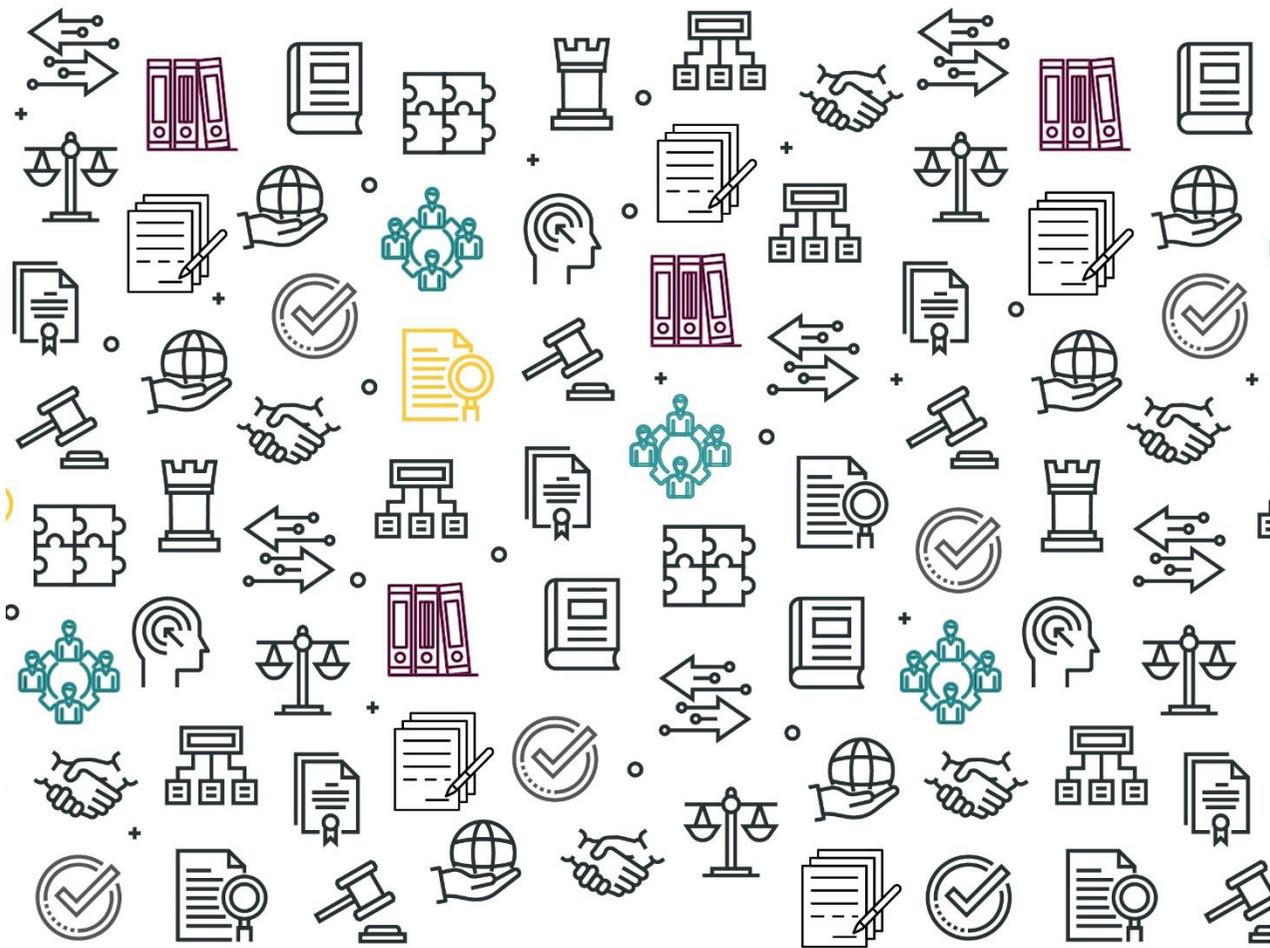


Final Annual Governance Statement 2019-20



June 2021

Illustrative picture of documents, decision making and administration

1. The Annual Governance Statement 2019/20

The council is required by the Accounts and Audit Regulations 2015 to prepare and publish an annual governance statement. This statement has been informed by an annual review of the effectiveness of the council's governance framework and systems of internal control as set out in the [code of corporate governance](#). This statement demonstrates the degree of compliance and planned improvements in the coming year.

2019/20 was extraordinary as the Covid-19 pandemic affected nations across the world impacting on the latter part of the financial year covering the governance statement, whilst Herefordshire felt the devastating effects of flooding on homes and businesses. Herefordshire Council has needed to take a range of decisions to address the emergencies using the powers outlined in the council's constitution (points 3.7.9) whilst "business as usual" activity has been impacted as staff and resources were and continue to be redeployed. The 2019/20 Annual Governance Statement (AGS) has not taken the planned and usual path in its production and previous actions outlined in 2018/19 AGS have been affected to some degree.

2. Corporate Governance and the Annual Statement

Corporate governance generally refers to the processes by which an organisation is directed, controlled and held to account. Governance will determine who has authority to make the decisions to achieve the intended outcomes whilst acting in the public interest at all times. It is how the council ensures it provides the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny with a view to improving performance and managing risk.

Effective governance leads to:

- ✓ Making the right decisions for the right reasons through leadership and management.
- ✓ Continuous improvement through understanding and managing risk and performance.
- ✓ Safeguarding public funds, ensuring spend is made in the right time and the right way.
- ✓ Public engagement and the right outcomes for residents and businesses of the county.

This annual statement incorporates:

- **Scope of responsibility and governance framework:** acknowledges responsibility for ensuring that there is a sound system of governance, summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- **The statement:** describes how the council has monitored and evaluated the effectiveness of its governance arrangements in the year, and outlines how the council has responded to any issue(s) identified in last year's governance statement; and
- **Improving governance:** reports on any key governance matters identified from this review and provides a commitment to addressing them.

It should be noted that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk or failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance.

3. Scope of responsibility and governance framework

Herefordshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for whilst used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to continually review and improve the way it works. Key is the [constitution](#) as a published document that details how the council makes its decisions, who has responsibility and the procedures it follows.



The council has adopted a code of corporate governance that is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (“CIPFA”)/Society of Local Authority Chief Executives (“SOLACE”) framework for delivering good governance in local government (2016).

The governance framework comprises of the systems, processes, culture and values by which the council is controlled, and sets out how the council accounts to, engages with and takes a leadership role in community. The framework enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

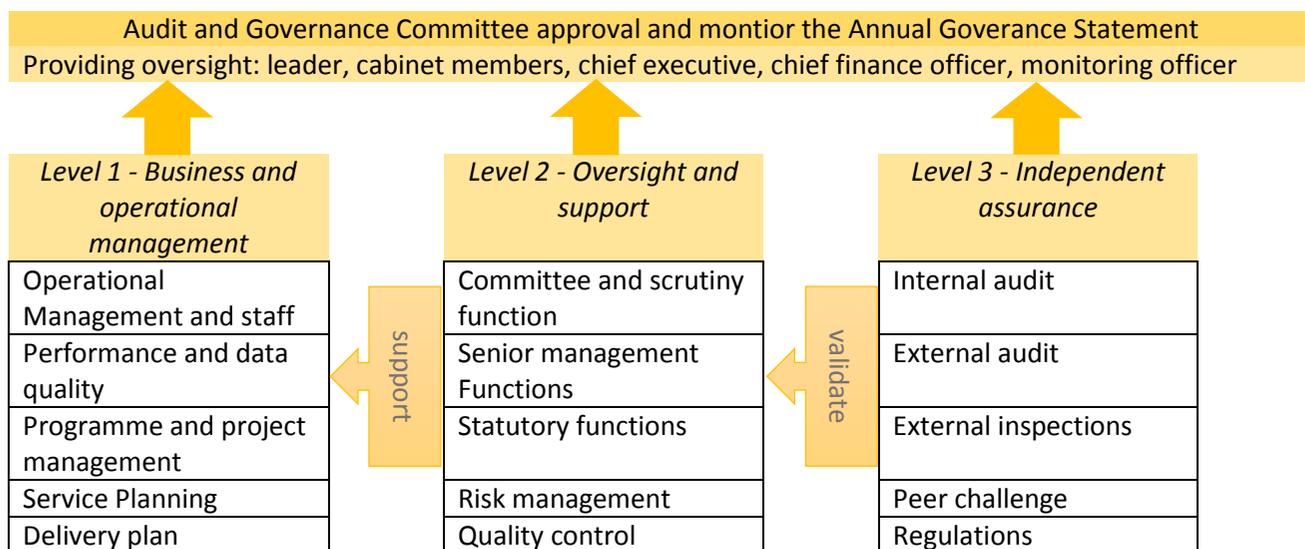
The framework operates at three levels, often referred to as the “three lines of defence” based on three opportunities to address risk and weaknesses in governance:

Level 1 - Business and operational management. Operational management and staff delivering objectives, identifying risks and improvement actions, implementing controls, reporting progress, providing management assurance, and ensuring compliance. This level is supported by...

Level 2 - Oversight and support. Portfolio holders, scrutiny and audit and governance committee, senior managers and statutory officers provide strategic, policy and direction setting, decision-making, and assurance oversight. This level is validated by....

Level 3 - Independent assurance. Internal and external audit, inspection and review agencies, and regulators provide independent challenge and audit, reporting assurance, and audit opinion in relation to assurance levels.

How these levels interact and operate across the organisation is described above but also is illustrated below showing the 3 levels of defence:



4. Preparing the Statement

The AGS has been prepared jointly led by the Chief Finance Officer who is the council’s section 151 officer (a statutory role responsible for the proper administration of the council’s financial affairs), and the Solicitor to the Council who is the council’s monitoring officer (a statutory role responsible for maintaining the constitution, ensuring decision-making is fair and lawful, and for dealing with complaints that councillors have breached the councillor code of conduct).

In preparing the AGS the council has:

- a) reviewed our existing governance arrangements against the guidance included in CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework - 2016;
- b) reviewed our code of corporate governance to ensure it reflects this guidance and includes the recommended seven principles of good governance; and
- c) assessed the effectiveness of our governance arrangements against the code of corporate governance.

The key sources of assurance that inform this review are as below:

- Review compliance with laws and regulations, corporate strategies, policies, plans and arrangements e.g. constitution, financial and performance monitoring and reporting, and risk management.
- Statutory officers' declarations.
- Significant partnerships' governance risk assessments.
- Internal audit reports and opinions.
- Findings from Audit & Governance Committee and scrutiny committees.
- External bodies and inspectorates reports.
- Views of the council's appointed Independent Person(s).

The Statement sets these sources of information against the 7 Principles of Corporate Governance (A to G) as set out in the Herefordshire Council's [Code of Corporate Governance](#).

5. The Statement

The following information is a summary of actions and behaviours taken by the council in relation to each of the core principles (based on "Delivering Good Governance in Local Government' framework – 2016").

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

- The [constitution](#) is a published document providing comprehensive account of how the council operates. Elements of the constitution are reviewed through the decision making process including in 2019/20 update of the Financial and Contractual Procedure Rules on [28 January 2020](#). The monitoring officer has delegated authority to make technical changes (grammatical, formatting, and consistency) or those required by law and a log of the changes made are available on the council [website](#).
- In addition a new [annex](#) to the constitution was devised to enable public meetings to take place remotely.
- During the Covid-19 pandemic the council has needed to make rapid decisions to address the emergency (with decisions published on the [council website](#)) using the powers outlined in section 3.7.9 of the constitution. This gives the chief executive powers to make decisions in an emergency when there is a risk of damage to property, a threat to the health or wellbeing of an individual, or that the interests of the council may be compromised.
- The council has a group of independent persons to provide views on code of conduct complaints against councillors. A conference is held twice a year with the group to provide training and share best practice.
- The Annual Code of Conduct report was presented to audit and governance committee on [24 September 2019](#). The Committee on Standards Life had produced best practice recommendations and accepted the standards recommendations. Following a sample review of complaints between October 2018 to September 2019 it was considered that each complaint had been handled appropriately: in a timely manner, consistently and with appropriate outcomes.
- The council has in place systems for members to register and declare interests which are published on the website (under the profile of each member), and a centralised system established for officers to register declaration of interests.



- [Modern Slavery statement](#) was published covering the year 2019/20 and since updated annually. Cabinet also agreed a series of commitments which are published as part of the statement and promoted to raise awareness of the modern slavery and ways of reporting if there are suspected cases.
- Anti-Fraud, Bribery and Corruption Policy was agreed by audit and governance committee on [19 November 2019](#) committee.
- The council has processes in place to make a [complaint](#), and to ensure complaints are investigated appropriately. Between April 2019 and March 2020 the council dealt internally with 600 complaints, of which the council upheld or partially upheld 21%. In addition, 30 complaints were processed under the children's complaints procedure for children's social care. For the period April 2018 - March 2019 as latest figures from Government and Social Care Ombudsman (LGSCO) of all complaints received by the council, 8 were upheld which is 1% of all complaints for the period.
- The council has a [Whistleblowing Policy](#) in place which is reviewed annually with a new policy adopted on 14 October 2019. Also in the process of being updated is the [council's equality policy](#) to be agreed by the cabinet member later in 2020.
- Policies are published on the [website](#) which acts as the register, however the registration process relies on services to edit the register (update, delete, remove) and this is not always consistently done.
- The council has committed to a [pledge](#) designed by looked after children as a way of outlining what can be expected from the council has a corporate parent.

Summary and continuous improvement - the council have a range of measures in place, embedded in practices and processes with actions for improvement including:

- ✓ Rethinking Governance working group to consider governance models and recommendations to be presented to Council.
- ✓ Review the administration of handling complaints and convening standards hearing focussing on outcomes and openness.
- ✓ Produce strategy on writing and publishing council plans, policies and procedures which would include the method of effectively creating a "pipeline" of plans and polices due for renewal.
- ✓ Communication and awareness of the current anti-fraud, bribery and corruption policy all staff.
- ✓ Learn from the standards hearing reviews where improvements could be made with input from independent persons.
- ✓ Finalise and publish the council's equality policy.

Principle B: Ensuring openness and comprehensive stakeholder engagement

- Local Government Association conducted a Peer Challenge in 2018 and was invited to revisit the council to provide an independent review of progress against recommendations. This took place in October 2019 with findings published on the council [website](#). The revisit found the council had made good progress recognising the change in administration since their first visit - highlighted was the need to address a USP (unique selling point) with partners, enhance communications and strengthen elements of governance.
- A new [County Plan](#) (formerly known as The Corporate Plan) was adopted in January 2020 based on a range of consultation methods reaching in the region of 2,000 participants.
- [Understanding Herefordshire](#) website shares information the council holds on the county as part of its open data approach. This site was improved during the year to support navigation and accessing information.
- As part of the constitution the council has a guide to public participation and extended the opportunities for members of the public to ask questions at meetings.
- As recognised as part of the LGA peer challenge the council has a strong approach to partnerships in collaborating to achieve outcomes. The council has adopted a [partnerships' governance framework](#) which sets out how governance standards within partnerships - the framework is due for review in 2021 following findings from an internal audit; and whilst details of the significant partnerships is



published on the council [website](#) not all entries are up-to-date – the process will be addressed in 2021.

- The council is due to update its [communication strategy](#) and this has been supported by an LGA healthcheck that took place in February 2020.
- Whilst the council supports and advises suggestion from independent person is to tightening of rules covering training, disclosure and complaint resolution for parish councillors
- The council is in partnership with Hoople providing a range of services, the governance of this arrangement needs to be reviewed and updated and then all other external governance arrangements.

Summary and continuous improvement - the council's approach is to work in partnership with stakeholders though could always be improved including documenting those partnerships. Based on this the following improvements are planned:

1. Engagement: Establish a new approach to engagement with residents and stakeholders to shape the work of the council.
2. Communications strategy renewal in 2021 to be in line with the County Plan and the effects on the community due to Covid-19.
3. Review the tightening of rules covering training, disclosure and complaint resolution for parish councillors.
4. Significant partnerships framework due for review in 2021 along with and up-to-date register published on the council website.
5. Establish a project board to manage the council's relationship with Hoople, review other external governance arrangements and design a framework for their governance to be overseen
6. The appointment and training programme for any co-optees on the council to be reviewed.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

- Herefordshire Council agreed a [County Plan](#) based on key themes of Economy, Community and Environment. A delivery plan is being reviewed in light of the impact of the Covid-19 pandemic.
- A key element of the new cabinet's intention is concerned with environmental sustainability with a [commitment](#) to work towards carbon neutrality by 2030 with a [Carbon Management Plan](#) prepared for cabinet.
- The council has a [Procurement and Commissioning Strategy](#) that is due to be refreshed in 2021. However, the council is keen to strengthen the commitment to local social value and this will be developed in 2020.
- The work of strategic delivery partners is focused upon supporting the council in achieving the outcomes identified in the County Plan and will have an important role in strengthening the commitments to delivering local social value.
- The council works with strategic partners locally (e.g. Wye Valley NHS Trust) and regionally (e.g. Marches Local Enterprise Partnership) to ensure that the County Plan priorities are reflected in wider local and regional policy and delivery.
- Performance targets and outcomes across the organisation are reviewed by management board to provide challenge and cross organisation support in achieving key deliverables.

Summary and continuous improvement - the council produced a County Plan outlining intended outcomes. The delivery of the outcomes will be supported by the following:

- ✓ Produce and promote the delivery plan outlining the action to meet the County Plan taking into consideration changes and challenges brought about by Covid-19.
- ✓ Refresh the Performance, Risk and Opportunity Management Framework during 2020.



- ✓ Present local social value appendix to commissioning and procurement strategy outlining methods and indicators of retaining local economy and community benefit.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- Full Council agreed a new County Plan in January 2020 which outlines the intentions of the council over the next 4 years. To be published is the delivery plan, which will also see changes due to the Covid-19 pandemic and its impact on communities, the economy, services and financial stability of the council.
- The children’s safeguarding services received Ofsted focused visits in January 2019 and December 2019. Both provided letters recognising good practice and areas for development. These are included in the council’s [Safeguarding and Family Support Improvement Plan](#) which is regularly reviewed by the Children and Young People’s Scrutiny Committee, as well as the children and families performance challenge sessions that take place on a regular basis with the chief executive, leader, lead cabinet member, chair and vice-chair of children and young people’s scrutiny, and group leaders. Performance on this area is also regularly reported on in the cabinet’s performance and budget report. The council also worked with Essex Local Authority, a DfE approved Partner in Practice to support improvement in children’s social care practice and a diagnostic visit focusing on the work of the child protection/court teams took place in November 2019, with improvement actions built into the Safeguarding and Family Support Improvement Plan.
- The council put in place new multi-agency safeguarding children arrangements from September 2019 as one of the three statutory partners along with West Mercia Police and the NHS Herefordshire and Worcestershire Clinical Commissioning Group. This replaced the Herefordshire Safeguarding Children Board. A new independent chair was appointed and during the year the supporting business unit function was reviewed.
- The council invited an Adults Social Care Peer Challenge on 18-20 September 2019. The feedback letter highlighted that there was very visible commitment, both politically and within the executive leadership team to firstly protect and secondly to promote and develop this community asset based approach and a council wide commitment to Talk Communities. Areas of opportunity included supporting the local care market, commissioning alternative methods of care, carers role in Talk Communities, further develop of the strengths based practice.
- The medium term financial strategy and annual budget demonstrate how the council’s financial resources will be deployed to deliver the intended outcomes including capital programmes. These were agreed at council on [14 February 2020](#).
- The council’s decision making processes, including input from the scrutiny committees, ensure that decision makers receive objective and robust analysis of a variety of options indicating how intended outcomes will be achieved. These decisions are published on the council’s [website](#).
- The council’s [framework for partnerships’ governance](#) prompts consideration of the added value to be gained from working in partnership. This to be reviewed in 2021 and to also ensure the details of partnerships are up-to-date on the website as this is not the case for all entries.
- A system of support for elected members subject to a code of conduct complaint has been devised and implemented by the council’s independent persons.

Summary and continuous improvement –the council has in place a number of plans and improvement programmes to meet intended outcome. The follow actions are relevant to provide further improvement:

- ✓ Delivery Plan to be produced in light of impact of Covid-19 on the finances of the council and new activity as a result.
- ✓ Framework for partnerships reviewed in 2021 and information up-to-date on the council’s website.
- ✓ Regular reviews of delivery against the Safeguarding and Family Support Improvement Plan by Children and Young People’s Scrutiny, reported to cabinet and cabinet member, and via performance reporting.



- ✓ Deliver statutory responsibilities as one of the partners of the Safeguarding Children and Young People in Herefordshire Partnership, including ensuring there is an effective business unit to enable the work and that a new business plan is put in place and delivers improvements to safeguarding work for children in Herefordshire
- ✓ Deliver on opportunities with the Adults Social Care Peer Challenge.
- ✓ Cabinet to agree the strategic and delivery programme for Talk Communities.

Principle E: Developing the organisation's capacity including the capability of its leadership and the individuals within it

- The council undertook ward member elections in May 2019 resulting in a new administration forming. All members undertook their mandatory and role specific training. A member development strategy has been developed and a programme of member development is in the process of being adopted.
- Staff are required to complete mandatory training each year. The following modules were in place and percentage completed:
 - Health and Safety - 97.2%
 - Information Governance - 94.4%
 - Information Security - 97.6%
- Manager training programme involved 120 staff during 2019/20 supporting skills and development within the organisation.
- [Covid-19](#) has meant that a number of resourcing issues have needed to be addressed. HR instigated a major re-deployment programme to address the emergency with c200 staff redeployed and more balanced their workload to address the need created as a result of the pandemic; sites were closed or adapted to contain the spread; services had to transform, be on hold or new functions initiated to support the community; emergency powers were used in line with changing Government guidance; procurement and governance processes altered to address the emergency and legal providing up-to-date guidance. The majority of staff moved to home working with significant reliance on IT including new digital skills for staff. The council made the [decision](#) to use Zoom for cabinet and other meetings complying with the requirement to be open to the public.
- The commercial team that deals with procurement and guidance on commissioning was restructured during the year to address the resource issue outlined in the 2018/19 annual governance statement.
- A motion at Full Council on 12 October 2019 to review governance arrangements was presented to audit and governance committee on [19 November 2019](#)
- The council has in place a guidance for officers on decision making and report writing, although requires a refresh to ensure understanding of governance decisions. In particular when Record of officer decisions are required.
- The Workforce and Organisational Development Strategy was in plan for 2019/20 and is in preparation for a decision in 2020.

Summary and continuous improvement - like many organisations the council has had to significantly adapt to meet the challenges presented by Covid-19 addressing the immediate requirements of the community – particularly the most vulnerable people. The workforce adapted well and instigated new functions in a short amount of time. Improvements for 2020/21 include:

- ✓ Agreement on the Workforce and Organisational Development Strategy
- ✓ Finalise the Member Development Strategy and Programme
- ✓ Undertaking a review of the governance models
- ✓ Review code of conduct including consultation with employees
- ✓ Revised training and guidance for officers on decision making.



Principle F: Managing risks and performance through robust internal control and strong public financial management

- Flooding impacted Herefordshire significantly in November 2019 and February 2020 needing to use its emergency powers to support the community including creating rest centres, distributing business and residential grants and on-going support for people in [high risk areas](#).
- The council has needed to update its continuity plans in light of the Covid-19 pandemic and change its work practices starting in the last quarter of the financial year.
- The decision was made to move responsibility for risk to the Monitoring Officer with oversight by the corporate centre. The council will be moving to the new method of recognising and recording risk from September 2020.
- The council is due to update its Performance, Risk and Opportunity Management (PROM) Framework in 2020 which relates to the number of elements including service planning guidance and the process for performance challenges at senior management level and with members.
- During 2019/20 a review was undertaken on quality and pace of decision making within some of the major capital projects. This will lead to a change in governance structure for projects and use of the support resources (finance, commercial and communications) more effectively. In addition the council appointed a new post of Contracts Monitoring Officer as part of the redesign of the Commercial Team to advise on quality of contracts at procurement and address weaknesses in current contracts.
- The [Contract's Register](#) is published on the council's website to be integrated to the council's internal finance system.
- The council has appointed a senior information risk owner (SIRO) within the role of the Assistant Director Corporate Support, who is responsible for ensuring arrangements are in place to maintain security of the council's information assets. 3 reports were made to the Information Commissioners Office due to breach posing a risk to the rights and freedoms of an individual or individuals. All breaches are investigated and recommendations to mitigate against risks are made by the Information Governance Team. Training is provided to teams or more significant action depending on the incident.
- The council when updating its Financial Procedure Rules included management board sign off of grant applications of over £10k. This was to be assured that council was not overcommitting to on-going revenue costs. However, without a shared register there is a risk duplication or mixed opportunities of cross department working.

Summary and continuous improvement - a risk remains in that there are some instances of policies and procedures either not being followed or being applied inconsistently and needs to be addressed / supported. This will be addressed by the following along with other areas of improving internal controls:

- ✓ Updated the framework for Performance, Risk and Opportunity Management
- ✓ New process for reporting on and identifying risk
- ✓ New governance arrangements in place for capital projects through programme boards
- ✓ Updated continuity planning in light of Covid-19 and lessons learnt from flooding emergencies
- ✓ Updated guidance and assurance for the delivery of capital projects
- ✓ Ensure programme and project board terms of reference are accurate and appropriate
- ✓ Review partnership governance arrangements between the council and higher education bodies
- ✓ Implement training in relation to the Employee Code of Conduct.
- ✓ That a register of all grants is established and at the review of financial procedure rules consideration is given to accepting and managing grants.



Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The council is committed to transparency with the following items published:

- Data related to the finances of the council including financial transactions exceeding £500 on our [open data pages](#) and the pay of our staff on our [senior management team page](#).
- The research and statistics available on our [Facts and Figures website](#)
- [Meetings and decisions](#) are published on the council's website
- Details of the [strategic partnerships](#) (though not all up-to-date)
- [Plans, policies and procedures](#) published (though search needs improving)
- The council appointed an Interim Strategic Capital Finance Manager to address improvements in delivery of capital programmes, with findings towards an improved governance and decision making process due for later in 2020.
- The council has a [Procurement and Commission Strategy](#) which includes social value. However, the element of social value is due to be strengthened to ensure maximising value with contracts and purchasing with proposals presented to cabinet later in 2020.
- Where there is a justification for withholding information or excluding the public from a meeting of the council in accordance with the Access to Information Rules, the reason for doing this is explained. During 2019/20 there were no meetings of cabinet from which the public were excluded.
- A Strategic Assurance Group linked to the Information Governance Group was established during the year. This is comprised of representatives from across the council to support shared learning from audits and to provide input into the annual audit plan. The work of the group was interrupted due to Covid-19 as staff were redeployed and will re-affirm its role in supporting input into annual audit planning.
- The council received 1,404 FOI (Freedom of Information) and EIR (Environment Information Requests) exceeding the Information Commissioners Office threshold of 90% requests handle within timescale. The council also exceeded its target of 95% of requests handled under SAR met on time - this was based on 143 subject access requests.
- The council has a recruitment policy in place based on “the appointment process must be rigorous to ensure the right person is appointed into the role” and although process has been followed, rigor needs emphasising along with review of market forces supplement to ensure remains relevant. In addition measures can also be put in place to address the gender pay gap in both recruitment and retention.
- The council's ex-offender policy will be published in 2020/21.

Summary and continuous improvement - the council is committed to transparency and accountability.

Improvements planned for 2020/21 include:

Ensure details of significant partnership profiles are up-to-date on the council's website

- ✓ To include in the revised PROM the performance challenge process by members
- ✓ Published the council's delivery plan and service planning in place across the organisation
- ✓ Commission a best value review of the public realm partnership
- ✓ Re-affirm the role of strategic assurance in audit planning including input into the annual plan before finalised.
- ✓ Revised recruitment policy to ensure the process matches the council's intentions and review the market forces supplement remains relevant, along with actions that address the gender pay gap, and publication of the ex-offenders policy.



7. Assurances

Directors Composite Assurance Statement - Economy and Place

As a Director, I am responsible for reviewing the effectiveness of governance arrangements, risk management processes and the system of internal control operating within my service area(s).

I have reviewed all my Heads of Service assurance statements and have obtained assurance that the governance framework operating within my areas of responsibility is operating effectively and I am satisfied that adequate systems of internal control are in place; where not satisfied the below actions will take place to address them. I am also aware that should the position change and a significant control issue is subsequently identified after the date of signature I will immediately bring this to the attention of the Monitoring Officer.

Positive Governance Initiatives:

- Performance and risks are regularly reviewed by service managers, assistant directors and at Directorate Management Team
- Monthly briefings held with relevant Cabinet Members using corporate format to ensure relevant issues covered
- Comprehensive scheme of delegation in place covering all aspects of the Directorate which is regularly reviewed and updated to take account of changes and new legislation
- Programme and projects board terms of reference developed and reviewed to cover all capital projects with corporate programme team and support of the Assistant Director Transformation. Membership of boards include legal, finance, procurement and other key functions to provide assurance and support.
- The transfer of the lead commissioning role for Hoople services from the Directorate to the corporate centre following my appointment as a director on the Hoople Board has been a positive move providing clear separation between the provider and commissioner going forward.
- The processes for emergency decision making over in response to major incidents including flooding and public health worked well and enabled quick decisions to be taken in consultation with statutory officers providing the necessary assurance whilst responding to the urgent need to take action.

Significant Control and Governance issues identified:

- Partnership governance arrangements with NMiTe and higher education bodies have been identified as being in need of review to take account of the current stage in the development of NMiTe project and the need to ensure effective collaboration on initiatives to strengthen the higher education offer within the county
- A best value review and recent internal audits relating to the public realm partnership have identified a number of issue which require improvement

Planned action(s) to address significant control and governance issues:

- A review of the partnership governance arrangements with NMiTe is to be undertaken to ensure continued effective working and provide foundation for future development.
- An action plan to address the issues identified in the best value review and recent internal audits relating to the public realm partnership is being developed with the s151 Officer and Monitoring Officer and will be implemented.

Name: Richard Ball

Title: Director of Economy and place

Date: 13/10/20

Directors Composite Assurance Statement - Children and Young People

As a Director, I am responsible for reviewing the effectiveness of governance arrangements, risk management processes and the system of internal control operating within my service area(s).

I have reviewed all my Heads of Service assurance statements and have obtained assurance that the governance framework operating within my areas of responsibility is operating effectively and I am satisfied that adequate systems of internal control are in place; where not satisfied the below actions will take place to address them. I am also aware that should the position change and a significant control issue is

subsequently identified after the date of signature I will immediately bring this to the attention of the Monitoring Officer.

Positive Governance Initiatives:

- Evidence from each head of service of their awareness and action across the domains.

Significant Control and Governance issues identified:

- None of significance in the returns but an issue to ensure business continuity arrangements are covered in induction.

Planned action(s) to address significant control and governance issues:

- Will raise the above across all managers and reinforce with head of business support as part of induction checklist

Name: Chris Baird

Title: Director, Children and Families

Date: 01.10.2020

Directors Composite Assurance Statement - Adults and Communities

As a Director, I am responsible for reviewing the effectiveness of governance arrangements, risk management processes and the system of internal control operating within my service area(s).

I have reviewed all my Heads of Service assurance statements and have obtained assurance that the governance framework operating within my areas of responsibility is operating effectively and I am satisfied that adequate systems of internal control are in place; where not satisfied the below actions will take place to address them. I am also aware that should the position change and a significant control issue is subsequently identified after the date of signature I will immediately bring this to the attention of the Monitoring Officer.

Positive Governance Initiatives:

- N/A

Significant Control and Governance issues identified:

- N/A

Planned action(s) to address significant control and governance issues:

- N/A

Name: Stephen Vickers

Title: Director Adults & Communities

Date: 15.10.2020

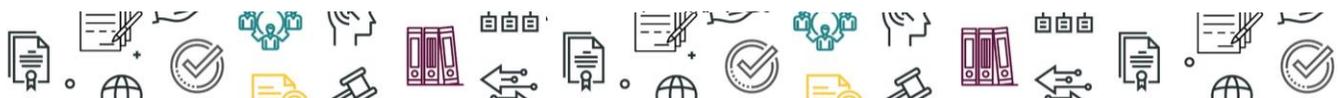
Composite Assurance Statement - Monitoring Officer

As a statutory officer within the Corporate Centre, I am responsible for reviewing the effectiveness of governance arrangements, risk management processes and the system of internal control operating within the council.

I have reviewed all of the Directors assurance statements and have obtained assurance that the governance framework operating within the council is operating effectively and I am satisfied that adequate systems of internal control are in place; where not satisfied the below actions will take place to address them. I am also aware that should the position change and a significant control issue is subsequently identified after the date of signature I will immediately bring this to the attention of the chief executive.

Positive Governance Initiatives:

- Working group completed the review of governance models and recommendation approved by Council to adopt of hybrid model of governance from May 2021
- Refresh of all governance training material for officers



- Standards panel annual review of complaints dealt by Monitoring Officer Resolution found to be appropriate
- Successful transition to remote meetings
- Wholesale review of the council's approach to risk management

Significant Control and Governance issues identified:

- Governance arrangements with external partners be it companies, joint ventures, outside bodies, steering groups etc. not effective and needs review and oversight
- Arrangements for dealing with standards complaints needs refining
- Understanding of the councils governance arrangements and officers confidence levels to be improved
- Members ongoing training needs post induction required to be met

Planned action(s) to address significant control and governance issues:

- Establish new toolkits and provide remote training for officer and then members on our governance arrangements
- Review other external governance arrangements and design a framework for their governance to be overseen
- Review the effectiveness of current arrangements in the partnership framework
- Review the administration of handling complaints and convening standard panel hearings.
- Adopt a member's development strategy.

Name: Kate Charlton

Title: Monitoring officer

Date: 23.07.21

Directors Composite Assurance Statement - s151 Officer

As a statutory officer within the Corporate Centre, I am responsible for reviewing the effectiveness of governance arrangements, risk management processes and the system of internal control operating within the council.

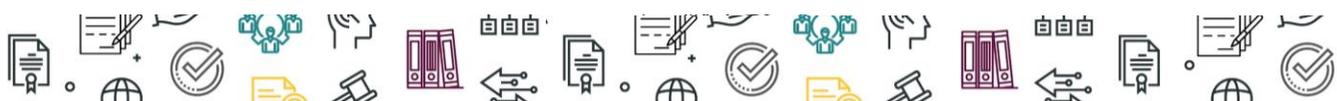
I have reviewed all of the Directors assurance statements and have obtained assurance that the governance framework operating within the council is operating effectively and I am satisfied that adequate systems of internal control are in place; where not satisfied the below actions will take place to address them. I am also aware that should the position change and a significant control issue is subsequently identified after the date of signature I will immediately bring this to the attention of the chief executive.

Positive Governance Initiatives:

- A new anti-fraud bribery and corruption policy agreed by the Audit and Governance committee.
- The creation of a Project Management Office (PMO) to oversee capital projects and capital development proposals.
- The adoption of a four-year County Plan in January 2020.
- A review of governance models and recommendation approved by Council to adopt of hybrid model of governance from spring 2021.
- Review of the contractual arrangements between the council and its public realm contractor.
- External review of the council's treasury management arrangements.
- Review of the councils financial procedure rules including greater clarity of the treatment of external grants.
- The council was able to mobilize quickly to pay grants, for both the flooding events and Covid 19.
- Comprehensive budget consultation process carried out.

Significant Control and Governance issues identified:

- Significant issues around the management of the public realm contract including challenges in evidencing value for money.
- Challenges in understanding the granularity of spend on the HCCTP capital program.



- The Covid 19 grant making process highlighted that the council's record of businesses liable for business rates was not completely up-to-date.

Planned action(s) to address significant control and governance issues:

- Major contract performance review carried out and presented to Cabinet in September 2020, with an update to Cabinet in July 2021.
- The appointment of additional contract management and commissioning expertise to assist in managing the public realm contract.
- Review the effectiveness of current arrangements in the partnership framework
- Reviewing the process of ensuring the business rates records are kept up-to-date.

Name: Andrew Lovegrove

Date:23.07.21

Internal Audit Annual Opinion (appendix 3 to main report)



HC 2019-20 Annual
Report and Opinion_!

View from Independent Persons (March 2020)

Jake Bharier

A few thoughts on this.

Overall, I think that the standards regime in respect of members of Herefordshire Council is consistent with the requirements of the Localism Act, and has also taken into account a number of recommendation of the 2019 report of the committee on standards in public life. This report recommends, among other things, the establishment of a decision-making standards committee – in effect, to have the monitoring office advising the committee, rather than the independent persons advising the monitoring officer. I would support this, though it would require changes to the Localism Act. I think this would demonstrate a clearer independence of the independent persons from the members and officers of the council.

While the regime in respect of parish councillors is also consistent with the requirements of the Act, it is much weaker. This may reduce confidence of the public in the regime and in Herefordshire Council, since parish councils may, in effect, ignore recommendations of the Council's monitoring officer. Again, a change may well require amendment of the Localism Act.

The 2019 Governance statement states *"The council has adopted openness as one of the values on which our culture is shaped and which underpin our work"* While a degree of confidentiality may be appropriate in the consideration of individual complaints, I think there is more scope to demonstrate openness in review processes, such as the biannual review of complaints. The distinction between "confidential" and "secret" is easily blurred.

Sheila Archer

Thank you for giving me another link to the information, it has worked! I have some comments to make on the Annual Governance Statement.

1. Good to read about the Formal Protocol between the MO and the Police to ensure a shared understanding and approach to a potential criminal breach of the Code of Conduct.
2. A member and officer relations code is also welcomed as it should improve lines of communication, understanding and reduce potential for accusations of bias.
3. The Employee Code of Conduct has now been operational for nearly a year. Is there scope to review how this has worked and been viewed by employees?
4. Some concerns about the lack of pace of the Review of Policies and Procedures, as mentioned in the report. Perhaps opportunities are being missed to check on their effectiveness and usage?
5. Good to read that the need for a refresher for Managers has been identified, related to Governance and Accountability.



Title: Leader of the Council

Date: 21.06.21

Statement and opinion – Deputy Chief Executive of Herefordshire Council

To the best of our knowledge, the governance arrangements, as set out above and within the council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas identified in the statement and provide reasonable assurance of the soundness of the council's governance arrangements. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Since the drafting of the 2019/20 annual governance statement and conclusion of the external audit work the final annual governance statement for 2019/20 recognises that the director statements made, although correct at that time have now been superseded by the qualified value for money audit opinion in relation to the council's capital programme and Childrens services. The 2020/21 draft annual governance statement recognises these issues and includes actions being taken to remedy these failings.

Name: Claire Ward

Title: Acting Deputy Chief Executive and Head of Paid Service

Date: 23.07.21

End note for record

Status: final version

Author: Natalia Silver, Assistant Director Corporate Support

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