



<u>Committee and Date</u>	<u>Item</u>
Audit Committee	8
16 June 2011	
10.00am	
	<u>Public</u>

REVIEW OF SHROPSHIRE COUNCIL'S CODE OF CORPORATE GOVERNANCE 2010/11

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1. Summary

- 1.1 Shropshire Council is committed to the principles of good corporate governance. The attached review of Shropshire Council's Code of Corporate Governance was developed using the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance and clearly identifies how, as a Council, we achieved effective corporate governance in 2010/11. Compliance with our Governance Code supports the Council's review of the effectiveness of its system of internal controls as required by the Accounts and Audit Regulations 4(2). This in turn informs the Annual Governance Statement which accompanies the Annual Statement of Accounts, signed by the Leader of the Council and the Chief Executive, which is a requirement under Regulation 4(3) of the Accounts and Audit Regulations 2011.

2. Recommendations

- 2.1 The Committee is asked to consider and approve, with or without comment, the Internal Audit conclusion that the Council has very strong compliance with the Code of Corporate Governance. The detailed code, incorporating evidence, is contained in **Appendix A**.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Corporate Governance is part of the overall internal control framework and contributes to the Council's strong governance arrangements.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and the Accounts and Audit Regulations 2011.
- 3.3 There are no environmental consequences of this proposal and consultation has been used to inform the review of the Code of Corporate Governance by seeking assurances and evidence from senior officers as to the effectiveness of internal controls and governance processes.

4. Financial Implications

- 4.1 There are no financial implications in respect of the Statement.

5. Background

- 5.1 The Audit Committee's terms of reference include a requirement to review and report on the adequacy of the Council's Corporate Governance arrangements. This report looks at the Corporate Governance arrangements we had in place for last year to enable the Audit Committee to deliver its year end assurance report.
- 5.2 A new code for Shropshire Council, excluding the evidential content, was adopted in 2009 and included in the constitution. With the completion of the Council's first year, Internal Audit have completed a review including examining the necessary evidence to assess whether the Council has followed its adopted code of governance.
- 5.3 The CIPFA/SOLACE guidance entitled "Delivering Good Governance in Local Government – Framework" contains six core principles, each of which is supported by sub-principles to provide a governance framework. The guide identifies best practice for authorities to adopt when establishing their own local Code of Corporate Governance. Shropshire Council's Code of Corporate Governance is entirely based on this guidance. We have also incorporated the guidance provided in the CIPFA/SOLACE "Application Note to Delivering Good Governance in Local Government: a Framework" issued in March 2010.
- 5.4 The fundamental principles of Corporate Governance are: Openness and Inclusivity, Integrity and Accountability.

- 5.5 These principles are entirely consistent with the Council's values. The six core principles identified in The CIPFA/SOLACE guidance are:
- Focussing on the purpose of the authority and on outcomes for the community and, creating and implementing a vision for the local area.
 - Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
 - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
 - Developing the capacity and capability of members and officers to be effective.
 - Engaging with local people and other stakeholders to ensure robust public accountability.
- 5.6 Under each of the six core principles and their sub-principles our code demonstrates how we address and meet these principles in accordance with the best practice guidance as identified by CIPFA/SOLACE.
- 5.7 The Cabinet, in consultation with the Audit Committee, are responsible for approving the Code of Corporate Governance, and the Chief Executive, Section 151 Officer and Monitoring Officer are responsible for ensuring that it is kept up to date by reviewing it on an annual basis.
- 5.8 The Monitoring Officer and Section 151 Officer are responsible for ensuring an annual review of compliance with this Code and Internal Audit independently reviews the governance process. The results of this review will be included in Audit Service Manager's annual report and form a part of the overall assurance for the Annual Governance Statement signed by the Leader and Chief Executive.
- 5.9 On a practical basis, the Code contains a corporate governance map defining our framework by reference to key processes, procedures and documents which contribute to our aspiration of excellent Corporate Governance in Shropshire. This is felt to be a very useful way of illustrating how the Council achieves good Corporate Governance.

6. Conclusions

- 6.1 The Council's formally adopted Code of Corporate Governance is fully compliant with the latest CIPFA/SOLACE guidance. The Code was reviewed to ensure the Council complied with the approved Code of Corporate Governance; very strong compliance with the Code was confirmed and no material breaches of the Code were identified.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

CIPFA / SOLACE: Guidance Note – Delivering Good Governance in Local Government – Framework.

CIPFA/SOLACE: Application Note to Delivering Good Governance in Local Government: a Framework

Cabinet Member (Portfolio Holder)

Keith Barrow, Leader of the Council, and Brian Williams, Chairman of Audit Committee.

Local Member

All Members.

Appendices

Appendix A – Code of Corporate Governance.

SHROPSHIRE COUNCIL
CODE OF CORPORATE GOVERNANCE

Introduction

Shropshire Council is committed to the principles of good corporate governance and to this end has revised and adopted a new Code of Corporate Governance set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) document entitled "Delivering Good Governance in Local Government – Framework". The Shropshire Code of Corporate Governance forms part of the Constitution and applies to all aspects of the Council's business.

Corporate governance in Shropshire is the systems and processes, culture and values, by which we, the local authority, direct, monitor and control our functions and account to, engage with and, where appropriate, lead our community. Put simply, good governance enables us to do the right things in the right way, for the right people in a timely, inclusive, open and accountable manner.

The Council is dependent on our members and staff delivering excellent corporate governance which requires them to conduct themselves in accordance with the high standards expected by the citizens of Shropshire.

The fundamental principles of corporate governance are openness and inclusivity, integrity and accountability. The CIPFA/SOLACE document identifies six core principles supported by numerous sub principles to the corporate governance framework. Our code includes the documents, systems, processes and actions we undertake to fulfil our commitment to and compliance with the code.

The Cabinet, in consultation with the Audit Committee is responsible for approving this Code and the Chief Executive and Monitoring Officer are responsible for ensuring that it is kept up to date by reviewing it annually.

The Monitoring Officer and Section 151 Officer are responsible for ensuring an annual review of compliance with this Code and Internal Audit will independently audit the process. The results of this review will be included in the Head of Audit's annual report and form a part of the overall assurance for the Annual Governance Statement signed by the Leader and the Chief Executive.

On a practical basis, the Code contains a corporate governance map defining our governance framework by reference to key processes, procedures and documents which contribute to our aspiration of excellent corporate governance in Shropshire.

Principle1 - Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.

1.1. Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users.

1.1.1. Develop and promote the authority's purpose and vision.

- Shropshire Council's Transitional Corporate Plan 2010-2013 was approved by Shropshire Council in February 2010. The plan closely reflects the Community Strategy for Shropshire (2010-2020) and is structured around the three key aims of:
 - Enterprise and Growth, with strong market towns and rebalanced rural settlements;
 - Responding to climate change and enhancing our natural and built environment;
 - Healthy, safe and confident people and communities.

- Monthly performance reports are forwarded to the Council's Senior Management Board (SMB), Cabinet and the Corporate Performance Management Group on progress against key objectives and targets. Monthly performance reports from the corporate performance management system, Performance Plus, are available within three to four weeks of the end of each quarter.

1.1.2. Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements.

- The commitments in Shropshire Council's Transitional Corporate Plan are set in a robust performance framework. The Local Code of Corporate Governance is reviewed annually and reported to Audit Committee.

- The Corporate Performance Management Framework was reviewed and updated for 2009/10, a copy of the framework is attached and includes:
 - The corporate planning process;
 - Regular performance reports on service plans that go to Management Teams, portfolio holders and on an exception basis to Scrutiny;
 - Corporate performance reports that go to Corporate Performance Management Group, Senior Management Board, Cabinet and Council;

- Monitoring of the Local Area Agreement (LAA)- which included identifying legacy projects for continued monitoring following the abolition of LAA's by the Coalition Government.

1.1.3. Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners.

- Shropshire's Community Strategy 2010-20 sets out the vision and priorities for partnership action over the next ten years. This involves all the agencies and organisations providing services in Shropshire and underpins the selection of priority outcomes and delivery of Shropshire's Local Area Agreement and Local Development Framework (LDF).
- We have an established Voluntary and Community Sector Compact (VCS) which is a guide for effective partnership working with our Voluntary and Community Sector partners to ensure that both the Council and our partners are clear in the aims and purpose of any partnership working and know our respective responsibilities and obligations. The Shropshire Compact was voted best Unitary Resourced Compact by the national body, Compact Voice.

1.1.4. Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.

- An audited and signed Statement of Accounts is published on an annual basis containing:
 - A statement of responsibilities for the Statement of Accounts.
 - A statement of accounting policies.
 - An Annual Governance Statement signed by the Leader of the Council and the Chief Executive as Head of Paid Service.

1.2. Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning.

1.2.1. Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.

- The Council has previously carried out the national 'Place Survey' on an annual basis. However, this survey was ceased by the Coalition Government and therefore not carried during 2010/11. Specific service areas seek customer feedback both through systematic customer feedback and through annual surveys, for example the Adult Social Care Survey has recently been carried out for the first time. The results are expected during 2011/12.
- The Council works with service users, enabling them to participate in the design and planning of services within the Council's objectives whilst achieving value for money. For example, Partnership Boards

are in place for people with learning disabilities, family carers and people with disabilities. The boards receive information on service performance and provide the forum for service user representatives to feedback on the services they receive

- Annual budget consultation is carried out around the county for residents and we have a robust complaints process in place.
- Our Citizens Panel takes part in surveys and is involved in detailed focus groups looking at specific projects, e.g. the Citizens Panel were asked to review and comment on the new unitary Shropshire Council Care Standards.

1.2.2. Put in place effective arrangements to identify and deal with failure in service delivery.

- The Corporate Performance Management Framework establishes a clear reporting mechanism for performance of corporate priorities. Under performance of corporate priorities is identified and action plans are developed and monitored through Corporate Performance Management Group (CPMG), Senior Management Board (SMB) and Cabinet.
- We have a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them.

1.3. Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.

1.3.1. Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.

- At a strategic level, value for money has been achieved through the £7m savings delivered in 2010/11. Plans are in place to achieve the savings required by central government's comprehensive savings review.
- The Medium Term Financial Plan, which is under constant review, sets out resource allocations aligned to the Council's policy framework.
- A Value for Money strategy has been developed and is reviewed annually.
- We use a service review methodology called 'Lean' which promotes "quick wins" and is a simple and accessible way to remove waste in the council's processes. Lean's central theme is to focus on the needs of the customer, ensuring value added activities are optimised. Reviews focus on the following areas:-

- What does the customer want?
 - When do they want it?
 - How can we provide it efficiently?
- The objectives of our 'Lean' service review programme are to:-
- Encourage service areas to view critically their service delivery.
 - Identify waste (e.g. overproduction, overprocessing, conveyance, delay/waiting and correction) and bottlenecks in processes.
 - Streamline existing processes to eliminate waste; improve service delivery to customers and reduce frustration for staff.
 - Identify which elements of the Council's services could be delivered in a more efficient way (e.g. via the Customer Service Centre or in conjunction with partner organisations, etc).
- During 2010/11 the following lean reviews have been undertaken:
- C&YPS Help Desk.
 - Shire Services Income.
 - Bibliographical Services.
 - Occupational Therapy and Adult Social Care.
 - Registrars - income collection and processing
 - HR, Payroll - rollout of My view, My team
 - Development Management, Planning - new ways of working.
- The lean process is playing major role in the transformation activity. In February 2011 seven staff were brought together as the Business Design Team to focus on helping managers achieve savings targets and transform their services in line with the new Corporate Target Operating Model.

Principle 2 - Members and Officers working together to achieve a common purpose with clearly defined functions and roles.

2.1. Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.

2.1.1. Set out a clear statement of the respective roles and responsibilities of the cabinet and of the cabinet members individually and the authority's approach towards putting this into practice.

- Article seven lays down the role of the Cabinet. Part three of the Constitution sets out in more detail specific duties and functions of the cabinet, chief officers and statutory officers. Member roles, rights and duties are specified in Article two and in Part five, the Protocol for Member and Officer Relations.

- The specific role of Cabinet Member is laid down in Part nine of the Constitution.

2.1.2. Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers.

- Member roles and responsibilities are clearly defined throughout the Constitution, specifically their roles, rights and duties are specified in Article two and in Part five, the Protocol for Member and Officer Relations. In addition Part nine clearly lays out the role and expectations of members both generally and with special responsibilities. Member remuneration is clearly laid down in Part six the Members' Allowances Scheme.
- Part two Article 12 of the Constitution (B22 - 250) sets out clearly the functions and responsibilities of all Chief Officers and specifically the Head of Paid Service (12.2) the Monitoring Officer (12.3) and the Chief Finance Officer (12.4). Delegations to specific officers are documented at Part eight of the Constitution.

2.2. Ensuring that a constructive working relationship exists between members and officers and that the responsibilities of members and officers are carried out to a high standard.

2.2.1. Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.

- The Constitution generally and Article 13 sets out the responsibilities and procedures for decision making. Key decisions, Cabinet, Scrutiny and other committees and full Council reserved decisions are defined in Part three and four of the Constitution. The fundamental principles to be adopted in all decision making are also laid out as follows:
 - Proportionality (i.e. the action must be proportionate to the desired outcome).
 - Due consultation and the taking of professional advice from officers.
 - Respect for human rights.
 - A presumption in favour of openness.
 - Clarity of aims and desired outcomes.
 - Consideration of alternative options.
 - Recording reasons for the decision, including details of any alternative options considered and rejected.
 - That in relation to decisions of the Cabinet that these are lawful and consistent with the powers delegated by the Council.

2.2.2. Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management.

- Article 12 of the Constitution states the Chief Executive (Head of Paid Service) is responsible for “overall corporate management and operational responsibility (including overall management responsibility for all officers).” and this is reiterated in the Chief Executive’s job description.

2.2.3. Develop protocols to ensure that the leader and chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.

- Part five of the Constitution clearly lays out the protocol for member/officer relations (Constitution pages E78-84).
- The Chief Executive and SMB and the Leader and Deputy Leader meet weekly at the Leader Briefing; in addition the Chief Executive’s appraisal is conducted by the Leader with external professional support.

2.2.4. Make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.

- The Functions of the Chief Finance Officer are stipulated in article 12.4 of the Constitution and statutory duties are listed under Financial Rules. The Chief Finance Officer is the Council’s S151 Officer (Financial Rules 4.14) and operates to best practice principles established in CIPFA’s statement on the Role of the Director of Finance in Local Government 2010.
- Financial Rule 4.15 outlines the principles critical to the Chief Finance Officer’s role; the Chief Finance Officer:
 - Is a key member of the Leadership Team, helping it develop and implement strategy and to resource and deliver the authority’s strategic objectives sustainably and in the public interest.
 - Is actively involved in and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are considered and alignment with the authority’s overall financial strategy.
 - Leads the promotion and delivery by the whole authority of good financial management and that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
 - Leads and directs a finance function that is resourced to be fit for purpose.

- Duties and responsibilities are also included in the Chief Finance Officer's job description.
- The Chief Finance Officer attends Council, Cabinet and Council's Management Board meetings.

2.2.5. Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

- Article 12.3 (B23) of the Constitution clearly defines the functions of the Monitoring Officer which include ensuring the lawfulness and fairness of decision-making. A protocol for the role of Monitoring Officer is included within Part five (E14-16) of the Constitution.
- The Monitoring Officer is the Corporate Head of Legal and Democratic Services, their role and responsibilities are included in their job description.

2.3. Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.

2.3.1. Develop protocols to ensure effective communication between members and officers in their respective roles.

- Part five of the Constitution clearly lays out the protocol for member/officer relations (E79-84).

2.3.2. Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable)

- Member remuneration is clearly laid down in Part six of the Constitution, the Members' Allowance Scheme.
- There is an independent Members Remuneration Panel for determining Members' allowances of at least three persons who are not members of the Council (Part three, C14).
- Chief Officer's remuneration is defined in their contracts of employment. A Joint Consultative Committee for senior management grades exists for all negotiations on senior managers' terms and conditions of service.

2.3.3. Ensure that effective mechanisms exist to monitor service delivery.

- Council, Cabinet and Scrutiny meet on a regular pre-scheduled basis to set the strategic direction of the authority and to monitor service delivery.
- A performance management framework is in place with quarterly reports received by members and the Council's Senior Management

Board. The corporate performance management system, PerformancePlus, is used to report monthly on performance to CPMG and SMB. Reports go to Cabinet at the same time as budget reports (where possible) and a summary document is produced as an information item for all members at full Council.

- Performance management at service level uses PerformancePlus which is continually being developed to fit the particular requirements of each service with the links to corporate reporting also being shown. PerformancePlus will be used to bring together performance data and management for the Transformation Programme.
- The Audit Commission independently audit our performance indicators as part of the year end process.
- Under-performance and performance near target are highlighted for further action. The Council continues to benchmark its services to assist in identifying areas for review and to ensure that as many performance indicators as possible are in the top quartile. Services used include.
 - Price Waterhouse Coopers (PWC) national county council initiative.
 - Society of County Treasurers (SCT).
 - Association for Public Service Excellence (APSE).
 - Chartered Institute of Public Finance Accountants (CIPFA).
 - Association of Local Authority Risk Managers (ALARM)

2.3.4. Ensure that the organisation’s vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.

- Article 1.3.2 of the Constitution clearly identifies that one of the purposes of the constitution is to “support the active involvement of citizens in the process of local authority decision-making”.
- Part four – Executive Procedure Rules include the requirement for all reports to Cabinet relating to the budget and policy framework to contain details of the nature and extent of consultation with stakeholders, relevant Scrutiny Committees and the outcome of that consultation (Part 4, 2.4).
- The Constitution also sets out the citizen’s rights in their dealings with the Council under Part two, Article three.
- Consultation is achieved through:
 - Public Question time.
 - Local Joint Committees.
 - One-off public consultation and participation events, such as on, transport, or the Local Development Framework.

- Budget consultations, results of which are reported together with the budget strategy.
 - Residents' surveys.
 - Established links and regular meetings with local interest groups/forums.
 - Regular consultation processes.
 - The Local Strategic Partnership in Shropshire.
 - Member surgeries.
 - Online contact details.
 - Development of the Customer Service centre and Customer First Points.
 - Two yearly statutory satisfaction surveys.
 - Neighbourhood Forums, local meetings and local scrutiny.
- The Council recognises the importance of communicating its vision and uses a number of channels to this effect.
- Our website www.shropshire.gov.uk (receiving approximately one million unique visitors a year) can help you find out about our services, many of which you can apply for online.
 - We have launched Shropshire Newsroom (www.shropshirenewsroom.com). This hosts all the latest Council news stories with podcasts videos and photographs available from our Flickr account.
 - We work with colleagues in the local, regional and national media to compliment Shropshire Newsroom and ensure people can access information about the Council.
 - We work with all services areas to ensure that they are reaching and targeting the key customers, stakeholders and partners in the most appropriate way.
 - We use social media (Twitter and Facebook) as a further method of disseminating our information.
 - We provide performance information for local areas.
- Widespread local consultation has taken place via Residents' Surveys, local partnerships and forum, the budget consultation process and Local Joint Committees to identify the needs and priorities of our citizens and make these our key areas for service delivery and feed back from such events is used to develop strategic plans, priorities and targets.

2.3.5. When working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority.

- We have developed a guide for working with our partners to ensure that both the Council's officers and members and our partners are clear in the aims and purpose of any partnership working and know our respective responsibilities and obligations.

- Shropshire Partnership's Information leaflet, 2010, sets out the Terms of Reference, Operating Principles, Core Responsibilities and Roles and Responsibilities for the Partnership's Leadership Board. These include accountability to members' organisations and the requirement to declare any personal or financial interests in any of the business of the Board at the commencement of meetings. The document also includes Terms of Reference for each of the four steering groups which sit within the Partnership.
- The Members code of conduct provides guidance on personal and prejudicial interests and declarations (Part five – Interests E5 – E10).
- A range of joint working initiatives is underway to improve service performance and delivery. Examples of working in partnership are:
 - The Shropshire Partnership.
 - Supporting People in Shropshire.
 - Shropshire Children's Trust and Children's fund.
 - Sure Start.
 - The Safer Shropshire Partnership.
 - Integrated Offender Management programme.
 - Joint commissioning of services with Shropshire County PCT.
 - Telford & Wrekin for Adoption Services & for Youth Offending Services.
 - Working with carers in Shropshire.
 - The Integration of Shropshire Learning Disability and Mental Health Services and South Staffordshire Healthcare NHS Foundation Trust.
- Shropshire has a Compact agreement involving Voluntary and Community Sector (VCS). The Compact is a set of principles and agreed framework to guide the relationship between public sector bodies and the VCS. The establishment of the compact allows for a better understanding between the VCS and the Council whilst preventing duplication of task and ensuring more efficient service delivery.
- Major PFI projects have been entered into to provide Community Services residential facilities and an integrated approach to waste management, collection and disposal.

2.3.6. When working in partnership:

- **Ensure that there is clarity about the legal status of the partnership.**
- **Ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.**
- We have developed a guide for working with our partners to ensure that both the Council's officers and members and our partners are

clear in the aims and purpose of any partnership working and know our respective responsibilities and obligations.

- We enter into formal partnership agreements where necessary which clearly formalise aims of the partnership and respective obligations and liabilities. Delegated powers are contained in Part three of the Constitution.

Principle 3 - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

3.1. Ensuring members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.

3.1.1. Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.

- The Council is committed to the principles of good corporate governance and to this end has adopted this Code of Governance which is reviewed annually by Internal Audit and a compliance report produced for the Audit Committee.
- Our values have been suggested by our staff and define how we deliver our services. They determine the culture of our organisation, intent and direction of the way we deliver services to our customers as well as what we deliver, we will do our best to:
 - Focus on meeting the needs of our customers.
 - Value each other and achieve more by working and learning together.
 - Use the resources we have responsibly.
 - Recognise the value difference can make and treat everyone with respect.
 - Build trust by expressing ourselves openly and honestly.
- Complaints procedures are available on the Council's website.
- The contract procedure rules contained in the Constitution contain a list of standard clauses for ordinary and major contracts. These include:
 - The Council's obligations.
 - Anti-bribery and corruption.
 - Equal opportunities.
 - Public interest disclosure ('whistle blowing').
 - Equalities; human rights.
 - Health & safety.
 - Freedom of information, confidentiality and data protection.

- We encourage both our staff and contractors to “speak up about wrongdoing” and provide a confidential hotline for raising concerns.

3.1.2. Ensure that standards of conduct and personal behaviour expected of members and officers, of work between members and officers and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols.

- **The Constitution contains the following codes and protocols for members and officers:**

- Members Code of Conduct.
- Standards Procedures.
- Protocol for the Role of Monitoring Officer.
- Protocol for Media Work– including Pre-election Protocol.
- Local Protocol for Officers and Members Dealing with Regulatory Matters.
- Local Protocol for Councillors and Officers Dealing with Licensing Matters.
- IT Code of Practice for Members.
- Local Members’ Protocol.
- Employee Code of Conduct.
- Speaking Up About Wrong Doing (whistle-blowing policy).
- Data Protection Policy.
- Counter-fraud and Anti-Corruption Strategy.
- Protocol for Member and Officer Relations.
- Guidance for Gifts and Hospitality.
- Protocol for Official Visits.
- Protocol on the Use of Council Facilities.
- Member Champion Protocol.
- Protocol for Task and Finish Groups
- Protocol for Opposition Briefings
- Protocol for Media Work
- Guidance for Acceptable use of Shropshire Councillor Webpages.

- Annual reminders on gifts and hospitality and whistleblowing are emailed to staff and placed on the intranet. An annual report on whistleblowing cases is presented to the Standards Committee.

- There is a Standards Committee with a clear remit and process documented in the Constitution to deal with breaches of the Members Code of Conduct.

- In addition, the Employee Handbook contains policy statements and guidance on:

- Discipline.
- Grievances.
- Harassment and Bullying.

- Speaking up about Wrongdoing.
 - Managing Employee Performance.
 - Expectations and Standards of Conduct.
 - Diversity (Equalities).
 - Health, Safety and Wellbeing.
 - Performance, Learning and Development.
- There is a clear and fully documented staff disciplinary process to deal with breaches in any code or protocol.
 - Complaints procedures are available on the Council's website.
 - The contract procedure rules contained in the Constitution contain a list of standard clauses for ordinary and major contracts. These include:
 - The Council's obligations.
 - Anti-bribery and corruption.
 - Equal opportunities.
 - Public interest disclosure ('whistle blowing').
 - Equalities; human rights.
 - Health & safety.
 - Freedom of information, confidentiality & data protection.

3.1.3. Put in place arrangements to ensure that members and officers of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.

- Both Members and Employee codes of conduct stipulate that members and employees of the authority must not be influenced by prejudice, bias or conflicts of interest in any matter relating to the Authority. There are numerous references throughout the Constitution to this issue, in particular in the Members Code of Conduct, Part two – Interests (E5-10).
- In addition we have declarations of interest books both centrally and locally to help ensure members and staff do not get involved in decisions or processes where they may have a conflict of interest. Individual councillor's declarations can be viewed on line and a hard copy is retained.
- The standard meetings agenda includes a standing item for declarations of interest.
- There is a code of conduct in relation to gifts and hospitality and all instances must be recorded. Staff are reminded annually of their responsibilities.

- There is a Standards Committee to deal with any breaches of the Members code with clear terms of reference and a Standards procedure to deal with such matters.
- Staff are and encouraged to “blow the whistle” under the “Speaking up about wrong doing policy” with a dedicated hotline to report issues anonymously. Staff are reminded annually of the hotline and policy.

3.2. Ensuring that organisational values are put into practice and are effective.

3.2.1. Develop and maintain shared values including leadership values for both the organisation and officers reflecting public expectations, and communicate these with members, officers, the community and partners.

- Our values are fundamental to all we do; they are repeated in all key documents such as the Corporate Plan, statutory plans, the budget strategy and are included on the employee induction programme.

3.2.2. Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.

- Our values are fundamental to all that we do and feature in our key documents. To demonstrate compliance with our core value that we will ‘value our differences’ we have individual policy statements on Equality in Employment in place covering the following areas:
 - Sexual Orientation Equality in Employment Policy.
 - Disability Equality in Employment Policy.
 - Gender Equality in Employment Policy.
 - Race Equality in Employment Policy.
 - Religious Equality in Employment Policy.
 - Age Equality in Employment Policy Statement.
- An annual diversity in employment monitoring report is presented to Strategic Overview and Scrutiny Committee.
- We have a formal process for the reporting of any instances of harassment.
- We have standardised recruitment policy and processes including employee reference and identity checks and mandatory Criminal Records Bureau checks for designated posts.

3.2.3. Develop and maintain an effective standards committee.

- We have a well established Standards Committee which is embedded in the Constitution (Article nine, B16) together with a Standards Procedures Code (Part five, E11-13) covering how the Standards Committee operates.
- The Standards Committee is made up of at least six councillors, six Parish Councillors and at least eight independent members who are neither councillors nor officers. Only independent Members may chair the committee.

3.2.4. Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.

- We have established Service Equality Groups where staff work on an agreed equalities and diversity programme with clear links to our Strategic Equality Group. We have representation from staff groups, e.g. from our lesbian, gay, bisexual or transgender (LGBT) group, the Trade Union and the Shropshire Partnership at the strategic level. Staff are encouraged to join both the Service and staff groups who are supported by the Diversity Officer.

3.2.5. In pursuing the vision of a partnership, agree a set of values against which decision-making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.

- We have developed a guide for working with our partners to ensure that both the Council's officers, members and our partners are clear in the aims and purpose of any partnership working and know our respective responsibilities and obligations. The guide includes aims, expectations, targets and performance monitoring.
- Partnership agreements formally set out the purpose of the partnership, responsibilities and obligations.
- The Shropshire Partnership is a strategic partnership involving regional, public and local agencies and the voluntary and community sector. Partners work together to take action on evidence based priorities. There is a membership of 27 key partners including councils, local area partnerships and other organisations together with a wider membership of over 50 other community bodies. The Shropshire Partnership has produced a Community Strategy 2010-20, that sets out priorities and actions to improve services to meet Shropshire's needs and aspirations. This strategy is integral to the Local Development Framework, The Local Area Agreement 2009-2011 and any successor arrangement and the Corporate Plan.

- The Partnership's Information document, 2010, includes the following statement in the Roles and Responsibilities of the Leadership Board:

“Leadership Board members come from different types and styles of organisation but have a common responsibility to work together to be a strong voice for Shropshire and to ensure Shropshire's voice is heard.”

- The Community Strategy sets out how performance will be measured and monitored and includes general principles for managing performance. The delivery mechanisms for the Community Strategy are currently being reviewed to ensure they are fit for purpose.

Principle 4 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

4.1. Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.

4.1.1. Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible.

- We have five established scrutiny committees which operate under clear terms of reference and rules of procedures laid down in the Constitution.
- Scrutiny Committee Chairs and Members have clearly laid down accountabilities and duties in Part four (D55-66) and Part nine (I14-15) of the Constitution. Members may not participate in the scrutiny of decisions they were involved in.
- Scrutiny committees hold public inquiries into matters of local concern giving citizens a greater say in issues raised, local meetings are encouraged to scrutinise and receive reports on local issues.
- Scrutiny Committees are responsible for their own work programmes and may “call-in” any decision made by Cabinet that has not yet been implemented to consider whether a decision is appropriate or to request the decision be reconsidered. Scrutiny Committees may also be consulted by Cabinet prior to decisions being taken.
- Scrutiny Chairs meet every eight weeks to review all Scrutiny Committees' Work Programmes, as an opportunity to share best practice and to view opportunities for effective scrutiny. Work Programme items are agreed by the Scrutiny Chairs Group and

issues that may necessitate joint working between Committees are discussed and any items that may benefit from scrutiny by a Task and Finish Group are highlighted.

- There is an effective apolitical Audit Committee whose purpose is to provide independent assurance of the adequacy the risk management framework and the associated internal control environment, independent scrutiny of the authority's financial performance and to oversee the financial reporting process.

4.1.2. Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.

- Decision making is clearly laid down in Article 13 of the Constitution.
- There is a standardised format for all committee reports which includes background to the report, any recommendations that decisions need to be made upon together with reasons behind those recommendations.
- The Cabinet is the Council's key decision making body and makes decisions within the policy framework approved by Full Council. The Cabinet is made up of the Leader, who is elected by the Council, and up to nine councillors appointed by the Leader. When key decisions are to be discussed or made, these are published in the executives' forward plan in so far as they can be anticipated. If these key decisions are to be discussed with council officers at a meeting of the Cabinet, this will be open for the public to attend except where personal or confidential matters are being discussed. The Cabinet has to make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the Council as a whole to decide.
- All committee meetings are independently minuted by trained staff working to a common format. Minutes will include any debate, motions, results of votes and decisions resolved.
- All committee minutes are available electronically via the website or intranet in addition to paper copies.

4.1.3. Put in place arrangements to safeguard members and officers against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice.

- The standard meetings agenda includes a standing item for declarations of interest.
- Both the Members and Employee codes of conduct stipulate that members and employees of the authority must not be influenced by prejudice, bias or conflicts of interest in any matter relating to the

Authority. There are numerous references throughout the Constitution to this issue; in particular Part two of the Members Code of Conduct is dedicated to interests.

- In addition we have declarations of interest books to help ensure members and staff do not get involved in decisions or processes where they may have a conflict of interest. Individual councillor's declarations can be viewed on line and a hard copy is retained.

4.1.4. Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee.

- There is an effective apolitical Audit Committee with clear terms of reference which are reviewed annually and based on the Chartered Institute of Public Finance and Accountancy's Guidance.
- The Audit Committee meets at least four times a year and undertakes regular training aimed at helping Members discharge their function effectively. The Section 151 Officer and Head of Audit are required to attend.
- The Audit Commission regularly attend Audit Committee meetings and have commented that the Audit Committee is effectively discharging its duties.

4.1.5. Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.

- There are clearly documented complaints procedures and advice to staff on how to deal with complaints. Complaints can be made electronically using an online form, in writing or verbally.
- The Complaints procedure includes an undertaking that we will acknowledge a complaint within three working days and respond within 10 to 20 working days on receipt within the Service depending on the issue.
- Complaints are processed and monitored centrally by the Complaints and Scrutiny Unit who review and monitor customer satisfaction and complaints handling.
- Quarterly reports are presented to Management Teams and half yearly reports to Scrutiny. Complaints are also monitored centrally by the Senior Management Board. Reports include customer satisfaction levels and improvements in services put in place as a result of complaints.
- We advise complainants that if they are dissatisfied with our response, they have the option to refer the matter to the Local

Government Ombudsman; we provide the Ombudsman's address, telephone number and their website address.

4.2. Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.

4.2.1. Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.

- The duties of Chief Officers are laid down in the Constitution and their respective job descriptions. These included the giving of relevant and timely advice.
- The Cabinet has a forward plan and Scrutiny Committees a work programme which Officers work to in the production of relevant reports and advice in order to facilitate the decision making process.

4.2.2. Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.

- There is a standard committee reports template which provides a framework for Officers to draft reports.
- All Cabinet and Scrutiny Committee reports are reviewed by the Council's Chief Finance Officer and the Corporate Head of Legal & Democratic Services (the Council's Monitoring Officer) or their designated representatives for both financial and legal implications. In addition all reports are considered by SMB for approval before issue.

4.3. Ensuring that an effective risk management system is in place.

4.3.1. Ensure that risk management is embedded into the culture of the authority; with members and managers at all levels recognising that risk management is part of their jobs.

- The requirements to develop and maintain proactive and robust systems for identifying and evaluating all significant risks are clearly laid out in Financial Rule three Risk Management and Control of Resources and in Appendix C5 Risk Management and Insurance. In particular:
 - A Risk Management Team is in place that reports to the Chief Finance Officer.
 - A Risk Management Group is in place and meets quarterly. This is chaired by the Chief Finance Officer with senior level representatives from each key service area. The key role of the

Risk Management Group is to raise the profile of risk management, provide support and guidance and ensure the Risk Management Strategy is adopted and adhered to across all areas of the Council.

- Risk control frameworks have been completed for all service areas using a standard format.
 - Our Insurers attend the quarterly Risk Management Group meetings.
 - Routine monitoring of insurance claims and other loss data is undertaken and reported quarterly to senior managers and the Chief Finance Officer.
-
- The Council has a Risk Management Strategy in place which is reviewed annually. The strategy sets out roles and responsibilities, and the procedures for managing risks within the Council. The strategy has been developed and republished following the transition to Shropshire Council. The Strategy is considered best practice by the Institute of Risk Management and is a required reading for students undertaking their qualifications.
 - Operational guidance has been developed and issued for managing risks when working in partnership and is incorporated into the Finance Manual.
 - The Shropshire Council strategic risks have been identified and assigned risk owners. Risk profile and actions plans have been put in place to ensure the risks are mitigated effectively and are reviewed on a quarterly basis.
 - A new risk management software system has been implemented and all risks have been populated into the new system. This is a live system which provides accurate up to date data and reporting on the management of the Council's risks. It provides the opportunity to analyse emerging risk themes and to provide reporting which is timely and accurate to services on their risk status and to SMB and Cabinet.
 - The Leader of the Council is the Member Risk Champion. Risk management issues are discussed and quarterly reports are submitted to Cabinet on risk management and insurance.
 - Internal Audit conducts an independent review of the Risk Management process annually which is reported to the Chief Finance Officer and the Audit Committee.
 - An Annual Report is provided to the Audit Committee summarising the years activities, challenges and achievements.

- The Council's Risk and Insurance Manager won the Alarm's Risk Manager of the Year award which covers the whole of the public sector which demonstrates the professionalism and effectiveness at which Risk Management is being delivered.

4.3.2. Ensure that effective arrangements for whistle-blowing are in place to which officers, and all those contracting with or appointed by the authority have access.

- We have a well publicised whistleblowing policy available on the website and in leaflet form. Leaflets have been distributed to our partners and major contractors for distribution to their staff to encourage and facilitate speaking up about wrongdoing. An annual report on the outcomes of whistleblowing cases is presented to SMB and the Standards Committee.
- Staff have been updated in respect of fraud awareness, including whistleblowing, with the use of a web based learning tool; Meritec - "Focus on Fraud".
- There is a whistleblowing hotline located in the Audit Services for staff to ring in confidence and report their concerns either openly or anonymously.
- There is a separate whistleblowing policy for issues connected with children.

4.4. Using their legal powers to the full benefit of the citizens and communities in their area.

4.4.1. Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine (beyond the legal powers of the council) but also strive to utilise their powers to the full benefit of their communities.

4.4.2. Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law.

4.4.3. Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law (rationality, legality and natural justice) into their procedures and decision making processes.

- The Council has a Monitoring Officer whose duties, laid down in the Constitution under Article 12; includes ensuring the lawfulness and fairness of decision making (Article 12.3B). The Monitoring Officer is also the Corporate Head of Legal & Democratic Services.

- The Monitoring Officer, or their delegated representative, attends the key decision-making meetings of Members, including Council and Cabinet.
- All Committee reports end with standard questions that require their authors to address the impact of their recommendations with respect to human rights.
- Officers in Legal and Democratic Services play a key role in ensuring that the principles enshrined in the Constitution (sustainable decision making, robust scrutiny, rules of natural justice, standards of conduct, efficiency, transparency, legality and high standards of corporate governance) are delivered in practice through the Council's decision-making process. The Service provides advice and guidance on the interpretation of legal developments, is Lexcel accredited and possesses specialist legal officers who are experts in specific areas of Council activities.

Principle 5 - Developing the capacity and capability of members and officers to be effective.

5.1. Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.

5.1.1. Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.

- There is a member induction and member development programme in place, particular attention is paid to ensuring Members are prepared to undertake their role safely and supporting and developing newly elected members. A Community Leadership & Development Framework provides comprehensive development opportunities, and essential sessions. Development interventions are designed in the context of what individual members say they want during their one to one development reviews, and what their role and responsibility dictates they need. Member secretaries provide support, and the Member and Officer protocol clearly stipulates officers' duties to provide professional and technical advice. The Local Member Protocol guides Members & Officers to behave in a way that promotes excellent communication.
- One to one development interviews are offered to all Members (although these are not compulsory). The purpose is to review their learning and development activities impact on the Member role and to agree further learning needs.
- Specialist development is also available for Members of particular committees, such as Audit Committee, Planning, Licensing, Pensions and the Standards Committee to improve knowledge on technical issues and update members on new developments. The

Audit Committee Terms of Reference include a requirement to undertake specialist training in order to fulfil its function effectively.

5.1.2. Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority.

- The Council are required to provide the Monitoring Officer and the Chief Finance Officer with such officers, accommodation and other resources as are in their opinion sufficient to allow them to perform their duties, Article twelve, 12.5.
- Implementation of the Council's values and behaviours starts at Induction. All learning and development programmes are underpinned by the values and behaviours.
- We have a well established and documented recruitment and selection code of practice and guidelines for managers and recruitment and selection training is also available. All posts have job descriptions and person specifications detailing the essential and desirable abilities, qualifications and experience necessary to undertake the duties of the post.
- We have compulsory Continuous Professional Development (CPD) in specialist areas such as finance.
- We conduct annual whole staff engagement surveys followed by design of improvement plans where relevant. The first staff engagement survey for Shropshire Council took place in 2010 and a follow-up is planned for Autumn 2011.
- Each new senior team undergoes leadership development and concentrates on clarification of roles responsibilities and expectations.

5.2. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.

5.2.1. Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively.

- There is a member induction and member development programme in place, particular attention is paid to ensuring Members are prepared to undertake their role safely and supporting and developing newly elected members. An annual programme of development seminars is provided as part of the Continuous Member Development Programme (CMDP). They are designed in the context of what individual members say they want during their one to one development reviews. Member secretaries provide

support, and the Member and Officer protocol clearly stipulates officers' duties to provide professional and technical advice.

- One to one development interviews are offered to all Members (although these are not compulsory). The purpose is to review their learning and development activities impact on the Member role and to agree further learning needs.
- Specialist development is also available for Members of particular committees, such as Audit Committee, Planning, Licensing, Pensions and the Standards Committee to improve knowledge on technical issues and update members on new developments. The Audit Committee Terms of Reference include a requirement to undertake specialist training in order to fulfil its function effectively.
- An essential skills development framework for managers is in place and Core Skills development frameworks for officers will be in place by Autumn 2011.
- We have a commitment to train and develop our staff; staff appraisals occur at least once a year where training needs are identified and personal development plans agreed. We have a Learning and Development team who design service improvement interventions, and organise and run a multitude of professional and personnel development courses and programmes including officer training and development. Training is also provided on generic areas such as risk management, data protection, freedom of information and human resource issues.

5.2.2. Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.

- Our Scrutiny Panels and performance monitoring and reporting system provide the vehicles for robust scrutiny and challenge.
- Our comprehensive programme of Officer and Member development facilitates challenge which results in improved performance at an operational level.
- Our commitment to member and staff training helps to ensure that Members and Officers have the necessary skills to effectively challenge and improve existing policies and performance.
- We have compulsory Continuous Professional Development (CPD) in specialist areas such as finance, where our scheme is accredited by four of the Professional Accountancy Bodies.
- We readily use outside expert advice in those areas where specialist knowledge is required such as our Pension Fund Investment Managers, Waste PFI specialists, construction

professionals, energy and water consultants and external expert legal advice when required.

5.2.3. Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.

- We have a Community Leadership & Development Framework in place; particular attention is paid to training and developing newly elected members, providing members with what they need to deliver their expanded role to the best of their ability, and supporting the Cabinet. A comprehensive Member Induction programme was delivered between June and July 2009, available to all 74 Members of Shropshire Council. We are planning for the next induction in 2013.
- Members are offered annual one to one development interviews. We are developing a skills framework for Members to self assess against a range of competencies related to community leadership.
- Members are offered annual one to one development interviews. We are developing a skills framework for Members to self assess against a range of competencies related to community leadership.
- Executive Members undertake the LGID (Idea) Leadership academy.

5.3. Encouraging new talent for officers and members of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.

5.3.1. Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority.

- We have the following in place to facilitate effective engagement with and participation from all sections of the community:
 - Shropshire Partnerships Equalities Forum.
 - Single Equalities Schemes –published February 2010.
 - An HR balanced scorecard.
 - Council training plan ensures all officers are enabled to mainstream equality and diversity training.
 - Half day diversity awareness sessions.
 - Equality and diversity included in the induction framework.
 - Participation toolkit and Partnership Consultation Portal.
 - Scrutiny Panels.
 - Local Joint Committees.
 - Citizens Panel.

- Youth Parliament.
 - Governor Opportunities and Training.
 - Protocols for Work Placements to encourage people with disabilities.
 - CYPS Participation Team.
 - Access Officer.
 - Gypsy Liaison Team.
 - LGB network.
- We have established a Voluntary Sector Assembly to provide a forum for voluntary sector bodies collectively to discuss issues and engage with Partners with a strong voice.
- We have also established with the Assembly a joint task group focused on helping the council, and the voluntary sector, adapt to the radically different funding and policy context for the next ten years
- We have a well established and documented recruitment and selection code of practice and guidelines for managers. All posts have job descriptions and person specifications detailing the essential and desirable abilities, qualifications and experience necessary to undertake the duties of the post. We positively welcome applications from all sections of the community.
- Our values are fundamental to all that we do and feature in our key documents. To demonstrate compliance with our core value that we will 'value our differences' we have individual policy statements on Equality in Employment in place covering the following areas:
- Sexual Orientation Equality in Employment Policy.
 - Disability Equality in Employment Policy.
 - Gender Equality in Employment Policy.
 - Race Equality in Employment Policy.
 - Religious Equality in Employment Policy.
 - Age Equality in Employment Policy Statement.
- An annual diversity in employment monitoring report is presented to Strategic Overview and Scrutiny Committee.
- Following an annual review in March 2011 Jobcentre Plus confirmed that Shropshire Council may continue to use the Diversity (two ticks) Symbol for a further 12 months. The assessment covers the Councils commitments to disabled applicants, disabled employees and disability awareness.

5.3.2. Ensure that career structures are in place for members and officers to encourage participation and development.

- Staff are annually appraised which includes the identification of training and development needs and the drawing up of training action plans to address these.
- We have a well established training and development programme including management and leadership development for the development of existing and new managers. Since November 2007 a new manager induction programme 'Ignition' has been delivered, The Shropshire Managers Programme was launched in September 2009.
- We have compulsory CPD in specialist areas such as Finance which is also included in job descriptions.
- We have an ongoing Community Leadership & Development Framework in place; particular attention is paid to training/developing newly elected Members, Members & Officers of Overview & Scrutiny; Community Leadership in action; members of regulatory committee's; Statutory duty & code of conduct compliance.

Principle 6 - Engaging with local people and other stakeholders to ensure robust public accountability.

6.1. Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.

6.1.1. Make clear to themselves, all officers and the community to whom they are accountable and for what.

- This is clearly enshrined in the Constitution, the purpose of the Constitution in Article one includes:
 - To enable the Council to provide clear leadership to the community in partnership with citizens, business and other organisations.
 - To support the active involvement of citizens in the process of local authority decision making.
- The Corporate plan which sets out the council's values, vision, aims and priorities.
- We have well established Scrutiny arrangements that provide the opportunity to challenge delivery of policy and services and hold the Cabinet accountable for their decisions.

6.1.2. Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required.

- The Council is accountable to the Department of Communities and Local Government (CLG) and other key government departments such as the Department for Education.
- We identified our key stakeholders and these are included in the Communications Strategy.
- The Shropshire Partnership has an independent Chair and is made up of key partners in Shropshire including:
 - West Mercia Constabulary.
 - Shropshire County Primary Care Trust.
 - Shropshire Fire & Rescue Service.
 - Representatives from the Business Board, Equalities Forum, Youth Parliament, Association of Local Councils, and the VCS Assembly.
- Shropshire Children's Trust includes a number of other bodies who are also accountable to us for delivery of some of the partnerships objectives.

6.1.3. Produce an annual report on the activity of the scrutiny function.

- An item is included on the agenda for every ordinary Council meeting to facilitate the review of both the Executive and Scrutiny functions of the Council's work; this will cover the work of the Committees and their key achievements. An annual report from each of the Scrutiny Committees is presented to Council alongside reports from the Portfolio Holders; the scrutiny reports detail the past work of the Committees, the present work and the plans for the future.

6.2. Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning.

6.2.1. Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.

- We have a Media Protocol and a Corporate Communications Strategy which provides guidance on all forms of internal and external communications.

- The Communications team monitor external communications and report on the effectiveness of media communications.
- We have a Written Style Guide that helps us achieve clear, consistent communication and to help us build a strong brand for Shropshire Council, whoever we're communicating with, and however we're doing it.
- We have a Shropshire Council Brand Guidelines document to help us build a strong brand that is highly recognisable within our communities.
- Internal Communication channels include:
 - Electronic staff newsletter emailed to all staff (and disseminated by managers to those without email access).
 - Staff intranet.
 - Latest staff information e-mails
 - Meetings and road-shows.
 - Posters.
 - Team meeting and Staff briefings.
 - Staff Forum.

6.2.2. Hold meetings in public unless there are good reasons for confidentiality.

- The Council's Core Values states that we will "build trust by expressing ourselves openly and honestly"; this means that we will be sincere in what we say and will check where we aren't clear. This is widely publicised in Council publications such as plans and strategy documents.
- The constitution states "Citizens have the right to attend meetings of the Council, Cabinet and its Committees, except where confidential or exempt information is likely to be disclosed and the meeting is therefore held in private" these exceptions are clearly defined. The public will only be excluded where the public interest in maintaining an exemption outweighs the public interest in disclosing the information.
- We also have very clear rules within the Constitution governing access to information and the grounds on which information should be excluded from the public domain (Constitution Part four, pages D26-35).

6.2.3. Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognize that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.

- We have many ways of communicating with our citizens and stakeholders such as:
 - Publications and leaflets.
 - Shropshire Council Website.
 - Local Joint Committees.
 - Established links and regular meetings with local interest groups/forums such as Older Peoples Forum, Youth Parliament.
 - Public and stakeholders open budget consultation meetings, single issue and geographical area issue consultation meetings.
 - Council tax leaflet.
 - Budget Consultation (including use of voting technology).
 - Customer First Points.
- The Communications Strategy clearly lays out our commitment to communicate with all sectors of the community.
- Marketing and Communications strategies are developed that reflect the need to carefully target communications and marketing activity.

6.2.4. Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result.

- We are working with key partner organisations to develop a more robust approach to community engagement and involvement by building on the toolkit of best practice approaches and better use of the web based consultation database. This joined up approach will provide a more effective use of partnership resources.
- Some recent examples of consultation we have undertaken are:
 - Local Development Framework.
 - Development of the Rural Toolkit.
 - Budget consultation 2010/11.
 - Shropshire Partnership External Funding Strategy consultation.
 - Shrewsbury North West Relief Road consultation.
 - Draft rural and urban road speed policies.
 - Taxi licensing policy consultation.

6.2.5. On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.

- The Corporate Performance Management Framework establishes a clear reporting mechanism for performance of corporate priorities which are aligned to the Sustainable Community Strategy. Under

performance of corporate priorities is identified and action plans are developed and monitored through CPMG, SMB and Cabinet.

- A performance management framework is in place with quarterly reports received by members and the Council's Management Team. The Council's corporate performance management system, PerformancePlus, is used to report quarterly on performance against the Corporate Plan to SMB and CPMG. Reports go to Cabinet at the same time as budget reports (where possible) and a summary is produced as an information item for members at full Council.
- The Local Area Agreement targets are also included in the PerformancePlus monitoring system; detailed quarterly reports are provided to the Shropshire Partnership delivery blocks and exceptions reported to the Shropshire Partnership Leadership Board (Local Strategic Partnership). In addition an audit of the LAA performance indicators is conducted annually by Internal Audit and reported to the Shropshire Partnership Leadership Board (Local Strategic Partnership).
- Feedback from service users is reported using surveys, customer complaints and comments. Case studies are provided in reports give evidence of outcomes, achievements and of customer satisfaction of services.

6.2.6. Ensure that the authority as a whole is open and accessible to the community, service users and its officers and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.

- The Council's Core Value five states that we will "build trust by expressing ourselves openly and honestly". This is widely publicised in Council publications such as plans and strategy documents.
- The rules concerning confidentiality are clearly laid down in the constitution with a presumption that items will remain open to the public unless they meet specific confidentiality criteria.
- Partners responsibilities are clearly stated in Financial Rules (Section E1, DD78-80) and in the partnership guidance document.
- We have a small Information Governance Team committed to ensuring the principles of Data Protection and Freedom of Information are followed.

6.3. Making best use of human resources by taking an active and planned approach to meet responsibility to staff.

6.3.1. Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.

- We undertake a range of communication and engagement events with staff as part of our 'Creating a better future' Transformation Programme. At the heart of this is engaging staff to share ideas on how the Council must change to respond to the fresh challenges facing the Council. The Senior Management Team hold regular quarterly Staff Roadshows across the county with staff to share ideas and provide information; staff can provide feedback at any time via email; a website on 'Creating a better future' is available on the intranet which is regularly updated, including details on how staff feedback is making a difference to the services we provide. A Staff Forum has been set up to assist in the consultation process for the proposed changes to staff terms and conditions.
- The Chief Executive provides a regular update for all staff via email on key issues including relevant information from the Senior Management Board. Staff without access to email are updated by managers.
- The intranet is used widely to communicate information and also as a mechanism to involve staff in providing feedback on particular issues.
- An electronic bulletin is regularly emailed to all staff providing news, information and an opportunity to feedback on current issues.
- We undertake a staff engagement survey every year covering a wide spectrum of issues from policy to culture, working conditions and management. Results are fed back to staff and action taken on the findings.
- The appraisal process provides a one to one opportunity for staff to discuss performance, achievements and issues as well as an opportunity to discuss how things are working in their area. From this work, objectives and personal development plans are produced.
- There is a Joint Consultative Council which consists of elected trade union representatives, Members and senior management. This meets regularly to review and agree key employment policies.
- We have worked jointly with the Trade Unions to develop a "Partnership for Change Framework". This document is a change management template which sets out how we will work with recognised trade unions to meet current and future challenges and sets out a consistent approach to managing change and restructurings.

- We have regular informal meetings with Trade Unions to manage issues of concern, discuss emerging issues and policy changes.
- A monthly meeting between the Chief Executive and Trade Unions is held to discuss current issues at the council in a less formal environment than the Joint Consultative Committee
- Focus groups are held with trade union representatives to discuss and contribute to key employment policies whilst they are being drafted as part of the consultation process.
- Managers hold regular team meetings where staff have the opportunity to provide comments on their service and contribute to policy and service delivery issues in their own service area. Managers also have regular individual meetings (known as catch ups, one to ones or supervision) which provide another mechanism for consultation.

Revised June 2011.