

Annual Governance Statement 2021-22, Maldon District Council

Achievements for 2021/22

Over the financial year, the following governance framework improvements have taken place:

- Running remote and a return to physical committee meetings in May 2021 all broadcast publicly through [YouTube](#) and available thereafter.
- Process Improvement Framework established and reported to Members in November, underpinning our commitment to continual improvement as an organisation
- Four Members appointed to work with the process improvement team and provide testing feedback and support for new customer processes
- Annual resident and business survey ran in October – 201 responses received (although this is down from 303 the previous year and we expect covid impacted this)
- Annual staff survey- 74% response rate, a 2% increase from 2019/20
- Further development of internal balance scorecard reporting, including customer data such as response times and the introduction of an exception report to Performance, Governance and Audit committee so Members can challenge operational delivery.
- Member Chair and Vice Chair training in November 2020
- Equality, diversity, and inclusion training delivered to the workforce in early 2022
- Members training from Town and Country Planning, December 2021
- Members training on Social Media and the Law, July 2021
- Members training on Code of Conduct and complaints procedure October 2021
- Development of member hybrid meeting protocol document to support good meeting management.
- Embedding of a new overview and scrutiny process including form for all members to submit suggested items, underpinned by a new process where a working group of the committee review these and report back suggested items for inclusion to the workplan to Committee.
- Refreshed Corporate templates for service plans and staff objectives, and Project Management Office to capture climate action pledge delivery.
- Development of reporting form and quarterly publishing of delegated decisions to improve transparency, first published March 2022.
- Development of a public budget survey, with responses fed back to the finance working group as part of 22/23 budget development work
- **Internal audit summary – supplied by BDO**
- The role of internal audit is to provide an opinion to the Council, through the Audit Committee (AC), on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period. The basis for forming my opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes
- An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year
- This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; and any reliance that is being placed upon third party assurances.

Overall, we are able to provide moderate assurance that there is a sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. In forming our view, we have taken into account that:

- In the current year all audits provided either substantial or moderate assurance in the design of controls (Substantial: 4, Moderate: 4).
- In the current year the majority of audits provided moderate assurance in the operational effectiveness of controls (Substantial: 2, Moderate: 6)
- We did not issue any limited assurance reports this year, showing an improvement upon the previous year.
- There are currently three remaining audits with fieldwork in progress. It is unlikely that their outcomes will change the overall audit opinion:
 - Workforce Management
 - Commercialisation
 - Contract Management
- Some areas of weakness have been identified through our reviews, including opportunities for improvement in the management of property and assets, specifically in relation to cyclical repairs as well as the need to establish a clear list of requirements to ensure a suitable customer relationship management system is procured in the future, achieving the benefits expected. Additionally, improvement is required in the governance of partnerships with Member representation, whilst the IT Strategy requires updating to reference key policies and procedures. However, the Council is already working to address the issues identified.
- The Council have implemented the majority of audit recommendations from prior years (58 out of 65), with seven recommendations currently overdue from across 18/19, 19/20 and 20/21. Recommendations outstanding from these years include Safe & Clean Environment, Flood Risk Management and Safeguarding. Whilst the delay in the implementation of these recommendations has been impacted by operational staff capacity due to Covid as well as other competing priorities, we would expect these to be completed as soon as possible.
- Of the current year recommendations (11), one has been completed, one is overdue and nine are not yet due for implementation.
- Overall, while there remain some gaps and risks, our work has concluded that the Council has generally been able to maintain reasonable controls, particularly given the ongoing impact of Covid on operations and workforce during the year. Good practice was identified in areas such as the review of the Covid Recovery Plan as well as budgetary control, reviewed as part of this year's Main Financial System Review. However, the ongoing delays in the implementation of recommendations has been noted and requires improvement.

Action plan: What we will do more of in 2022/2023:

In compiling the annual governance statement, we have identified areas for further improvement over the next financial year.

The delivery of the action plan below will be tracked at our Performance, Governance and Audit committee:

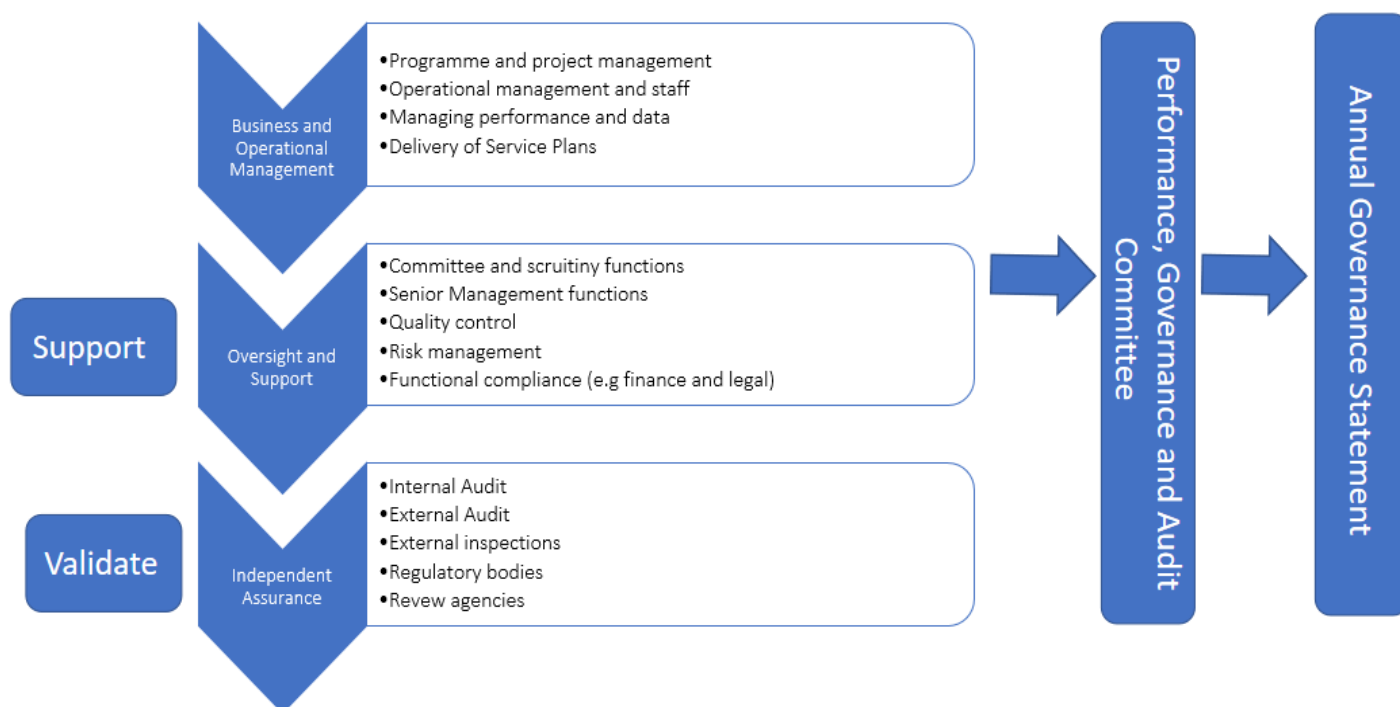
NB Asterix denotes rolled over actions from 2020/21 annual governance statement

Action	Officer initial	
Build on member induction process and put in place ahead of 2023 onboarding	CH	
Seek further support and resolutions to promote smooth running of committee meetings	CH	
Build on member/ officer code of conduct with training and support and increase positive working relationships	SQ	
Deliver process improvement training for staff and build capacity for continual improvement work across the organisation	CH	
Embed the Climate action strategy and pledges into operational working	GB	
Update the Risk Management Strategy and re-evaluate the Corporate Risk Register in line with this	CH/ CLT	
Draw out and link all of our policies and their objectives through a review of the Local Development Plan (e.g., Corporate Plan, Climate Change) *	PD	
Improve engagement with resident and business survey, and look at wider options for future engagement (budget survey)	EH	
Build on delegated decision reporting that has been put in place March 2022	CLT	
Build engagement and information sharing with Parish Councils as part of the Local Development Plan review work	MW	

Summary: How our governance arrangements at Maldon District Council underpin delivery of the Corporate plan and Outcomes.

Background information

Our arrangements for Governance support



At Maldon District Council, our Governance arrangements are underpinned by a mix of business and operational management, oversight and support activities and independent assurance. The activity is fed into the Performance, Governance and Audit Committee and then into full Council.

An analysis of this work and the plan for the following year is what forms the Annual Governance Statement.

Progress made on last AGS actions -

In the 20/21 AGS, although no significant issues were identified, we developed an action plan based on best practice for Governance arrangements. These actions have been tracked and reported to the Performance, Governance and Audit committee [9 Annual Governance Statement Actions Update.pdf \(maldon.gov.uk\)](#)

Some of these actions are captured in the action table above as they continue to be relevant.

In 2020/21, process improvement was made a permanent part of the structure at Maldon, and to set out our ambitions as a Council working on continuous improvement, the Process Improvement Framework was put in place [Appendix A.pdf \(maldon.gov.uk\)](#). Further work is planned for 22/23 to embed this into the organisation.

CIPFA / SOLACE 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance, highlights seven key areas for good corporate governance, as shown in the diagram below:



This year, the following activity has taken place within this Governance Framework:

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

A committee structure as set out below has been in place in 2021/22.

The Corporate Governance working group reported to Council in September 2020 with some recommended improvements including:

- Adjusting the size of PGA and S&R committees
- Setting membership of committees so that no member of O&S should be serving on these programme committees

The principle of this is that the Overview and Scrutiny committee can more effectively challenge the work of the programme committees

This was in place and operational for the 2021/22 financial year. All Members are able to submit suggestions for scrutiny items. A Working group of the committee considers these and recommends back to the committee suggested workplan items and courses for scrutiny suggestions.

There have been eight member forms received in the year 21/22, and two of these were adopted as a full workplan item ((Proposed conversion of a Seating Shelter at Promenade Park Maldon into a Service Kiosk, and 5 year Housing Land Supply) two proposals were agreed as watching brief items and five were reported back to the committee at a high level for assurance that a full review was not required.

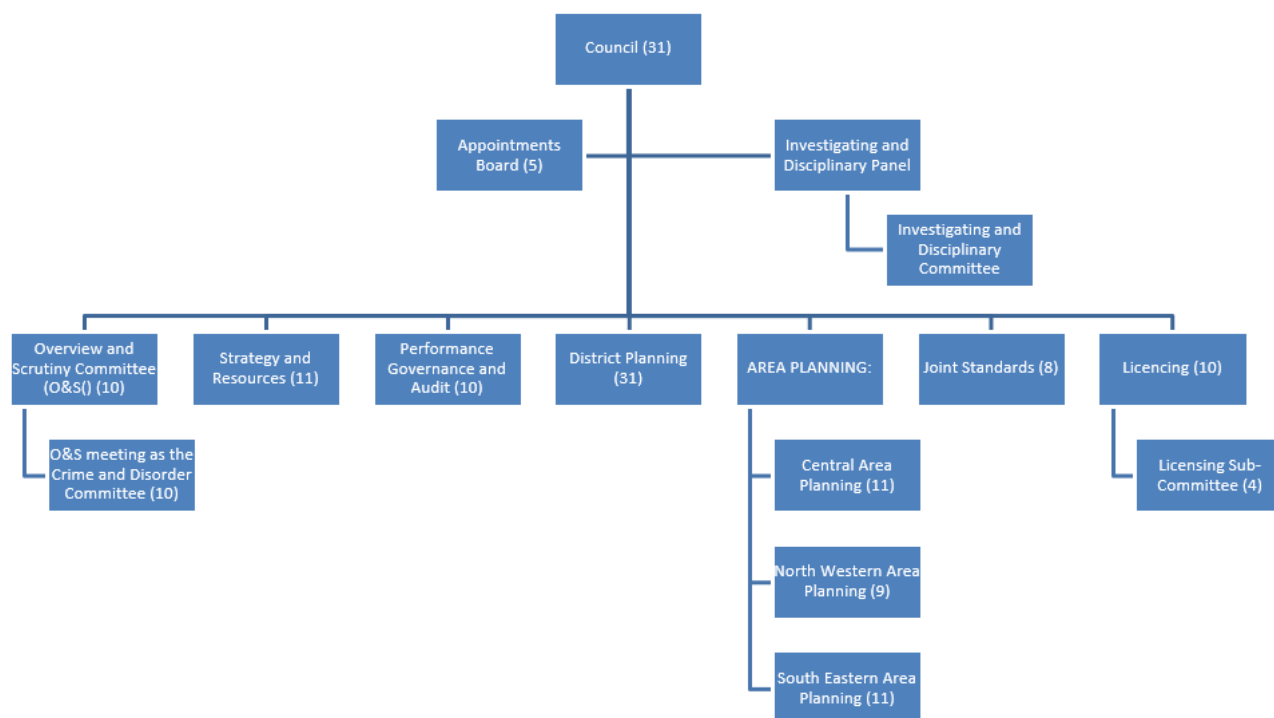
There were also two items agreed in 2020/21 that concluded this year (Transformation and Debt Recovery) the full details of these items and recommended actions from the Overview and Scrutiny Committee have been included in the annual report of the Committee.

In July 2021, The Corporate Governance working group met to review governance queries associated with the planned Local Development Plan Review and review a paper put together by the Planning Advisory Service following a review of Maldon planning committee structure and operations, and with suggested improvements based on best practice.

The working group fed back and recommended changes in the Committee structure and the removal of specific area planning committees to Council.

Council considered the paper of the Corporate Governance Working group on September 2nd, and rejected the recommended changes to structure and operations highlighted in the report.

1. MALDON DISTRICT COUNCIL COMMITTEE STRUCTURE



Our committee structure has a joint standards committee. Two investigations in relation to seven complaints against one district councillor and no parish councillor conduct complaints were considered by the committee in the financial year 20/21.

One councillor was also disqualified from being a councillor under Section 80 of the Local Government Act 1972

In response to the pandemic and emergency legislation, 21/22 started with committees running online and broadcast to YouTube as had been established in 20/21. In May 2021 with the legislation ending meetings returned to physical but with continued YouTube live streaming for ease of public viewing

As of 26/01/22, over the previous 11 meetings that are published to YouTube the average number of views is 166, and for an average meeting of 2 hours it costs an additional £53.91 in officer costs to provide the Stream. Members considered this information at Full Council on 24th February 2022, and decided to continue YouTube streaming of all future meetings for the increased public visibility.

Abandoned Meetings

Two meetings of full council 4th November and 16th December 2021 and a meeting of O&S Crime and Disorder (28th October) have been abandoned and business put on hold due to disruptive Member behaviour during 21/22.

To support Chairmen in this situation, the Local Government Association also provided advice on Chairing difficult meetings, as well as various protocols and officer support.

In order to keep business of the Council moving, Directors used their delegated emergency powers for any urgent matters that they were able to address on the 24th December. A published list of these is available at [Latest news | Maldon District Council](#)

The Council has a Whistle Blowing Policy, which was last reviewed in January 2018 by the Finance and Corporate Services Committee. It sets out the arrangements for employees to disclose allegations of malpractice internally, in relation to staff, Members, contractors, suppliers or consultants in the course of their work for the Council, without fear of victimisation, discrimination or disadvantage.

We launched an Annual Staff survey in December 2019, and ran this for the third time in November 2021, with a response rate of 74%. The survey gave some honest areas of staff feedback for management to address and allows the organisation to review areas of improvement or reduction in satisfaction between years. An action plan has been put together internally to address key areas of concern.

The Council has adopted a number of codes and protocols which set out the parameters for the way in which it operates, in particular a Member/Officer Relations Protocol intended to clarify roles and promote effective communication. This has been recirculated to staff and Members in 21/22, to follow up on Joint Standards complaints.

The Council's Financial Regulations provide the framework for managing the Council's financial affairs. They identify the financial responsibilities of the Council, the Committees, and key officers. The Section 151 Officer (under the Local Government Act 1972) is responsible for ensuring that sound financial management systems are maintained, and expenditure is lawful and appropriate, and this appointment is normally held by the Director of Resources.

The Council's constitutional arrangements include a Code of Conduct for elected Members based on the Principles of Public Life (the Nolan Principles). This was originally adopted in 2012 and revised in 2016. In February 2022, the Joint Standards Committee Considered the LGA model code of conduct that had been in development for several years, and revised in May 2021 to reflect feedback from local authorities. The committee agreed to adopt the latest version once implemented in Essex, to update the Model Code and keep consistency particularly where members serve for two councils.

Officers are subject to a Code of Conduct, the policy for which was adopted with effect from 18 November 2013 and last revised in April 2018.

Registers of gifts and hospitality are maintained for both Members and Officers. A statutory register of interests is maintained for Members, and the staff Code of Conduct requires staff to disclose interests. Periodic reminders are issued about the need to avoid potential conflicts of interest and protocols for the acceptance of gifts and hospitality.

The Council has a series of approved policies and strategies relating to good governance, including, for example, the Code of Corporate Governance, anti-fraud and corruption, whistle-blowing, data quality, Freedom of Information, and corporate equality policies, all of which are accessible via the Council's SharePoint system.

BDO LLP under their remit of Internal Auditors consider fraud as part of their audit workplan. This ensures we conform to the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014).

The revised Corporate Plan, adopted at the meeting of Council 18th March 2021 includes shared values across elected Members and Staff which are:

OUR CORE VALUES

In delivering the Corporate Plan, we promise we will all...



To embed these values, work has taken place in Team meetings where each month a value is highlighted, and managers complete a form to feedback case studies of where staff display the values, what our corporate barriers are and what are opportunities are. This is all fed back centrally through Corporate 'one Team Champions' to look at how we might build on these values in the future, and has been linked with the staff survey action plan to ensure we are following up on suggested actions

B. Ensuring openness and comprehensive stakeholder engagement

We ran the annual residents survey in October , which was available online, and promoted through communications. Specific questions in the survey are used to measure the delivery of the corporate plan outcomes. Unfortunately, the response numbers were lower in 2021/22 and especially low for businesses, which could be due to wider covid regulations/ focus at the time, so work will take place to improve our consultation planning for 22/23

We additionally ran the annual staff survey which gives internal stakeholder feedback. Both of these surveys included additional questions to help establish the impact of Covid 19.

Public are invited to speak at committee meetings, and with meetings held remotely we have also introduced provision for live public participation which has largely been taken up in Planning Committees. In the return to physical meetings, we also established a hybrid set up for participants to dial in via MS Teams to help with covid mitigations and general accessibility to meetings. In February 2022, a Council paper around future meetings also confirmed a hybrid approach and freedom of choice for public engagement with meetings through both online and physical options.

We have an internal audit plan, which reviews our controls and risk and provides opportunity for improvements to be identified and addressed. In 2021/22 eight internal audits took place in the areas of:

- Main Financial Systems
- Strategic Performance - Community
- Covid Recovery Plan
- IT Strategy and Transformation
- Policy Review
- Partnerships
- Management of Property
- Customer Service: CRM Post-Implementation
- The Council undertakes consultation with particular interest groups, including our Friends Groups, Parish Clerks' Forum, Developer Forum, Landlord Forum, Business Forums, Community Safety Partnership and Park Watch scheme members.

The Council engages with the appropriate equality groups in order to ensure that it meets its obligations under the Equality Act 2010. The Council produces Equality Impact Assessments (EIA) in line with legislation. In March 2022, Key officers were given refresher training around EQIA documentation, and all staff were given Equality Diversity and Inclusion training as part of our central HR policy.

In March 2022, a new web area was developed to publish delegated decisions by officers and improve visibility both internally and externally for this area. There is an internal mechanism for officers to record decisions that are made and this area to be updated quarterly by the Programmes, Performance and Governance Team. The link to access this is www.maldon.gov.uk/decisions

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

We continue our quarterly corporate performance reporting which is reported to the Performance, Governance and Audit Committee and that measures the delivery of the outcomes in the corporate plan.

The Corporate Plan is underpinned by the thematic strategies of:

1. Prosperity
2. Place
3. Community

And align to the economic (Prosperity), social (Community) and environmental (Place) outcomes.

With the adoption of a refreshed Corporate Plan in March 2021, work was completed in 21/22 to define the outcomes in the updated strategy and update the Corporate Performance Reporting template accordingly

Members of the Performance, Governance and Audit Committee were provided a seminar session to feed back as we developed the templates to ensure the reporting was clear. This helped to embed understanding of performance reporting and committee processes.

The Corporate Plan details the vision, goals, objectives and core values that guide the direction, work and achievements of the authority. It is the Council's core internal strategic planning document, from which supporting strategies can be developed and published, including the Medium Term Financial Strategy, ICT Strategy and Workforce Development Plan, all of which underpin the Council's ambition to transform the way it delivers its services in the future. The latest version covering 2021- 2023 is available at <https://democracy.maldon.gov.uk/documents/s22966/Appendix 1.pdf>

At an operational level, each service produces a Level 2 business plan. These are not submitted to Committee, but facilitate effective performance and risk management within the Directorates including the setting of individual staff objectives and completion of performance reviews. An update to the business plan template has taken place in 21/22 to capture organisational actions and internal audit learning, these are :

- Highlight how the team will deliver on Climate action strategy
- Link policies owned by the team and any due for update in the financial year
- Link procurement contracts owned by the team and any due for update in the financial year

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

The Performance, Governance and Audit Committee is provided with a quarterly performance report for delivery of the outcomes. They are invited to challenge and focus delivery of these.

With the emerging pandemic, the Corporate Leadership Team committed to regular review and updating of the Corporate Risk Register to identify areas of risk to service delivery, and Risk Reporting is also quarterly reviewed and challenged by the Performance, Governance

and Audit Committee. An update the report format in the 2021/22 year following Member feedback also highlights emerging risks to help committee think about possible issues that may come up in the next quarter.

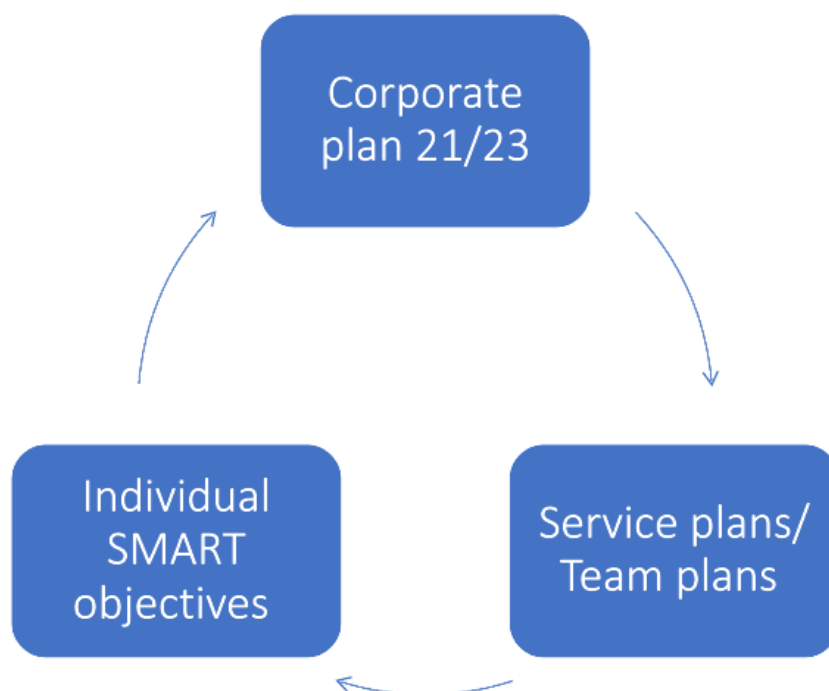
In 2019/20, we established a Project Management Office (PMO) in the Council restructure, to standardise project reporting and support good quality project delivery. In 2020/21, we launched a monthly Extended Leadership Team project board as part of this. In 2021/22, the format and terms of reference were reset to improve efficacy of the meeting. There is now a steering board for sign off of projects and resource and separately a board for tracking and challenging delivery of projects. There is monthly oversight and reporting of projects, and where appropriate, risks and issues can either be addressed or escalated further to Members as part of wider Risk and performance reporting..

The process improvement team also produce monthly performance reporting to show the areas that have been supported, and improvements in efficiency and customer experience. As part of this, a review of the customer feedback on our online forms that receives low satisfaction ratings is used to drive further improvement work and ideas.

In June 2021, an ICT strategy for 21-25 [Decision - ICT Strategy 2021 - 2026 :: Maldon District Council was adopted by Council, this also drives a vision for our technology and processes for the next five years.](#)

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

In 2020/21, we put in place a new process for linking the Corporate Plan objectives, through to delivery right down to the individual staff. Now that the Corporate Plan has been refreshed, the diagram below shows how this then links down to team service plans, and individual staff objectives. In January 2022, a refreshed service plan template was issued to the management team to reflect wider Corporate changes, as previously set out in section C



To underpin objectives, and support staff and members in delivery of their role, we have also developed and delivered:

- Key strategies to define delivery that have been adopted in 2021/22, including the ICT strategy for 21-25; Climate Action Strategy; Equality, Diversity and Inclusion Strategy and Process Improvement Framework.
- Chair and Vice Chair training following our Annual meeting in May 2021
- Budget Training for members.
- A full member training and development programme, supported by the Local Government Association, and with Member feedback to help define and shape this, which also ran into 2021/ 22.
- Performance and Risk reporting training for Performance, Governance and Audit committee members.
- Annual Strategic Cycle training for the Leadership team, and a way to track the items due within this each month.
- Project Management Office training for project managers and the senior leadership team, including measuring project performance and outcome delivery.
- An update to the service plan and individual objective templates to reflect key changes in the year (e.g. climate action strategy)
- Key process support documents on our internal Freshservice system that define process steps and act as training and handover guides.

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

Maldon District Council has a drive to be more performance-led. This year we have continued to build on Corporate performance reporting, and implementation of a monthly internal Balance Scorecard report for Senior Management review and scrutiny.

From January 2021, a six monthly report of operational exceptions from the Balance Scorecard have been reported to Performance, Governance and Audit committee. In 21/22, we continued to build on the range of data and information that was included in this process. Additionally, we have also developed tailored reporting for specific services to increase data-driven decision making in the organisation.

A new Risk Management Policy was adopted in November 2019 and we have been working to this throughout 21/22.

In January 2021, all staff Risk Management training took place, and a recording of this is available to all staff as an ongoing reference point in 21/22, a link to this is provided for new staff onboarding and the Programmes, Performance and Governance team support staff with specific risk management queries and support.

An all member budget briefing took place 17th Jan 22 to explain the process behind the budget setting, and the key components and considerations in putting the budget together – Questions and answers were also circulated out to Members afterwards.

In July 2021, a seminar took place for all Members of the Performance, Governance and Audit Committee including:

- The MDC risk management policy
- How officers raise and score risk
- How risks are added to and reviewed on the risk register that reports to PGA
- Internal processes in place to support risk management

A Quarterly Corporate Risk register review goes to Performance, Governance and Audit committee.

Risks are a regular item of discussion in the monthly Extended Leadership Team meetings and Service Management Meetings.

One of the most significant risks for the Council is the uncertainty of its future funding. This does not allow the Council to plan its future service delivery with any certainty.

Since the Coronavirus pandemic reached the United Kingdom in early 2020, the Government has had to redirect its resources to planning for this. As a result there has continued to be a delay to the implementation of a new Business Rates Retention Scheme (BRRS) for local government and to the implementation of the outcome of the Fair Funding Review. This has had an impact on the announcement on the future financial settlement. And, as it was for 2021/22, it became a one-year settlement announced for 2022/23. This included a one-off New Homes Bonus payment; however the ongoing allocations of the New Homes Bonus Scheme is still to be announced since last year's consultation. The extended delay in a 4-year settlement, along with all the uncertainties around what the BRRS, Fair Funding Review and NHBS outcomes, would appear to have given local authorities no framework within which to work over the medium term. This, in itself, continues to present a significant financial risk.

However, the Council is in a good position to address this uncertainty due to having had sound financial management and planning in place. It has managed to build up a prudent level of reserves to enable it to manage the medium-term uncertainty.

There is also continued uncertainty over impacts on the Council since the departure of the UK from the European Union (e.g. regarding supply chain and HGV driver shortages), the continuing global pandemic over the medium term and the emerging inflation and cost of living crisis. This has resulted in a drawdown from reserves being required in 2022/23 to balance the budget.

In response to Coronavirus, the government has provided financial support to businesses and individuals, with initiatives occurring through 2020/21 and 2021/22. Local government has been working to deliver Central Government policies and legislation e.g. paying out grants to small businesses and businesses in the retail, hospitality and leisure industries as the Government has locked down the country. Local government has needed to deliver what is required to respond to the pandemic and is in an uncertain position with losses in income as income generating services have been closed or heavily impacted e.g. car parking and leisure services. To date the Government have paid the council a grant of £899k in 2020/21 and £306k in 2021/22 to fund COVID-19 budget pressures and have contributed up to 71% towards certain income losses caused by lockdowns. These grants were claimed through a thorough review of actual income against budgeted income by full engagement of service managers and finance staff in completing monthly government Covid returns. However, there is still a significant financial impact that the council will continue to experience into 2022/23. Furthermore, the cost of living crisis is now emerging, where government grants and reliefs are being dispersed to individuals by the Council to help them manage financially.

Again, the Council will be monitoring this to see if this impacts on its own finances. E.g. the Council Tax collection rate.

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

All committee meetings are open for the public to attend. In 2021/ 22, to support Covid mitigations, Public 'attendance' was via YouTube streaming, making meetings open and visible to all. As of 25th January 2022, Public may also attend physically and YouTube streaming for improved accessibility is also still in place

As part of the Emergency Powers with the Pandemic first forcing a move to remote meeting, all decisions made by the Corporate Leadership Team were published to the website. This has been built on further in 21/22, with a new web area launched in March 2022 to report all delegated decisions at www.maldon.gov.uk/decisions

In the move to physical covid-secure meetings, public participants initially had to attend physically to make representations. Since late 2021, we have been able to accept attendance via MS Teams and have been running hybrid meetings to support preferences of those involved. We updated to our Constitutional and procedural documents have been made to allow for these arrangements.

This year we implemented a full cycle of quarterly performance reporting to align it to the corporate outcomes defined in the Corporate Plan.

Members are invited to review the performance information and challenge where they feel delivery of the Corporate Plan outcomes is at risk. The internal process around producing this performance documentation also allows greater visibility for the senior managers around how staff are progressing agreed action plans.

An internal audit plan is defined according to areas of Corporate Risk. We have a quarterly update of internal audit progress, including audit actions due with officers, and this is reported to the Performance, Governance and Audit Committee.

CONCLUSION

The Council is satisfied that appropriate governance arrangements have been maintained in 2022/23. These have been successfully adapted and reviewed as a response to the global pandemic and changes in governance arrangements. We have also continued to build on good practice around governance in the 21/22 year.

The Council, recognises however that these arrangements are designed only to manage risk down to a reasonable level and cannot provide absolute assurance that the Council will successfully deliver all of its policies, aims and objectives, and we will continually monitor and refresh performance and risk reporting throughout the year to address issues that arise.

We remain committed to maintaining and where possible improving these arrangements, by:

- Addressing issues identified by Internal Audit
- Focussing on key risks and areas for improvement
- Continuing regular, open and transparent engagement with local people.
- Training and enabling our staff and Members to work within good governance frameworks