Introduction

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

NHDC also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
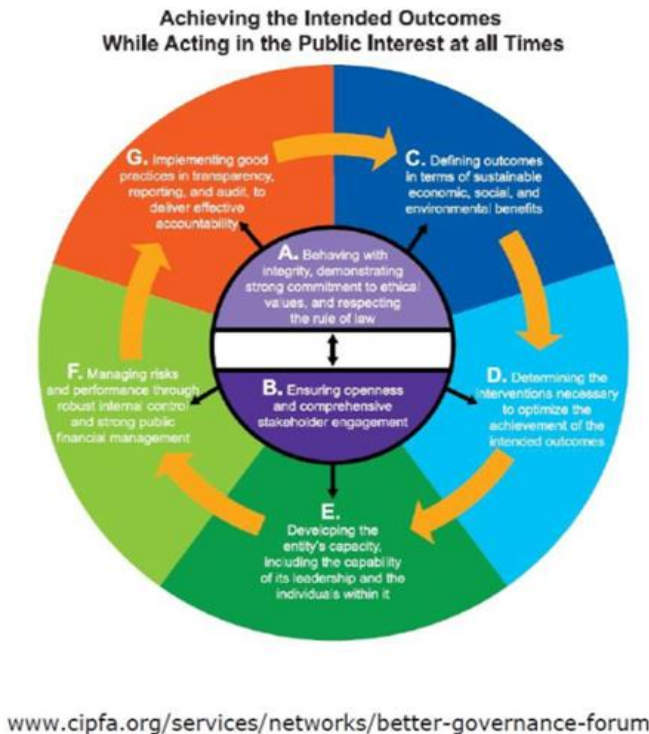
In discharging this overall responsibility, NHDC should have proper arrangements for the governance of its affairs in place. It is legally required to review arrangements and prepare an Annual Governance Statement ('AGS'). It should prepare this Statement in accordance with proper practices set out in the Chartered Institute of Public Finance and Accountancy (CIPFA)/the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Delivering Good Governance in Local Government: Framework 2016. This AGS explains how NHDC has complied with these requirements. The Finance, Audit & Risk (FAR) Committee Members have been informed of progress on producing this AGS and will review it and evaluate the robustness of the underlying assurance statements and evidence. FAR Committee approves the final AGS and monitors the actions identified.

Delivering good governance:

The Governance Framework comprises of systems, processes, culture and values, by which the authority is directed and controlled. It enables NHDC to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) applies to AGS prepared for the 2016/17 financial year onwards. The Principles are further supported by examples of what good governance looks like in practice. The Principles are set out in the diagram below:

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

www.cipfa.org/services/networks/better-governance-forum

Key Elements of the Governance Framework:

❖ Council, Cabinet and Strong Leader model that provides leadership, develops, and sets policy.
❖ A decision-making process that is open to the public and decisions are recorded / available on the NHDC website.
❖ An established Shared Internal Audit Service (SIAS) that undertakes detailed reviews.
❖ Risk Management and performance procedures that enable risks to be identified and these to be monitored by the Leadership Team and Members on a quarterly basis.
❖ Overview & Scrutiny (O&S) Committee reviewing performance and policies.
❖ An effective FAR Committee as the Council's Audit Committee that reviews governance and financial arrangements.
❖ The Council has a strategic officer leadership team which meets weekly. This includes the Head of Paid Service (Managing Director) and Service Directors (which includes all statutory officers). The Statutory Officers also meet quarterly.

How the NHDC complies with the 2016 Governance Framework:

NHDC has approved and adopted:

❖ a Local Code of Corporate Governance in March 2024 which incorporate the Framework 2016 Principles.
❖ a number of specific strategies and processes for strengthening corporate governance.

Set out below is a summary of ***some of the central ways*** that NHDC complies with the 2016 Framework Principles. The detailed arrangements, and examples are described / links provided in the Leadership AGS self-assessment document on the Corporate Governance page.

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

- ❖ *What NHDC has or does:*
- ❖ Operates Codes of Conduct for Members (refreshed LGA model adopted in April 2021 and effective after the 2021 election) and Employees, maintaining arrangements for sign off of those, awareness of key policies and reporting / investigating any allegations of breaching those Codes. Code of conduct training takes place following elections.

- ❖ The Council has a Member Training Protocol which sets out which elements of training are compulsory. The training programme was reviewed and further developed in 2023-24 in anticipation of the 'all out' elections which took place in May 2024.

- ❖ Complaints concerning employees are dealt with according to the Managing Misconduct Policy, and/ or Employment Procedure rules for officer (for relevant officers will also potentially involve the Independent Person Panel, Employment Committee and Full Council).

- ❖ A Standards Committee which oversees and promotes high standards of Member conduct. It is composed of 12 Councillors and 2 non-voting co-opted Parish Councillors. The 3 Independent Persons (IP) are invited to attend the meetings of the Standards Committee. The Committee oversees the Complaints Handling Procedure and Final Determination Hearings through a Sub-Committee. The Chairman of Standards Committee provided an annual report to Full Council in July 2023. This is designed to promote shared values with Members, employees, the community and partners.

- ❖ The Council's Constitution includes a scheme of delegation and terms of reference for each of the Council's Committees, and decision-making practices are outlined. The Council's Constitution is reviewed annually and often in-year as issues arise. Constitutional amendments were made in April 2023, and in January 2024 when an amendment report was taken to Full Council.

- ❖ The Council's Fraud Prevention Policy, which includes the Anti-Money Laundering, Anti-Bribery, Anti- Fraud and Tax Evasion. In addition, the Whistleblowing Policy, are kept under review and are available on the internet.[1] Contract Procedure Rules in Section 20 of the Constitution underpin the Council's approach to Procurement. Standard Contracts include an obligation to adhere to the requirements of the Bribery Act 2010 and the Councils' requirements as set out in the Councils' Fraud Prevention Policy.

- ❖ The Council also has Policies and procedures for Members and Employees to declare interests, including Organisational ones. Members are obliged to comply with such arrangements under their Code of Conduct and employees sign an Annual Declaration Letter to ensure that they are aware of and will comply with key governance policies.

- ❖ The Council has a Monitoring Officer (MO) whose role is to ensure that decisions are taken lawfully, in a fair manner and procedures followed. After consulting the Managing Director and Chief Finance Officer (CFO) the MO has a statutory duty/ power to report any proposal, decision or omission that he/she considers would give rise to unlawfulness or any decision or omission that has given rise to

maladministration ("Section 5 report"). The MO is responsible for providing advice on ethics and governance to the Standards Committee and to the Members of this Council. The MO/ or Legal advisor attends Full Council, Cabinet, and regulatory Committees - such as Planning, Licensing and Standards to be on hand to provide advice. A Finance Officer attends Full Council, Cabinet and FAR Committee. Legal services/The MO maintain records of advice provided.

- ❖ The Council's CFO (s151 Officer) has a duty to the Council's taxpayers to ensure that public money is being appropriately spent and managed and reports directly to the Head of Paid Service. The CFO ensures that appropriate advice is given on all financial matters, is responsible for keeping proper financial records and accounts and for maintaining an effective system of internal control.

- ❖ All Committee reports and delegated decision templates have required areas for legal advice (as well as Finance, Risk, Social Value, and Equality and Environmental Implications requirements). Part 1 reports are published and available for inspection as per the statutory requirements. Committee Member Overview & Scrutiny Services provide support to the Council, Councillors and the democratic processes of the Council. The team organise the civic calendar of Committee meetings dates, the Forward Plan of Executive Decisions, prepare and dispatch agendas and reports in advance of the meetings and take and dispatch minutes and decision sheets after the meetings. Delegated decisions are retained by them and are available on-line.

- ❖ During 2023/24 there was a drive to increase uptake of ethical awareness training amongst staff and Members. As such, the Shared Anti-Fraud

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[1] https://www.north-herts.gov.uk/fraud-prevention

Service (SAFS) presented at a staff briefing, Senior Managers Group meeting, and Full Council meeting during this year to reiterate the importance of completing ethical awareness training.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

❖ *What NHDC has or does:*

❖ The Council's vision and relevant documents are made available on the Council's website with a Council Delivery Plan that show how the Objectives will be delivered in practical terms [Council Plan Page].

❖ Open Data is published on the NHDC website and is available to re-use through the terms of the Open Government Licence [Open Data page]. Data Sets on NNDR (Full list and monthly credit balances) are also available [Published Data Sets].

❖ An Annual Monitoring Report is produced containing indicators and targets across the District to aid with future planning decisions and identification of local priorities. We are awaiting the 2023-24 report. [Annual Monitoring Reports]

❖ NHDC have a duty to review air quality in the district to provide comprehensive information on the quality of air within the region through the Air Quality Annual Status Report (Air Quality Annual Status report 2023)

❖ There is a Committee administration process in place so that all Council meeting agendas, reports, minutes are available for inspection, and these, together with public meeting recordings are available online and through the Modern.gov system [Council meetings page].

❖ There is a presumption of openness and transparency, with reports (or confidential parts of reports) only being exempt so long as statutory exemption requirements[2] apply. Report authors consider such matters with the designated Constitutional "Proper Officer". Meetings are open to the press and public (unless an exemption applies).

❖ There is a Council and Democracy page on the NHDC website. This links to information about the Council, Councillors, MPs, Council meetings, Council departments, Forward Plan of Key Decisions, Petitions, Notices of Part 2 (exempt) decisions that the Council intends to take in the near future, delegated decisions, recordings/ the right to record Council meetings and Notices of Urgent Decisions [Council and Democracy]. Public Registers and Delegated Decisions are available on the NHDC website [Public Registers and Delegated Decisions] and Planning Applications/decisions [View Planning Applications]. Delegated Executive and Non-Executive decisions[3] are on the Council's website [Delegated Decisions].

❖ The Constitution also sets out what information is available to the public and how to engage with the Council [Constitution]

❖ The Council's Consultation Strategy 2022-2027 [Consultation Strategy 2022-2027] was adopted in 2022. It sets out the methods that will be used to consult and practical considerations for doing so. This entails various approaches to consultation.

❖ The Council's community Hub consists of a climate change page 'North Herts Climate Hive' that has proved successful in engaging residents on topical climate projects, tips and news, the page has over 250 subscribers. Also 'Churchgate Conversation' was launched for engagement on the regeneration of Churchgate.

❖ A Statement of Community Involvement (SCI) sets out how the Council will involve the community in preparing the Local Plan and in considering planning applications [Statement of Community Involvement – Adopted September 2023]. The SCI was adopted in September 2023 following a public consultation. A draft updated SCI was published in March 2023 and consultation was opened 11th May 2023 and closed 27th June 2023. The Statement was formally adopted by the Council on 19th September 2023.

❖ The Council conducts a District Wide Survey Community Survey with the latest taking place in March-June 2023. The digital survey will now run twice per year to give residents more frequent opportunities to engage. The survey was conducted by Zencity on behalf of the council and the report of key findings is available here: Community Survey Results March – June 2023

❖ The Council also has an internal Staff Consultation Forum, a Joint Staff Consultative Committee (JSCC) and a Staff Consultation Policy.

❖ The Council Inclusion Group continued to convene. It aims to gain an understanding of the experiences of staff mainly but not exclusively in relation to protected characteristics and to input into the future direction of the organisation with regards

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[2] Under the Local Government Act 1972 Schedule 12A, and/ or Local Government Act 2000/ The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012/2089

[3] Made under The Openness of Local Government Bodies Regulations 2014/2095

to inclusion and diversity. The Group are able to make recommendations to Leadership Team.

❖ The Council has an Equality, Diversity, and Inclusion Strategy 2022-27.

❖ The Council's Customer Care Standards aims to put people first [Customer Care Standards]. The Communications Strategy 2024-28 [Communications Strategy page] set out the approach to communicating with residents, partners and the media. The Council has a multi-media approach to communication – on-line, in person, by phone, by post, and social media sites (on Facebook, X (formelyTwitter) and Instagram). The use of social media sites and text alerts is geared towards engagement with the IT adept and/ or younger residents.

❖ The Council is also part of the Hertfordshire Local Enterprise Partnership which aims to ensure a prosperous economy for the District's residents and businesses. It also works with Town Centres in Partnership to co-ordinate and progress the work in the town, tackle growth and development challenges. It has assisted with the renewals of the 3 Business Improvement Districts (Hitchin, Letchworth and Royston).

❖ The Council is also a member of the Hertfordshire Growth Board (alongside the other 10 districts and borough councils and Local Enterprise Partnership). The Growth Board is the vehicle in which the county is working together to manage future growth and support economic recovery.

❖ Since the pandemic, Committee meetings are streamed live to YouTube from the Council chamber, and remain on the Council's YouTube channel afterwards which has increased accessibility to members of the public.

❖ Councillor Surgeries, Area Forums and Environment Panel meetings are held virtually via Zoom to ensure continued openness and engagement with residents. Area Forums can meet virtually, hybrid or a set location.

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

❖ *What NHDC has or does:*

❖ The Council has a Council Plan approval / review process, and its vision is based on partnership aspirations. The Priorities of the plan are People First; Sustainability; A Brighter Future Together. These provide the foundations for the Service planning process, and officers are required to indicate on their reports which priority the report relates to. Delivery is monitored through detailed Senior Management, Committee and Executive Member / Member procedures.

❖ The Council Delivery Plan supports the delivery of the Council Plan. It is set in March each year and then monitored and reviewed quarterly at the Overview & Scrutiny Committee. It sets out the key projects the Council is looking to carry out during the year and shows key risks and performance indicators.

❖ The Equality, Diversity and Inclusion Strategy contains four equality objectives and contributes towards the Council's vision of equality and diversity [Equality and Diversity page]. The Strategy was revised in December 2022.

❖ The Climate Change Strategy contains objectives and actions which guide the council's approach to dealing with climate and sustainability issues. The overarching objectives relate to Net Zero targets for the council's operations and the district, and ensuring council services as well as the district are resilient to the impacts of climate change.

❖ The Council's process for assessing Environmental and Equality Impacts. Report templates include sections on Equality and Environmental Implications which officers must consider and comment on. Where significant implications are considered likely, a fuller Impact Assessment form must be completed to understand the impacts in more detail and plan for mitigative action. Equality and environmental issues are therefore monitored through the report / decision making process and an Annual Cumulative Impact Assessments 2022-23 which can be found on the Equality and Diversity webpage, and on the Climate Change webpage.

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

❖ *What NHDC has or does:*

❖ Decision making is effectively delegated through the Constitution (to Council, Committees, Cabinet, Executive Members and Officers). The Council has a set report / delegated decision template and guidance on how to complete these, which include standard areas such as an 'options' appraisal called "Alternative options considered" and risk analysis assists with optimising outcomes.

❖ The Council has a Risk Management Framework, and Service Managers have to identify threats to service delivery/performance in their own areas, when undertaking projects, letting contracts, formulating or introducing new policies and engaging in partnership working. This is part of the Risk Management Framework - Strategy (north-

herts.gov.uk) These are recorded on the Risk Register and monitored through the Council's Ideagen performance/risk management system available to Councillors and staff. Project management lessons are logged and detailed in a Corporate Lessons Log, which is available on the intranet. Corporate risks are reported to the Overview and Scrutiny Committee on a quarterly basis. The Finance Audit and Risk Committee receive reports to provide assurance over risk management processes.

❖ The Council's Financial Regulations [Constitution webpage – see Section 19] are an essential part of risk management / resource control for delivery of services (whether internally, externally or in partnership). The Medium- Term Financial Strategy (MTFS) is reviewed annually to set an indicative 5-year financial plan for the longer term strategic vision as well as a detailed one year budget. The MTFS and annual budget are prepared in line with the agreed Objectives and Council Plan. Budget workshops are provided to Political groups prior to budget setting/ budget approval, and this helps to optimise achievements.

❖ The Investment Strategy (integrated Capital and Treasury) was considered by Finance, Audit, and Risk in January 2023 and approved by Full Council on 23rd February 2023.

❖ The Council's Procurement Strategy was updated in February 2023, becoming the Procurement Strategy 2023-2024. The shorter-term strategy aims to put in place some of the Council's aspirations for the district as they relate to the Council plan.

❖ The Council has a Community Grants Policy and during 2023/24 gave grants to organisations working to support children and young people, older people, mental and physical health and wellbeing, arts and leisure, sport, and the environment. The Assessment Criteria ensures that funding is allocated to projects or activities and areas that will have the most beneficial impact on the residents of North Hertfordshire.

❖ In February 2024 the Council awarded £99,998 from its Community Investment Fund to enable capacity building activities within the VCFSE sector. All capacity building activities were required to result in something of community value, and applications were assessed according to a criteria.

❖ The Council has an Investment Plan for the Shared Prosperity Fund which sets our proposals around improving town centres, supporting local businesses, and developing health and wellbeing initiatives, and capacity developing in the VCFSE sector.

❖ The Council has allocated government funding for homelessness prevention services and interventions.

> **Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

❖ *What NHDC has or does:*

❖ The Council recognises the importance of employees, planning recruitment and development. Following the pandemic, the focus of HR strategy work has been on adapting to new ways of working and making this work for the Council and for staff. Issues around employee engagement and retention have also increased. To help address that we are looking at our staff benefits and our recruitment processes.

❖ A Recruitment Process form has replaced the Vacancy Control process to ensure compliance with proper recruitment practices. The Council promotes ILM Leadership & Management qualifications.

❖ Members and employees engage in various groups and benchmarking initiatives. These assist the Council in analysing/ improving its capability, such as the County Benchmarking, HR Salary benchmarking, Sport England's National Benchmarking service and Customer Services.

❖ The Council also considers and participates in Shared Service/ commercial ventures to develop services and resilience, such as the CCTV Partnership, the Local-Authority Building Control Company, Hertfordshire Building Control, and has been a Lead authority developing the Herts Home Improvement Agency and shared Waste service with East Hertfordshire District Council. It has its own private holding company – Broadwater Hundred Limited, set up as a contingency matter, during the pandemic (currently dormant).

❖ The Leader is part of Herts Leaders Group, East of England Leaders Group and County wide Growth board, has weekly Managing Director/ Leader Briefings. Political Liaison Board (PLB) meetings are held, and opposition Member/ shadow Member briefings provided by the Managing Director / Service Directors and other senior officers.

❖ Weekly Leadership meetings are held where ongoing issues are discussed and during monthly business meetings, Policy, Projects, Performance and Risk are (amongst other things) monitored. The Council encourages close working liaison between Senior Officers and Executive Members.

❖ Statutory officers meet regularly with political leaders where relevant standard issues are raised. Service Directors convene monthly briefings with relevant Executive Members.

❖ Following peer support provided by the Local Government Association to Finance Audit and Risk, and Overview & Scrutiny Committee, action plans for

each committee were agreed in June 2023 and taken forward.

❖ The Council has a Transformation Project which seeks to improve our services to residents using Artificial intelligence and development of self-serve systems. It also seeks to improve Council working and efficiency by automating processes that are currently manually handled.

❖ The Inclusion Group considers staff experiences and looks to drive forward the equality, diversity, and inclusion agenda within the Council. It also receives feedback from HR on the gender pay gap. A subgroup of the Inclusion Group has been formed to further consider the gender pay gap and actions for reducing it. The subgroup first convened in September 2023 and will report their progress to the Leadership Team.

❖ Staff Learning and Development sessions have been instituted on the morning of every first Friday of each month. These are a mixture of themed and non-themed sessions to enable them to be used by teams or individuals to focus on an area of development most useful for them.

❖ The Values of the organisation were revised in 2022. The new values shape how we aim to act as an organisation. They are:

TOGETHER: We work together and support
LISTENING: We listen to and consider the views of each other, our partners and our customers
LEARNING: We learn from others and are open to change
ADAPTABLE: We are adaptable in finding solutions for each other, our partners and our customers.
INCLUSIVE: We are inclusive and value diversity

❖ The Recruitment & Selection Policy was last reviewed and updated in 2020/21 as part of the policy review process. This is currently under review.

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

❖ *What NHDC has or does:*

❖ The Council has extensive mechanisms in place to manage risk and performance, for example, through the Risk Management Team/Group/Member Champion and the Risk Management Policy Statement, the Risk Management Framework Policy, and operational guide. The Ideagen system supports the logging/monitoring process by identifying performance indicators, individual risks and relevant 'ownership'. These are reported to Leadership Team and O&S Committee and Cabinet for transparency, and in Cabinet's case, overall management purposes. The Risk Management framework is embedded across all service areas and helps to inform decision making. The Risk Management Strategy is reviewed regularly and most recently was revised and approved by Cabinet in December 2022.

❖ SIAS' Annual Assurance Statement was delivered to Finance, Audit, and Risk Committee in June 2024. SIAS provided an overall assurance opinion of Reasonable Assurance. They also concluded that the corporate governance and risk management frameworks substantially comply with the CIPFA/SOLACE best practice on corporate governance.

❖ The council maintains a Data Sharing Statement to ensure that information is handled and dealt properly when collected, recorded and used. This data handling is treated lawfully, correctly and adheres to the Data

Protection Act. The Council has a Data Sharing Protocol which provides a framework for the Partner Organisations for the regulation working practices between Partner Organisations and is in accordance with the ICO's data sharing code of practice.

❖ Certain Service areas have their external emails encrypted by default (Housing, Revenues and Benefits, Systems Technical (Revenues and Benefits), Cashiers and Careline). Encryption occurs automatically when sending emails to certain domains, and the list of domains included on this list is reviewed regularly. Employees/ Members are instructed to encrypt an email if sending private, sensitive or confidential information to an external email address.

❖ The Council has a designated data protection (DPA) officer – the Revenues Manager and Data Controller is the Service Director - Customers DPA - website Contacts information

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

❖ *What NHDC has or does:*

❖ The Council's 'Outlook' Magazine is provided to all households in the District and is available on the Council's website. It contains information about the Council's services and events, distributed biannually (Summer and Winter Edition).

❖ SIAS undertake numerous planned audits (additional on request) and presents quarterly progress reports against these. An Annual Assurance Opinion and Internal Audit Annual Report is presented to the first FAR Committee of each civic year outlining the work undertaken in

the previous civic year. Based on the internal audit work undertaken at the Council in 2023/24, SIAS provided an overall assurance opinion of Reasonable for the adequacy and effectiveness of the Council's control environment. This Annual Assurance Statement was delivered at the June 2024 FAR Committee meeting.

❖ On an annual basis SIAS is required to undertake a self-assessment of its conformance with the requirements of the Public Sector Internal Audit Standards (PSIAS). Annual Assurance Statement and Annual Report 2022-23 presented in June 2023. The report found that SIAS generally conformed to the required standards; and that the external quality assurance assessors also held that SIAS conforms with the standards. An external review is required at least once every five years and this last took place in June 2022 and was reported at the December FAR meeting.

❖ In terms of performance SIAS narrowly missed targets on plan days and plan projects at 91 and 92% respectively; this was nevertheless a good outcome in view of an organisational restructure that impacted auditors. The last Internal Audit Progress Report of 2023/24 was delivered in March 2024 and reported that as of 26th February 2024 73% of the Internal Audit Plan Days had been delivered.

❖ The CFO follows: the CIPFA Code of practice on local authority accounting in the United Kingdom for each year and the CIPFA Statement on the role of the Chief Financial Officer in Local Government 2016 by ensuring that the financial statements are prepared on a timely basis, meet legislative requirements, financial reporting standards and professional standards as reflected in CIPFA's Code of Practice.

❖ External Auditors provide key timetabling/ stage of audit reports to FAR Committee (Audit Fee Letter, Audit Plan, testing routine procedures, Audit on financial statement and value for money conclusions/Audit completion certificate and Annual Audit Letter).

Review of Effectiveness:

❖ The Council uses a number of ways to review and assess the effectiveness of its governance arrangements. These are set out below:

Assurance from Internal and External Audit

❖ One of the fundamental assurance statements the Council receives is the Head of Internal Audit's Annual Assurance Opinion on the work undertaken. During 23/24 SIAS reported on 24 areas of which 1 received a Substantial assurance, 13 a Reasonable assurance, 3 a limited assurance, 3 not assessed, 3 unqualified, and 1 not complete. The limited assurance opinions related to Churchgate Landlord Compliance, Estates, and Agency Staffing, with three high priority recommendations being made. An overall assurance opinion of Reasonable Assurance was given, meaning a generally sound system of governance, risk-management, and control is in place. Further details can be found in the Annual Assurance Statement and Internal Audit Annual Report 2023/24.

❖ In the Annual Assurance Statement and Internal Audit Report 2023/24, reported to FAR Committee in June 2023, SIAS concluded that the corporate governance and risk management frameworks substantially comply with the CIPFA/SOLACE best practice guidance on corporate governance. Recommendations are in the process of being actioned and outstanding ones will be taken forward and monitored through reports to FAR Committee.

❖ The Local Government Association provided a peer support process for Finance, Audit, and Risk; and Overview and Scrutiny Committee in 2022. In June 2023 reports were taken to both committees which outlines a draft action plan. The action plans were subsequently approved by Cabinet and taken forward by the two committees.

❖ The Council's external auditors provide assurance on the accuracy of the year-end Statement of Accounts, the consistency of the Annual Governance Statement and the adequacy of value for money arrangements. In 2022, the External Auditors Annual Report replaced the Annual Audit Letter. The Annual report for the 2021-22 year was presented to FAR Committee in September 2023. The report was generally positive, with Ernst & Young issuing an unqualified opinion on the Council's financial statements. The report did not identify any risks of significant weaknesses in the Council's value for money arrangements for 2021-22.

Assurance from self-assessment
❖ The review of effectiveness is informed by the work of the Senior Managers within the authority who have responsibility for the development and maintenance of the governance environment. Each Service Director is responsible for producing their own assurance statements and where relevant for mitigating identified risks and governance weaknesses as part of the Service Planning process. The areas of governance reviews include but is not limited to: legislative compliance, project management, risk management, conduct, and conflicts of interest.

❖ The Council Delivery Plan highlights key projects to support achievement of our Council Plan.

❖ Leadership Team is composed of the Managing Director and the Service Directors and meetings are chaired by the Managing Director. The AGS self-assessment follows the CIPFA/SOLACE recommended self-assessment process of reviewing the Council's arrangements against the 2016 Framework Principles/sub-principles and providing examples. This is usually undertaken during March - June and taken to a Leadership Team meeting so that Leadership can confirm satisfaction that the appropriate governance arrangements are in place. The AGS Action Plan is developed to work on areas for governance improvement. The detailed AGS self-assessment is available on the Corporate Governance page[4].

Assurance from Risk Management

Projects, risks, and performance indicators have been amalgamated into the Council Delivery Plan which is taken to Overview & Scrutiny Committee each quarter. This is to ensure a more integrated corporate approach. In the Mid-Year Risk Governance update reported to Finance Audit and Risk Committee in December 2023, the top risks (scoring a 9 on the risk matrix) for the Council were Waste and Street Cleansing Procurement; Financial Sustainability; Waste Depots; and Resourcing. Other risks scoring highly on the matrix (8s) are: the Churchgate Project; Homelessness Prevention; and Cyber Risks.

❖ *Financial Sustainability* is an ongoing top risk which is reported through the Council Delivery Plan. The MTFS, budgets and capital programme are, however, noted as soundly based and designed to deliver the Council's strategic objectives.

❖ *Resourcing* was upgraded to a score of 9 on the risk matrix, having previously been rated as an 8. It refers to issues around additional tasks/actions and the knock-on impact this may have on delivery of projects within the Council Delivery Plan. It also refers to staff shortages and difficulties in recruiting to some areas.

❖ The risks around the *Waste and Street Cleansing Procurement* include costs being over budget, and the Government's Resources and Waste Strategy differing from the specification.

❖ *The Waste Depot* risk includes the depot not being fit for purpose, and money for capital works not being available.

❖ *The Churchgate project* refers to plans to regenerate a shopping centre and the surrounding areas. It is a high-rated risk, with the risk relating to the affordability of the regeneration, and the possibility of failing to meet the expectations of stakeholders.

❖ The risk around *Homelessness* refers to an unmanageable demand for housing services, lack of alternative housing options, increase in levels of homelessness, and increased use of hotel accommodation for homeless households.

❖ *Cyber Risks* refers to the possibility of disruption to or failure of IT systems and infrastructure as a result of breaches of cyber security, resulting in inability to deliver projects/services.

Assurance from Complaints outcomes
Local Government Ombudsman (LGO):
❖ The Council reports complaints to Leadership and O&S. The summary for the full period 2022/2023 was presented at the June 2023 Overview and Scrutiny meeting. The summary indicated that the number of complaints received by both the Council and our contractors decreased from 423 in 21/22 to 417 in 22/23. Of the total 417, 232 (56%) relate to services delivered by our key contractors. The LGO received 13 complaints during this period. These cases are shown in the LGO's Annual Review Letter. 5 of the 13 were upheld by the LGO, however 2 of the 5 had already been remedied by the council.

Standards complaints involving Councillors
❖ An update on Member complaints was given to the Standards Committee in a report delivered by the Service Director for Legal and Community in March 2024. During the 2023 calendar 11 complaints against members were received. This was a reduction compared to 2022, where 30 complaints had been received. At the time of the report, it was noted that 4 complaints had been received so far during 2024.

Whistle Blowing Complaints
❖ In line with the published Whistleblowing Policy, we received one complaint / concern during the 2022-23 period. A concern was raised that a member of staff had allegedly committed an act of wrongdoing externally. Further enquires were made but no information was provided, and therefore no further action was possible.

Information Commissioner's Office (ICO)
❖ The Review time limit supplements the statutory one for handling requests (20 working days) and during 2023 calendar year, the Council only failed to handle 2% of the 719 FOIs/EIRs requests within that period. There were 5 reviews, 0 of which were successful and the information released, 0 of which were partially successful, and 5 of which were unsuccessful. There was 1 ICO case.

❖ In respect to requests for information under the Data Protection Act - 226 Data Protection cases (including 20 Subject Access Requests) were received in the 2023 calendar year, of which 98.7% were successfully answered within the 40-calendar

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[4] https://www.north-herts.gov.uk/corporate-governance

day deadline.

❖ During the 2023 calendar year there were no complaints lodged at the ICO.

Conclusion:

❖ No significant governance issues have arisen as a result of the review of effectiveness for the 2023/24 financial year. The Council is satisfied that it has appropriate arrangements in place. The Council proposes over the coming year to take actions set out in the Action Plan. Implementation will be monitored through the Finance Audit and Risk Committee.

Cllr Daniel Allen, Leader of the Council

Anthony Roche, Managing Director

Action Plan 2024/25

1. Monitor and evaluate the success of the 2024 Member Induction Programme and reflect whether any changes are needed as a result. (Democratic Services, HR, Leadership Team)
2. Evaluate officer uptake of essential training modules and review options for increasing uptake where completion rates are below 75%. (HR, Leadership Team)
3. Develop improved oversight of cyber security risks (via new Cyber Security Board) and develop controls or actions to limit exposure. (Cyber Security Board, IT, Leadership Team)
4. Further develop the Budget Hub and opportunities for residents to engage via this platform once the General Election has passed. (Communications Team, Leadership Team)
5. Develop and implement an action plan to respond to the recommendations of the upcoming Corporate Peer Challenge. (Leadership Team)
6. Continue to develop processes for collecting Social Value that has been committed and has been delivered for contracts above £50k, but either below the threshold for using the Social Value Portal or not relevant to use the Social Value Portal. This will include any Social Value provided through alternative contracting routes e.g. framework contracts. (Procurement Team)
7. Share the information accumulated around Social Value collection (including data from the Social Value Portal) with contract managers to improve the awareness of the Social Value that can be delivered. (Procurement Team)
8. Develop reporting (e.g. value committed and value delivered) on Social Value so that it can be provided as part of performance reporting. (Procurement Team, Leadership Team)
9. Review organisational structure following adoption of the Council Plan for the four-year administration. (Leadership Team)