Shropshire Council
DRAFT Annual Governance Statement
2022/23

Good Governance in the Public Sector comprises the arrangements in place to ensure that the intended outcomes for all interested parties are defined and legally achieved. In delivering good governance, both the Council, and individuals working for and with the Council, aim to achieve the Council's objectives while acting in the public interest.

The Council's Code of Corporate Governance, located in the Constitution[1], summarises the Council's good governance principles and details the actions and behaviours required to demonstrate good governance. Senior managers have provided assurances that the seven core principles have been applied throughout the 2022-23 financial year.

From September 2022, 252 of the Council's most Senior Managers (including the Chief Executive, all Executive and Assistant Directors) undertook a Leadership Development course across 19 cohorts each involving seven full day workshops, lasting eight months entitled Getting Leadership Right (GLR). This included the embedding of 'Getting it Right' principles and four Council values that underpin good governance:
- Authentic Relationships
- Professional Excellence
- Belief in Potential
- Agile Leadership

While the cascading of these values and approach throughout the Council is planned for 2023-24, the first step – a revised Personal Development Plan (PDP) Process to replace staff appraisals – has been rolled out from March 2023.

Any significant instances of non-compliance are identified and escalated to the top of the Council for action. Assurances have been provided by Assistant Directors and above who demonstrate that the Council is doing the right things in the right way for the right people, in a timely, inclusive, open and accountable manner. These arrangements take into consideration the systems, processes, culture and values which direct and control the way the Council works; through which it is accountable to, engages with and leads its communities. **Annex A demonstrates the overall Assurance Framework**.

This statement explains how the Council has complied with the Code and meets the requirements of the Accounts and Audit Regulations. This is supported by a 2022-23 Code of Governance Internal Audit review which provides a **Reasonable** level of assurance.

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1 https://shropshire.gov.uk/committee-services/ecCatDisplay.aspx?sch=doc&cat=13331&path=0%20

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

Members and officers recognise the importance of compliance with the Constitution, specifically the Rules; Regulations, Scheme of Delegation and Codes of Conduct; all of which are regularly reviewed and updated. Instances of non-compliance or areas of concern are identified, reported through appropriate channels and managed effectively under established policies and processes and where necessary escalated for further action.

Officers comply with their professional organisations' codes of conduct in delivering services (E.g. HCPC[2], AMGPs[3], EHORB[4], SRA, CILEX[5]), against which assessments are conducted to confirm compliance and identify any improvements required. Adult Social Care (ASC) receive regular focused audits which monitor their compliance with the law e.g. Mental Capacity Act, Deprivation of Liberty Safeguards, Care Act and the Mental Health Act. Emergency Planning undertake all duties expected under the Civil Contingencies Act with integrity and work closely with multi-agency partners within the Local Resilience Forum (LRF).

Statutory responsibilities across the Council are discharged openly and proactively, key statutory officers are in place (Monitoring Officer[6], Section 151[7] Officer, Head of Paid Service and the Senior Information Risk Owner (SIRO)). Examples of statutory responsibilities delivered include, LGPS[8] Regulations, CIPFA[9] Code of Practice, Freedom of Information (FOI), Elections, Treasury Management, Coroner and Registrars' Services. Statutory responsibilities for duties under the Care Act; Special Educational Needs, Education Access, Early Years and place planning, sufficiency and admissions are discharged openly, proactively and in full compliance with Admission Codes.

In April 2023 the Council received an enforcement notice from the ICO[10] in relation to FOI response times. Action is being taken to improve information governance arrangements and legislative compliance rates. The Council has responded positively to this.

Many areas of the Resources Directorate are governed by clear statutory responsibilities that staff in the Directorate are attuned to supporting. Many roles work to specified professional standards with necessary CPD requirements. Structures, separation of duties and quality assurance across many areas provide evidence and support to officers working in this way. Finance Business Partners are involved with contract negotiation and management to ensure that external

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[2] Health Care and Professions Council
[3] Approved Mental Health Act Professionals
[4] Environmental Health Registration Board
[5] Solicitors Regulation Authority/ Chartered Institute of Legal Executives
[6] The Monitoring Officer has three main roles: 1. To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration; 2. To be responsible for matters relating to the conduct of members and officers; and 3. To be responsible for the operation of the Council's Constitution.
[7] Every local authority shall plan for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs, this is the Section 151 Officer
[8] Local Government Pension Scheme
[9] Chartered Institute of Public Finance Managers
[10] Information Commissioners Office

providers of services are acting in line with ethical standards expected by the Council.

Recording and reporting key information about transformation projects in a consistent, accurate and timely fashion enables Programme Managers and Sponsors (Executive Management Team) to make decisions in an objective, unbiased, professional and ethical manner. Communications comply with the Code of Practice on Local Authority publicity and give due consideration to equality issues affecting the Council.

Staff within Health Wellbeing and Prevention (Public Health, Health Protection and Environmental Health) are registered with the professional body that regulates their service area for example UKPHR and EHORB. Those staff who are not registered will be line managed by staff with appropriate qualifications. Each professional body incorporates regulations that include demonstrating a strong commitment to ethical values and respecting the rule of law.

Regulatory Services are required to operate within the legal powers and requirements and best practice guidance, completing relevant statutory returns and liaising with the Investigatory Powers.

The Statutory Director of Public Health Role, whose role is to oversee the work of the whole department (Executive Director of Health), requires an annual CPD submission subject to audit by professional bodies and individuals and annual assurance and accreditation.

The teams embed ethical values and the rule of law into their standard operating principles and values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. Quality in public health: a shared responsibility, is a new framework for England brought in 2019, that aims to raise quality in public health services and functions. This provides a range of mechanisms to help set direction, support delivery, manage risk, monitor and review practice and outcomes for adults and carers with care and support needs and ensure our stated priorities are being met and ensure that the population and those in more vulnerable groups are met. Practice has been reviewed informally against this routinely and will be formally audited against in 2023.

The first formal peer review audit against quality improvement standards (Quality in Public Health), will take place in 2023. The DPH has proactively invited the team in to give an independent assessment in addition to the self-assessment to support CPD [11]within the directorate.

Human Resource (HR) and recruitment policies and processes help ensure that the Council complies with employment law and avoids discrimination, these are refreshed regularly and agreed with the recognised trade unions. Employees are well

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[11] Continuing professional development

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

supported, receive training and development opportunities. Policies and procedures are being revisited to reflect new ways of working.

Within the Place Directorate respecting the rule of law is regularly evidenced in quasi-judicial services such as the preparation of planning reports and enforcement services such as trading standards and registration services. Furthermore, the climate change team reviews the content of the climate change appraisal section for every Cabinet and Council decision report to ensure that a firm commitment to ethical and environmental values are considered.

The Housing Strategy and Development Manager has reviewed the way in which housing assets are held by the Council, and has moved to ensure that all are transferred from the General Fund to the HRA, as this accords with the requirements of housing legislation. Separately, the Business and Consumer Protection team has contributed strongly to the Child Exploitation review undertaken by Telford Council, in line with our commitments to working within critical ethical standards.

Regulatory review and feedback from Ofsted/CQC[12] inspections during Feb 2022 and Nov 2022 identified strengths in some services, including Virtual School, Education Access Service focussed on Elective Home Education and Children Missing Education. The Nov 2022 Area SEND inspection also identified some very recent improvements in the EHCP[13] statutory assessment team. All officers behave with integrity and demonstrate ethical values.

Internal Audit produce a risk-based plan, working closely with Executive Directors and reports provide independent assurance that appropriate governance and internal control standards are maintained, or areas of concern highlighted for action.

The Council has a zero tolerance to fraud and corruption and raised the profile of its intentions to counter fraud with various communications during International Fraud Awareness week. Identified concerns are acted upon and can lead to specific outcomes, learning points and improvements.

The Council undertakes a self-assessment of its fraud risks, to identify and understand them. It acknowledges issues and plans to demonstrate that action is taken, and outcomes are visible. This process is transparent, reports are taken to senior management and those charged with governance. Guidance on 'Speaking up about Wrongdoing' which incorporates whistle blowing is available to employees, members, the public and contractors. Any irregularities identified will be investigated by Internal Audit or the appropriate officers within services. Audit Committee are responsible for the monitoring and overview of the "Speaking up about Wrongdoing Policy" and receive regular outcome reports including an annual report.

Key developments consider green and environmental issues to ensure mitigations are in place; such as noise reductions for tourism venues and

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[12] Care Quality Commission
[13] Education, Health and Care Plan

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

acoustic fencing. Equality and Social Inclusion Impact Assessments (ESIIA) are undertaken.

B: Ensuring openness and comprehensive stakeholder engagement

Openness and transparency are demonstrated throughout Council activity. Members represent local people in decision making; reporting processes are transparent, internally through officer and executive director groups, and publicly through Council committee meetings. All public meetings are face to face and open to the public and are live streamed, increasing accessibility to a wider audience. Compliance has been demonstrated in the elections process for members, delivered in an open and fair way in accordance with electoral law and extensive engagement with the public and other bodies. In recent years the Council's response to the Covid pandemic has provided learning for responses to other major events in the last year, including flooding and bird flu. This includes communications across several media channels at an unprecedented frequency level, daily at peak times and to a variety of clientele, including regular updates from the Chief Executive informing members officers and the general public of responses to other major events.

The Council has a strong Transparency agenda. Key decisions are reported and tested where necessary, through the senior team and then to members via Party Leads, Groups, Cabinet and Executive Director meetings. Examples include Cabinet and Council reports, policy approvals and published minutes of meetings (e.g. Information Governance Leadership and Oversight Group [IGLOO] and the Commissioning and Assurance Board). IGLOO and the Information Governance and Information Security (IGIS) Group provide a clear process for the consideration and escalation of information governance and security risks. The groups have been in operation since January 2022, attendance is from across the Council and terms of reference have been refreshed. IGLOO focusses on decisions, compliance and oversight and improvements have been evidenced in response to ICT security and infrastructure concerns.

The Council engages positively and sets out to work in a collaborative open partnership approach with several strategic partners including Central Government departments (Cities and Local Growth Unit, Homes and Communities Agency) and neighbouring local authorities. It is a non-constituent member of the West Midlands Combined Authority; has a proactive Business Board which it services and engages with on key initiatives and policies, which in turn has informed the Local Economic Growth Strategy. The management of One Public Estate continues with other public-sector partners. A multi-agency high cost placement funding panel with Children's Services, Education Services and the Clinical Commissioning Group (CCG) is established to manage high cost placements efficiently.

There is a Local Resilience Forum (LRF) supported throughout the Council, with the Chief Executive attending Gold Command meetings where work is undertaken with community and multi-agency partners ensuring a robust response to emergencies, this has remained key. Use of emergency planning arrangements for internal and external gold and silver meetings have increased efficiencies and knowledge sharing.

B: Ensuring openness and comprehensive stakeholder engagement

Project managers are encouraged to clearly capture their stakeholders and how they will be involved in the project (RACI) from the outset - e.g. PID; Invest to Save Business Case.

Openness and stakeholder engagement is core to developing policies and strategic direction within Health and Wellbeing. During the past 12 months there have been several examples of this engagement from the work around the emergency planning, to the continued role out of the JSNA, the development of the healthy weight strategy engagement around Highley and joint work around the STW Integrated Care Partnership Strategy. In addition, officers work in a collaborative way with stakeholders, often over a considerable period of time to deliver improved outcomes. Across the Directorate officers are members of multiple partnerships including the Local Resilience Forum, Community Safeguarding, and Health and Wellbeing Partnerships. During 2022 the Directorate co-produced the County wide response to the Cost-of-Living Crisis with key stakeholders including voluntary sector leaders to deliver a targeted and proactive response.

Many Council services are delivered in partnership with other organisations such as the Local Strategic Partnership, STaR[14] Housing, West Mercia Energy, Shropshire County Pension Fund, town and parish councils, voluntary bodies and trusts. The Safeguarding Executive Board comprises of NHS, police and the third sector creating a strategic forum for planning and delivering services.

The Pension Board has oversight of key decisions by the Pensions Committee this year including review of the investment strategy, equity protection and adoption of a climate change strategy.

Internally, stakeholder engagement with staff at all levels is demonstrated through the New Ways of Working Group, Employee Reference Group and Trade Union engagement. Externally, this is demonstrated through supplier engagement, procurement processes and employer relationships. LGA[15] Peer reviews in Finance and Scrutiny have been undertaken during 2022. The Council demonstrated full engagement and learning from the process.

The Finance Team produce public reports including detailed budget monitoring and variances, the annual Statement of Accounts delivered to statutory deadlines and in year data to increase transparency of service delivery for stakeholders.

Our commissioning, procurement and contract activity includes early market engagement exercises and a full feedback process to unsuccessful bidders. Alongside comprehensive stakeholder engagement in the commissioning of existing and new services and internal stakeholder engagement in management of procurement projects, such as colleagues in Risk Management, Audit, Insurance, Legal Services, Finance and Human Resources (HR). The officer-led Commissioning and Assurance Board allows for strategic stakeholder engagement and the Council also works with local partnerships.

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[14] Shropshire Towns and Rural Housing
[15] Local Government Association

B: Ensuring openness and comprehensive stakeholder engagement

Council services are open by nature in that they involve stakeholders and the public in their decision making e.g. planning. A new Economic Partnership has been developed and implemented that involves over 20 external business, public and VCS organisations. The Highways Service has introduced the 'Fix My Street' application to give openness and visibility to highways related repairs and maintenance.

Annually key stakeholders are consulted on several projects, examples include; the Acton Scott farm consultation; Local Transport Plan; Local Cycling and Walking Infrastructure Plan; BUS Service Improvement Plan. The full list of consultations undertaken is available on the Council website which is well utilised and where required consultations are extended to allow for any local concern that is raised.

Adult Social Care holds regular stakeholder forums and partnership boards, where users of services are represented. We have a local Making it Real board and Making it Real chair employed by the Council. We have recently held a Practice review led by our PSW[16] and CQC readiness review. Experts by experience are involved in co-producing strategies and delivery models.

An increased range of direct engagement opportunities have taken place during 2022-23, including whole sector briefings around the implications of academisation and the initial education white paper outline. Additional Headteacher/senior leader specific sessions have also been convened on key topics, plus the first Learning and Skills Staff Conference. All of these activities have been used to shape strategic direction and strategy/policy development.

The Early Help system guides, which is annually submitted to government, requires us to outline how we engage stakeholders and assessment of their level of engagement. We have recognised that we need to develop a new Early Help strategy and Board to improve their engagement.

Several management boards are in place such as Carers, Direct Payments, Learning Disability/Autism Board, Safeguarding, Provider forums, system partner boards, SEND[17]. Included in this we have a making it real board which are expert by experience who we are working with to ensure service improvement and co-production is embedded across all our practice.

Within Housing Services the Council has initiated a countywide homeless forum for partners to attend and are in process of undertaking stakeholder consultation on the Sustain contract and the homelessness strategy. We also sit on numerous other multi agency groups across the council and county.

Regular dialogue occurs with employees and the recognised trade unions around formal changes to policies and terms and conditions through the recognised collective bargaining processes (Policy Forum, Employees Joint Consultative Committee, Association Secretaries Group (Schools) and Health, Safety and Welfare Committee). The New Ways of Working Group made up of senior managers from across the

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[16] Principal Social Worker

[17] special educational needs and disabilities

B: Ensuring openness and comprehensive stakeholder engagement

Council and the Employee Reference Group, made up of a wide range of employees across all service areas, are engaged in discussions around alternative ways of working following the Covid pandemic and helping to shape proposals for the future. Equality Impact Assessments are also carried out on proposals to ensure inclusivity.

Communications are made with customers and stakeholders via our websites, Newsroom and Departmental Customer Relations Team, providing an excellent customer experience and resolution service. The Team works closely with businesses from a regulatory perspective and adopts a collaborative supportive approach to compliance with a strong focus on transparency and proportionality. A Communications forward plan is shared with Directorates to ensure the correct priorities are addressed; public information supports consultations to ensure these are fully understood (Acton Scott, Whitchurch, Shrewsbury Town Centre changes) and the public is enabled to influence outcomes; 'Meet the Leader' events are arranged with the public and responses are made to media enquiries, social media observations and stakeholder communication activities on behalf of partners, such as the ICS[18].

Public views on a very broad range of subjects are captured, providing guidance to services on how to conduct such activity to meet best practice. Officers work closely with the voluntary sector to embed strong partnership working and open dialogue, involving them in any discussion on changes to services, policies or future direction.

The use of SharePoint for all Cabinet Reports provides a level of transparency in decision making across senior officers of the Council never available previously. A clear sign-off process for key professionals in Resources and Place Directorates ensures clarity and strong governance in the creation of reports before they are finalised. These reports are then signed off by Executive Management Team with the Monitoring Officer in attendance in advance of send out to Members.

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

In providing services to the council we support services to have the right staff with the right skills, at the right time, at the right cost and in the right places. This helps to support the organisation to provide efficient and effective services to the community and realise sustainable, economic, social and environmental benefits. From a compliance perspective, we also ensure that services are not putting the health and safety of employees at risk which could lead to costly repercussions.

The Workforce Strategy was approved in 2022 and aligns with The Shropshire Plan[19] priorities and strategic objectives. This document sets the direction for the organisation in terms of its workforce, which then translates into team plans and individual's objectives through Personal Development Plans so that all actions demonstrate a clear link to The Shropshire Plan, the council's vision, values and strategic objectives.

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[18] Integrated Care System

[19] The Shropshire Plan brings the Strategic Plan, together with the Financial Strategy, Performance Management Framework and the delivery plans to create the suite of strategic plans and related policy/guidance

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

Upskill Shropshire is the brand name for our approach to the use of the Apprenticeship Levy at Shropshire Council. We partner with Training Providers across Shropshire and beyond to provide high quality apprenticeship training to our staff. We have and continue to support a number of our Looked After Children in apprenticeships across the council. We have also transferred levy monies, in line with funding rules, to organisations across Shropshire to support apprenticeship training.

Shropshire HR provides HR Advice to both private and public sector businesses across Shropshire on a not-for-profit basis which, through economies of scale, reduces the cost of the internal HR service to the organisation.

As a support service to the organisation, an agile approach to leadership and delivery of the service has to be adopted - where emergency situations arise, resources have to be flexed and adapted to meet needs and support where required, however Officers will always challenge that outcomes are providing economic, social and environmental benefits when providing support.

The independent review of Overview & Scrutiny during 2022-23 recommended changes to current arrangements which are being implemented and will ensure there is robust work programming in place for scrutiny in the future.

There is a strong emphasis on value for money and cost recovery across teams in the Resources Directorate and an agile approach to leadership and delivery has been adopted, which has been supported by the GLR management training programme.. Social Value implementation is being developed alongside service areas to increase the impact of The Shropshire Plan in new and innovative ways. The Place Directorate has been leading the Council's work in applying the higher levels of social value in procurement evaluation. The approach to procurement and commissioning encourages a balance of social, economic and environmental issues. Standards are being set across the council in terms of climate change and carbon reduction, flood alleviation and water quality, habitat restoration, increasing employment and skills development and housing. All Homes and Communities reporting and policy development in 2022-23 has shown its relevance to the delivery of The Shropshire Plan, which connects to these key themes. Climate Change continues to be a priority and all Cabinet and Council reports are reviewed to ensure that outcomes consider environmental and climate change benefits, the Climate Change Task force leads and coordinates delivery of the Climate Change Strategy which is targeted to achieve net zero carbon emissions by 2030. A delivery plan underpins the strategy to assist with the various programmes of work to achieve this target.

Responses to the Cost-of-Living crisis have been prioritised and support made available. All Programmes and projects are approved based on Cost/benefit Analysis.

There is a continued reduction in demand for office space and the need for travel, some of the Council's traditional approaches to service delivery and learning from this is informing the Target Operating Model (TOM) which is underpinning The Shropshire

Plan. The Shropshire Plan hold all the SDP[20] priorities and targets with clear evidence links and positive impacts relating to safer and stronger economies and enhancing our environmental and sustainability priorities.

Employees and members are encouraged to consider their environmental footprint especially in relation to printing, mileage claims and use of equipment. Sustainability advancements have been delivered with Shropshire Council increasingly using technology with improvements in communications; increased home working, electronic signatures on documents; better secure sharing of documents, virtual member and officer meetings and cybersecurity.

Health and Wellbeing Directorate whilst primarily focused on delivering positive outcomes in relation to health, wellbeing and prevention, requires the need to achieve social and economic benefits of improving the well-being of individuals that we support and the communities within Shropshire through its health and wellbeing programmes, environmental health and antisocial behaviour. In addition, the service area also assists Shropshire economically and environmentally in areas such as ecology and access to green space, air pollution, support to local businesses; prevention activities; resilient communities and healthy lives; performance reporting and monitoring; the right interventions and promoting the use of innovative technology. All these fit within and support these ambitions through the delivery of The Shropshire Plan and is outlined in each service area's Service Delivery Plan. For example:
Work around air pollution is being championed through the directorate with the monitoring and statutory local air quality management duties under the Environment Act 1995. The Health and wellbeing in all Policies (HiAP) approach approved for all Shropshire Council policies and associated training continues to be rolled out. Public Health colleagues in regulatory services and the public health team have been contributing to the local plan and the policy regarding climate change.

The social benefits of the educational and associated services provided are well articulated in law and have been increasingly clear during the Covid pandemic period with the partial closure of schools and settings. Expected outcomes for some aspects of the service are outlined in national inspection frameworks and other legislation. Economic benefits of increasing attendance and achievement are well documented nationally.

A local outcomes framework identifies the key indicators of success for each service area within the People Directorate. This will enable a far clearer evaluation of the effectiveness and efficiency of the services, whilst supporting preparation for inspection, and the changing role of authorities around education services.

Commissioning of supported living services considers the economic benefits to the individuals who will be moving into these schemes, that rents are affordable, the care and support provided is of a good quality and a cost that is reasonable and affordable. Accommodation commissioned is chosen with the individual who will be moving in to ensure that they like the area; it enables opportunities for social

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[20] Service Design Partnership for health and social care

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

interaction in the community and independence building; it is adaptable to changing needs to establish a home for life.

The Council aims to comply with the principles of the Chartered Institute of Public Finance Accountancy (CIPFA), Financial Management Code 2019 (FM Code) and where there are outstanding matters or areas for improvement aims to address these. The longer term impact of Covid has continued to test financial resilience and will continue to do so in coming years. The medium and long-term planning elements of the FM Code remain challenging.

Shropshire Council is the administering authority for Shropshire County Pension fund. The Local Government Pension Scheme company (LGPS Central Limited) manages nine Local Pension Funds of which the Shropshire County Pension fund is one. Governance arrangements are led by the Company's Board and the Council contributes to the Shareholder Forum.

Sustainable development principles are fundamental to the determination of all new development proposals across Shropshire embedded in both the locally adopted development plan policies and national guidance.

Waste and Transport Services are clear in their outcomes regarding economic, social and environmental benefits and benchmark themselves against others on this basis. Funding pressures in Highways has led to a focus on delivering the most amount of improvement to the highway network within the confines of funding constraints. The service trialled a programme of works that considered the carbon impact of activity and the social value that could be delivered alongside it resulting in the first carbon neutral programme of maintenance to be delivered in the country.

Activities at both STAR Housing and Cornovii Development Limited (CDL) are focussed fully across economic, social, and environmental benefits. The development of homes that are affordable to buy or rent and the development of homes that perform to a high environmental standard, whilst maintaining affordability for delivery and occupation are key to both companies.

The Culture, Leisure, Theatre (CLT) service continues to operate with a commercial approach.

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

All decisions are taken correctly by Cabinet, Council or delegation to committees or appropriate officers. Reports are considered by Legal, Finance, Risk Management and lead service areas before decisions are made to ensure they present the information required to fully inform reasoned decision making.

Implications for delivery of services or increases in resources are reported throughout the Council and with the support of Finance Business Partners. Services generally do

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

not overspend without appropriate action being taken and where this is not possible, appropriate justification provided. Support is also provided to maximise income generation.

Recently introduced financial systems have attracted low internal audit assurances and regular management reporting to improve the control environment is in place. The Workforce Strategy was approved in 2022 and aligns with the Shropshire Plan and strategic objectives.

Management Information is provided via the HR Balanced Scorecard on a quarterly basis as well as individual reports to Directorate Management Teams. HR Business Partners will provide challenge as required.

Operational risks are formally reviewed twice a year with subsequent reporting to Assistant Directors and then Executive Directors. Project risks are in place and challenged at Project Board Meetings to ensure they are kept up to date as the project moves forward. Strategic risks are reviewed quarterly with reporting to Executive Directors and Informal Cabinet. Strategic risks are reported twice a year to Audit Committee and an annual Risk Report is issued to Audit Committee.

During 2022-23 the Getting it Right Guide was produced to support the Shropshire Plan and in September 2022 the Getting Leadership Right Programme was launched covering 250 employees. As part of this programme the new approach to Personal Development Planning has been rolled out. Further phases of the programme will be rolled out in 2023-24. The Manager Essentials Handbook and associated training programme is continuously updated and supported by regular training.

There is a continued development and expansion of the learning and development offer through the online learning platform, Leap into Learning.

Information & Insight provide data, intelligence and analytics to service areas to assist in decision making. Dashboards have been created utilising Power BI to support the interpretation of information and inform decision making and are being developed as access to data becomes more readily available.

The use of clear identified outcomes, business cases and performance measures is used within Commissioning and re-commissioning activity to ensure optimal results. The use of thorough and robust tender processes, evaluation criteria and evaluation to ensure intended outcomes are achieved and optimised. The achievement of 'social value' outcomes are achieved through procurement, contracting and commissioning activities.

Each of the five TOM theme groups met regularly to review project progress and to identify where action needed to be taken. Each of these groups was chaired by a Director (in their role as Theme sponsor), progress reported regularly to Executive Management Team and more recently supported by the appointment of a Strategic Transformation Partner for the 2023/24 Financial Year.

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

The Council is striving to work as a single organisation working in an outcomes focussed way to encourage integrated approaches with relevant services across the council. This includes recent work to support the recruitment of foster carers where Place Directorate staff worked with children's services colleagues to help address a priority service for the council as a whole. The Housing Strategy and Development Manager has obtained new data on housing needs in order to ensure that the Council is able to direct its resources more precisely to meet evidenced needs. This ensures that we maximise the benefits we achieve for our investments. Separately, the ongoing Library Transformation work will optimise the use of our community assets and create new opportunities for the Council to work collaboratively with local partners.

All major contracts have performance metrics that are actively considered and require action plans to be developed where failing. The highways and transport services continue to use computer modelling to optimise the outcomes able to be achieved from available budgets.

Business continuity plans and teams have mobilised quickly to respond to continuing emergencies, including flooding, bird flu, refugee pressures, cyber security attacks and Covid.

Within Public Health, the service always ensures that outcomes and outputs link to the Corporate Performance Framework and scrutiny processes. All interventions are identified through statutory duties, local intelligence and capacity to deliver in a focussed and targeted way. All interventions are included in Team and Service development plans with a clearly defined link to priorities set out in The Shropshire Plan.

The Early Help strengthening families programme has continued throughout 2022/23 and achieved the majority of claims. Evidence based interventions have continued through parenting interventions.

Development of LEAN approaches to service mapping/delivery have started, with some aspects of the improved clarity evident in the Ofsted/CQC Area SEND inspection in Nov 2022. This work needs to be further developed and introduced across all service areas.

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

This has been the second full year of activity under the current Chief Executive who completed the recruitment to all the Executive Director posts allowing structures to be aligned and new leadership teams at Assistant Director level to be formulated and recruited, leading to an increasingly stable structure and reduction of temporary and interim posts.

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

A High-level Resources Directorate restructure was completed in 2022/23, and key appointments made. Strengthened governance has been embedded with the appointment of a new Assistant Director for Finance and Technology (Deputy s151 Officer), Head of Technology and Automation, and a new Head of Policy and Governance as part of the Legal and Governance Team with a focus on continuous improvement by aligning performance, personnel data and approaches.

During 2022-23 the Getting it Right Guide was produced to support The Shropshire Plan and in September 2022 the Getting Leadership Right Programme was launched covering 250 employees. As part of this programme, the new approach to Personal Development Planning has been rolled out. Further phases of the programme will be rolled out in 2023-24. The Manager Essentials Handbook and associated training programme is continuously updated and supported by regular training.

Section 151 update meetings and Governance meetings with the Monitoring Officer, s151 Officer and Chief Audit Executive are established and undertaken regularly to consider governance issues as they arise.

Officers and members understand their respective roles, these are set out in job descriptions and the Constitution. These responsibilities and accountabilities are understood and reviewed on a regular basis. Members continued to receive training throughout the year and Personal Development Plans are in place for officers. Members are briefed on new and emerging local government initiatives and the e-learning portal provides other pieces of helpful training alongside information. Both employees and members have mandatory training in cybersecurity, data protection and those with budget responsibilities, financial management.

Employees in the main receive regular supervision, attend team meetings and Executive Management Team information is cascaded for action through Directorate Management Teams, Team meetings and individual one to one catch ups. Risks and key issues are escalated upwards through the same processes and shared electronically.

Investment is evident in wellbeing initiatives including Access to Work, supporting employees struggling with their mental health, providing a coaching programme and provision of a mental health professional to help devise support plans. New benefits for employees from health and wellbeing partners designed to improve physical, financial and mental health have been delivered alongside a financial wellbeing surgery for employees experiencing difficulties, especially with the impact and fallout following Covid and increased cost of living.

Digital Champion training has continued throughout 2022 to improve the use of ICT and support the exploration of embedding ICT into practices and processes to maximise efficiencies. There is a continued development and expansion of the learning and development offer through the online learning platform, Leap into Learning, and employees are encouraged to take part in Apprenticeship schemes, their profession's Continuous Professional Development schemes

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

Officers engage with other Local Authorities, Regional Organisations (West Midlands Employers) and professional bodies (CIPD[21], PPMA[22], CIRM[23], BCI[24]) to improve and seek external assurances. Collaborative procurement activity with other Local Authorities. West Midlands Heads of Procurement Group is helping to deliver efficiencies.

Part of the remit of the new Strategic Transformation Partner is to review our capacity and capability to deliver transformation. Gaps identified will be met by the partner initially, with skills transfer to Council staff over time alongside the development of a strong corporate narrative around The Shropshire Plan and associated transformation programme.

Within the Place Directorate, review of capacity within the structure is taking place and progressed through the establishment of a programme management office to help give major projects and the capital programme greater capacity and discipline.

The People Directorate has restructured, and capacity reviewed across several service areas ensuring the right capability and capacity is in place to deliver the outcomes in The Shropshire plan.

Several leadership roles have been secured across key positions in Learning and Skills, utilising permanent and long-term agency roles where recruitment is acutely challenging. This has increased capacity during the 2022-23 year as noted in several external reviews/Ofsted/CQC Area SEND inspection report.

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

Services report routinely and regularly through to Council Committees such as Cabinet, Audit, Pension and Scrutiny Committees. They pro-actively input into the annual audit programme, strategic, operational and project risk reviews. Strategic and operational risks are reviewed regularly by senior managers and Executive Directors for learning points and action and are reported through to Informal Cabinet and Audit Committee. Risks are identified, recorded and managed for projects and in service and team plans. There is promotion of the Opportunity Risk Management Strategy across the Council and, through its application, a positive approach to managing risk is delivered when focusing on achieving the required outcomes and objectives.

Risk registers for key projects involve all relevant parties including external partners to ensure all risks are captured and mitigated. Major projects include the Northwest Relief Road, Shrewsbury Schools Programme, Whitchurch Leisure Centre, Shrewsbury Redevelopment Programme and the Wider Oswestry Economic Project. All have clear governance arrangements in place with project boards established.

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[21] Chartered Institute of Personnel and Development
[22] Public Services People Managers Association
[23] Certified International Risk Management
[24] Business Continuity Institute

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

Transformation and TOM Programme Risks are captured and tracked via a 'Project Control' SharePoint and are regularly reviewed. Creation of monthly dashboards to identify success and baseline activity norms is in development alongside use of data and insight to help drive corporate channel shift.

Software improvements provide control systems to protect assets; examples include, access control to public buildings; roll out of an electronic signing system; adjustments to the ERP and other finance systems.

Despite overall internal control framework resilience, there remains a small number of areas for which assurance levels are not strong, notably payroll and sales ledger, both as a result of shortcomings in the ERP system and associated practices. A review of the ERP system and potential alternatives is now being explored in earnest.

The development of the corporate project management office is aimed at reducing risk in delivering major projects and programmes. Financial monitoring reports and key risks associated with strategies and projects are regularly reviewed with a strong focus on improving service backlogs in areas such as planning and highways.

Each Council Directorate has robust processes in place with monthly Directorate and Senior Management Team Meetings finance and performance focussed meetings as well as MTFS savings delivery meetings with actions to remedy any concerns and escalate. Benchmarking across the West Midlands is undertaken routinely and at the start of 2023 The People Directorate commissioned an independent LGA finance benchmarking report. There is current high level performance data available on a quarterly basis and a strong will in the service to perform well and good oversight from managers. Small budgets are managed well and are now focused on strong outcomes for families.

The council is now focused on early intervention and demand management resulting in greater scrutiny of the Early Help service to prevent further costly services. Performance data sets are now being developed to create a clear line of sight from Director to practitioner level to improve performance. This has already seen better performance from the service and better workflow. There is a current review of the process for collating data for Supporting Families/Strengthening Families to streamline processes to create better outcomes for families and achieve claims.

Commissioning decisions are based on robust case studies based on data and performance information. Risk registers are reviewed regularly. Joint Commissioning Delivery Group covers all age groups with representation from procurement, legal and other officers to ensure robust challenge on decision making.

Regular reporting is made to Schools' Forum on financial matters related to the Dedicated Schools Grant and funding blocks included within the grant covering central services, early years, schools and high needs. Consultation with schools and academies is completed via a central forum. The risk register for the Local Area SEND

partnership is held by the SEND Partnership Board and reviewed by key partners. A three-year forecast for the DSG High Needs Block has been developed and reported to Schools Forum for the first time in Shropshire, and is already aiding financial planning in this area.

Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice.

The Council approves the Robustness of Estimates and Adequacy of Reserves paper each year. This report demonstrates the financial resilience of the Council, for example: the need to hold a General Fund Balance with a target level and explanations for variance, details and categorisation of all earmarked reserves and provisions and details of previous year outturn variances.

All managers have an allocated member of the Finance Business Partner Team who takes them through monthly forecasting procedures and budget management expectations when they start in post. A dashboard of financial performance is shared and discussed at each management team meeting. This includes a RAG[25] rating for each of the primary codes within the service. Budget forecasting is completed on the Finance system each period.

A financial management framework is operating to ensure public monies are managed appropriately for both revenue and capital funds. A Financial Accountabilities Framework was launched to ensure all budget holders are aware of their responsibilities in managing budgets. Robust financial internal controls are managed and maintained across financial processes and systems. Where issues are identified in the control environment, risks are considered, and action plans put in place to improve control. Responsibility for managing strategic financial risks are identified and regularly reviewed.

Internal Audit sets a risk assessed programme, identifying the key areas for review and assurance, this is agile and adjusts in response to changing risks throughout the year. Audit plans were regularly revisited, and resources redeployed to help design and deliver processes and activity in response to exceptional situations. High risk areas not subject to audit continued to be identified to enable senior management and members to gather and seek direct assurance as necessary. Audit Committee undertakes a regular self-assessment, challenged by officers and External Audit, and regular training sessions based on the identification of areas for improvement and key risks and fundamental knowledge-based needs. Over the year service managers have been required to attend Audit Committee to provide assurance not otherwise secured on their governance, control and risk management environment. The year has continued to be challenging with the embedding of key fundamental line of

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[25] Red; Amber; Green

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

business systems (financial and human resources), changes of key managerial posts, alongside a challenge to deliver savings.

Information management training is compulsory for all employees and compliance is reported through to the SIRO. All data has assigned owners which is regularly reviewed. Information Asset Owners complete annual Information Governance Assurance Statements. Data is held across many systems by different teams. It is stored on secure drives and databases that are protected in accordance with approved policies. Flowz, an information management system, provides a more consistent approach to the management of data assets.

OFSTED's[26] Inspection for Children's Services confirmed good compliance with legal framework, policies, procedures and practice guidance. Children's Residential homes, Chelmaren (inspected January 2023) and Berwyn Cottage (inspected February 2023) were both rated Outstanding in areas of 'overall experiences and progress of children and young people', 'how well children and young people are helped and protected', and 'effectiveness of leaders and managers'.

The allocation of the ring-fence Public Health Grant is scrutinised by OHID[27] and Council committees. The team participate in formal audit processes. Employees will develop information sharing agreements as required, with identified information asset owners and regularly review and update the Business Continuity Plan for the service.

There are several areas such as revenues, waste, transport etc. which report strong internal controls, in other areas, some of the main resource systems, improvement plans are being implemented and refined as progressed to ensure that they remain fit for purpose.

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

As a public body, the Council has a high level of transparency in its activities and reporting and complies with the relevant legislation. Information is reported and shared through various routes including Council, Cabinet, Scrutiny Committees and with partners, via for example the Neighbourhood Plans, Place Plans, Local Plan Review, Planning Applications and local Economic Growth Strategies. The Place Plans have also been the subject of a Shropshire Association of Local Councils working group. The Members' Gateway (webpage) has provided greater access to information and regular briefings are held with portfolio holders and ward members are engaged on local matters.

There are examples of strong compliance across the Resources Directorate in terms of internal and external reporting and evidence of accountability in response to external assessments and internal audit recommendations.

The Health and Wellbeing Directorate regularly reports to Council Committees, including: Cabinet, Scrutiny, partnership boards including Health and Wellbeing and

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[26] OFSTED: Office for Standards in Education, Children's Services and Skills.

[27] Office of Health Improvement and Disparities

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

Shropshire Integrated Place Partnership. Strategic and Operational risks are regularly reviewed by Executive Management Team, senior managers and leadership teams, and these consider issues across both internal delivery and commissioned provision. Audit and review processes are participated in and delivery against KPIs and relevant outcomes and evaluation frameworks is monitored. Reporting also takes place through regulators who oversee the Statutory Requirements of teams within the Directorate.

The Place Directorate has actively promoted external review and peer assessment and are proposing a peer review in 2023 in the field of housing and homelessness. Wider involvement of members from cross party groups is promoted and a range of performance figures have been given to overview and scrutiny committees and responses made to public requests for data and information. The introduction of Fix My Street is a good example of openness in a high volume, sensitive area of service.

The People Directorate has adopted a robust Quality Assurance Framework, with a regular auditing schedule and learning from audit cycle, combined with data analysis to inform the quality assurance activity in place across the directorate. This has been highlighted as a real strength from OFSTED / DFE[28] / LGA and WM peer review team.

There has been a recent external review of Early Help which has identified the service's strengths and weaknesses. This has been accepted by the service, who have worked well with auditors to identify where improvements in practice are needed. The supporting families/strengthening families service have worked well with the audit department, and this has been recognised nationally. There has been complete compliance with spending in budget.

Regular reporting of the Dedicated Schools Grant takes place to Schools' Forum throughout the year. This included a three-year High Needs Block forecast during the 2022-23 financial year. Council budget is monitored monthly and follows the regular reporting pattern.

During 2022-23, transformation work that began as the Refocus Programme evolved into the TOM Programme although regular reviews with sponsors and project managers has continued. An Internal Audit Review was undertaken relating to the branding roll out with a reasonable assurance result.

Reporting continues to Executive Directors through the Commissioning and Assurance Board which seeks contract assurance information and evidence of managing small and medium enterprises, local procurement expenditure, contract signature authorisation and progress of contracts. The Commissioning and Assurance Board allows for stakeholder engagement, integral in managing key decisions. It reviews the top 200 contracts (by spend) to consider engagement, client relationship and contract management risks; it has oversight of agency arrangements (value, emerging issues, risks, direction of travel, spend within and without preferred provider and associated recruitment issues).

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[28] Department for Education

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

There is wide advertising of procurement opportunities (Website, Twitter, UK Contract Finder, UK tender finder, Delta e-sourcing) Contracts awarded and procurement information is updated monthly on our websites and full, detailed and timely feedback is available to all unsuccessful bidders.

The Information Governance Leadership and Organisational Oversight Group oversees the implementation of Information Security policies based on best practice, its terms of reference and practices have been reviewed and refined.

All directorates hold regular meetings and cascade information up and down the organisation including financial and performance statistics.
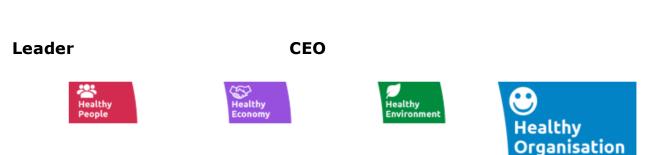
Statutory returns including grants, are targeted for completion in an accurate and timely fashion. Survey, customer complaints and compliments are reported openly and used to improve service delivery.

All service areas are subject to internal audit review based on risk. Internal Audit recommendations are considered by the senior team on a regular basis for good housekeeping and to identify additional learning. The information also provides a position statement on the risk appetite of the control environment and its resilience to any challenges.

Annually the Statement of Accounts is published on the Council's website and financial transparency data provided aligned to the Open Data and Transparency Code and all External Audit recommendations are addressed.

Significant governance issues

Satisfactory governance exists but improvements are required to ensure it is fully embedded and integrated across all areas of the Council. To achieve this, the main challenges facing the Council appear in the **Appendix** below with energy focused on achieving a balanced budget and seeking fairer funding. A structural funding gap was reported in the Financial Strategy of £51m in 2023-24. This includes assumptions made around growth in services such as social care which is expected to increase. Delivering a legal and balanced budget remains the key strategic risk facing the authority in the medium to long term.

Leader   **CEO**

Appendix: Significant governance issues

To ensure services are delivered to acceptable standards whilst achieving the budget savings required whilst managing strategic risks, the Council will strive to achieve the following outcomes:

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
1.	To provide a care and support service to adults appropriate to their needs.	Ability to fund Adult Services	Development and delivery of early intervention strategy and the review and redesign of pathways. Implement improvement plan for strengthening families claims criteria.	ExDir[29] People	Sept 2023 March 2024
2.	To ensure compliance with legislative requirements in relation to information governance.	Governance	Implement agreed action plan to improve FOI response times.	ExDir Resources	Dec 2023
3.	To provide a care and support service to children appropriate to their needs.	Ability to fund Children's Services	Development of a growth model. Review of contract and commissioning arrangements for children and adult services. Further work with transformation partner to inform the model and approach.	ExDir People	June 2023 Dec 2023

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[29] Executive Director

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
4.	To reduce the risks and impact of cyber attacks and have a clear recovery plan in the event of one.	ICT Infrastructure resilience	Work with the Local Digital Cyber team on remediation activities to improve our cyber position.	ExDir Resources	March 2024
5.	To reduce and mitigate the impact of increased demands on Council Services from the impact of climate change and therefore to life.	The effects of climate change	Replace street light lanterns with energy efficient LED. Fit electric vehicle chargers at park and ride sites; Council buildings and car park sites. Delivery of scheme assisting staff to reduce their carbon footprint. Establishment of Carbon credits opportunities for carbon reduction. Shire Services will work with the Climate Change task force to develop information that can be shared in tenders and with clients regarding carbon reduction and environmental activities.	ExDir Place	March 2024 March 2024 November 2023 July 2023 Dec 2023
6.	Deliver Projects that achieve savings targets and brings in sustainable income for	Failure to deliver the Commercial Strategy within agreed timescales and to levels approved by Council	Recruitment of project managers to lead the delivery of the capital programme.	ExDir Place	June 2023

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
	the Council whilst maintaining a healthy commercial portfolio.	within the Financial Strategy prevents the Council from meeting savings targets and corporate outcomes.			
7.	A balanced budget is delivered.	Inability to deliver a balanced budget.	Working with Strategic Transformation Partner to set direction and deliver the spending reductions in 2023/24. Service Delivery Plans and associated KPIs to be documented. Review and improve functionality and reporting from the ERP system.	ExDir Resources	June 2023 Dec 2023
8.	Staff are healthy and happy.	Failure to manage and mitigate the mental health and well-being of staff	Extension of programme GLR for existing managers. Define and implement service delivery plans. Rollout of Personal Development Plans for all staff.	CEO	July 2023
9.	Adults are safe.	Failure to safeguard vulnerable adults	Work with transformation partner to review operating models. Peer review in the field of housing and homelessness.	ExDir People ExDir Place	Sept 2023 Dec 2023

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
			Second Tenants Voice conference where social housing tenants can find out more about the way in which their landlords, including Shropshire Council, can support them.	ExDir Place	Dec 2023
10.	Establishment of robust co-produced Health and Care system to deliver the desired outcomes.	Impact of pressures in the wider Health and Care system	Influence the governance of the new ICS to ensure all partners are equal within the system. Shropshire prevention strategy to highlight the role of communities in delivery of better outcomes and key actions. Increase delegation of responsibilities to place to allow more local leadership. Continue to build evidence in JSNA to reflect community level needs.	ExDir Health, Wellbeing and Prevention, Public Health and General Management	March 2024

ANNUAL GOVERNANCE STATEMENT (AGS) ASSURANCE FRAMEWORK

Key documents/functions/ process guidelines

- **Local code of corporate governance**
- **The Shropshire Plan and Medium Term Financial Strategy**
- **Council constitution**
- **Opportunity Risk Management Strategy**
- **Commissioning Strategy**
- **Workforce Strategy, HR policies, GiR Guide, PDP Process, procedures and codes of conduct**
- **Anti-fraud and corruption and whistleblowing (Speaking up about wrongdoing) policies**

Annual Governance Statement

Signed by the Leader of the Council and the CEO to accompany the Statement of Accounts

Audit Committee

Independent review and approval

Council and Directorate policies, plans and risk registers

Draft Annual Governance Statement
Senior management with responsibility for drafting AGS after evaluating assurances and supporting evidence and identifying areas for improvement

IA to evaluate the effectiveness of the risk management, control and governance processes (Required by the Accounts and Audit Regulations 2020)

Provision of ongoing assurance on adequacy and effectiveness of controls over key risks

Policy and performance boards	External inspections (e.g. Ofsted, Care Quality Commission)	Financial control assurance (Section 151 Officer)	Legal and regulatory assurance (Monitoring Officer)	Members' assurance	Internal Audit	External Audit	Risk management and performance management

Key to levels of assurance

| First line of assurance |
| Second line of assurance |
| Third line of assurance |