b> IF: the loan is an unsecured loan, if university is not in position to repay the loan THEN: there is a risk that the council will have to write off the £300k and any associated costs .	May 17	9	Legal services have developed a loan agreement is in place between the council and NMiTE. However, the university are not in a position to offer security for the loan.	6	▲	Programme Director, Housing & Growth	Directorate
RES.007	<b>NMiTE</b> IF: funding is not released appropriately for NMiTE THEN: there will be reputational damage to the council.	Dec 17	4	Memorandum of understanding being prepared.	2	◀	Head of Management Accounting	Directorate
CICE.009	<b>Provide adequate support (staff and resources) to an incident</b> IF: the Council does not have adequate number of staff who can support an emergency situation (rest centres, ACPs etc.) THEN: we are not complying with Civil Contingencies Act and also face bad publicity	Feb 18	15	A training programme for staff is available. Staff deployment policy.	6	▼	Health Safety and Resilience Manager	Directorate
ECC.001 AMPS.012 PEO.010 CFC.002	<b>Major Capital Projects (including Schools)</b> IF: we don't deliver Major Capital Projects within budget or within timescale THEN: this will lead to increased costs and reputational damage and failure to deliver statutory services.	Aug 12	16	Corporate Property Strategy Board and CWB Capital Programme Board comprising senior Directors. Interim role filled as of 1 May and Capital Programme is being implemented in line with agreed budgets.	4	▼	Strategic Property Services Manager	Directorate
AMPS.001	<b>Backlog maintenance</b> IF: we don't invest sufficiently in backlog and planned maintenance THEN: potential closure of key critical front line facing public services.	Apr 13	12	Escalation of high risk items to ECC management team and to members for political consideration of priorities. Create high level risk management plan identifying critical repairs for Capital Strategy and Asset Management Group to consider.	9	◀	Strategic Property Services Manager	Directorate
	<b>Failure to successfully implement BWoW</b> IF: BWoW is not implemented THEN: savings from the estate will not be achieved.	Mar 18	12	HR being supported by Property Services will lead on implementation of BWoW as part of the workplace strategy. Implementation planning is being carried out, to ensure that all disciplines are involved, the first phase, the relocation of the Legal team to Plough Lane from Union Street - completed. CWB internal review post-Ofsted needs to be completed before a strategic property review is completed including BWoW.	4	◀	Strategic Property Services Manager	Directorate

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Change since last reported	Risk Owner	Reporting Level
<b>ECC.001</b> <b>CFC.002</b> <b>AMPS.012</b>	<b>Major Capital Projects</b> <b>IF:</b> we don't deliver Major Capital Projects within budget or within timescale <b>THEN:</b> this will lead to increased costs and reputational damage	Aug 12	16	Monitoring of project plan through CSWG and major infrastructure boards, DMTs and CWB capital board Monitoring of BWOW and information management projects through the IMT Board. Project management through property services Escalation of high risk items to Leadership Team for resolution. Spend manager meetings taking place, optimum siting of services under review. New financial regs being introduced work needed on standardising processes across HC. To implement new template and a gresso project management from 2018/19	8	◀	Corporate Finance Manager	Directorate
	<b>CWB capital programme</b> <b>IF:</b> this is not aligned with broader property strategy <b>THEN:</b> there could be duplication of expenditure, and failure to realise benefits	Feb 18	9	Regular meeting with CWB Capital Programme Board. CWB capital programme board have agreed that all new CWB capital projects will use the new corporate project management system. This continues to be monitored.	2	◀	Strategic Property Services Manager / Andrew Hind	Directorate
<b>The following risks have been removed from the Register</b>								
<b>LGR.027</b>	<b>Prosecutions</b> <b>IF:</b> enforcement action is taken, coupled with the use of Injunctions to compel people to do specific acts <b>THEN:</b> the likelihood of JR could increase, and we may not be able to recover the costs.	Dec-16	12	Seeking counsel opinion prior to injunctions taking place. Costs may not be able to be recovered (either in part or fully) people may be compelled to provide the remedy.	9	▼	Solicitor to the Council	Directorate
<b>The following risks have been added to the Risk Register</b>								
<b>CR.042</b>	<b>Partnerships</b> <b>IF:</b> the partnerships that the council's involved in are not developed/fail to operate effectively/or fail entirely <b>THEN:</b> the strategic objectives/priorities may not be achieved.	Aug-18	12	Partnership governance protocol. Effective communications. Contractual and partnering agreements.	6	NEW	Head of Corporate Governance	Corporate
<b>CR.043</b>	<b>Recruitment</b> <b>IF:</b> the council is unable to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic <b>THEN:</b> there will be insufficient staff to meet service demands; an inability to progress service development; and a financial implication of using agency staff/contractors.	Aug-18	16	Short term reductions in capacity are accommodated by prioritisation and reallocating work amongst staff. Analysis identifying posts which are hard to recruit to. Involvement in regional workforce development and agency market management. Recruitment and retention initiatives.	12	NEW	Head of HR and Organisational Development	Corporate
<b>CR.044</b>	<b>Brexit</b> <b>IF:</b> following Brexit there is uncertainty or policy decisions that impact the council <b>THEN:</b> there may be an impact on the economic and social programmes of the Council and its partners, including: interest rates and exchange rates impacting on the affordability of the council's capital programme; and restriction on the free movement of people which could lead to skills gaps and adverse impact on the workforce.	Aug-18	16	Continue to engage and participate on key legislation. Inclusion of an assessment of the risks associated with Brexit in our MTFs and Treasury Management Strategy, and our debt profile is monitored and managed to avoid exposure to interest rate fluctuations. The Capital Programme will include a risk assessment of the cost of borrowing, and it will be reviewed constantly to ensure its continued affordability.	12	NEW	Chief Finance Officer	Corporate
<b>CR.045</b>	<b>Development Regeneration Partnership</b> <b>IF:</b> there is not an adequate pipeline of suitable projects <b>THEN:</b> we will not be able to deliver the benefits through the contract	Feb-18	12	A pipeline of projects has been identified and discussed with the DRP Board.	6	NEW	Programme Director, Housing and Growth	Corporate
<b>CR.046</b>	<b>Capital Programme</b> <b>IF:</b> we are unable to implement the strategic corporate and CWB capital programmes within budget and timescale <b>THEN:</b> operating costs will increase, assets will deteriorate, service delivery could be impacted and opportunities to realise value and benefits could be missed. Strategic change will not be implemented.	Feb-18	9	Corporate Property Strategy Board and CWB Capital Programme Board comprising senior Directors. Capital budget approved for 2018/19, authorisation to implement Capital Programme. Ongoing monitoring of programme and projects. Escalation of high risk items to Directors.	4	NEW	Strategic Property Services Manager	Corporate
<b>CR.047</b>	<b>NMITE University</b> <b>IF:</b> there is a lack of accommodation, cultural and other infrastructure services to enable planned growth in student numbers <b>THEN:</b> this would impact upon the successful delivery of the new university and would create reputational risk for the council.	Aug-18	12	Sites identified for the University accommodation, e.g. Essex Arms. The council has procured a Development Partner to enable the development subject to Cabinet decision. Joint University Development Board (JUDB) has been put in place to effectively allow the University and council to manage the University's development collaboratively	9	NEW	Programme Director, Housing and Growth	Corporate







<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Community Governance Reviews.</b>
<b>Report by:</b>	<b>Democratic Services Manager</b>

## Classification

Open

## Decision type

This is not an executive decision

## Wards affected

Bromyard Bringsty; Credenhill; Golden Valley South; Queenswood; Stoney Street; Sutton Walls; Wormside;

## Purpose and summary

To make recommendations to Council following the Community Governance Reviews (CGRs) undertaken in the Bishopstone group, Bredenbury District Group, Brockhampton Group, Kilpeck Group, Peterchurch, Longtown Group Moreton On Lugg, and Wellington parishes.

If these recommendations are agreed, consequential changes will need to be made to two ward boundaries between Queenswood and Sutton Walls and Stoney Street and Credenhill wards. These changes will require agreement from the Local Boundary Commission for England (LBGCE).

## Recommendation(s)

That:

- A. It be recommended to Council that the solicitor to the council be authorised to make orders to give effect to the following with changes taking effect from 1<sup>st</sup> April 2019 ('the effective date'):**
  - I. That the parish boundary between the Bishopstone group parish and the Stretton Sugwas parish be moved between Stoney Street and Credenhill ward to enable the following properties (Bradworthy; Pear Tree Cottage; Elandwin; the Bounds; Longhope; Old Weir Farm Cottages; Sugwas Pool Cottage;**

---

Further information on the subject of this report is available from  
John Coleman, Tel: 01432 260382, email: John.Coleman@herefordshire.gov.uk

Miramar; Anchorage; Heathmere, and St. Margarets Bunglalow) to be moved from the Bishopstone district group parish to Stretton Sugwas parish, and that this proposal does not require other changes to the existing governance arrangements for the parishes affected;

- II. That consequent upon this change being made that the Council recommend to the Local Government Boundary Commission for England ( LGBCE) that the boundaries of the Stoney Street and Credenhil ward be changed to ensure coterminosity with the new parish boundary;
  - III. The number of seats on Brockhampton group parish be reduced from 15 to 10 to better reflect the number of electors; the ratio of parish council seats will be 5 for the Linton Parish group member (a reduction of 1 seat); 4 for the Norton parish group member (a reduction of 2 seats) and 1 for the Brockhampton parish group member (a reduction of 2 seats), and that the electoral arrangements will remain unchanged in all other respects.
  - IV. The existing parish councils of Kilpeck, Kenderchurch, St. Devereux, Treville and Wormbridge that make up the existing Kilpeck group parish council shall all be dissolved; the existing parishes of Kilpeck, Kenderchurch, St. Devereux, Treville and Wormbridge that make up the existing Kilpeck group parish council shall all be abolished; and to form a new parish as shown on the map in appendix C and that the new parish shall be represented by a Parish Council; ); the name of that new parish council shall be 'Kilpeck Parish Council, and that the electoral arrangements will remain unchanged in all other respects
  - V. The number of seats on Peterchurch parish council be increased from 8 to 9 to accommodate current and future population growth, and that the electoral arrangements will remain unchanged in all other respects
  - VI. That the parish boundary in the Moreton on Lugg parish and the parish of Wellington be moved between Queenswood and Sutton Walls to enable two properties, namely Aylus Cottages, to move from the parish of Moreton on Lugg into the parish of Wellington (Marked A on the map contained in Appendix E and G) and that this proposal does not require other changes to the existing governance arrangements for the parishes affected;
  - VII. That consequent upon this change being made that the Council recommend to the Local Government Boundary Commission for England ( LGBCE) that the boundaries of the Queenswood and Sutton Walls ward be changed to ensure cot6erminosity with the new parish boundary;
  - VIII. The parish boundary between Wellington and Hope Under Dinmore is adjusted to enable three properties, namely the Old Fruit Farm, Bathfield and Queens Wood House to move from their current parish, Wellington, into the parish of Hope Under Dinmore (Marked B on the map contained in Appendix G); and that this proposal does not require other changes to the existing governance arrangements for the parishes affected;
  - IX. No changes be made to the Bredenbury district group parish council; and
  - X. No changes be made to Longtown group parish council.
- B. That the solicitor to the council be authorised to draft the orders for council

consideration, as per the above recommendations.

## Alternative options

1. **Do nothing.** This is not an option because Council has already determined to undertake the reviews and must comply with the statutory guidance which says that we must determine the outcome within 12 months of that first determination.
2. **Make no changes:** This is not recommended as district councils, unitary county councils and London borough councils ('principal councils') have responsibility for undertaking community governance reviews. It is for those principal councils to decide whether to give effect to recommendations made in those reviews. In making their recommendations principal authorities need to take account of the views of local people. In undertaking the seven CGRs all communities in scope of the reviews have been consulted and their responses taken in to account.

## Key considerations

3. Herefordshire is currently divided into 239 parishes and there are no areas within the county which are not 'parished'. Within the county there are 133 parish councils, (some of which are group parish councils which collectively represent more than one parish), and four parish meetings (where there is no parish council but a parish meeting is held at least twice a year to which all electors are entitled to attend and vote on certain matters).
4. The Local Government and Public Involvement in Health Act 2007 devolved responsibility for determining the governance arrangements of this first tier of local government to principal authorities, and they must do this by way of a CGR. This guidance has been followed during the undertaking of the community governance reviews undertaken by Herefordshire Council.
5. A CGR can consider a number of issues, including: whether to create a new parish, whether to dissolve existing parishes; whether to alter the boundary of one or more existing parishes; whether to group a number of parishes together in a grouped parish council; whether to alter the number of seats on an existing parish council; and on the electoral arrangements which accompany these changes..
6. Between September 2015 to April 2016, information was gathered on current elector numbers per parish, number of uncontested seats (following the 2015 local elections) and the number of seats remaining vacant remaining after the election. In addition, parishes were asked to identify any issues they would wish to be considered as part of a CGR. The views of all ward members were also sought. Thirteen parishes, at that time, came forward with a range of reasons they had identified as being within scope for a CGR. Those parishes can be reviewed [here](#).
7. During the spring/summer of 2017, informal follow up consultation was undertaken with the thirteen parishes and ward members to confirm that the reasons they originally set out to undertake a formal CGR were still valid. Five of the original thirteen parishes sought to withdraw their interest, noting various reasons or changes in local circumstances for doing so. Some, for example, noted that the original reason for wishing to undertake a CGR no longer existed; some parishes noted that they wished to have more time to formulate their agreement around the precise nature of change they required before committing to a formal review.

8. In October 2017 full Council unanimously agreed, therefore, to commence eight community governance reviews in the Bishopstone district group, Bredenbury district group, Brockhampton group, Kilpeck group, Peterchurch, Moreton on Lugg and Wellington parishes. Each of those parishes confirmed their agreement with their draft terms of reference ahead of the full Council meeting. These terms of reference were limited to particular questions which arose from the consultation and so the review and the formal consultation once the review commenced was in each case carried out on that limited area, rather than the broader range of questions contained within the Act.
9. The Bredenbury district group parish Council withdrew their support for and their involvement in their CGR in November 2017. This followed significant change resulting in a number of resignations of parish council members in October 2017. As a result there has been limited consultation with the Bredenbury group parish. The local ward member was consulted on these matters and was in agreement that limited scope to continue meaningfully with the review remained.
10. The parish council originally identified a parish within the group was able to have voting powers disproportionate to its size due to the distribution of seats. It was proposed that the number of seats for other members of the group be increased.
11. While limited consultation was undertaken as part of this CGR, triangulation of evidence in connection to the original reasons Bredenbury group parish had proposed their CGR was undertaken. The Aston Business School and the National Association of Local Councils concur that for parishes with fewer than 500 electorates they should have between 5 to 8 councillors to represent them. The electoral population of the Bredenbury group parish is 274. This electoral population is relatively evenly split, insofar as, the Grendon Bishop member has 83 electorates; the Wacton member has 94 and the Bredenbury member has 97. Currently Grendon Bishop Parish represented by 3 parish councillors on the group; Wacton and Bredenbury parish both represented by 2 parish councillors each.
12. These ratios would suggest that there is an acceptable number of parish councillors on the Bredenbury group parish council. It would also suggest that the balance of representation is also within recommended tolerances. To that end, there was limited scope to make any further changes in connection with the original terms of reference.
13. Of the seven remaining reviews where potential change remained an option, two of the reviews sought to raise (Peterchurch) or lower (Brockhampton group) the number of parish seats on the parish council. Four of the reviews sought to address perceived parish and/or ward boundary anomalies (Bishopstone; Longtown; Moreton on Lugg and Wellington). The remaining review (Kilpeck group) sought to abolish the five group member parishes and amalgamate those parishes into a single parished area. The terms of reference for each community governance review can be viewed [here](#).
14. Two phases of open and targeted consultation were undertaken as part of the CGR process. The council consulted local government electors for each of the areas under review. It also ensured that the consultation was open to any other person or body (including a local authority) which appears to the council to have an interest in the review.
15. The first phase (1 February to 6 April) was designed to gather community opinion on the proposed changes – as set out within each of the agreed terms of reference - within each parish under review. The results of the first phase of consultation indicated that six of the seven reviews should proceed to a phase 2 consultation. Insofar as, the balance of

evidence indicated that there was community support for the proposals following the phase 1 consultation. See appendix A to G.

16. A second phase of consultation was not pursued in relation to Longtown Group Parish Council. During the phase 1 consultation, differing views on the type of boundary change emerged. Instead of migrating the parish of Walterstone from the Longtown group to the Ewyas Harold group parish, a proposal to split and effectively abolish the parish of Walterstone was proposed by respondents. This proposed change fell outside of the scope of their agreed terms of reference. As such, a recommendation of no change at the current time has been proposed. The Longtown group remains interested in exploring a possible parish boundary change but will undertake further informal consultation before considering whether to formally request a further review. Should a requirement for a further community governance review be identified new terms of reference will be brought forward for committee consideration.
17. The six remaining reviews conducted their second phase of open and targeted consultation between 11 May to 26 June. Those consultations sought community views on whether their respective proposals – outlined in their agreed terms of reference - should come in to force.
18. In total, 73 responses to the phase 1 and phase 2 consultation were received. The consultation reports and resulting recommendations for each of the parishes taking part in the CGRs can be found in Appendix A to G.
19. If the recommendations are approved, reorganisation of community governance orders creating new parishes, abolishing parishes or altering their area will be made at any time following a review. Electoral arrangements for a new or existing parish council will come into force at the first elections to the parish council following the reorganisation order. The effective date for those changes coming in to force will be 3 May, 2019, following the local elections.
20. If – in going forward - the council implements the recommendations made in its review, there are other steps it is required to undertake as reflected in recommendations II and VII
21. These include depositing copies of the reorganisation order at its main office, it should also deposit a map showing the effects of the order in detail which should be available for inspection by the public at all reasonable times (i.e. during normal working hours). The 2007 Act also requires the council to make available a document setting out the reasons for the decisions it has taken (including where it has decided to make no change following a community governance review) and to publicise these reasons.
22. Community governance reviews requesting related alterations to ward boundaries of this Council will need to involve the Local Government Boundary Commission for England (LGBCE) once the changes have been made to the parishes. Supporting information required when making a request for related alterations:
  - A copy of the Reorganisation of Community Governance Order
  - The Order maps
  - Details of exactly what areas have moved and how many electors are currently in each area, as well as a five year forecast and details of the electoral cycle. A copy of the report to Council detailing the outcome of consultations, the recommendations made and evidence of consultation (for example, photocopies of adverts or notices placed)
  - A copy of signed agreement to the related alterations from Herefordshire Council

23. Unless requests for related alterations have been made to the LGBCE by **1 October**, there can be no guarantee that any Order will be made in time for implementation in elections in May.
24. Community governance reviews can only be held in years expected to be free of any scheduled elections. Current election planning indicates that the next window of opportunity to undertake a further round of CGRs will be 2021. A number of parishes have already expressed their interest in taking part in a CGR in this timeframe. Lessons learned as a result of undertaking this series of reviews will be applied to any future CGRs undertaken by Herefordshire Council.

## **Community impact**

25. Herefordshire Council's Corporate Plan commits Herefordshire Council to helping to create a strong sense of community where people feel they belong and have the confidence to get involved. Each of the CGRs will help facilitate this outcome.
26. The recommendations support the council to meet its code of corporate governance by ensuring openness and comprehensive stakeholder engagement and that clear trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders. In addition, that decisions are taken on the basis of good information, and that the council is transparent, open and responsive to Herefordshire's needs.

## **Equality duty**

27. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
28. The public sector equality duty requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
29. In undertaking the CGRs outlined above, the council must have regard to reflecting the identities and interests of the community in the area under review, and the need to secure that community governance in that area is effective and convenient. Each of the reviews undertaken has sought to strengthen locally determined administrative, geographic and/or community connections.

## **Resource implications**

---

Further information on the subject of this report is available from  
John Coleman, Tel: 01432 260382, email: [John.Coleman@herefordshire.gov.uk](mailto:John.Coleman@herefordshire.gov.uk)

30. There are no significant resource implications resulting from these recommendations. At the October 2017 full Council meeting an estimated figure of £5k was suggested to cover the cost of conducting the CGRs. In reality only a small proportion of that budget has been utilised on promoting the CGRs via social media platforms, in the region of £150 in total.
31. If these changes are agreed, the electoral register will need to be updated to ensure that the boundary changes are correctly realigned, this will require a small amount of electoral services team time. In addition, a review of polling stations is being planned, this will take place after the May local elections. It is not expected that the CGRs will generate any material or new impact on that process.
32. There may be a small elevation in the costs of local elections in the parish of Peterchurch as a result of increasing the number of parish seats from 8 to 9. Correspondingly, there is likely to be a reduction in election costs for the Brockhampton group parish as a result of decreasing its parish council seats from 15 to 10. Parish elections take place every four years, the costs of which are re-charged back to Herefordshire Council by the parishes.

## Legal implications

33. The Local Government and Public Involvement in Health Act 2007 determines the process and timescales to be followed when conducting a CGR. A principal council must make recommendations as to:
  - a) whether a new parish or any new parishes should be constituted
  - b) whether existing parishes should or should not be abolished or whether the area of existing parishes should be altered or
  - c) what the electoral arrangements for new or existing parishes, which are to have parish councils, should be

It may also make recommendations about:

- a) the grouping or de-grouping of parishes
  - b) adding parishes to an existing group of parishes or
  - c) making related alterations to the boundaries of a principal councils' electoral areas
34. In deciding what recommendations to make the principal council must have regard to the need to secure that community governance reflects the identities and interests of the community in that area and is effective and convenient. The 2007 Act provides that it must also take into account any other arrangements (apart from those relating to parishes and their institutions) that have already been made, or that could be made, for the purposes of community representation or community engagement.
  35. As noted in 6 to above and in the LGIHA – 2007 efforts were undertaken through the informal consultation which took place ahead of the review to ensure that each of the review reflected, as faithfully as possible, the identities and interests of the community within each review area. In addition, that the changes proposed by each of the CGRs were effective and convenient.
  36. The Local Government Boundary Commission for England (LGBCE) has responsibility for making any changes to ward boundaries following a community governance review. These 'consequential changes' should be consulted on as part of a review and the recommendation made to the LGBCE. The LGBCE is then responsible for making the changes to the wards or divisions.

## Risk management

37.

Risk / opportunity	Mitigation
<p><b>Risk 1:</b> Ward boundary changes may not be completed in time for the May local elections. The LGBCE has stated that unless requests for related alterations have been made to the LGBCE by 1 October, there can be no guarantee that any Order will be made in time for implementation in elections in May.</p>	<p><b>Mitigation 1:</b> Contact has been made with the LGBCE and advance notice given that Herefordshire Council is seeking two minor ward boundary changes. Agreement, or not, as the case may be, to make those changes will be determined by full Council on October 12.</p>
<p><b>Risk 2:</b> The consultation responses for some of the CGRs is deemed to be so low that the evidence cannot be relied upon to make these recommendations.</p>	<p><b>Mitigation 2:</b> All reasonable efforts to communicate the opportunity to influence the CGRs in each parish were made. Very few responses in opposition to the changes proposed by each CGR were received. In addition, the changes being proposed in each CGR are relatively uncontroversial, insofar as, they represent pragmatic steps to ensure the community continue to feel connected to and relevance with their local parished area.</p>
<p><b>Opportunity:</b> As a result of undertaking this series of CGRs other parishes considering a review may feel greater confidence in coming forward for a future round of CGRs, to be conducted in 2021, the next year predicted to be free of elections.</p>	<p>A communications plan highlighting the changes made from this series of CGRs will be developed and promoted to other parishes interested in undertaking a CGRs</p>

38. Risk 1 is already being monitored and reported upon via the law and governance performance and risk register.

## Consultees

39. Both phases of consultation undertaken as part of this series of reviews were open to anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also targeted and promoted using social media, local newsletters and the parish council web-site. Additional step were taken to post or hand deliver letters outlining the proposed changes to households identified as being in scope of possible boundary changes.
40. The metrics from the social media campaigns indicated that 47,945 people received details of the community governance review consultations and fact sheets via their social media channels. This generated 872 'clicked links' through to the consultation pages.
41. Fact sheets and maps were made available alongside the consultation so that those responding to the consultation could review further information on the changes being proposed. This included the existing boundary lines between the adjacent lying parishes/wards and the new boundary lines that would result if the community supported



such a change. The fact sheets supplied local information on local population figures, projected growth, information on the local neighbourhood plan and consequential changes to local council tax for any homes directly affected by a possible ward boundary change. The fact sheets can be viewed [here](#).

42. Local ward members were also consulted in each of the wards where CGRs were being conducted or affected. The recommendations linked to each of the CGRs have been reviewed and are supported by the ward members in question.

## **Appendices**

Appendix A to G: Consultation reports and consequential recommendations

## **Background papers**

None identified



## **Bishopstone Group – Community Governance Review**

### **Phase 1 Consultation response**

From 13 February to the 6 April, Herefordshire Council conducted a parish wide consultation with the community of Bishopstone group parish in connection with their community governance review. The community were asked to provide their views on whether they supported proposals to move a boundary currently within The Bishopstone Group parish area on the north side of the A438 at Sugwas Pool, Swainshill, to Stretton Sugwas parish. The initial stage of the review was to find out local views and assess what solutions are the right ones to pursue to a full proposals consultation.

The consultation was made available for anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also promoted using social media, local newsletters and the parish council web-site. In addition, the residents within the boundary area under review were written to inviting their responses in relation to the proposals.

#### **Consultation response:**

Two responses to the Bishopstone group questionnaire was received. One response was in support of the proposed change, and one was not supportive. The evidence offered in support of the proposal noted that the residents within the boundary area under review look towards Stretton Sugwas as their parish, and that there was a large geographic disconnection of those properties from most of the Parish. It therefore made sense to propose this change. There was no supporting evidence offered by the response that was not supportive of this change.

It is important to note that the parish council has indicated its support for the perceived boundary anomaly to be addressed. Parishioners in the Bishopstone group should also note that the neighbouring parish of Stretton Sugwas is also supportive of the boundary anomaly being addressed. Recognising that there is a closer geographic connection to the parish of Stretton Sugwas for those properties in the boundary area under review.

The effect of this change would mean that the area and houses marked in blue on the map would transfer from Bishopstone group parish governance over to Stretton Sugwas parish governance arrangements. This will necessitate a minor ward boundary change between the wards of Stoney Street and Creden Hill.

National government guidance notes that ‘A review of parish boundaries is an opportunity to put in place strong boundaries, tied to firm ground detail, and remove anomalous parish boundaries. Since the new boundaries are likely to be used to provide the building blocks for district ward, London borough ward, county division and parliamentary constituency boundaries in future reviews for such councils, it is important that principal councils seek to address parish boundary issues at regular intervals’.

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to formally propose that the boundary anomaly affecting a small number of properties on the north side of the A438 at Sugwas Pool, Swainshill, and Sugwas parish is progressed. This will necessitate a minor ward boundary change between Stoney Street and Credenhill wards.

## **Bishopstone Group – Community Governance Review**

### **Phase 2 Consultation response**

From 11 May to 29 June, Herefordshire Council conducted a parish wide consultation with the community in the group parish of Bishopstone on their community governance review proposals. This followed a first wave of consultation where the community were asked to provide their views on proposals to move a number of properties appear to be affected by a boundary anomaly in the east of the parish lying close to the Stretton Sugwas parish border.

Following the first phase of consultation it was felt that the balance of evidence could conclude that the local community were supportive of this proposal and the following recommendations were made:

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to formally propose that the boundary anomaly affecting a small number of properties on the north side of the A438 at Sugwas Pool, Swainshill, and Sugwas parish is progressed. This will necessitate a minor ward boundary change between Stoney Street and Credenhill wards.

Based upon the above recommendations, a phase 2 consultation was undertaken to test levels of community support or opposition for making the proposed changes to the boundary anomalies identified. The consultation was open to anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also targeted and promoted using social media, local newsletters and the parish council web-site. The additional step was taken to hand deliver letters outlining the proposed changes to the households identified as being in scope of this review.

The metrics from the social media campaigns indicate that 3,361 people received details of the Bishopstone community governance review consultations and fact sheets. This generated 141 'clicked links' through to the consultation pages.

Fact sheets and maps were made available alongside the consultation so that those responding to the consultation could review further information on the changes being proposed. This included the existing boundary lines between the adjacent lying parishes/wards and the new boundary lines that would result from the community supporting such a change. In addition, the fact sheets provided local information on local population figures, projected growth, information on the local neighbourhood plan and consequential changes to local council tax for any homes directly affected by a possible ward boundary change.

#### **Consultation response:**

One responses to the phase 2 Bishopstone consultation was received, that response was un-supportive of the proposed change. There was no supporting evidence offered by the consultee other than noting that it was '*Change, for change sake*'.

It is important to note that the parish council has indicated its support for the perceived boundary anomaly to be addressed. Parishioners in the Bishopstone group should also note that the neighbouring parish of Stretton Sugwas is also supportive of the boundary anomaly being addressed. Recognising that there is a closer geographic connection to the parish of Stretton Sugwas for those properties in the boundary area under review. Both local ward members, from Stoney Street and Creden Hill ward are also supportive of the changes being proposed.

The effect of this change would mean that the area and houses marked in blue on the map would transfer from Bishopstone group parish governance over to Stretton Sugwas parish governance arrangements. This will necessitate a minor ward boundary change between the wards of Stoney Street and Crenden Hill.

### **Triangulation:**

National government guidance notes that 'A review of parish boundaries is an opportunity to put in place strong boundaries, tied to firm ground detail, and remove anomalous parish boundaries. Since the new boundaries are likely to be used to provide the building blocks for district ward, London borough ward, county division and parliamentary constituency boundaries in future reviews for such councils, it is important that principal councils seek to address parish boundary issues at regular intervals'.

The balance of evidence indicates that there are sufficient grounds to change the boundary anomaly affecting the following properties on the north side of the A438 at Sugwas Pool, Swainshill, and Sugwas parish is progressed.

- Bradworthy
- Pear Tree Cottage
- Elandwin
- The Bounds
- Longhope
- Old Weir Farm Cottages
- Sugwas Pool Cottage
- Miramar
- Anchorage
- Heathmere, and
- St. Margarets Bunglallow.

This will necessitate a minor ward boundary change between Stoney Street and Crendenhill wards. Map below refers.

### **Recommendation:**

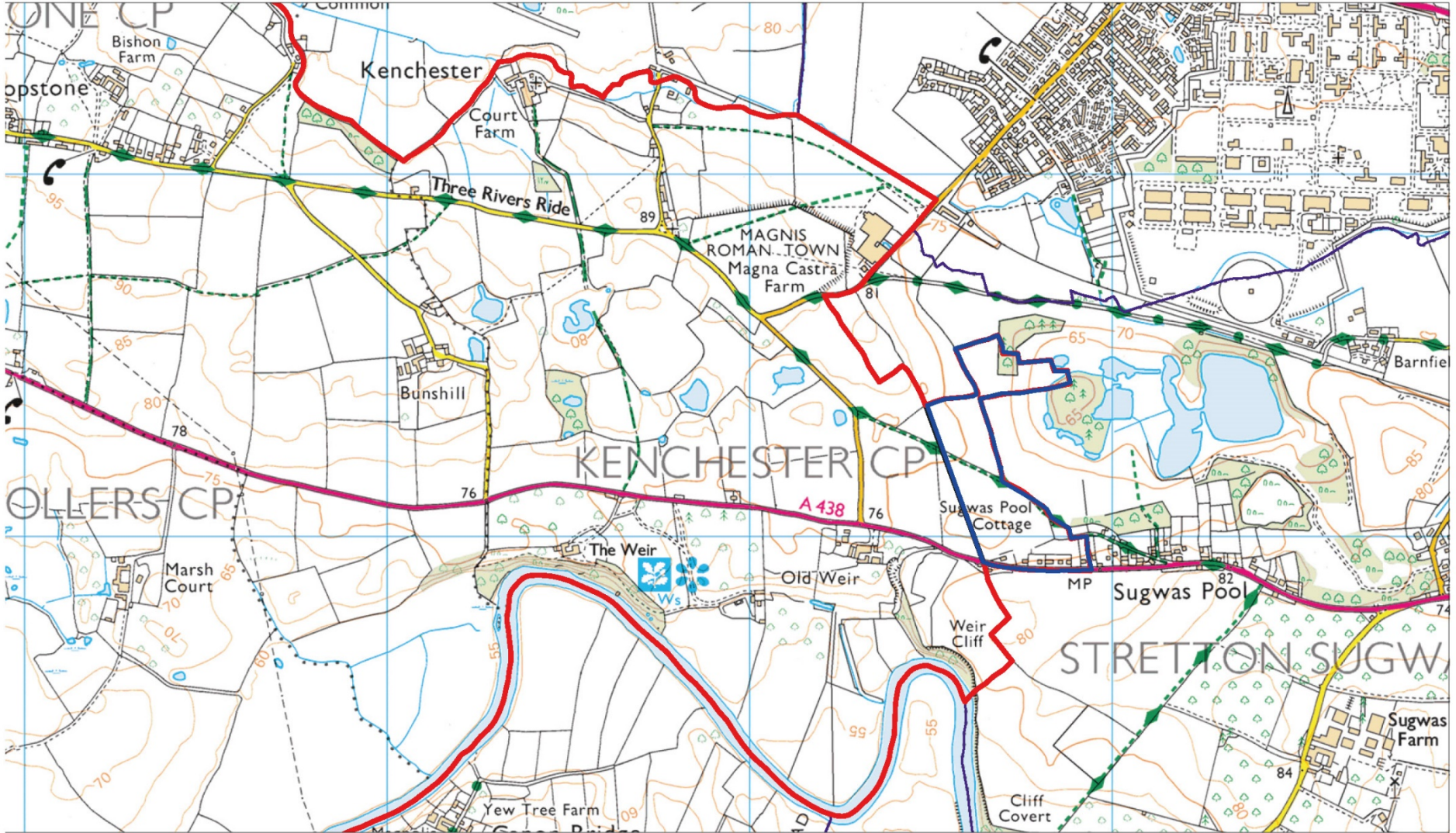
- I. That the parish boundary between the Bishopstone group parish and the Stretton Sugwas parish be moved between Stoney Street and Crendenhill ward to enable the following properties (Bradworthy; Pear Tree Cottage; Elandwin; the Bounds; Longhope; Old Weir Farm Cottages; Sugwas Pool Cottage; Miramar; Anchorage; Heathmere, and St. Margarets Bunglallow) to be moved from the Bishopstone district group parish to Stretton Sugwas parish, and that this proposal does not require other changes to the existing governance arrangements for the parishes affected;***
- II. That consequent upon this change being made that the Council recommend to the Local Government Boundary Commission for England ( LGBCE) that the boundaries of the Stoney Street and Crendenhil ward be changed to ensure coterminosity with the new parish boundary;***

**Resource Implications:** There are no financial implications arising from this change. Some staff time will be required to update the electoral register to record this change. For the houses moving from the Bishopstone Group Parish, there will be a slight elevation in council tax payments.

See

[https://www.herefordshire.gov.uk/downloads/file/13465/information\\_sheet\\_bishopstone\\_group\\_parish](https://www.herefordshire.gov.uk/downloads/file/13465/information_sheet_bishopstone_group_parish)

**Map of Bishopstone group parish and border with Stretton Sugwas parish.** Area mark with black line is proposed to move from Bishopstone group parish into Stretton Sugwas parish.



110

**PLAN - Kenchester Parish boundary - section - PROPOSED**  
**SCALE 1:10000**



© Crown copyright and database rights (2017) Ordnance Survey (100024168)  
 Only an official copy of a title plan or register obtained from the Land Registry may be used for legal or other official purposes.  
 This material was last updated on 01/05/2009 and may not be copied, distributed, sold or published without the formal permission of Land Registry.  
 © Crown copyright material is reproduced with the permission of Land Registry under delegated authority from the Controller of HMSO.  
 Herefordshire Council, Asset Management, PO Box 4, Hereford HR4 0XH [propertyinformation@herefordshire.gov.uk](mailto:propertyinformation@herefordshire.gov.uk)



Proposed Boundary Line



Existing Boundary Line

## **Brockhampton Group Parish Council – Community Governance Review**

### **Phase 1 Consultation Response**

From 13 February to the 6 April, Herefordshire Council conducted a parish wide consultation with the community of Brockhampton group parish in connection with their community governance review. The community were asked to provide their views on whether the number of seats within the group should be reviewed so as to better reflect the number of electors to strengthen the democratic process. This initial stage of the review is to find out local views prior to a full consultation.

The consultation was made available for anybody to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also promoted using social media, local newsletters and the parish council web-site.

**Consultation response.** No responses to the consultation were received.

While this does not indicate positive support for this proposal, it also indicates that there is not strong opposition to the proposals. It is important to note that the parish council firmly supports the proposed change to reduce the current number of Parish Council seats from 15 to 10, to better reflect the number of electors.

National government guidance notes that ‘Council size is the term used to describe the number of councillors to be elected to the whole council. The 1972 Act, as amended, specifies that each parish council must have at least five councillors; there is no maximum number. There are no rules relating to the allocation of those councillors between parish wards but each parish ward, and each parish grouped under a common parish council, must have at least one parish councillor.

The Government’s guidance also states that ‘each area should be considered on its own merits, having regard to its population, geography and the pattern of communities’ and therefore the Council is prepared to pay particular attention to existing levels of representation, the broad pattern of existing council sizes which have stood the test of time and the take-up of seats at elections in its consideration of this matter.

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing to reduce the current number of Parish Council seats from 15 to 10, to better reflect the number of electors within the Brockhampton Group Parish.

# Brockhampton Group Parish Council – Community Governance Review

## Phase 2 Consultation Response

From 11 May to 29 June, Herefordshire Council conducted a parish wide consultation with the community in the Brockhampton group parish on their community governance review proposals. This followed a first wave of consultation where the community were asked to provide their views on whether the number of seats within the group should be reviewed so as to better reflect the number of electors to strengthen the democratic process.

Following the first phase of consultation consultees were supportive of this proposal and the following recommendation was made:

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing to reduce the current number of Parish Council seats from 15 to 10, to better reflect the number of electors within the Brockhampton Group Parish.

Based upon the above recommendation, a phase 2 consultation was undertaken to test levels of community support or opposition for making the proposed changes to reducing the number of parish seats.

The consultation was open to anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also targeted and promoted using social media, local newsletters and the parish council web-site. Fact sheets and maps were made available alongside the consultation so that those responding to the consultation could review further information on the changes being proposed. In addition, the fact sheets provided local information on local population figures and projected growth and information on the local neighbourhood plan.

The metrics from the social media campaigns indicate that 3,505 people received details of the Brockhampton community governance review consultations and fact sheets. This generated 82 'clicked links' through to the consultation pages.

### Consultation response.

Two responses were received in support of the proposed changes to reduce the number of parish seats from 15 to 10. One response was from an individual living or working in the Brockhampton group parish area, one response was from an organisation within the Brockhampton group parish area. No responses were received in objection to the proposed changes. Support was offered on the basis that it was felt by respondents to be an 'obvious' and logical step to take, given the difficulty that the group parish has in filling all of the current 15 seats. Further support was given on the basis that:

- It was '*pointless trying to fill seats that people are not willing to fill*'. However, in offering that support, by noting that '*as long as accountability and effectiveness (of the group parish council) is maintained a reduction in numbers should be fine*'.

*(Individual from Brockhampton Community)*

While this low level of responses does not generate strong public opinion on this matter, positive support for this proposal has been indicated. It is also important to note that the parish council firmly supports the proposed change as it believes this will better reflect the number of electors.

### Triangulation:

Parishes wishing to increase or decrease numbers must give strong reasons for doing so. The number of parish/town councillors for each council must be not less than five but can be greater. However, each parish grouped under a common parish council must have at least one parish councillor. The Aston Business School found the following levels of representation to the good running of a council:



Electors	Councillors
Less than 500	5-8
501-2,500	6-12
2,501-10,000	9-16
10,001-20,000	13-27
More than 20,000	13-31

The population of the electorate (those of voting age and above) within the Brockhampton<sup>1</sup> group is currently 610. On this basis decreasing the number of seats from 15 to 10 means that the parish council falls within acceptable levels of representation for a group parish of this population size.

The Brockhampton group parish council have indicated that proportional representation should be applied to the revised number of seats. A breakdown of the population of the electorate is as follows: Linton group member has 324 electorates (equating to 53% of the total number of electorate), Norton group member has 225 electorate (equating to 36% of the total number of electorate) and Brockhampton has 61 electorates (equating to 10% of the total number of electorate). It is therefore recommended that the Linton group member should be allocated 5 seats, the Norton group member be allocated 4 seats and the Brockhampton group member be allocated 1 seat.

National government guidance notes that 'Council size is the term used to describe the number of councillors to be elected to the whole council. The 1972 Act, as amended, specifies that each parish council must have at least five councillors; there is no maximum number. There are no rules relating to the allocation of those councillors between parish wards but each parish ward, and each parish grouped under a common parish council, must have at least one parish councillor.

The Government's guidance also states that 'each area should be considered on its own merits, having regard to its population, geography and the pattern of communities' and therefore the Council is prepared to pay particular attention to existing levels of representation, the broad pattern of existing council sizes which have stood the test of time and the take-up of seats at elections in its consideration of this matter.

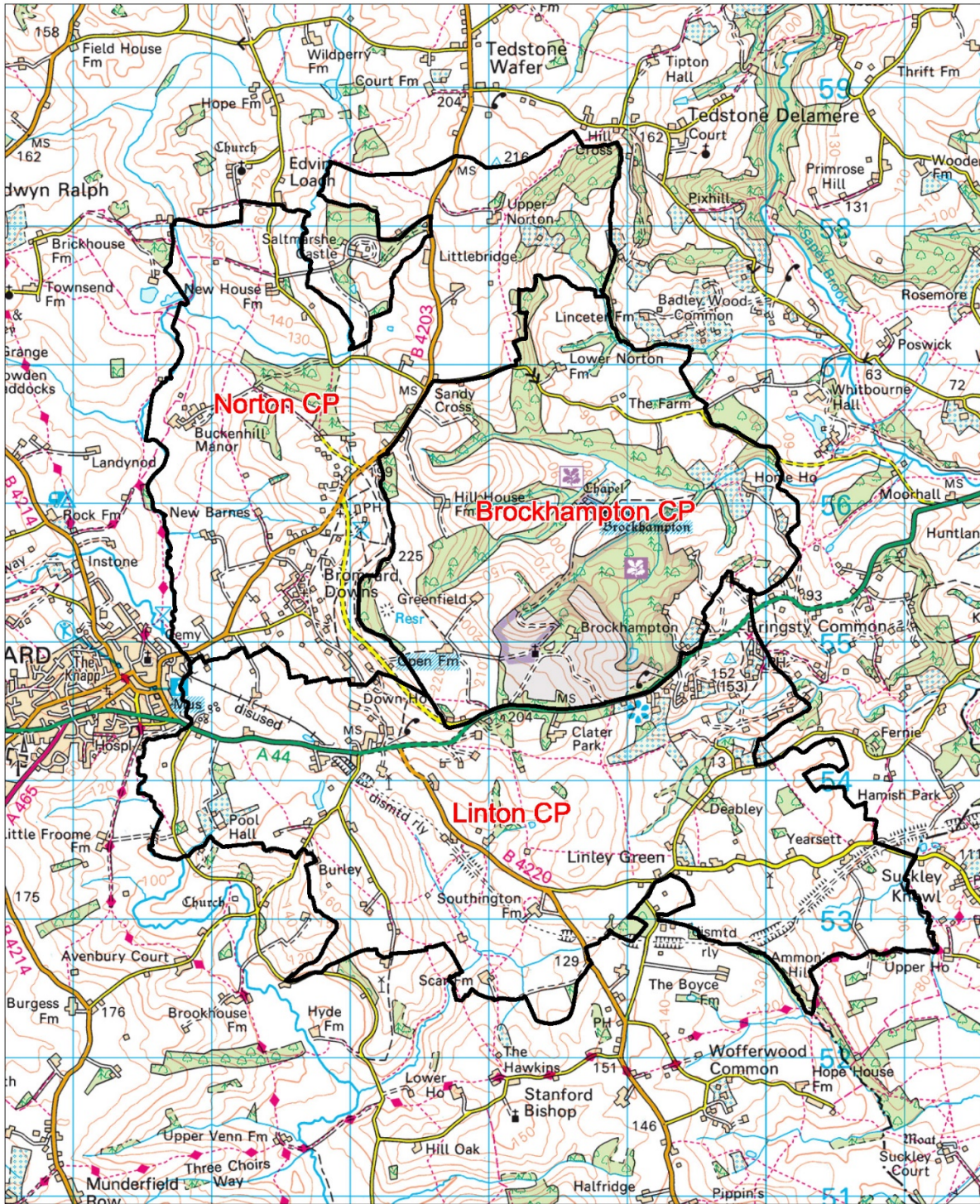
The balance of evidence, from both phase 1 and 2 consultations, indicates that there are sufficient grounds to progress to formally proposing to reduce the current number of Parish Council seats.

**Recommendation: *The number of seats on Brockhampton group parish be reduced from 15 to 10 to better reflect the number of electors; the ratio of parish council seats will be 5 for the Linton Parish group member (a reduction of 1 seat); 4 for the Norton parish group member (a reduction of 2 seats) and 1 for the Brockhampton parish group member (a reduction of 2 seats), and that the electoral arrangements will remain unchanged in all other respects***

**Resource Implications:** There is likely to be a reduction election costs for the Brockhampton group parish as a result of decreasing its parish council seats from 15 to 10. Parish elections take place every four years, the costs of which are re-charged back to Herefordshire Council by the parishes. A small amount of staff time will be required to update the electoral register to record this change.

## **Brockhampton Group parish map.**

<sup>1</sup> Source: ONS © Crown copyright 2017



PLAN - BROCKHAMPTON PARISH GROUP inc. INDIVIDUAL PARISH BOUNDARIES  
SCALE 1:25000



© Crown copyright and database rights (2017) Ordnance Survey (100024168)  
 Only an official copy of a title plan or register obtained from the Land Registry may be used for legal or other official purposes.  
 This material was last updated on 01/05/2009 and may not be copied, distributed, sold or published without the formal permission of Land Registry.  
 © Crown copyright material is reproduced with the permission of Land Registry under delegated authority from the Controller of HMSO.  
 Herefordshire Council, Asset Management, PO Box 4, Hereford HR4 0XH propertyinformation@herefordshire.gov.uk

## **Kilpeck Group Parish Community Governance Review**

### **Phase 1 Consultation response**

From 13 February to the 6 April, Herefordshire Council conducted a parish wide consultation with the community in the Kilpeck group parish on their community governance review proposals. The community were asked to provide their views on whether Kilpeck group parish should merge into a single parish council. In essence, the proposal is that parishes of Kilpeck, Kenderchurch, St Devereux, Treville and Wormbridge merge and form one single parish.

The consultation was made available on-line for anybody to respond to via Herefordshire Council website. Hard copies were made available on request. The consultation was also promoted using social media, local newsletters and the parish council web-site.

#### **Consultation response:**

One response to the consultation was received which was not supportive of the proposal. The principal evidence offered in support of that view was a concern that merging the parishes may lead to some of the parishes within the group having no representation. A further view was offered that if the merger was to go ahead all of the parishes within the group should have at least one representative.

While this does not indicate positive support for this proposal, it does not indicate that there is strong opposition to the proposals. It is important to note that all five of the parishes within the Kilpeck group have indicated their support for this change.

In addition, the Government's guidance also states that 'section 91 also requires a review to consider the electoral arrangements of a grouped parish council or of a parish council established after a parish is de-grouped. Each parish in a group must return at least one councillor. This requirement, therefore, addresses the condition advocated by the respondent that all parishes should retain representation if the group parish was to merge.

National government guidance also notes that 'In some cases, it may be preferable to group together parishes so as to allow a common parish council to be formed. Such proposals are worth considering and may avoid the need for substantive changes to parish boundaries, the creation of new parishes or the abolition of very small parishes where, despite their size, they still reflect community identity. Grouping or de-grouping needs to be compatible with the retention of community interests. It would be inappropriate for it to be used to build artificially large units under single parish councils.

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that the parishes of Kilpeck, Kenderchurch, St Devereux, Treville and Wormbridge merge and form one single parish.

## **Kilpeck Group Parish Community Governance Review**

### **Phase 2 Consultation response**

From 11 May to 29 June, Herefordshire Council conducted a parish wide consultation with the community in the Kilpeck group parish on their community governance review proposals. This followed a first wave of consultation where the community were asked to provide their views as to whether the Kilpeck group parish should merge into a single parish council. This proposal if supported would provide the grounds for consulting on a possible merging of Kilpeck, Kenderchurch, St Devereux, Treville and Wormbridge parishes to form one single parish.

Based upon the above recommendations, a phase 2 consultation was undertaken to test levels of community support or opposition for merging the group parish into a single parish. The consultation was open to anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also targeted and promoted using social media, local newsletters and the parish council web-site.

The metrics from the social media campaigns indicate that 4,400 people received details of the Kilpeck community governance review consultations and fact sheets. This generated 116 'clicked links' through to the consultation pages.

#### **Consultation response:**

Ten responses to the consultation were received. Eight of the responses received were supportive of the recommendation to merge the Kilpeck group parish into a single parish. Two responses were opposed to this proposed change. This represents 80% of respondents in favour of the proposed change, with 20% of respondents opposed.

#### **Those in support of the proposal to create a single parish:**

The principal evidence consultees offered in support of the proposed change related to a belief that merging into a single parish would reduce the costs of local parish elections and that it makes administrative sense to bring the group together as one parish. That support was caveated by some respondents who wish to ensure that a merging of the five parishes takes place all of the parishes within the group will maintain representation on the newly created single parish.

- *I agree that it is a good idea providing that the number of parish councillors remain the same to represent all the individual postal parishes*

*(Individual from Kilpeck Community)*

Support was also contextualised in relation to cost savings that could be realised during election periods and the opportunity to reduce administrative processes by operating as one parish as opposed to five grouped parishes.

- *I believe that providing that individual parishes are represented by a local parish councillor within the single named parish is a good idea and will save potential costs at election times*

*(Individual from Kilpeck Group Community)*

- *Makes great sense. Less red tape and expense during elections*

***(Individual from Kilpeck Group Community)***

- *Will make administration simpler without having to produce paperwork for each parish*

***(Individual from Kilpeck Group Community)***

**Those in opposition to create a single parish:**

The principal evidence offered in the two objections to the proposed change related to a belief that the sense of community spirit would be lost by merging the group parish in to one. This view was substantiated by highlighting that the individual parishes have their own voice and heritage which would be threatened if those parishes were to disappear. A view was offered that each parish has its own traditions linked to both community connections and local distinctiveness.

- *Totally disagree on the 5 parishes becoming one parish, the community spirit would be lost, a sense of individuality will be lost, our voices will not be heard and the traditional of past years will all be forgotten, I disagree that the parish should be one, we all have our individual village names, our own places of worship, a community to be proud of.*

***(Individual from Kilpeck Group Community)***

Concerns were also raised that if a single parish is to be created it may lead to imbalance of local democracy whereby representatives from some of the smaller parished may be over ruled by the representatives from the bigger parishes. There was also some scepticism that creating a single parish would bring any benefits above and beyond the current arrangements.

- *You state that we would have our own representative, but being under one parish that representative may be over ruled by Kilpeck, we are all in our own little community , our own village sign our own churches named for a reason, keep tradition alive don't kill it.*

***(Individual from Kilpeck Group Community)***

- *What are the benefits?*

***(Individual from Kilpeck Group Community)***

**National Guidance on creating a single parish from a group parish:**

The Government's guidance states that 'section 91 also requires a review to consider the electoral arrangements of a grouped parish council or of a parish council established after a parish is de-grouped. Each parish in a group must return at least one councillor.

National government guidance also notes that 'In some cases, it may be preferable to group together parishes so as to allow a common parish council to be formed. Such proposals are worth considering and may avoid the need for substantive changes to parish boundaries, the creation of new parishes or the abolition of very small parishes where, despite their size, they still reflect community identity. Grouping or de-grouping needs to be compatible with the retention of community interests. It would be inappropriate for it to be used to build artificially large units under single parish councils.

The phase 2 consultation also invited respondents to consider what the name of a newly created single parish should be. The consultation proposed that a new parish be called 'Kilpeck Parish Council' on the basis that it retains a familiarity to the current group name and therefore would most likely maintain existing local identity. Six responses to this question were received. Four of those responses were broadly in agreement that Kilpeck Parish Council would provide a satisfactory new name for the single parish. Two of the responses in favour of this new name also indicated that a

possible alternative name could be to name the newly created single parish as Wormbridge parish Council or Wormbridge and Kilpeck Parish Council.

- *Keeping the Kilpeck makes sense for continuity*

*(Individual from Kilpeck Group Community)*

- *As the present name of the group is Kilpeck I see no reason not to call it Kilpeck parish Council*

*(Individual from Kilpeck Group Community)*

- *Using the Kilpeck name makes sense to me. If an alternative was needed I would suggest Wormbridge*

*(Individual from Kilpeck Group Community)*

- *Wormbridge Parish Or Wormbridge and Kilpeck Group Parish*

*(Individual from Kilpeck Group Community)*

Of the two responses received from those in opposition to the group parish becoming a single parish there was also no agreement to the proposed name change. A concern was also raised as to why this proposed change was being considered at all.

- *No I disagree on this question see previous answer to disagreeing on becoming one parish!*

*(Individual from Kilpeck Group Community)*

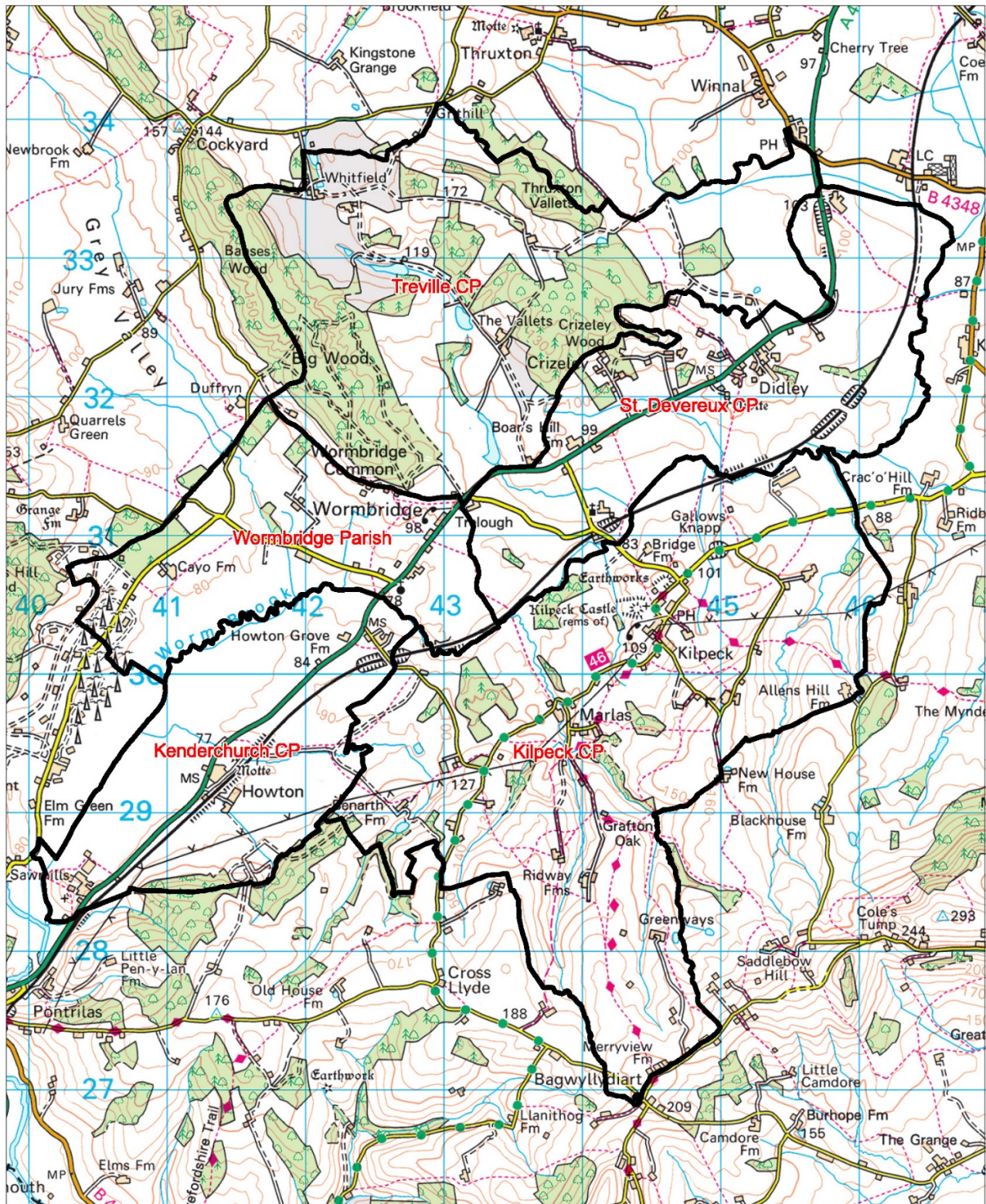
- *Why is this being proposed?*

*(Individual from Kilpeck Group Community)*

**Recommendation 1:** *The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that: The existing parish councils of Kilpeck, Kenderchurch, St. Devereux, Treville and Wormbridge that make up the existing Kilpeck group parish council shall all be dissolved; the existing parishes of Kilpeck, Kenderchurch, St. Devereux, Treville and Wormbridge that make up the existing Kilpeck group parish council shall all be abolished; and to form a new parish as shown on the map in appendix C and that the new parish shall be represented by a Parish Council; ); the name of that new parish council shall be 'Kilpeck Parish Council, and that the electoral arrangements will remain unchanged in all other respects*

**Resource Implications:** There are no financial implications if these recommendations are accepted. There are no plans to change the number of parish council seats as a result of this change. A small amount of staff time will be required to update the electoral register if these changes are taken forward.

# Map 1: Kilpeck Group parish Council.



Herefordshire Council

PLAN - KILPECK PARISH GROUP inc. INDIVIDUAL PARISH BOUNDARIES  
SCALE 1:25000

NORTH

 Parish Boundary

© Crown copyright and database rights (2017) Ordnance Survey (100024168)

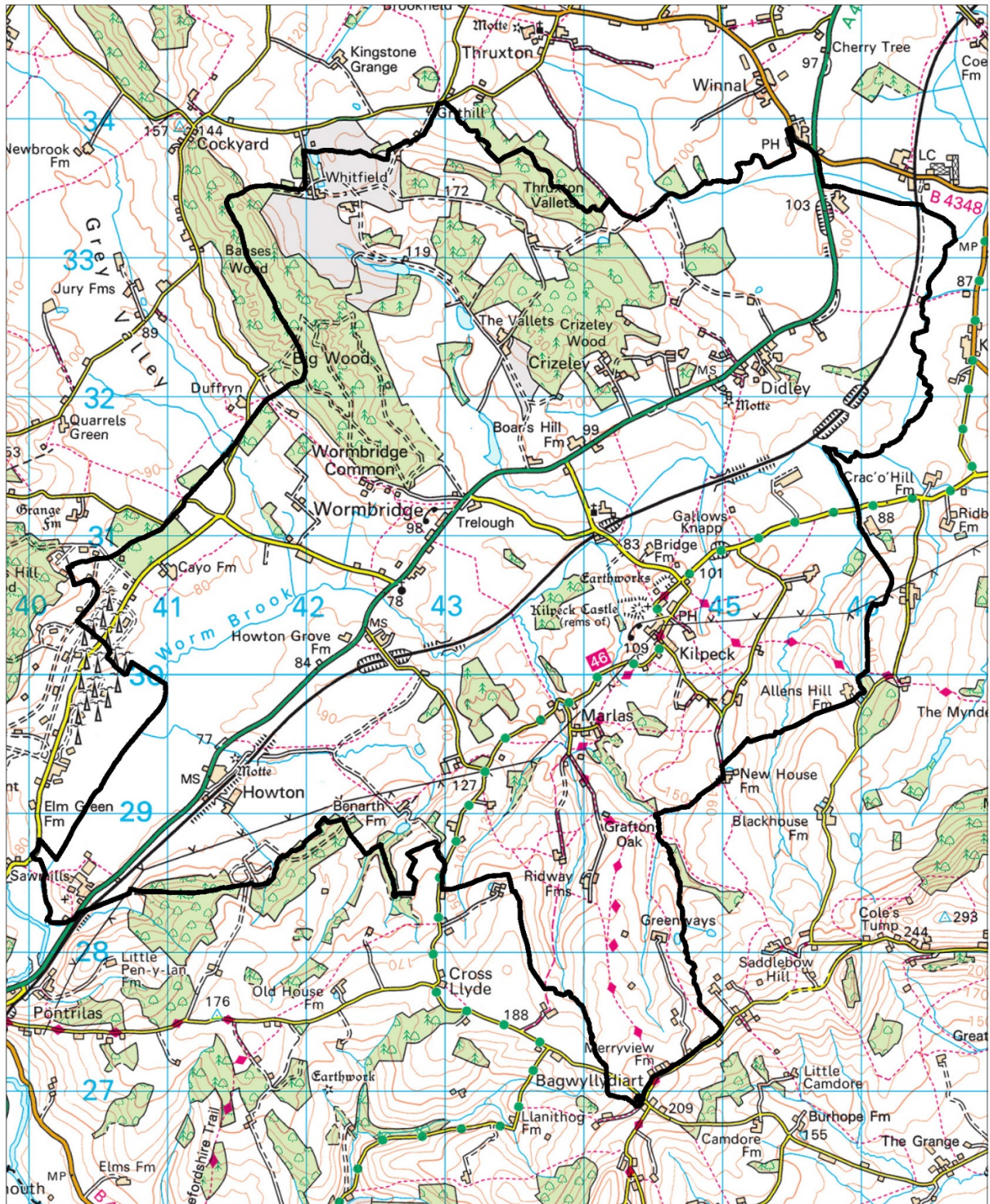
Only an official copy of a title plan or register obtained from the Land Registry may be used for legal or other official purposes.

This material was last updated on 01/05/2009 and may not be copied, distributed, sold or published without the formal permission of Land Registry.

© Crown copyright material is reproduced with the permission of Land Registry under delegated authority from the Controller of HMSO.

Herefordshire Council, Asset Management, PO Box 4, Hereford HR4 0XH [propertyinformation@herefordshire.gov.uk](mailto:propertyinformation@herefordshire.gov.uk)

## Map 2: The proposed amalgamated parish of Kilpeck



 Herefordshire Council

PLAN - KILPECK PARISH GROUP  
SCALE 1:25000

 NORTH

 Parish Boundary

© Crown copyright and database rights (2017) Ordnance Survey (100024168)  
Only an official copy of a title plan or register obtained from the Land Registry may be used for legal or other official purposes.  
This material was last updated on 01/05/2009 and may not be copied, distributed, sold or published without the formal permission of Land Registry.  
© Crown copyright material is reproduced with the permission of Land Registry under delegated authority from the Controller of HMSO.  
Herefordshire Council, Asset Management, PO Box 4, Hereford HR4 0XH [propertyinformation@herefordshire.gov.uk](mailto:propertyinformation@herefordshire.gov.uk)



### **Community Governance Review: Longtown Group Parish**

From 13 February to the 6 April, Herefordshire Council conducted a parish wide consultation with the community of Longtown group parish in connection with their community governance review. The community were asked to provide their views on the potential interest in separating the parish of Walterstone from the Longtown group and instead amalgamating Walterstone with the Ewyas Harold Group Parish. This would result in a parish boundary change.

The initial consultation was to test local views as to whether this was an option that the community would support, prior to a full consultation being undertaken.

The consultation was made available on-line for anybody to respond via the Herefordshire Council website. Hard copies were made available on request. The consultation was also promoted using social media and local newsletters.

#### **Consultation response:**

The council received two responses to the consultation which were supportive of the proposals to de-group Walterstone from the Longtown group parish and amalgamate it with the Ewyas Harold Group Parish Council. The principal reason in support of the proposal noted that some of the properties within the parish of Walterstone share a closer geographic and community connection with the Ewyas Harold group area.

There was not support for the proposed boundary change which would see the whole of the Walterstone parish moved into the Ewyas Harold group parish. It was instead suggested that some parts of Walterstone look towards Longtown naturally and not Ewyas Harold. There were also observations made that some of the properties within the Walterstone parish currently fall within Longtown parish but are part of the Walterstone community. These would be better included in Walterstone parish with the boundary running approximately along the ridge of Mynydd Myrddin.

This would suggest that the respondents may be in favour of some form of realignment of the Walterstone parish and a possible splitting of the parish in to two respective parts.

The result of the first wave consultation highlighted that the original proposal, which was to move the entire parish of Walterstone out of the Longtown group and into the Ewyas Harold group parish was not supported by the community. Instead

At the request of the Longtown group parish council and in discussions with the ward member for Golden Valley South, a meeting of Longtown group parish was held on 19 June with Herefordshire Council invited. At that meeting parish councillors noted some concerns at the low number of consultation responses received and - linked to this – the impact of undertaking further consultation within the community on splitting the parish of Walterstone. This, if enacted, would have the effect of abolishing the parish. The parish council identified that further background consultation with the community would be needed before any further formal steps be taken as part of the governance review. Options on ways forward were considered at that meeting and included:

- Running further consultation on new proposals to split the parish of Walterstone along the lines advocated by respondents to the phase 1 consultation;
- Running a further consultation to propose no further change at the current time, or

- Terminating the current CGR with a view that further engagement with the community be carried out.

### **Triangulation of this consultation response.**

It is desirable that any changes do not upset historic traditions but do reflect changes that have happened over time, such as population shift or additional development, which may have led to a different community identity. In rural areas, the Government wants to encourage the involvement of local people in developing their community and having a part to play in shaping the decisions that affect them.

It is clear that while there was some support within the Longtown group parish for the original proposed changes, there is much weaker support for the proposals advocated in the consultation responses. The evidence indicates that there is further engagement work to be undertaken with the Longtown and Ewyas Harold group parishes to gain a clearer understanding on the specific boundary and parish changes being advocated.

Through discussion with the ward member and Longtown group parish a clear preference to undertake further engagement work exists with a view to re-visiting the option of a community governance review at a later stage.

**Recommendation:** *No changes be made to Longtown group parish council.*

**Alternative options:** To conduct further consultation under the current terms of reference. This is not recommended as the existing terms of reference are not reflective of the change being advocated following the phase 1 consultation. To undertake further consultation at this stage risks splitting community opinion in ways that may be counterproductive and contentious. It may rule out the option of undertaking a future community governance review in 2021, at which point there may be a more clear community view as to what change, if any, they wish to see. And finally, given the timeframes within which a review must be conducted (one year), to consult on what is a potentially complex change at a relatively late stage within the review would not be advisable.

**Resource implications:** There are no financial or staff costs arising from this recommendation.

## Moreton on Lugg – Community Governance Review

### Phase 1 Consultation Response

From 1 February to the 6 April, Herefordshire Council conducted a parish wide consultation with the community of Moreton on Lugg in connection with their community governance review. The community were asked to provide their views on a perceived border anomaly where it was proposed that a small number of local properties may be better represented in the neighbouring parish of Wellington.

The consultation was made available on-line for anyone to respond to via the Herefordshire Council website. Hard copies were made available on request. The consultation was also promoted using social media, local newsletters and the parish council web-site.

#### **Consultation response:**

No responses to the consultation were received. While this does not indicate positive support for this proposal, it also indicates that there is not strong opposition to the proposals. It is important to note that the parish council has indicated its support for the perceived boundary anomaly to be addressed.

Parishioners in Moreton-on-Lugg should also note that the neighbouring parish of Wellington is supportive of the boundary anomaly being addressed. Wellington is also conducting a community governance review and has asked its local community to consider the same perceived boundary anomaly. Wellington received one response to its consultation indicating support for the proposal.

The effect of this change would mean that the area and houses marked 'A' on the map would transfer from Moreton-on-Lugg's parish governance over to Wellington parish governance arrangements.

National government guidance notes that 'A review of parish boundaries is an opportunity to put in place strong boundaries, tied to firm ground detail, and remove anomalous parish boundaries. Since the new boundaries are likely to be used to provide the building blocks for district ward, London borough ward, county division and parliamentary constituency boundaries in future reviews for such councils, it is important that principal councils seek to address parish boundary issues at regular intervals'.

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that the boundary anomaly affecting a small number of properties adjacent to the A49 near Marsh House farm and Westfields be reviewed and addressed. This will necessitate a minor ward boundary change between the Sutton Walls and Queenswood ward.

# Moreton on Lugg – Community Governance Review

## Phase 2 Consultation Response

From 11 May to 29 June, Herefordshire Council conducted a parish wide consultation with the community in the Moreton on Lugg parish on their community governance review proposals. This followed a first wave of consultation where the community were asked to provide their views on proposals to move a small number of local properties, currently located in Moreton on Lugg, to the neighbouring parish of Wellington.

Following the first phase of consultation consultees were supportive of this proposal and the following recommendation was made:

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that the boundary anomaly affecting a small number of properties adjacent to the A49 near Marsh House farm and Westfields be reviewed and addressed. This will necessitate a minor ward boundary change between the Sutton Walls and Queenswood ward.

Based upon the above recommendation, a phase 2 consultation was undertaken to test levels of community support or opposition for merging the group parish into a single parish. The consultation was open to anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also targeted and promoted using social media, local newsletters and the parish council web-site.

The metrics from the social media campaigns indicate that 9,054 people received details of the Moreton on Lugg community governance review consultations and fact sheets. This generated 159 'clicked links' through to the consultation pages.

In addition, fact sheets and maps were made available alongside the consultation so that those responding to the consultation could review further information on the changes being proposed. This included the existing boundary lines between the adjacent lying parishes/wards and the new boundary lines that would result from the community supporting such a change. In addition, the fact sheets provided local information on local population figures, projected growth, information on the local neighbourhood plan and consequential changes to local council tax for any homes directly affected by a possible ward boundary change.

### Consultation response:

No responses to the phase 2 consultation were received. While this does not indicate positive support for this proposal, it also indicates that there is not strong opposition to it. It is important to note that Moreton on Lugg parish council has indicated its support to address the perceived boundary anomaly.

However, the houses that are in scope of this review, Aylus Cottages, did respond directly to the Wellington community governance review noting their support for the proposed changes. In their response they noted that *'We live at Aylus Hill Cottages and feel more affinity to Wellington parish'*.

National government guidance notes that 'A review of parish boundaries is an opportunity to put in place strong boundaries, tied to firm ground detail, and remove anomalous parish boundaries. Since the new boundaries are likely to be used to provide the building blocks for district ward, London borough ward, county division and parliamentary constituency boundaries in future reviews for such councils, it is important that principal councils seek to address parish boundary issues at regular intervals'.

### Triangulation:

Parishioners in Moreton-on-Lugg should also note that the neighbouring parish of Wellington is supportive of the same boundary anomaly being addressed. Wellington is also conducting a community governance review and has asked its local community to consider the same perceived boundary anomaly. Wellington received two responses to their consultation both of which indicated support for the proposal.

**Recommendation:** *That the parish boundary in the Moreton on Lugg parish and the parish of Wellington be moved between Queenswood and Sutton Walls to enable two properties, namely Aylus Cottages, to move from the parish of Moreton on Lugg into the parish of Wellington and that this proposal does not require other changes to the existing governance arrangements for the parishes affected*

The effect of this change would mean that the area and houses marked 'A' on the map would transfer from Moreton-on-Lugg's parish governance over to Wellington parish governance arrangements. This will necessitate a minor ward boundary change between the Sutton Walls and Queenswood ward.

**Resource implications:** No financial implications, a small amount of staff time will be required to update the electoral register following the boundary realignment.

**Map of Moreton on Lugg and Wellington parish. Area marked 'A' currently in Moreton on Lugg Parish (Sutton Walls ward) is proposed to move into Wellington Parish (Queenswood ward).**



## Peterchurch Community Governance Review

### Phase 1 Consultation Response

From 13 February to the 6 April, Herefordshire Council conducted a parish wide consultation with the community of Peterchurch parish in connection with their community governance review. The community were asked to provide their views on increasing the number of parish council seats by one, raising the total number of parish councillors from 8 to 9 to accommodate current and future population growth. The initial stage of the review was to find out local views prior to a full consultation.

The consultation was made available for anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also promoted using social media, local newsletters and the parish council web-site.

#### **Consultation response:**

36 responses to the Peterchurch questionnaire were received. Of the responses received 30 supported the parish council's proposals to increase the number of parish council seats by one while 6 of the responses were not in favour of this change. This equates to 83.3% of respondents being in favour of an increase in parish councillors, with 16.6% not being in favour.

The principal evidence offered to support the proposed increase of parish council seats by one can be summarised as follows:

- *Several respondents expressed support for an extra parish councillor to help manage future population growth*
- *A number of views expressed a hope that this change would encourage people to stand who have new ideas and thinking for the parish to consider*
- *That there would be fairer voting within the council as there would be a more representative view of the community and that having an uneven number of councillors would make voting simpler*
- *That increasing the number of councillors will aid in debate, experience and knowledge of the council and make for a better decision making process and democratic accountability.*

The evidence offered in opposition to the proposed increase of parish council seats by one can be summarised with two principal contentions:

- *A concern that the parish council is not visible, consultative or active in the community – it was suggested that it would be difficult to justify increasing the number of seats as a result*
- *An observation that the parish council spend is quite high and a contention that increasing the number of councillors might push that spend up further.*

National government guidance notes that 'Council size is the term used to describe the number of councillors to be elected to the whole council. The 1972 Act, as amended, specifies that each parish council must have at least five councillors; there is no maximum number. There are no rules relating to the allocation of those councillors between parish wards but each parish ward, and each parish grouped under a common parish council, must have at least one parish councillor.

The Government's guidance also states that 'each area should be considered on its own merits, having regard to its population, geography and the pattern of communities' and therefore the Council is prepared to pay particular attention to existing levels of representation, the broad pattern of existing council sizes which have stood the test of time and the take-up of seats at elections in its consideration of this matter.

**Recommendation:** The balance of evidence indicates that there are sufficient grounds to progress to formally increasing the number of parish council seats by one, raising the total number of parish councillors from 8 to 9 to accommodate current and future population growth.

## **Peterchurch Community Governance Review**

### **Phase 2 Consultation Response**

From 11 May to 29 June, Herefordshire Council conducted a parish wide consultation with the community in Peterchurch on their community governance review proposals. This followed a first wave of consultation where the community were asked to provide their views as to whether Peterchurch Parish Council should increase the number of parish council seats by one, raising the total number of parish councillors from 8 to 9 to accommodate current and future population growth. Following the first phase of consultation consultees were supportive of this proposal by a margin of 83.3% of respondents being in favour of an increase in parish councillors, with 16.6% not being in favour. This was based on 36 responses received.

#### **Phase 2 Consultation.**

A second phase of consultation was undertaken to test levels of community support or opposition for increasing the number of parish council seats from 8 to 9. The consultation was open to anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request and circulated to local residents. The consultation was also targeted to local residents and promoted using social media, local newsletters and the parish council web-site.

The metrics from the social media campaigns indicate that 2,833 people received details of the Peterchurch community governance review consultations and fact sheets. This generated 169 'clicked links' through to the consultation pages.

#### **Consultation response:**

Fifteen responses to the Peterchurch phase 2 consultation questionnaire were received. Of the responses received 11 respondents were supportive of the parish council's proposals to increase the number of parish council seats by one while 4 of the responses were not in favour of this change. This equates to 73.3% of respondents being in favour of an increase in parish council seats, with 26.6% not being in favour.

The principal evidence consultees offered in support of the proposed change related to a belief that increasing the number of parish seats would encourage more people to engage with local decisions and that, as the population grows, there will be more parish councillors to deal with expected increasing demands placed on the community. Others noted the potential for a new seat to encourage candidates who would bring new focus and fresh ideas to the parish council. A sample of some of those responses are highlighted below.

- *This will engage more of the parish in community representation*

*(Individual from Peterchurch Community)*

- *More councillors spreads out the jobs*

*(Individual from Peterchurch Community)*

- *It will help with the important issues in the community*

*(Individual from Peterchurch Community)*



- Will give extra input and new focus

*(Individual from Peterchurch Community)*

Of the four responses in opposition to the proposed increase in council seats only two responses contextualised their position. There were two principal contentions noted. The first related to a concern that the parish council was not responsive to community needs. A second contention was that there was already an adequate number of parish councillors to deal with parish business.

- The parish council as it is don't seem to listen to the community as it is

*(Individual from Peterchurch Community)*

- Too many already

*(Individual from Peterchurch Community)*

### Triangulation with other sources of advice.

National government guidance notes that 'Council size is the term used to describe the number of councillors to be elected to the whole council. The 1972 Act, as amended, specifies that each parish council must have at least five councillors; there is no maximum number. There are no rules relating to the allocation of those councillors between parish wards but each parish ward, and each parish grouped under a common parish council, must have at least one parish councillor.

The Government's guidance also states that 'each area should be considered on its own merits, having regard to its population, geography and the pattern of communities' and therefore the Council is prepared to pay particular attention to existing levels of representation, the broad pattern of existing council sizes which have stood the test of time and the take-up of seats at elections in its consideration of this matter.

Parishes wishing to increase numbers must give strong reasons for doing so. The number of parish/town councillors for each council must be not less than five but can be greater. However, each parish grouped under a common parish council must have at least one parish councillor. The Aston Business School found the following levels of representation to the good running of a council:

Electors	Councillors
Less than 500	5-8
501-2,500	6-12
2,501-10,000	9-16
10,001-20,000	13-27
More than 20,000	13-31

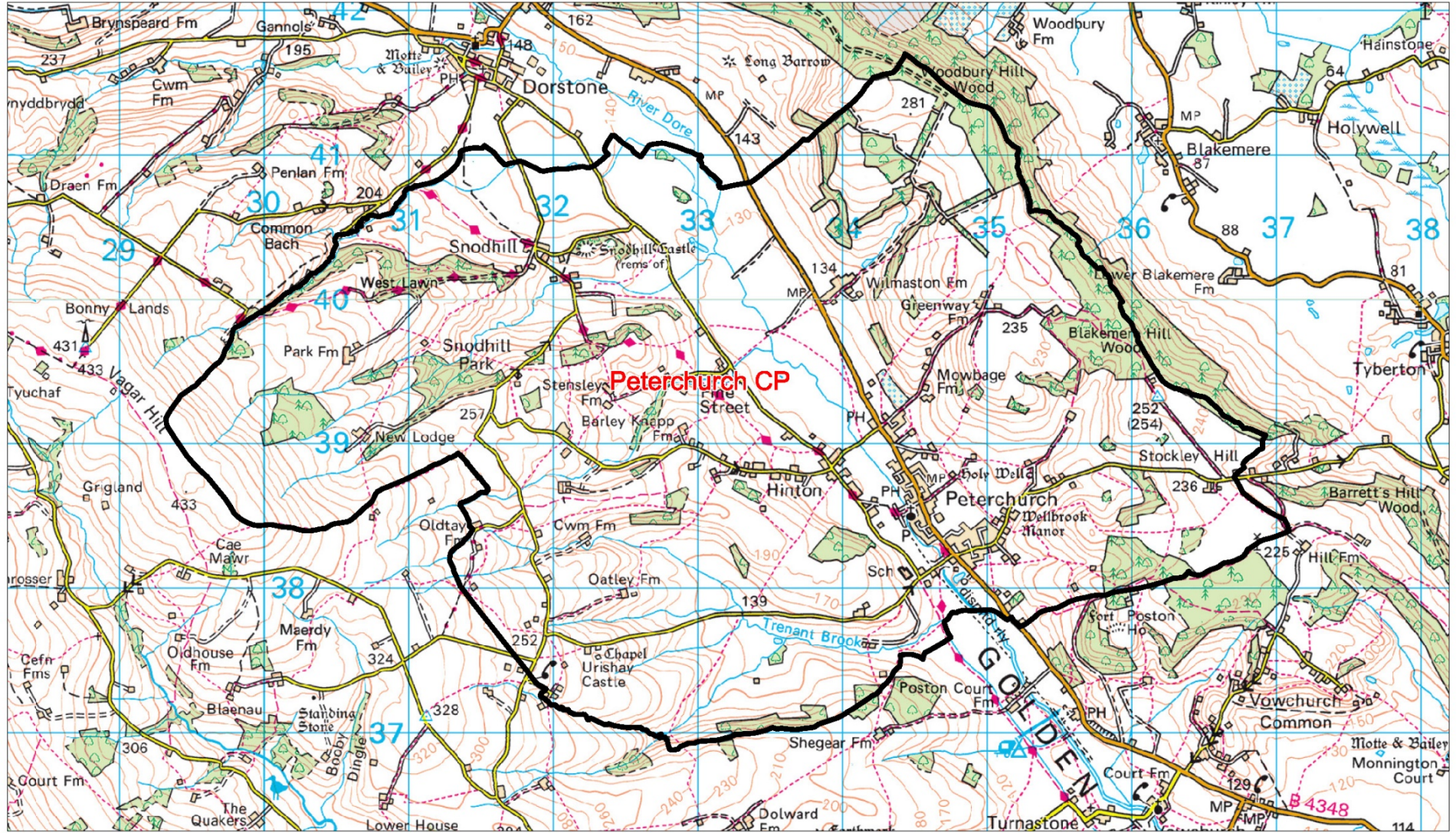
The population of Peterchurch<sup>1</sup> is currently 1,112. On this basis increasing the number of seats from 8 to 9 means that the parish council remains within expected representation levels.

**Recommendation:** *The number of seats on Peterchurch parish council be increased from 8 to 9 to accommodate current and future population growth, and that the electoral arrangements will remain unchanged in all other respects*

**Resource implications:** There may be a small elevation in the costs of local elections in the parish of Peterchurch as a result of increasing the number of parish seats from 8 to 9. Parish elections take place every four years, the costs of which are re-charged back to Herefordshire Council by the parishes. A small amount of staff time will be required to update the electoral register to record this change.

<sup>1</sup> Source: ONS © Crown copyright 2017

Peterchurch parish map.



130



**PLAN - PETERCHURCH PARISH**  
**SCALE 1:25000**



© Crown copyright and database rights (2018) Ordnance Survey (100024168)

Only an official copy of a title plan or register obtained from the Land Registry may be used for legal or other official purposes. This material was last updated on 01/05/2019 and may not be copied, distributed, sold or published without the formal permission of Land Registry. © Crown copyright material is reproduced with the permission of Land Registry under delegated authority from the Controller of HMSO.

Herefordshire Council, Asset Management, PO Box 4, Hereford HR4 0XH [propertyinformation@herefordshire.gov.uk](mailto:propertyinformation@herefordshire.gov.uk)



Parish Boundary

## Wellington – Community Governance Review

### Phase 1 Consultation Response

From 13 February to the 6 April, Herefordshire Council conducted a parish wide consultation with the community of Wellington in connection with their community governance review. The community were asked to provide their views on whether the parish boundary be amended. This would involve two properties which were currently in Moreton parish moving to Wellington parish and properties to the northern boundary adjacent to the railway currently in Wellington moving to Hope under Dinmore Parish.

The consultation was made available on-line for anybody to respond to via Herefordshire Council website. Hard copies were made available on request. The consultation was also promoted using social media, local newsletters and the parish council web-site.

#### **Consultation response:**

One response to the consultation was received which was supportive of the proposals. The principal evidence offered in support noted that both the geographic proximity and community connections of the houses in question were better served by the boundary changes being proposed.

Parishioners in Wellington should also note that the neighbouring parish of Moreton-on-Lugg is supportive of the boundary anomaly at the southern edge of Wellington Parish and the north western edge of the Moreton-on-Lugg being addressed.

The effect of this change would mean that the area and houses marked in blue on the map would transfer from Moreton-on-Lugg's parish governance over to Wellington parish governance arrangements. This will necessitate a minor ward boundary change between the Sutton Walls and Queenswood ward. For the properties located to the northern boundary adjacent to the railway to Hope-under-Dinmore, this will necessitate a parish boundary change.

National government guidance notes that 'A review of parish boundaries is an opportunity to put in place strong boundaries, tied to firm ground detail, and remove anomalous parish boundaries. Since the new boundaries are likely to be used to provide the building blocks for district ward, London borough ward, county division and parliamentary constituency boundaries in future reviews for such councils, it is important that principal councils seek to address parish boundary issues at regular intervals'.

**Recommendation 1:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that the ward boundary anomaly affecting a small number of properties adjacent to the A49 near Marsh House Farm and Westfields be reviewed and addressed.

**Recommendation 2:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that the parish boundary anomaly affecting a small number of properties adjacent to Burghope wood and Queenswood Country Park be reviewed and addressed.

## Wellington – Community Governance Review

### Phase 2 Consultation Response

From 11 May to 29 June, Herefordshire Council conducted a parish wide consultation with the community in the parish of Wellington on their community governance review proposals. This followed a first wave of consultation where the community were asked to provide their views on proposals to move two local properties, currently located in Moreton on Lugg, to the parish of Wellington. In addition, moving three properties located on the northern boundary of Wellington parish in to Hope under Dinmore Parish.

Following the first phase of consultation consultees were supportive of this proposal and the following recommendations were made:

**Recommendation 1:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that the ward boundary anomaly affecting a small number of properties adjacent to the A49 near Marsh House Farm and Westfields be reviewed and addressed.

**Recommendation 2:** The balance of evidence indicates that there are sufficient grounds to progress to formally proposing that the parish boundary anomaly affecting a small number of properties adjacent to Burghope Wood and Queenswood Country Park be reviewed and addressed.

Based upon the above recommendations, a phase 2 consultation was undertaken to test levels of community support or opposition for making the proposed changes to the boundary anomalies identified. The consultation was open to anyone to respond to on-line via Herefordshire Council website. Hard copies were made available on request. The consultation was also targeted and promoted using social media, local newsletters and the parish council web-site. The additional step was taken to hand deliver letters outlining the proposed changes to the households identified as being in scope of this review.

The metrics from the social media campaigns indicate that 4,666 people received details of the Wellington community governance review consultations and fact sheets. This generated 205 'clicked links' through to the consultation pages.

Fact sheets and maps were made available alongside the consultation so that those responding to the consultation could review further information on the changes being proposed. This included the existing boundary lines between the adjacent lying parishes/wards and the new boundary lines that would result from the community supporting such a change. In addition, the fact sheets provided local information on local population figures, projected growth, information on the local neighbourhood plan and consequential changes to local council tax for any homes directly affected by a possible ward boundary change.

#### **Consultation response:**

Three responses to the phase 2 consultation were received all of which were supportive of the proposed boundary changes. The principal evidence offered in support noted that geographic proximity and community connections were better served by the boundary changes proposed. No direct responses were received from the three properties located on the northern boundary of Wellington parish, proposed to be located in Hope-under-Dinmore parish. One response was received from the two properties directly affected by the proposed ward boundary change, Aylus Cottages, currently located in the Moreton on Lugg parish. A summary of the responses is set out below.

- *The outlying cottages cannot feel well connected to the community in Wellington*

***(Individual from Wellington Community)***

- *We live at Aylus Hill Cottages and feel more affinity to Wellington parish*

***(Individual from Moreton on Lugg Community)***

Parishioners in Wellington should also note that the parish council in Moreton-on-Lugg is supportive of making changes to the boundary anomaly at the southern edge of Wellington Parish and the north western edge of the Moreton-on-Lugg.

### **Triangulation:**

While no direct responses to the consultation were received from the properties in scope of the boundary change in the north of Wellington, Herefordshire Council did directly approach Hope under Dinmore parish councillors to test their opinion on the proposed boundary change. The parish councillors were supportive of the changes going ahead. In addition, useful local insights were offered on the local connections the three houses in question share with Hope under Dinmore. The houses are serviced by a single access road that passes through the village of Hope under Dinmore, not Wellington. The residents are more likely to feel a greater connection to and rely on local services within Hope under Dinmore.

National government guidance notes that '*A review of parish boundaries is an opportunity to put in place strong boundaries, tied to firm ground detail, and remove anomalous parish boundaries. Since the new boundaries are likely to be used to provide the building blocks for district ward, London borough ward, county division and parliamentary constituency boundaries in future reviews for such councils, it is important that principal councils seek to address parish boundary issues at regular intervals*'. *In rural areas, the Government wants to encourage the involvement of local people in developing their community and having a part to play in shaping the decisions that affect them.*

**Recommendation 1:** *That the parish boundary in the Moreton on Lugg parish and the parish of Wellington be moved between Queenswood and Sutton Walls (Marked A on the map below) to enable two properties, namely Aylus Cottages, to move from the parish of Moreton on Lugg into the parish of Wellington and that this proposal does not require other changes to the existing governance arrangements for the parishes affected;*

**Recommendation 2:** *The parish boundary between Wellington and Hope Under Dinmore is adjusted to enable three properties, namely the Old Fruit Farm, Bathfield and Queens Wood House to move from their current parish, Wellington, into the parish of Hope Under Dinmore; and that this proposal does not require other changes to the existing governance arrangements for the parishes affected. (Marked 'B' on the map below).*

The effect of this change would mean that the area and houses marked 'A' on the map would transfer from Moreton-on-Lugg's parish governance over to Wellington parish governance arrangements. This will necessitate a minor ward boundary change between the Sutton Walls and Queenswood ward. For the properties located to the northern boundary adjacent to the railway to Hope-under-Dinmore, marked 'B' on the map. This will necessitate a parish boundary change. With the houses noted in recommendation 2 moving into the parish of Hope-under-Dinmore from Wellington.

**Resource implications:** No financial implications, a small amount of staff time will be required to update the electoral register following the boundary realignment.

**Map of Hope under Dinmore, Wellington and Moreton on Lugg.** Area marked 'A' is proposed to move from Moreton on Lugg parish into Wellington parish. Area marked 'B' is proposed to move from Wellington parish into Hope under Dinmore parish.





<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Energy from waste loan update</b>
<b>Report by:</b>	<b>Chief finance officer</b>

## Classification

Open

## Decision type

This is not an executive decision

## Wards affected

(All Wards);

## Purpose and summary

To provide assurance to the audit and governance committee on the current status of the energy from waste loan arrangement to enable the committee to fulfil its delegated functions.

The current status of the loan arrangement is considered satisfactory.

## Recommendation(s)

That:

- (a) **the risks to the council, as lender, are confirmed as being reasonable and appropriate having regard to the risks typically assumed by long term senior funders to waste projects in the United Kingdom and best banking practice; and**
- (b) **arrangements for the administration of the loan are reviewed and, having regard to the advice of external advisors, confirmed as satisfactory.**

## Alternative options

1. None, the loan arrangement was contractually agreed in May 2014, no breaches or areas of concern have taken place during this reporting period.

## Key considerations

2. This report ensures the committee fulfils the functions delegated to it in relation to the governance of the waste loan arrangement; specifically to review the risks to the council as lender and to monitor administration of the loan.
3. Since the last report to the committee in July 2017 the loan arrangement has entered its repayment phase.
4. Repayments have been received as expected. No decisions or courses of action have been identified for recommendation to the committee.

### Key loan features and update

5. Herefordshire and Worcestershire councils have provided a loan facility of £163.5m in total, with Herefordshire providing 24.2% of the loan value, £40m.
6. Total loan interest and fees charged to Mercia are fixed and are representative of commercial bank charges. These total £69m, £17m for Herefordshire.
7. During the reporting period loan repayments of £4.9m have been received, representing £1.8m in principal and £3.1m in interest.

### Technical advisor update

8. Fichtner Consulting Engineers were appointed as technical advisor to the lender during the construction phase of the Energy from Waste (EfW) plant. The Lenders Technical Advisor agreed that the EfW Plant achieved Actual Takeover on 2 March 2017 by Mercia Waste from their EPC Contractor, HZI. The council as a lender was informed by Mercia Waste that the EfW Plant achieved Completion on 2 August 2017, following testing.
9. Going forward an annual report will be presented to the committee unless, in the intervening period, a decision or course of action is required.

## Community impact

10. In accordance with the adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective financial management, risk management and internal control are important components of this performance management system. The committee's assurance that any risks associated with the loan arrangement have sufficient mitigation actions applied supports adherence to the code.
11. The loan arrangement will contribute to the following council corporate plan priority to secure better services, quality of life and value for money. Specifically the loan arrangement supports the continued viability and affordability of the contracted waste disposal arrangement.

## Equality duty

---

Further information on the subject of this report is available from  
Josie Rushgrove, Tel: 01432 261867, email: jrushgrove@herefordshire.gov.uk



12. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
13. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

## **Resource implications**

14. There are no financial implications arising from the recommendations.
15. The loan arrangement is being repaid as expected, the implications of the agreed loan arrangement are reflected in the council's medium term financial strategy and treasury management strategy as agreed by Council in January 2018.

## **Legal implications**

16. The terms and arrangements for this loan agreement are set out in the senior term loan facilities agreement. There are no specific legal implications arising from this report.
17. The function of the committee is set out in the constitution under 3.5.13. This report relates to functions (a) to review risks as lender and (b) to monitor the administration of the loan.

## **Risk management**

18. Now that takeover is complete and the loan arrangement has entered its repayment phase all but two of the identified risks have expired. The two remaining open risks have been substantially mitigated and are assessed Green as shown on the risk register attached at appendix A.
19. The risk register is shared with Worcestershire County Council and is therefore in a jointly agreed format.

## **Consultees**

20. None.

## **Appendices**

Appendix A - Risk register

## **Background papers**

None identified

**Energy from Waste Loan Risk Register**

Risk Reference	Description of risk	Gross Impact	Gross Likelihood	Gross Risk Score	Risk control approach	Mitigating Actions	Residual Impact	Residual Likelihood	Residual Risk Score	Assigned to (Risk Owners)
a	Default of loan repayments by borrower to lenders due to SPV (Mercia) or HZI falling into administration.	Critical	Medium	15	Risk transferred	Due to the security package negotiated by the Councils a fall away analysis indicated that Mercia, its Shareholders and HZI would need to enter administration at the same time to put at repayment at risk during the construction phase. The maximum exposure to the Councils has been calculated and included within the sufficiency assessment of the Council's reserves. All press articles are scanned regularly for indications of financial strength issues and followed up to ensure counterparty risk is not increased.	Substantial	Very Low	6	The risk owners are the Section 151 Officers of each Council supported by Ashurst as advisors in case of contract default and Deloitte to monitor Mercia's actual quarterly cash flow tests and cover ratios that have to be maintained by Mercia.
f	Mercia loan principal and / or interest repayments are below the required values as per the rates agreed in the STFLA .	Substantial	Very Low	6	Risk treated	The Council's treasury team maintain a spreadsheet detailing drawdowns to date and expected future principal and interest payments. This is reconciled to Mercia's repayment spreadsheet and will be matched to principal and interest repayments received from Mercia during the post construction period.	Substantial	Almost Impossible	5	The risk owners are the Section 151 Officers supported by Treasury and Financing Teams.

**Key**

High 19 – 29	Unacceptable Risk: Immediate control/improvement required
Medium 8 – 18	Acceptable Risk: Close monitoring and cost effective control improvements sought.
Low 1 – 7	Acceptable Risk: Need periodic review, low cost control improvements sought if possible.

**Scoring Matrix**

		Likelihood			
		9	19	21	24
Very High		8	12	20	23
Medium		4	11	15	22
Low		3	10	14	18
Very Low		2	6	13	17
Almost Impossible		1	5	7	16
		Negligible	Substantial	Critical	Extreme
		Impact			





<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Governance arrangements for Hoople</b>
<b>Report by:</b>	<b>Solicitor to the Council</b>

## Classification

Open

## Decision type

This is not an executive decision

## Wards affected

(All Wards);

## Purpose and summary

To outline to the committee the governance arrangements for Hoople to enable the committee to provide independent assurance on the adequacy of the risk management framework, including the internal control of the financial reporting and annual governance processes.

This report provides information to support the Committee in discharging this responsibility.

Hoople is a shared services company, owned by the council and Wye Valley Trust. The company provides back office professional support services to its owners.

## Recommendation(s)

**That:**

- (a) the adequacy of the risk management framework be confirmed.

## Alternative options

1. There are no alternative options being considered as this is a factual report provided for information to enable the committee to provide assurance on the robustness of the governance arrangements in place.

## Key considerations

2. Hoople was set up by the council as a joint venture company on 8 March 2011 with Wye Valley NHS Trust and the then Primary Care Trust NHS Herefordshire (NHSH) to provide “back office” shared support services initially across the three public sector bodies. The detailed business case and arrangements for the shared services company are further described in the Cabinet report of 21 October 2010 and Cabinet member report of 30 March 2011. Following the national NHS reorganisation, the remaining shareholders are the council and Wye Valley Trust with the council holding the majority of the shares.
3. Although the council contract with Hoople is not exclusive, the partnership aims for the company assume that Hoople would be the shareholders’ provider of choice for back office services in relation to human resources, training, finance, revenues and benefits and ICT services.
4. The company is a shared services company within the meaning of Regulation 12 of the Public Contracts Regulations 2015. Provided that the criteria in the Regulations are met, it is lawful for the public sector bodies which own the company to award service contracts to the company without any prior competition. This arrangement is sometimes referred to as a “Teckal company” which is a reference to an EU case which established the legal principles which now underpin Regulation 12. Essentially the three criteria which must be established and maintained throughout the life of the Teckal company, in order to retain the benefit of this exemption from tendering, can be summarised as:
  - (a) The shareholders exert decisive influence and a similar degree of control over the company as they do over their in-house functions;
  - (b) At least 80% of the company’s activities are derived from performing tasks for the shareholders; and
  - (c) There is no private shareholding exercising decisive influence over the company (ie the shareholders are all public bodies).

Hoople’s ongoing compliance with the above criteria is regularly reviewed, including by council managers, the Hoople Board, and the council’s external auditors, who are all satisfied that the current arrangements remain compliant.
5. The legal agreements which brought Hoople into effect include a shared services agreement which describes the role of the shareholders in setting up and managing the company on terms comparable to one of their own in-house functions. The company’s Articles of Association constrain the Board of Directors and any officers of the company to act subject to the terms of a Scheme of Reservation and Delegation put in place by the shareholders. This scheme effectively reserves to the shareholders rights to make decisions on fundamental questions of the company’s strategic direction, ownership and level of indebtedness.
6. The council has two legal mechanisms by which to exert control and receive assurance: (1) the shareholding and representation on the Board of Directors and (2) the annual service level agreement (“SLA”) negotiated between the council and Hoople. Thus, as with any shared services company, the council is both an owner and a commissioner.

## **Hoople Company Governance**

7. A review of the company governance arrangements was undertaken jointly with Wye Valley NHS Trust in 2014/15. The decision of the cabinet member corporate services dated 19 March 2015, established the current company board arrangements to ensure that company strategy is clearly linked to shareholder priorities.
8. The council's Board appointees are at the time of writing, the director of economy, communities and corporate and the cabinet member, contracts and assets. Wye Valley Trust is also entitled to appoint one Director to the Board. The council's interests at shareholder level are represented by the council's Chief Executive. The council's commissioner representative is an Assistant Director. New appointments are in the process of being made to reflect changes in Council structure.
9. Hoople is managed by a Chief Operating Officer who also has direct responsibility for ICT and a management team comprising employees from both Hoople and the Council to ensure close alignment with shareholder priorities.
10. The company has in place a Scheme of Delegation which is reviewed every 6 months to ensure it remains fit for purpose, striking the appropriate balance between the requirement for control and assurance and the need to ensure operational flexibility.
11. Hoople has adopted financial procedure rules and contract procedure rules which are aligned to and consistent with the council's own rules and are reviewed annually.
12. Hoople is managed through the Board of Directors which has delegated a range of operational matters to the Chief Operating Officer as set out in the terms of that appointment. The meetings and conduct of the Board of Directors are regulated by the company's Articles and by company law, including the Companies Act 2006. The company's accounts are prepared and audited in accordance with Companies Act requirements and are treated as part of the council's group accounts. The company is fully subject to the Freedom of Information Act 2000. Board papers have not been routinely published to date but this is currently being reviewed.
13. Hoople operates its own risk register, highlighting risks related to the operation of the business and automatically picking up risks which could impact on the company's ability to deliver its obligations to shareholders under the SLAs. The escalation of risks is done at Board meetings. During the annual cycle of the SLA, the council's commissioner is responsible for ensuring that council risks are raised with Hoople. In turn the Board of Hoople are responsible for raising risks with the council's commissioner as they might arise.

## **Service Level Agreement with Hoople for services provided to Herefordshire Council**

14. The provision of services to the Council is controlled through a Service Level Agreement which is prepared and confirmed annually. The SLA for 2018/19 has been the subject of a review over the first quarter to ensure it closely aligns with Council requirements. It is scheduled to be approved by Cabinet Member decision in September and that decision report sets out the scope and terms of the SLA. The SLA document itself is an appendix to the Cabinet Member decision report.
15. The budget for 2018/19 has been confirmed as £5.184m, as explained below in the Resources section. The services are provided at cost with no profit element. The

services are defined in detail in the SLA but can be summarised as: human resources, training, education and reablement, finance, revenues and benefits and ICT.

16. The performance management arrangements are set out in the SLA in some detail and include the appointment of lead commissioners for council services, quarterly contract review meetings, defined service levels and roles and responsibilities and defined key performance indicators. As well as setting out partnership governance principles to encourage joint working, shared goals and early warning behaviours, the SLA includes, as more formal mechanisms, Corrective Action Plans and Dispute Resolution Procedures.
17. Additionally, the council has adopted a framework for partnerships' governance setting out how we promote high governance standards in the partnerships we enter into and how we monitor the effectiveness of partnership governance arrangements. As a strategic partnership the governance arrangements with Hoople are subject to periodic review and actions are agreed to mitigate any risks identified during the review.
18. The annual governance statement action plan agreed by Audit and Governance Committee in July 2018 includes actions to secure improvement in two areas of the arrangements with Hoople: greater clarity regarding the scheme of delegation between the Council and Hoople; and improvements to the visibility of Hoople Board decision-making.

## **Community impact**

19. In accordance with the adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective financial management, risk management and internal control are important components of this performance management system. This report provides Audit and Governance Committee with the information needed to enable it to provide independent assurance of the effectiveness of the arrangements in place.

## **Equality duty**

20. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic

This report does not raise any significant implications in respect of the council's duties under the Equality Act 2010.
21. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate



that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty. The council work closely with Hoople to ensure that all the services they provide not only comply with Equality legislation, but that they are proactive in their commitment to the Equality agenda and support the council in discharging its duty

## **Resource implications**

22. There are no resource implications associated with the recommendation.
23. The Hoople SLA for 2018/19 has been approved by each of the lead commissioners of the services provided by Hoople to the council.
24. In line with the council's requirement for efficiency savings the cost of the Hoople SLA for 2018/19 has been set at £5.184m compared to the total value of the SLA for 2017/18 of £5.545m. This represents a reduction in cost of 6.5%. Services are provided to the council by Hoople at cost with no profit element. The currently expected cost of the revised SLA is entirely contained within existing support services budgets.
25. The payments to Hoople are based on an equal profile through the year with payments of £1.296m each quarter.

## **Legal implications**

26. There are no legal implications associated with the recommendation.
27. The legal basis on which Hoople operates is explained in the key considerations section of this report.

## Risk management

28. The risk management arrangements established for Hoople are explained in the key considerations section of this report. Below are the key risks, reported with the recommendation to approve the annual SLA, and their mitigation:

Risk	Response
The cost of provision of the service may be higher than anticipated	The council will work with Hoople to stay within the agreed budget while minimising the impact of any increase in costs, looking to improve efficiency across the services or identify service reductions to minimise overall impact; the council may decide to increase its budget for Hoople services
Performance may not meet the SLA	Hoople Ltd has Teckal exemption and Herefordshire Council exercises effective control over Hoople.  Service leads address poor performance identified by the KPIs reported quarterly.  Poor performance is reported to, and resolution is monitored by, the Chief Operating Officer of Hoople Ltd and Assistant Director for Communities of Herefordshire Council.  Continuous poor performance will be reported to the Hoople Board, where resolution will be agreed.
The council does not agree the SLA budget	Payments to Hoople will be delayed until the SLA is agreed. An interim payment for the first quarter of FY 18/19 was agreed on 12 <sup>th</sup> June 2018 and this approach could be repeated.

## Consultees

29. None.

## Appendices

None.

## Background papers

None identified.



<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Work programme for 2018/19</b>
<b>Report by:</b>	<b>Democratic services officer</b>

## Classification

Open

## Key decision

This is not an executive decision.

## Wards affected

Countywide

## Purpose

To provide an update on the Committee's work programme for 2018/19.

## Recommendation(s)

**THAT:**

**Subject to any updates made by the committee, the work programme for 2018/19 for the audit and governance committee be agreed.**

## Alternative options

- 1 There are no alternative options as regards whether or not to have a work programme as the committee will require such a programme.

## Reasons for recommendations

- 2 The work programme is recommended as the committee is required to define and make known its work. This will ensure that matters pertaining to audit and governance are tracked and progressed in order to provide sound governance for the council.
- 3 The committee is asked to consider any further adjustments.

---

Further information on the subject of this report is available from  
Caroline Marshall, democratic services officer on Tel (01432) 260249

## **Key Considerations**

- 4 The routine business of the committee has been reflected as far as is known, including the regular reporting from both internal and external auditors.

## **Community impact**

- 5 A clear and transparent work programme provides a visible demonstration of how the committee is fulfilling its role as set out in the council's constitution.

## **Equality duty**

- 6 This report does not impact on this area.

## **Financial implications**

- 7 There are no financial implications.

## **Legal implications**

- 8 The work programme reflects any statutory or constitutional requirements.

## **Risk management**

- 9 The programme can be adjusted in year to respond as necessary to risks as they are identified; the committee also provides assurances that risk management processes are robust and effective.

## **Consultees**

- 10 The chief finance officer and monitoring officer have contributed to the work programme

## **Appendices**

Appendix 1 – audit and governance work programme 2018-19

## **Background papers**

- None identified.

**Audit and Governance Work Programme  
2018/19**

Function area	Report	Purpose
<b>November 2018</b>		
Internal audit	Progress report on 2017/18 internal audit plan	To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed.
Governance (Annual)	Code of Conduct complaints Annual Report	To receive the code of conduct complaints annual report for 2017/18 and the year 2018/19 to 30 September 2018
Governance	Contract procedure rules and finance procedure rules <i>(deferred from September meeting at request of report writer in August 2018)</i>	To approve any amendments to the contract procedures and finance procedure rules
Governance (annual)	Information governance review	To review the council's information governance requirements to include all complaints (inc. children's social care), information requests, breaches of Data Protection Act, corporate governance and Regulation of Investigatory Act.
Governance (as and when there are working groups)	Working group update	To provide an update
Governance (every meeting)	Work programme	To note the current work programme of the committee
<b>January 2019</b>		
Governance (Annual)	Annual governance statement progress	<ul style="list-style-type: none"> <li>Review of the effectiveness of the council's governance process and system of internal control.</li> <li>Update on the progress of the annual governance statement</li> </ul>
External audit	Annual Certification Letter	Report on the grant claims completed in 2017/18 plus an update on fees.
External audit (Annual)	External auditors annual plan	Review and agree the external auditors annual plan, including the annual audit fee and annual letter.
Governance (Annual)	Contract procedure rules, finance procedure rules and the anti-fraud and corruption strategy	Review of procedure rules/strategy and approve any amendments to the rules.
Internal audit (Bi-annual)	Internal tracking of audit recommendations	Monitor implementation of action plans agreed in response to recommendations made by internal audit
Governance	Working group update	To provide an update.

**Audit and Governance Work Programme  
2018/19**

Function area	Report	Purpose
(as and when there are working groups) Governance (Quarterly)	Corporate risk register	To consider the quarterly status of the council's corporate risk register in order to monitor the effectiveness of the performance, risk and opportunity management framework (Q2).
Governance (every meeting)	Work programme	To note the current work programme of the committee
<b>March 2019</b>		
External audit	External audit progress update	Update on progress to date in order to comment on the scope and depth of external audit work and ensure that it gives value for money and includes interim audit findings and the informing the risk assessment document.
Governance (Quarterly)	Corporate risk register	To consider the quarterly status of the council's corporate risk register in order to monitor the effectiveness of the performance, risk and opportunity management framework (Q3).
Internal audit (Annual)	Internal audit plan for 2019/20	To consider the internal audit plan for 2019/20.
Internal audit	Progress report on 2018/19 internal audit plan	To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed.
Internal audit (annual)	Internal audit charter	<b>To approve the internal audit charter</b>
Governance (as and when there are working groups)	Working Group Update	To note progress of the working group
Governance (Annual)	Future work programme for 2019/20	To note the work programme for 2019/20.



<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Wednesday 19 September 2018</b>
<b>Title of report:</b>	<b>Independent Person for Standards</b>
<b>Report by:</b>	<b>Solicitor to the council</b>

## Classification

Open – Report and Appendix 1

Appendices 2 to 5 are exempt by virtue of the paragraph(s) of the Access to Information Procedure Rules set out in the constitution pursuant to Schedule 12A of the Local Government Act 1972, as amended.

1 Information related to any individual

And the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

## Decision type

This is not an executive decision

## Wards affected

(All Wards);

## Purpose and summary

To inform Council of the progress in the recruitment of independent persons and to recommend a way forward.

## Recommendation(s)

**That:**

- (a) the committee consider the recommendation of the panel and determine whether to recommend any appointees to Council;**

- (b) **subject to receipt of any applications from members of the Worcestershire pool of independent persons, it be recommended to Council that Herefordshire Council join the Worcestershire pool; and**
- (c) **it be recommended to Council that authority be delegated to the monitoring officer to formalise appointment of any members of the Worcestershire pool of Independent Persons that apply to Herefordshire Council.**

## **Alternative options**

1. Do nothing: this is not recommended as Herefordshire currently only has one independent person. In order to avoid any potential conflicts of interest in dealing with complaints, allow flexibility during periods of holiday and sickness, to ensure good governance of the standards process and to provide the existing independent person with sufficient regular support, advice to members subject to complaints, and as a member of the standards panel, it is recommended that more independent persons are appointed.
2. Recommend appointment of the applicants interviewed by the panel: The panel were minded not to recommend appointment because of concerns that the potential appointees were all from a judicial background.
3. Join the Worcestershire pool (see details below). This is not recommended at this stage because no applications have been received from their independent persons.

## **Key considerations**

4. Under Section 28 (7) of the Localism Act 2011 (“the Act”) the council must appoint at least one independent person as part of the arrangements under which allegations about a failure to comply with the code of conduct can be investigated and decisions on allegations made. The role of independent persons is explained in the information pack for applicants at appendix 1.
5. A person may not be recommended for appointment under the Act unless (i) the vacancy has been advertised in such manner as the authority considers is likely to bring it to the attention of the public and (ii) the person has submitted an application to fill the vacancy.
6. Council delegated these two recruitment stages to the monitoring officer on 25 May 2012.
7. Whilst the council currently has one independent person, but has approved the principle that up to three independent persons be appointed.
8. A recruitment campaign commenced at the beginning of 2018 with the details being provided on the council and Hoople’s website. In addition, the advert was placed with several nationwide job boards, which included CV Library, Indeed and Universal Job Match. Social media platforms including LinkedIn, Twitter and Facebook were also utilised to communicate the post. This meant that users subscribing to these services would have been directly notified of this position when the advert was placed. This is the process that had been used previously and reflects the council’s digital approach to bringing matters to the attention of the public. Three applications were received.
9. On 31 July and 6 August 2018 three interviews were undertaken by a panel consisting of the monitoring officer and two members of the audit and governance committee.



10. The panel felt unable to make recommendations on the appointments due to the fact that the recruitment programme had only attracted interest from a selection of judicial office holders and not achieve any interest from the wider public.
11. A wider recruitment exercise can take place with more traditional advertising in the local newspapers..
12. A number of public authorities in Worcestershire (Worcestershire County Council, Malvern Hills District Council, Worcester City Council, Wychavon District Council, Wyre Forest District Council and the Hereford and Worcester Fire and Rescue Authority) have combined forces to create a joint pool of independent persons. Individuals may be used from this pool by any of the participating authorities as appropriate for particular cases. During 2012 Worcestershire County Council's Head of Legal and Democratic Services and the Monitoring Officer for Wyre Forest District Council undertook the process of recruiting the statutory Independent Persons on behalf of the six participating authorities.
13. Some exploration has been undertaken about the potential for Herefordshire to join this arrangement but in order to do so the independent persons who form part of the joint working arrangement must confirm their wish to apply to be an independent person for Herefordshire as well as the existing pool member authorities; having done so there would be no further interview requirement as that process has already been undertaken. The pool members have been asked if they wish to submit an application to fill the vacancy and their responses are awaited.
14. Subject to receiving one or more applications from existing pool members it is recommended that Herefordshire Council join the Worcestershire pool of Independent Persons. Doing so would attract a small annual fee but would provide resilience to the overall standards system in the county and would not preclude appointment of our own Independent Persons.

## **Community impact**

15. In accordance with the code of corporate governance Herefordshire Council is committed to behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions across all our activities and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of law.
16. Ensuring that there are sufficient numbers of Independent Persons to facilitate and effective and robust standards process, and that the appointment of those Independent Persons has been carried out in an objective, transparent and lawful way assists us in upholding the principles of the code of corporate governance and the council's values.

## **Equality duty**

17. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:  
  
A public authority must, in the exercise of its functions, have due regard to the need to -  
  
(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- 18. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 19. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. The council's recruitment process ensure compliance with equality legislation.

## **Resource implications**

- 20. The cost of advertising the post in the Hereford Times is anticipated to cost £200 and the fee to join the pool is approximately £250. Both of these costs will come from existing budgets within Democratic Services.

## **Legal implications**

- 21. The legal implications are set out in the key considerations section above.

## **Risk management**

- 22. There is a reputational risk to the council if it is unable to manage effectively its standards complaints process. There is also a risk to councillors in Herefordshire if there are no independent mechanisms in place to support them in their responsibilities towards good governance and adhering to the members' code of conduct.

## **Consultees**

- 1. The interview panel for the recruitment of independent persons, and their papers are appended at exempt appendices 2 to 5.

## **Appendices**

Appendix 1 – Information pack for recruitment of independent persons

Appendix 2 – Summary of scoring for each candidate

Appendix 3 – Application form for candidate 1

Appendix 4 – Application form for candidate 2

Appendix 5 – Application form for candidate 3

## **Background papers**

None

# **Appointment of Independent Persons**

## **Information for Applicants**

# Contents

1. Introduction
2. Background information
3. Additional information
4. Role description
5. Disqualifications
6. Removal as independent person

## 1. Introduction

This booklet provides information on the role of the independent person. It should give the information you need to help you decide whether to apply to be an independent person in connection with standards issues. If you need any further information, please contact: Caroline Marshall on 01432 260249 or email [caroline.marshall3@herefordshire.gov.uk](mailto:caroline.marshall3@herefordshire.gov.uk).

## 2. Background Information

### Independent persons

Under the provisions of the Localism Act 2011 the way that Herefordshire Council dealt with conduct complaints about its elected members and town and parish councilors changed on 1 July 2012.

The Council is responsible for deciding how to deal with standards issues at a local level, including adopting its own local code and determining what arrangements it will adopt to deal with complaints.

The Act provides that the Council must appoint an Independent person to assist in discharging these responsibilities. There is currently one independent person and the council is seeking to appoint another 1 or 2 for a period of 4 years. Full details of the role and responsibilities of the Independent Person are included in this pack.

The council will reimburse travel and subsistence expenses (where appropriate).

### Herefordshire Council

#### a. *Council Management Structure:*

Chief Executive – Alistair Neill

The Council is divided into three directorates:

- Adults and wellbeing – Stephen Vickers
- Children’s Wellbeing – Chris Baird
- Economy, Communities and Corporate – Geoff Hughes

b. *Budget/Staff*

The Council's net revenue budget is £145,025 million (2017/18) and it employed 1,227 staff at 31 March 2017 based at the Plough Lane offices and a number of outlying offices.

c. *Political Composition*

Herefordshire Council currently comprises 53 elected members covering 53 wards. Councillors are elected to the council every 4 years and the next elections are due to held in May 2019. The current political make-up is as follows:

- Conservative – 27 councillors
- Herefordshire Independents – 9 councillors
- It's OUR County! – 9 councillors
- Liberal Democrats – 2 councillors
- Green – 4
- Unaffiliated – 2
- Total: 53

Parish and town councils

Parish councils are run by councillors, who volunteer their time to make their community a better place. Their work falls into three main categories:

- Representing the local community
- Delivering services to meet local needs
- Striving to improve the quality of life in the parish

Herefordshire has 133 democratically elected parish councils and has approximately 1,234 parish councillors. There are five town councils and one city council. These are also parish councils and each has a mayor. Councillors are elected to the council every 4 years and the next elections are due to held in May 2019.

**3. Additional Information**

Essential criteria

The independent person will have:

- a keen interest in standards in public life.
- a wish to serve the local community and uphold local democracy.
- the ability to be objective, independent and impartial.

- sound decision making skills
- leadership qualities, particularly in respect of exercising sound judgement.

The Independent Person will:

- be a person in whose impartiality and integrity the public can have confidence.
- understand and comply with confidentiality requirements.
- have a demonstrable interest in local issues.
- have an awareness of the importance of ethical behaviours.
- be a good communicator.

Desirable additional criteria are:

- working knowledge/experience of local government or other public service and/or of large complex organisations and awareness of and sensitivity to the political process.
- knowledge and understanding of judicial/quasi-judicial or complaints processes.

You should demonstrate in your application how you meet the above criteria as this will assist the short-listing process.

Means of assessment will be by application form and by interview.

#### **4 ROLE DESCRIPTION**

Responsible to: The Council

Liaison with: Monitoring Officer, members of the Standards Panel, officers and members of Herefordshire Council and Town and Parish Councillors within the Herefordshire.

- a) To assist the Council in promoting high standards of conduct by elected and co-opted members of Herefordshire Council and town and parish councillors and in particular to uphold the Code of Conduct adopted by the Council and the seven principles of public office, namely selflessness, honesty, integrity, objectivity, accountability, openness and leadership.
- b) To be consulted by the Council through the Monitoring Officer before it makes a decision on an investigated allegation and to be available to attend meetings of the Standards Panel, if necessary.

- c) To be available for consultation by the Monitoring Officer before a decision is taken as to whether to investigate a complaint or to seek local resolution of the same.
- d) To be available for consultation by any elected member, including town and parish councillors, who is the subject of a standards complaint.
- e) To develop a sound understanding of the ethical framework as it operates within Herefordshire Council and its town and parish councils.
- f) To participate in training events to develop skills, knowledge and experience and in networks developed for Independent Persons operating outside the council's area.
- g) To act as advocate and ambassador for the Council in promoting ethical behaviour.
- h) To form part of an investigating and disciplinary panel in relation to disciplinary action being considered against the head of paid service, the monitoring or the S151 officers.

#### **4. Disqualification**

A person cannot be appointed as an Independent Person if they are or were within a period of 5 years prior to the appointment:

- a member, co-opted member or officer of the authority.
- a member, co-opted member or officer of a parish council in the Council's area, or a relative or close friend of the above.

#### **5. Removal from the Panel.**

The Council will have the right to remove an individual member from the Panel before the end of an appointed term expires in special circumstances such as:

- For any of the reasons detailed above.
- Persistent non availability
- Breach of confidentiality
- Conduct causes disrepute and/or prejudices its impartiality of the complaints process or its effective operation.



Document is Restricted



Document is Restricted



Document is Restricted



Document is Restricted

