

Appendix C - Annual Governance Statement 2023/24 Action Plan Update

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:

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	January 2025 Update
1.	<p>Governance Issue:</p> <p>The Council will be unable to deliver a safe service to adults without further intervention.</p> <p>Targeted Outcome:</p> <p>To provide a care and support service to adults appropriate to their needs.</p>	Impact of Increased Waiting Lists in relation to DoLs, OT and SI.	Development and delivery of early intervention strategy and the review and redesign of pathways.	ExDir ¹ People	December 2024	<p>Work underway to improve safe pathways across adult social care services and implement a change in operating model.</p> <p>Areas of concerns have lean staffing – OT and Dols for example. The need to adopt models that utilise capacity</p> <p>Demand Management – the council to prioritise support for the pre front door model for Adult services to manage and support alternative pathways to adult social care.</p>

¹ Executive Director

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						CQC outcome to determine plan going forward.
2.	<p>Governance Issue: The Council does not have a grip on Children's demand into the future.</p> <p>Governance Issue: The Council will be unable to deliver a safe service to children without further intervention.</p> <p>Targeted Outcome: To provide a care and support service to children appropriate to their needs.</p>	Safeguarding Children.	Demand Management model is in development with a first draft delivered and now under review and development. Demographic data alongside Transformational Project outcomes are feeding into the assumption to continue to develop a robust demand model for children. Impact of early Help transformation and stepping stones projects currently form basis of this model.	ExDir People	December 2024	<p>Demand into CSC is showing a gradual downward trajectory for the third Quarter in a row, demonstrating that the new structure of Early Help is starting to have the desired impact.</p> <p>There has also been an increase in children exiting the system, more than entered in the last 2 quarters.</p> <p>The Transformation projects are having the desired impact and are a strong foundation of the demand management model.</p>

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			Children's Improvement Board (CIB) in place. Series of working groups that feed into the CIB to support the implementation of the recommendations made by OFSTED. CQC rating for 2024 not yet received but plans in place through the People Directorate.	ExDir People	March 2025	Board has met monthly and has monitored progress and impact of the Improvement Plan, Plans are in place to conclude the CIB and replace with a partnership aspirations board to continue to oversee development and practice, impact and outcomes on children.
3.	Governance Issue: The Council will be unable to protect IT systems from external attack. Targeted Outcome: To reduce the risks and impact of cyber-attacks and have a	Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority.	Work with the Local Digital Cyber team on remediation activities to improve our cyber position. We have worked hard on the 23 recommendations with the Local Digital Cyber Support team. As of	ExDir Resources	December 2024	The Automation and Technology Department have met with the Department for Levelling Up Housing & Communities (DLUHC) on a regular basis to demonstrate our progress against our cyber treatment plan, we have implemented the recommendations, and they are

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	clear recovery plan in the event of one.		the 15 th March 2024, 13 of the recommendations have been implemented, and four of these recommendations are now ongoing BAU activity. The 10 remaining recommendations are underway with work progressing well, all recommendations will be completed by Q3/2024. The Local Digital Cyber Support team were very impressed with the exercise we ran in October and are more than happy with progress to date and our plans for the			now part of our business-as-usual activities. As part of these recommendations, we have formally documented and approved a Cyber Security Incident Response Plan (CSIRP), this plan is separate from our business continuity and disaster recovery plans and focuses specifically on preparedness for cyber threats. We have implemented new software to fully automate patching and vulnerability remediation on corporate devices, including infrastructure and end-user devices. This has significantly improved the time taken to patch against known vulnerabilities while reducing the manual effort required. These improvements have increased our resilience and contributed to a material and sustainable reduction in cyber

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			<p>remainder of the work.</p> <p>The fundamental recommendations identified in relation to the IT infrastructure made within Internal Audits report will be followed up as part of the 2024/25 Internal Audit plan.</p>			<p>risk. However, maintaining the risk rating at 5/5 despite improvements is a rational approach due to the ever-evolving nature of cyber threats and the potentially devastating impact a successful cyber-attack can have on the council.</p>
4.	<p>Governance Issue:</p> <p>The Council will be unable to deliver strategic objectives as set out in The Shropshire Plan due to financial constraints.</p> <p>Targeted Outcome:</p> <p>A sustainable financial position is</p>	Inability to Set a Balanced Budget for a given year within the MTFS.	<p>With support from the Strategic Transformation Partner (PwC), delivering the approved spending reductions in 2024/25 and a sustainable position into the medium term.</p> <p>Delivery Plans for all spending reductions in</p>	ExDir Resources	March 2025	<p>Extensive work on resizing has been delivered by PwC and a S/M/L priority list drawn up expecting £0.969m PYE 24/25 and £5.7m FYE 25/26.</p> <p>Confirmation of savings is being completed in January 2025 and outstanding values will be built into delivery plans Jan-Mar 25.</p>

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	achieved over the medium term.		<p>2024/25 have been completed. Service Improvement Plans (SIPs) for every area of the Council are being completed. Development and alignment of SIPs and Delivery Plans to The Shropshire Plan (TSP) and Personal Delivery Plans (PDPs) is a development over 2024/25 creating a sustainable model for the future.</p> <p>SIPs and associated KPIs to be documented and used to monitor delivery of outcomes.</p>			<p>SIPS and PDPs are incomplete as at December 2024. Improvement plans in this area have been paused, predominantly due to two factors: VR of key staff progressing this and focus of the authority on Financial Survival in 2024/25.</p> <p>Financial survival has been prioritised against improvement planning, but not at the direct detriment of service delivery, where possible.</p> <p>The original three year tactical plan was yr 1 financial survival, yr 2 improvement plan, yr 3 development plan, with yr 2 being 2024/25. In reality, yr 1 has spread over 2023/24 and 2024/25 necessitating the pausing of an improvement plan.</p>

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						<p>For 2025/26 a radical new operating model is being implemented with a senior management restructure the starting point from January 2025. A new model of delivery through commissioning and Statement of Works should create more focussed delivery clarifying what is and is not commissioned thereby reducing the size, complexity and cost of the authority while also improving governance processes and direct delivery of positive outcomes aligned to a refreshed Shropshire Plan.</p> <p>[Evidence – SIPs, PDPs completed, gaps, cover]</p>
5.	<p>Governance Issue:</p> <p>The Council will be unable to contain its costs within the</p>	Inability to Contain overall committed Expenditure	Service Improvement Plans and associated KPIs to be documented and used	ExDir Resources	March 2025	The PowerBI Dashboards ensure a strong grip is held on the Council's financial position. Monthly reporting to Cabinet and T&I OSC has ensured the

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	<p>available financial envelope for the year.</p> <p>Targeted Outcome:</p> <p>Council expenditure is in line with budgeted position for 2024/25.</p>	<p>within the Current Available Resources within this Financial Year.</p>	<p>to monitor delivery of outcomes.</p> <p>Activity for 2024/25 with Strategic Partner centred around three key workstreams – Revised Customer journey and digitisation, a new Target Operating Model and review of Third Party Spend.</p>			<p>Council's overspend has stayed within the available reserves (just) and has improved month on month. At Q2 £3.7m was left in reserves, an improvement from £1.9m at P5 and increases the likelihood that the end of year position will remain legally balanced.</p> <p>P7 and P8 have seen a slight deterioration with £2.9m left in reserves.</p> <p>ERB receives reports on resizing, TPS and Customer Journey. All will provide year end assessment of delivery and financial benefit in-year and FYE 25/26.</p>
			OCE defined outcomes, programme management office and transformation	CEO	March 2025	The programme has a clear governance structure and reporting which details delivery and outcomes. This is also

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			plans. PwC strategic partner delivery. Governance structure around the PwC contract. Performance mechanisms around delivery.			recorded through case studies and communications generally. The PwC contract is managed through weekly calls between the AD for Transformation and PwC colleagues, monthly highlight reports, and the monthly Delivery Governance Group (DGG) meetings (between senior leaders from both parties) which oversees contract delivery and performance.
6.	Governance Issue: The Council, alongside partners, will be unable to ensure the safety and health of people and communities. Targeted Outcome:	Impact of extreme pressures upon partners (social care, health, and criminal justice).	We continue to work with the ICS regarding partnership work at a place (HWBB and SHIPP Shropshire level) and at an ICB and ICP system level. Bringing all key partners into the conversations and planning with an equal	ExDir Health, Wellbeing and Prevention, Public Health and General	March 2025	Continuation of the ICS system working. A further ICP took place in October 2024 with dates and topics in agreement for 2025, aligned to the NHS 10 year plan (3 shifts) and Darzi Report. The CEX has also took up chair of SHIPP. Further development of Joint Roles planned for 2025.

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	Establishment of robust co-produced Health and Care system to deliver the desired outcomes.		<p>role. The last ICP (January 2024) reflected the partnership working with an agreement to collectively look at key topics in development sessions.</p> <p>Prevention Framework and Action Plan approved by HWBB in January 2024. Ongoing work to deliver the actions</p> <p>JSNA continues to be rolled out across the County with a plan to complete by the Autumn. Regular updates are shared with HWBB Place-based Joint Strategic</p>	Management		The SoS for Health and Social Care has been invited to STW regarding system pressures.

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			Needs Assessment Shropshire Council			
7.	<p>Governance Issue: The Council has key IT systems that are unfit for purpose.</p> <p>Targeted Outcome: IT systems are efficient and effective with strong internal controls.</p>	Failure of Officers and Members to adhere to Governance arrangements.	<p>Review and improve functionality and reporting from the ERP system.</p> <p>An options appraisal on the future of our ERP system is underway, in particular looking at the HR and Payroll elements. We want to ensure that our system is fit for purpose and meets our current and future needs. Additionally, we are looking at the feasibility of implementing a financial planning and analysis solution that is available in our ERP</p>	ExDir Resources	March 2025	<p>Several significant improvements have been made to the ERP system:</p> <p>Reporting Enhancements: We've created managers' dashboards that provide real-time insights and performance indicators. This has improved our ability to monitor and manage various aspects of the council more effectively.</p> <p>Automation, Efficiency and Integration Improvements: We've enhanced the integration between ERP and other systems. For instance, as staff are processed as leavers in ERP, this information automatically updates our main ICT systems and schedules the</p>

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			system. This would enable us to streamline our budgeting and forecasting processes, as well as improve our financial reporting and analysis capabilities. We are exploring the technical and functional requirements, as well as the potential impact and value of this solution.			<p>closure and deletion of their network accounts.</p> <p>Options Appraisal: An options appraisal on the future of our ERP system has been conducted, particularly focusing on the HR and Payroll elements. This is to ensure that our system is fit for purpose and meets our current and future needs.</p> <p>Financial Planning and Analysis: We are still exploring the feasibility of implementing a financial planning and analysis solution available in our ERP system. This would streamline our budgeting and forecasting processes and improve our financial reporting and analysis capabilities.</p> <p>These improvements have collectively enhanced the</p>

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						functionality, integration, and efficiency of our ERP system, ensuring it continues to meet the evolving needs of the council.
8.	<p>Governance Issue: The Council fails to deliver key strategic projects as needed.</p> <p>Targeted Outcome: Key strategic projects are delivered on time, on budget and meet the desired outcomes.</p>	Failure of Officers and Members to adhere to Governance arrangements.	<p>It is essential through the current procurement process, to establish a robust and deliverable cost estimate for the full completion of the NWRR.</p> <p>The project is subject to some 63 Planning Conditions, which it fully supports, to ensure and evidence that the NWRR is constructed responsibly, and with robust mitigation and management of any</p>	ExDir Place	March 2025	<p>The current governance arrangements and the terms of reference for the NWRR Project are actively being reviewed. This will include a new suite of governance arrangements that will developed for the NWRR Project. This will be co-authored by key stakeholders, including the project team, finance, audit and follow core principles, appropriate for the project of this type. This will ensure that all current risks and concerns are captured and mitigated, to ensure that a new model provides the levels of reassurance, transparency and confidence required.</p>

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			<p>environmental impacts.</p> <p>The process of open market procurement is intended by design to drive efficiencies and competition in the market to give best value for the public purse. There will be the publication of a market tested figure at the completion of procurement, within the full business case. No contract award or mobilisation on the Main Works will take place until FBC approval is in place with DfT and Council.</p> <p>The fundamental / significant recommendations</p>			

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			identified in the NWRR Internal Audit report will be followed up as part of the 2024/25 Internal Audit plan.			
9.	<p>Governance Issue:</p> <p>The Council has weak or inappropriate systems of governance in place.</p> <p>Targeted Outcome:</p> <p>All officers and Members understand public sector standards, the Nolan Principles and exhibit appropriate</p>	Failure of Officers and Members to adhere to Governance arrangements	The Council's Code of Corporate Governance, located in the Constitution, summarises the Council's good governance principles and details the actions and behaviours required to demonstrate good governance. Failure of officers and members to adhere to	CEO	March 2025	Arrangements to address these governance issues were paused due to two key factors: focus on financial survival and implementation of a new operating model. Strong governance comes from setting the right example at the very top of the organisation. The creation of a new senior team enables a root and branch review and allows strong processes to be baked in. Furthermore, a reconfiguration

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	behaviour at all times.		<p>governance arrangements, increases the risk of ineffective day to day decision making, fraud, corruption, reputational damage, inappropriate use of resources and an inability to achieve the objectives as set out in The Shropshire Plan.</p> <p>Induction, continuous PDP and performance management. Formal acceptance of the code of conduct, policies and legislative requirements. Review mandatory and discretionary training. Defining the leadership and</p>			<p>of the entire authority is planned for 2025/26 built on these principles.</p> <p>The internal audit report considering The Shropshire Plan demonstrated that a 'golden thread' was not embedded through the authority and this helps inform the road map for the future mitigation of this governance risk.</p> <p>All Internal Audit recommendations are being followed up and the requirement for Declarations of Interest is clear within the Council's Constitution, although design of a system is delayed pending the new operating model coming into place.</p>

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			<p>management roles and responsibilities. Declarations of interest system to be defined.</p> <p>The fundamental recommendations relating to governance and contract management made within Internal Audit reports will be followed up as part of the 2024/25 Internal Audit plan.</p>			

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10.	<p>Governance Issue:</p> <p>Failure to deliver best value.</p> <p>Targeted Outcome:</p> <p>Securing best value in key areas such as governance, culture, finances and statutory services.</p>	Failure of Officers and Members to adhere to Governance arrangements	<p>The Council must demonstrate it is securing best value in key areas such as governance, culture, finances and statutory services.</p> <p>The seven best value themes will be monitored throughout 2024/25 to ensure that any risks to delivery have appropriate mitigations in place. Where actions are required to meet the key characteristics of a well-functioning Council, these will be addressed on an ongoing basis.</p>	CEO	March 2024	<p>The Best Value framework has been reviewed informally ahead of the design of the new operating model for 2025/26.</p> <p>Strong governance comes from setting the right example at the very top of the organisation. The creation of a new senior team enables a root and branch review and allows strong processes to be baked in. Furthermore, a reconfiguration of the entire authority is planned for 2025/26 built on these principles.</p>

