



<u>Committee and Date</u>	<u>Item</u>
Audit Committee	10
21 June 2013	<u>Public</u>
10.00am	

REVIEW OF SHROPSHIRE COUNCIL'S CODE OF CORPORATE GOVERNANCE 2012/13

Responsible Officer Chris Kalinowski
e-mail: chris.kalinowski@shropshire.gov.uk Tel: 01743 252083

1. Summary

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 2012/13. 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 2011 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 Head of Paid Service.

2. Recommendations

The Committee is asked to consider and approve, with appropriate 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 arising from this report.

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 The Shropshire Council Code of Governance forms part of the Constitution. Internal Audit have completed a review of the code and examined the relevant 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 and further guidance provided in the CIPFA "Delivering Good Governance in Local Government: Framework Addendum 2012".
- 5.4 The fundamental principles of Corporate Governance are: Openness and Inclusivity, Integrity and Accountability. 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.

5.5 Under each of the six core principles and their sub-principles the audit review of the code shown at **Appendix A** demonstrates how we address and meet these principles in accordance with the best practice identified by CIPFA/SOLACE.

5.6 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 are included in the Audit Service Manager's annual report and form a part of the overall assurance for the Annual Governance Statement.

5.7 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. Conclusion

6.1 The Council's formally adopted Code of Corporate Governance is fully compliant with CIPFA/SOLACE guidance. The Code was reviewed to determine whether the Council complied with the approved Code of Corporate Governance; the evidence in Appendix A demonstrates very strong compliance 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 2010.

CIPFA: Delivering Good Governance in Local Government: Framework Addendum 2012

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 which is set out in a Code of Corporate Governance based on 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 Head of Paid Service 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 Audit Service Manager's annual report and form a part of the overall assurance for the Annual Governance Statement signed by the Leader and the Head of Paid Service.

On a practical basis, the Code contains a corporate governance map at Appendix 2 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.

- The Shropshire Council Plan 2011–2013 was approved by Council in November 2011. The aim of the plan is to set out clearly in one place the role and purpose of the council and how we will deliver our services, over the next three years, to the vision and priorities of Shropshire's longer term Community Strategy.
- The plan describes how the Council will focus its activities on what matters most to Shropshire people, to create:
 - Flourishing Shropshire communities.
 - Economic growth and prosperity.
 - Better health and wellbeing.
 - Better educational attainment and work places skills.
 - Greater public confidence.
 - Service transformation and organisational development.
- The Shropshire Council Plan is in an electronic interactive format and updated throughout the year, showing real examples of what the Council is doing across Shropshire.
- Reports present the Council's Organisational Health scorecard which consists of key performance measures, progress with transformation priorities, strategic risks, staffing and financial information.
- Monthly reports are by exception and are forwarded to the Council's Senior Management Board (SMB), and the Performance and Finance Cabinet Sub-group.
- Quarterly reports are fuller and publicly available, being reported to the Council's Senior Managers the Performance and Finance Sub-Group, Cabinet and Performance and Strategy Scrutiny Committee. Performance and Finance information is from the corresponding periods, and all information within the Organisational Health scorecard are commonly reported within three to four weeks of the end of each reporting period.
- Areas where reported performance raises concerns are set out in more detail in the quarterly reports and monitored through the monthly exception reports. The reasons for concerns being raised and solutions are considered by the Cabinet Sub-group. Cabinet may refer issues of continuing concern to scrutiny for review.

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

- Shropshire Council has a Council Plan 2011-2013. The priorities of the Plan are set in the Council's outcome (performance) framework which was developed in 2011. The Local Code of Corporate Governance is reviewed annually and reported to Audit Committee.
- The Council's performance framework focuses on outcomes for Shropshire, with an emphasis on measuring what matters. The framework brings together key measures and related information that provide a broader and more comprehensive view of progress towards delivering the Council's priorities and outcomes for Shropshire. A copy of the framework is attached at Appendix 1.
- Planning for the future is vitally important to the council, particularly given the level of uncertainty and speed of change over the next few years. The vision of the Council is to become a commissioning council and the purpose over the next two years is 'To deliver value for money for Shropshire people by commissioning outcomes, based on need, working with local elected Members'. The priorities are:
 - Keeping children safe.
 - Looking after vulnerable people.
 - A high quality education.
 - Economic Growth.

Work will continue to translate these priorities into outcomes that can be communicated and understood by the community.

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 to 2020. It is based upon a robust evidence based and wide consultation. It involves all the agencies and organisations providing public services in Shropshire and provides the shared vision and outcomes which underpin partner strategic plans including the Council Plan and Local Development Framework Core Strategy.
- The Shropshire Compact is a set of shared principles and guidelines for effective partnership working between Shropshire Council and Voluntary and Community Sector (VCS) Organisations operating in Shropshire. It acts as guidance to ensure that the Council and the VCS understand responsibilities and obligations and work towards best practice in partnership arrangements. A Compact Implementation Group leads compact work for the County and links to a Compact Champions Network, and sub groups focusing on disputes and resolution, training, communications, funding and commissioning. The Shropshire Compact is regularly quoted as an example of best practice by the national body: Compact Voice. 2013

will see a review of the Shropshire Compact and an extension to include other public sector partners.

- The Shropshire Voluntary and Community Sector Assembly is well established as the voice of the VCS in Shropshire. The Assembly has over 300 members with a Board and 15 forums of interest: groups of organisations with a common interest (for example heritage, arts, disability, health and social care, arts, housing etc.). The Assembly undertakes regular communication activity to involve its members in events, tender opportunities, consultations and to promote funding opportunities; a current area of focus for the VCS Assembly is Welfare Reform.
- The VCS Assembly has been working with Shropshire Council through a VCS Joint Task Group (and its sub groups) to develop new policies and guidance documents designed to establish a common vision and set out new partnership approaches and expectations. Achievements include the development of a commissioning strategy and guidance, new web pages and processes for the Community Right to Bid and Community Right to Challenge, new policies for Community Asset Transfer and a draft Accommodation Protocol.
- A grant awarded to the VCS Assembly allowed three projects to be completed:
 - The development of Shropshire Providers Consortium. A Community Interest Company established to facilitate joint bidding for public sector contracts and funding opportunities. Membership is open to any member of the Shropshire VCS Assembly and support is offered to fulfil the membership requirements.
 - Support for the VCS Assembly's Forums of Interest to enable greater collaboration within the VCS and to encourage partnership working between sectors. Events, training, communication and other forms of support have been made widely available.
 - Extending partnerships between Shropshire's voluntary and community sector groups and organisations and private businesses located in Shropshire. A wide range of activity has been put in place including mentoring and shadowing. All activity has been designed with the aim of building relationships between the private sector and VCS and generating a greater understanding across sectors.

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 the Council's accounting policies.
 - An Annual Governance Statement signed by the Leader of the Council and the 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.

- Specific service areas seek customer feedback both through systematic customer feedback and through annual surveys. For example the Adult Social Care Survey continues to engage with service users. The results help us to understand and evidence what has been achieved for local people, supporting local service and enabling people to make better choices about care.
- A survey targeting carers has been carried out for the first time. The results will tell us what is working well and where improvements can be made and to ensure our resources are being used to their full potential.
- The Council consulted on the allocations of sites for residential and industrial use across the county (SAMDev) during the year – involving residents, town and parish councils, business and the voluntary sector in shaping the future of their communities.
- The Council also 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, older people, mental health and people with disabilities. The boards bring together service users, family carers and senior managers from the public, private, community and voluntary sectors to ensure effective local coordination and strategic planning to improve the lives of vulnerable people and family carers.
- We regularly consult with the People's Panel on strategic decisions and service developments. Recent examples include consulting on Shropshire Partnership Priorities, proposals for our Council Tax Scheme, social media, and housing priorities. Focus group work has included public enforcement and protection services and meeting the Leader of the Council.
- The Medium Term Financial Plan, which is under constant review, sets out resource allocations aligned to the Council's policy framework.

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

- There is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period. Areas of concern are identified and reported quarterly and monitored on a monthly basis, providing greater detail and explanation of the issues and actions being taken. The reports

are presented to Senior Managers, Cabinet Subgroup and Cabinet. They are also presented to the Performance and Strategy Scrutiny Committee. Cabinet may ask Scrutiny to look at specific issues of on-going concern.

- First point of customer contact with the Council is our Customer Contact Centres and Hubs. Customer Satisfaction surveys are produced on a monthly basis which consist of detailed analysis about feedback from customers who contact us by email, face to face, web, phone. This information is produced by the Communications and Engagement Team and is passed onto the Business Support Team in Customer Services for action.
- 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.

- The Council has met its £32.89m savings target in 2012/13.
- The Medium Term Financial Plan, which is under constant review, sets out resource allocations aligned to the Council's policy framework.
- The Council has a Value for Money strategy; in response to the challenging financial situation the Council has recognised the value in fundamentally transforming how services are delivered, starting with the customer and how they want to live, and designing services from this starting point. A range of tools are in place to take this forward including:
 - Research and evidence gathering, including Ethnographic Research, to ensure that there is a robust basis for change.
 - Problem solving tools and approaches to help overcome barriers.
 - Business and Service Design methodology, including the Council's own 'Design Based Approach' which uses divergent and convergent thinking combined with prototyping to develop new ways to achieve outcomes; moving to business cases in a quick and efficient manner.
 - Service reviews carried out using 'Lean' methodology to achieve "quick wins" by addressing the following questions:
 - What does the customer want?
 - When do they want it?
 - How can we provide it efficiently?

- The Council's comprehensive Transformation Programme has been in place since April 2011 and was reviewed and refocused during the third quarter 2012/13. Continuous Improvement activity is also taking place in service areas outside of the programme.
- The Transformation Programme consists of enabling work-streams such as infrastructure development cultural change and developments in ICT. It also has priority delivery areas such as adult social care and economic growth where significant change will be occurring. The Council has continued to transform its business across all service areas, looking at how it can do things differently with different people, and how communities can flourish and become more resilient. Co-ordinated through Business Improvement, key areas of interest in 2012 have been:-
 - Ensuring that the Voluntary Sector, Community Groups and Town and Parish Councils have the skills and capacity to both bid for and provide Council services in the future.
 - Ensuring Members are enabled to work more closely with commissioners in their area so that services that are delivered in the area directly reflect that area's needs.
 - Identifying the long term budget and service delivery impact of transformational activity in the Flourishing Shropshire portfolio such as changing the role of the Council, its partners, and communities in how they manage and live in their place e.g. through our Place Based Intervention activities.
 - Establishing both the financial and social return achieved on Investment made in local community projects (e.g. via the Market Town Revitalisation Programme).
- The Council is looking at a more defined commissioner provider split; it has set up a wholly-owned company, ip&e Ltd, and is working on developing different delivery models such as staff led mutuals and social enterprises. Taking account of the localism bill, demand management, increasing community resilience and community based budgets, the Council is also progressing with looking at demand led commissioning through localities, with the goal to have the first market town commissioning ready by June 2013.
- The scale of budget cuts we face means we can't just continue to cut costs and do less of what we currently do. Instead we need to do completely different things which make a permanent improvement to people's lives wherever possible whilst reducing costs in both the short and long term. Commissioning outcomes based on demand means making choices about where to invest to use scarce resources more wisely. In the past we'd have started by looking at existing budgets and assuming they'd basically carry on funding what we currently do, albeit making efficiency savings year on year.
- As well as changing the way that the whole Council works, there is a small Business Design Team (of six people) in place to help facilitate

and guide service areas; applying different tools in the right situations and ensuring that there is a focus on true transformation and not just continuous improvement. The Council has also identified a Transformation Fund which can be applied to for additional investment to enable change to occur.

- A new Shropshire Community Leisure Partnership was agreed in July 2012 to manage five of the Council's leisure centres. This will guarantee the ongoing provision of leisure service and provide better value for money for the community.

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 of the Constitution lays down the role of the Cabinet. Part three 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 (B20 -22) 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 Head of Paid Service’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 E85).
- 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 achievement of the Section 151 Officers' statutory responsibilities:
 - 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.
 - Be professionally qualified and suitably experienced.
- Duties and responsibilities are also included in the Chief Finance Officer's job description.
- In accordance with Section 114 of the Local Government Finance Act 1988 The Section 151 Officer reports to Council, Cabinet and the external auditors.
- In accordance with the Section 25 of the Local Government Act 2003 the Section 151 Officer reports to Members on the robustness of estimates and the adequacy of reserves.

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 (B20) 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 (E85).

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). The Panel reviewed the remuneration of Deputy Portfolio Holders in 2012.
- Remuneration for Senior Managers is defined in their Contracts of Employment and a Remuneration Committee provides on going governance of Senior Managers pay.

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.
- The Council has adopted a performance management framework – the Corporate Outcomes Framework – which establishes a clear reporting mechanism for performance of corporate priorities. The framework is underpinned by scorecards. The Organisational Health Scorecard, the scorecard which provides the overview for the Council, includes information on key outcome performance measures, progress with the Council's Transformation Programme, strategic risk management, staff and financial Information. The Performance and Finance information is from the corresponding periods for effective comparison, and all information within the OH scorecard is commonly reported within three to four weeks of the end of each reporting period.
- The quarterly reports are publicly available, being reported to the Council's Senior Managers the Performance and Finance Cabinet Sub-group, Cabinet, and the Performance and Strategy Scrutiny Committee. Areas of concern are identified and reported quarterly

and monitored on a monthly basis, providing greater detail and explanation of the issues and actions being taken. These are considered by the Cabinet Sub-group and Cabinet who may refer issues of continuing concern to Scrutiny for review.

- PerformancePlus, the Council's Performance Management System has been developed to match and deliver the new requirements of the Outcomes Framework. It supports and provides reporting of key measures for different levels of management. Appropriate scorecards have been put in place for Directors, Group Managers, and where requested, Service Managers to support them in managing their service areas.
- Work has also been carried out with the Provider of PerformancePlus to put in place a system to support Programme Management for the Transformation Programme.
- For both performance management and the Transformation Programme training has been developed and is being rolled out to staff across the council who are responsible for reporting progress. The aim is to implement a self-serve model that enables a smaller corporate core to exist and locate the responsibility for monitoring and managing service performance within the service areas.
- 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 performing to the standards that the Council sets. Benchmarking services used include.
 - 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).
 - HouseMark.

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 and engagement is achieved through a number of routes. Some examples are:
 - Member surgeries.
 - Local Joint Committees.
 - Scrutiny panels.
 - People's Panel activities.
 - One-off public consultation and participation events on topics such as transport, the Local Development Framework.
 - The Local Strategic Partnership in Shropshire.
 - Members of Youth Parliament:
 - Young People's countywide Speak Out Group to become a Youth Panel.
 - Established links and regular meetings with local interest groups/ forums e.g. Senior Citizens Forums, Shropshire Youth Association, Tenant Groups, Parents and Carers of Children with Disabilities.
 - The Local Strategic Partnership in Shropshire.
 - Business Board
- 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 residents understand the Council's vision and purpose and access services on a day to day level.
 - The Shropshire Newsroom (www.shropshirenewsroom.com) hosts all the latest Council news stories with podcasts, videos and photographs available from the corporate Flickr account.
 - We work with colleagues in the local, regional and national media to complement Shropshire Newsroom and ensure people have access to information about the Council.
 - We aim for a consistent approach to communication across the Council, reaching and targeting the key customers, stakeholders and partners in the most appropriate way.
 - We use social media, Twitter and Facebook, as a method of disseminating our information and listening to feedback on a number of issues.
 - We provide performance information for local areas detailing how the Council is delivering its vision.
- Widespread local consultation has taken place via People Panel Surveys, local partnerships and Local Joint Committees to identify the needs and priorities of our citizens and make these our key areas for service delivery. Feedback 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 2012 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 start of meetings. The document also includes terms of reference for the main thematic partnerships that sit within the overall structure.
- The Members code of conduct provides guidance on pecuniary interests and declarations (Part five – Interests E3 – E4).
- A range of joint working initiatives is underway to improve service performance and delivery. Examples of working in partnership are:
 - Shropshire Together.
 - Shropshire Voluntary and Community Sector Assembly.
 - Supporting People in Shropshire.
 - Shropshire Children's Trust Executive.
 - Shadow Health and Wellbeing Board and a Health and Wellbeing Strategy.
 - Sure Start.
 - The Safer Stronger Communities Partnership.
 - Drug and Alcohol Action Team.
 - Integrated Offender Management programme.
 - Local Resilience Forum.
 - Shropshire Business Board and the Marches Enterprise Partnership.
 - Telford & Wrekin for Adoption Services and for Youth Offending Services.
 - Working with carers in Shropshire.
 - Place Based Intervention Pilots.
- Shropshire Compact has been effective in supporting the relationships between Shropshire Council and the VCS. It acts as an aid to problem solving by clearly setting out roles, responsibilities and commitments. There are plans to refresh the Shropshire Compact in 2013 to build in the partnership work that has taken place between Shropshire Council and the Shropshire VSC Assembly. New strategy and policy documents produced under the themes of commissioning, performance and community rights add value to the Compact and help establish new ways of working in partnership.

- For the past two years, Shropshire's Voluntary Sector Assembly has worked closely with the Council to help make the sector strong and sustainable as possible, fit for the future in the context of substantially reduced funding for the. This, along with the localism agenda, produces opportunities for the voluntary and community sector.
- Shropshire Providers Consortium - www.shropshireprovidersconsortium.co.uk. New commissioners in health and policing, as well as organisations like Shropshire Council, are taking a more commissioning-led approach to work with the sector. Anticipating this shift, Shropshire Providers Consortium has now been launched, bringing community and voluntary sector organisations together to win business for the county's voluntary sector in an increasingly competitive market. It pools their experience, skills and knowledge, and brings commercial skills to fill a gap in expertise.

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 are to give the people of Shropshire a greater choice in the services they receive and the way they are accessed. Our values guide staff and ensure the best quality services and the best value for money:
 - Talking openly and honestly, and by listening to our residents.
 - Use the resources we have responsibly.
 - Acting with integrity.
 - Innovate and improve by designing services that are tailored to our locality.
 - Providing visible leadership.
 - Valuing each other.
- 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 and 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 (Part 5) contains the following codes and protocols for members and officers:
 - Members Code of Conduct.
 - Standards Procedures.
 - Protocol for the Role of Monitoring Officer.
 - 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, Bribery 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.
 - Code of Corporate Governance
 - Protocol for Members Attendance at Conference and Training.
 - Protocol for Task and Finish Groups.
 - Protocol for Task and Finish Groups (including Scrutiny Ground Rules – Work Planning).
 - Protocol for Opposition Briefings.
 - Protocol for Media Work.
 - Guidance for Acceptable use of Shropshire Councillor Webpages.
 - Guidance for Audio and Video recording, photography and social media during council meetings.
- Annual reminders on gifts and hospitality and whistleblowing are emailed to staff and placed on the intranet. An annual report on whistleblowing cases will be presented to the Audit Committee.
- The Localism Act 2010 abolished the requirement for the Council to have a Standards Committee. Given the Audit Committee's responsibilities in relation to seeking assurance on the Council's anti-fraud, bribery and corruption environment Members recommended that responsibility for the Standards Committee function be adopted by Audit Committee, this was approved by Council on 3 May 2012. The terms of reference for the Audit Committee were amended to reflect this decision. In addition, the Employee Handbook and Ask HR on the intranet 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 and safety.
 - Freedom of information, confidentiality and 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 (E1 – E4).
- In accordance with The Localism Act 2011 all Members have registered and disclosed their pecuniary interests, these are available on the Council's website.
- 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 meeting agenda includes a standing item for declarations of pecuniary interest.
- There is a code of conduct in relation to gifts and hospitality and all instances must be recorded. Advice and guidance is provided on the intranet.
- The Audit Committee deals with any breaches of the Members code with clear terms of reference and procedures to deal with such matters.
- Staff are 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.

- The Council's Constitution Part 5 contains the Codes and Protocols which includes Codes of Conduct for Members and Employees.

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 vision, values and priorities as set out in the new Council Plan 2012 that we will 'value our differences' we have individual policy statements on Equality in Employment in place covering the following areas:
 - Sexual Orientation.
 - Disability.
 - Gender.
 - Race.
 - Religion.
 - Age.
- We have a formal process for the reporting of any instances of harassment and hate crime/incidents.
- 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.

- The Localism Act 2011 abolished the requirement for the Council to have a Standards Committee and responsibility for the Standards Committee function have been adopted by the Audit 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 ensure all our managers and Members have received training and on-going support to ensure that there is 'due regard' to equalities in all decision making. We have representation from staff groups, e.g. from our lesbian, gay, bisexual network (LGB), the Trade Union and key partnerships at the strategic level.

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.

- Shropshire Together - the Shropshire Partnership is a strategic partnership involving sub-regional and local public sector agencies, the voluntary and community sector and business partners. Partners work together to take action on evidence based priorities. There is a membership of ten key partners together with a wider membership of over 50 other organisations.

- Shropshire 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 Core Strategy and the Council Plan.
- Delivery of the Community Strategy is measured and monitored against the agreed outcomes. Work is currently underway to develop short term goals by which progress towards the outcomes can be measured.

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 (D60 - 68) and Part nine (I14-15) of the Constitution. Members may not participate in the scrutiny of decisions they were involved in.
- 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.
- 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 meeting agenda includes a standing item the remind members that they must not participate in discussion or voting on any matter which they have a Disclosable pecuniary Interest and should leave the room prior to the commencement of the debate.
- 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 five related to Codes and protocols for members and officers.
- Individual councillor's Pecuniary Interest disclosures 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 respond within ten working days on receipt within the Service depending on the issue. If any extension is required these will be discussed with the complainant.
- Complaints are processed and monitored centrally by the Customer Care and Involvement Team who review and monitor customer satisfaction and complaints handling.
- Complaints are monitored centrally by the Senior Management Board. Reports include customer satisfaction levels and improvements in services put in place as a result of complaints. Further reports to members are produced on a quarterly an annual basis as requested.
- 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 and 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:
 - Strategic Risks have been identified and robust controls to manage the risks put in place, further controls are implemented as required to provide the necessary assurances that our exposure to risk is effectively managed and minimised.
 - Operational Risks are monitored, reviewed and updated regularly.
 - Routine monitoring of insurance claims and other losses is undertaken.
- As part of the annual review of the Risk Management Strategy the Council recognised the importance of integrating Opportunity Risk Management techniques in decision making and planning processes and an Opportunity Risk Management Strategy was developed. The strategy sets out roles, responsibilities and the procedures for managing risks within the Council.

- 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 monthly basis.
- All Committee Reports include a section on risk assessment and opportunities appraisal.
- Risk management software system has been implemented and all risks are being populated into the system, officers are being trained to input directly onto the system, thus enabling risk owners to take full responsibility for reviewing and updating their risks on a monthly basis. 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 Lead Member advocate is the Lead Scrutiny Chair. Risk management issues are discussed and quarterly reports are submitted to the Performance & Finance Sub Group and 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 year's activities, challenges and achievements.

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 their staff to encourage and facilitate speaking up about wrongdoing. Audit Committee receive reports on fraud and special investigations include those relating to whistleblowing cases.
- 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 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 and Democratic Services.
- The Monitoring Officer, or their delegated representative, attends the key decision-making meetings of Members, including Council and Cabinet.
- All Committee reports 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 and Development Framework provides comprehensive development opportunities, and essential sessions. Development interventions are designed in the context of what individual members say they require 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 and 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 Members learning and development activities and their 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 and the Pensions 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.
- All staff are required to attend an open space induction programme, introduced by Senior Managers. New employees also have access to a bi-monthly welcome and information session.
- A core skills development framework is available to all staff. The framework is made up of ten priority themes and is underpinned by the Council's Values. "Core skills" is an Organisation wide training programme with offerings available for staff and managers at all levels. The range of development methods includes workshops, on line learning, coaching and mentoring.
- To support people during the transition to a new shared service, several supporting people through change workshops were delivered. A Shared Service Learning and Development programme was launched with a focus on team development, customer service and continuous improvement.

- The organisational change has identified a need for more commercial awareness across the organisation. As a result a commercial awareness programme was delivered in early 2013. The programme is currently being reviewed prior to implementation across the organisation.
- A new performance review scheme is introduced in April 2012 following a review. The scheme continues to focus on the quality of discussion between manager and employee with a requirement to review previous year's performance, agree objectives and behaviours for the coming year and identify development needs to support the achievement of objectives as well as career aspirations.
- Managers have received training on how to measure objectives as part of performance review.
- A Shropshire Graduate Development Programme is in place, developing the knowledge and skills of graduates with a view to retaining internal talent for the future of Shropshire Council.
- A Talent Management scheme has been created to help managers identify talent within their teams and provide them with the support required to progress their careers.

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.
- 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 require 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 and their impact on the Member role and to agree further learning needs.
- The Focused Local Learning Programme was first established as a vanguard in January 2011 with the OPM organisation acting as external consultants, working closely with Members and providing support throughout. The first phase of the programme involved Shropshire Council Members in eight divisions in the south east of the County. It was designed to help Members provide their communities with the support they needed to be able to do more for themselves in an era of reduced resources. Phase two of the project was established in January 2012 and has continued to build on the work undertaken in Phase one but has widened to include work on the commissioning process, examining the skills and knowledge needed by Members to participate effectively in this process and to act effectively as Community Leaders in their divisions.
- 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.
- A core skills development programme was launched in autumn 2012, available to all officers.
- We have a commitment to train and develop our staff; staff performance reviews 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 opportunity risk management, data protection, freedom of information and human resource issues.

- A High Performing Teams programme was delivered in Shared Services as part of a continuous development journey. The programme was used as a pilot before offering it to other parts of the organisation.

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 and 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.

- Executive Members may 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.
 - Equality and diversity included in the induction framework.
 - Engagement toolkit.
 - Have Your Say web page.
 - Local Joint Committees.
 - Peoples Panel.
 - Youth Parliament.
 - Young People's Speak Out Group to become a Youth Panel.
 - Care Council Crew (CCC)
 - Governor Opportunities and Training.
 - Employee Disabilities Network.
 - Access Officer.
 - Gypsy Liaison Team.
 - LGB network.
- The Shropshire Voluntary and Community Sector Assembly provide a forum for voluntary sector bodies collectively to discuss issues and engage with Partners with a strong voice. The Assembly's Forums of Interest allow for more specific consultation and engagement within more specialist and defined parts of the voluntary sector.
- 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 we have individual policy statements on Equality in Employment in place covering the following areas:
 - Sexual Orientation.
 - Disability.
 - Gender.
 - Race.
 - Religion.
 - Age.

- An Equality Information report was published in Feb 2012 following endorsement by cabinet and will be reported annually.

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 core skills development programme including management and leadership development for the development of existing and new managers.
- We have compulsory CPD in specialist areas such as Finance which is also included in job descriptions.
- We have an ongoing Community Leadership and Development Framework in place; particular attention is paid to training/developing newly elected Members, Members and Officers of Overview and Scrutiny; Community Leadership in action; members of regulatory committee's; statutory duty and Ethical Governance.

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 Council 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 stakeholder bodies 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.
- The Shropshire Partnership has an independent Chair and is made up of key partners in Shropshire including:
 - West Mercia Police.
 - Shropshire County Primary Care Trust.
 - Shropshire County Clinical Commissioning Group.
 - Shropshire Fire and Rescue Service.
 - West Mercia Probation Trust.
 - Job Centre Plus.
 - Representatives from the Business Board, Youth Parliament, Association of Local Councils, and the VCS Assembly.
- These key partners form the Leaders Board which is at the hub of other thematic partnership such as the Shadow Health and Wellbeing Board, Safer Stronger Communities Partnership, Children's Trust Executive and Housing Strategy Group. The structure of the partnership was reviewed in 2011 to ensure its on-going effectiveness.

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 which provides guidance on all forms of internal and external 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).
 - Yammer – an internal social network for staff to engage with each other and share best practice.
 - Staff intranet.
 - Latest staff information e-mails.
 - Team meetings and Staff Briefings.
 - Principal Officer Manager Forum.
 - Ad hoc information sessions on specific areas.
 - 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 spend online information.
 - Social Media Channels.
- 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.

- Some recent examples of consultation we have undertaken are:
- Site Allocations and Management Development.
 - The future delivery of Adult Social Care in Shropshire.
 - Bring Better Broadband to Shropshire.
 - Shaping Local Healthwatch in Shropshire.
 - Shropshire Housing.
 - Economic Growth Strategy survey.
 - Short Breaks survey.
 - Disability Sports survey.
 - Local Council Tax Support Scheme.
 - On-street parking charges in Shrewsbury and Ludlow on Sunday.
- Shropshire People's Panel is a resource of around 1,000 local people from all areas of Shropshire who take part in consultation including surveys, reader's panels, discussion groups and mystery customers. We are currently creating a Youth Panel to replicate the People's Panel.

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 Outcomes Framework establishes a clear reporting mechanism for performance of corporate priorities. The quarterly reports are publicly available, being reported to the Council's Senior Managers, the Cabinet Sub-Group, Cabinet and Performance and Strategy Scrutiny Committee. Performance and Finance information is from the corresponding periods, and all information within the OH

scorecard are commonly reported within three to four weeks of the end of each reporting period.

- Areas of concern are identified and reported quarterly and monitored monthly providing greater detail and explanation of the issues and actions being taken. These are considered by the Cabinet Sub-group and Cabinet who may refer issues of continuing concern to Scrutiny for review.
- The Shropshire Council Plan is in an electronic format and is interactive. The plan will be updated throughout the year showing real examples of what the council is doing across Shropshire.

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 Value of being Open states that "We believe that by talking openly and honestly, and by listening to our residents, we will be a stronger council, offering robust services for the people of Shropshire".
- 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, DD68-69) 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.

- Staff Forums and PO Manager Forums occur regularly and actively seek to engage staff and managers. We have a Change Champion programme; Change Champions currently support individuals and teams going through change and provide regular communications to teams.
- Open Space Induction sessions are being held across the County to engage staff in the future direction of the Council and to invite ideas for future service developments.

- The Chief Executive provides a regular update for all staff via email on key issues including relevant information from the senior management team. Staff without access to email are updated by their 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, 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 performance review 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 monthly informal meetings with Trade Unions to manage issues of concern, discuss emerging issues and policy changes.
- A regular 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.
- Issues which need consultation and approval over policy changes are discussed through a quarterly 'Policy Forum' prior to the items then going to the next Joint Consultative Committee.
- 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.

Performance Framework



Appendix 2

SHROPSHIRE COUNCIL FRAMEWORK OF CORPORATE GOVERNANCE

Corporate Vision: To improve significantly the quality of life for Shropshire people by working together

- Corporate Aims and Priorities:**
1. Flourishing Shropshire communities
 2. Economic growth and prosperity
 3. Better health and well being
 4. Better educational attainment and work places skills
 5. Greater public confidence
 6. Service transformation and organisational development

The Shropshire system by which we direct and control our functions and relate to our community.

Principal 1 Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.	Principle 2 Members and Officers working together to achieve a common purpose with clearly defined functions and roles.	Principle 3 Promoting values for the authority & demonstrating the values of good governance through upholding high standards of conduct and behaviour.	Principle 4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.	Principle 5 Developing the capacity and capability of members and officers to be effective.	Principle 6 Engaging with local people and other stakeholders to ensure robust public accountability.
Shropshire Community Strategy	Shropshire Community Strategy	Shropshire Community Strategy	Cabinet Forward Plan	Members Induction	Shropshire Partnership Community Strategy
Shropshire Council Plan	Shropshire Council Plan	Shropshire Council Plan	Key Decision Process	Specialist Member Training	Shropshire Council Plan
Shropshire Compact	Compact	Speaking Up about Wrongdoing	Speaking Up about Wrongdoing	Member Development Programme	Shropshire Voluntary and Community Sector Assembly
Local Joint Committee Meetings	Local Joint Committee Meetings	Fraud and Corruption Hotline	Fraud and Corruption Hotline	Shropshire Voluntary and Community Sector Assembly	Annual Scrutiny Chairs Report
Shropshire Website, Shropshire Newsroom. e-Shrop Intranet	Shropshire Website, including. e-Shrop Intranet	Complaints Procedure	Complaints Procedure	Recruitment and Selection Code of Practice	Shropshire Website, Shropshire Newsroom. e-Shrop Intranet
Council Tax Leaflet	Locality Commissioning	Register of Pecuniary Interests	Register of Pecuniary Interests	Learning and Development Team	Customer First
Budget Consultation. Budget Simulator	Local Governance	Gifts and Hospitality Register	Gifts and Hospitality Register	Essential Skills Development	Local Joint Committees
Budget Book	Constitution	Freedom of Information	Opportunity Risk Management Strategy	Continuous Professional Development	Council Tax Leaflet
Value For Money Strategy	Head of Paid Service	Partnership Guidance	Freedom of Information	Member Officer Protocol	Budget Book
Shropshire Business Board	Chief Finance Officer	Core Values	Partnership Guidance	Job Descriptions	Locality Commissioning
Locality Commissioning	Financial Rules	Constitution	Constitution	Scrutiny Process	Local Governance
Local Governance	Monitoring Officer	Monitoring Officer	Chief Finance Officer	Audit Committee	Constitution
Constitution	Performance Plus	Code of Corporate Governance	Monitoring Officer	Performance Framework	Communications Strategy
Communications Strategy	Member / Officer Relations Protocol	Contract Rules	Job Descriptions	Professional Development	Core Values
Care Values	Members Code of Conduct	Counter fraud and Corruption Strategy	Scheme of Delegation		Scrutiny Process
Annual Statement of Accounts	Employee Code of Conduct	Member / Officer Relations Protocol	Members Code of Conduct		Performance Framework
Annual Governance Statements	Scheme of Delegation	Members Code of Conduct	Employee Code of Conduct		Staff Briefing and Consultation
Transformation Programme	Job Descriptions	Employee Code of Conduct	Scrutiny Process		
Scrutiny Process	Record of Decisions	Harassment and Disciplinary Policies	Audit Committee		
Internal and External Audit	Contracts of Employment	Recruitment Process and CRB checks	Medium Term Financial Plan		
Inspectorates	Performance Framework	IT Code of Practice for Employees	Performance Framework	KEY	
	Scrutiny Process	Performance Framework	Insurance		Openness and inclusivity
		Scrutiny Process			Accountability
		Internal and External Audit			Integrity