

# Shropshire Council

## Annual Governance Statement

### 2018/19

Good Governance in the Public Sector comprises the arrangements (political, economic, social, environmental, administrative, legal, etc.) in place to ensure that the intended outcomes for all interested parties are defined and 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<sup>1</sup>, summarises the Council's good governance principles and details the actions and behaviours required to demonstrate good governance. The seven core principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the Council's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

Senior managers have provided assurances as to the application of these principles throughout the 2018/19 financial year, where there have been instances of non-compliance, these have been identified and escalated to the top of the Council for action. Where there have been significant directorate changes, assurances have been provided by the new director in post. In so doing, this demonstrates 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 all the systems, processes, the culture and values which direct and control the way the Council works and 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 2015. This is supported by a 2018/19 Code of Governance audit which provides a reasonable level of assurance.

#### **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 Financial and Contract Rules; Procurement Regulations, Scheme of Delegation and Codes of Conduct. All of which are reviewed and updated regularly. Where there have been instances of non-compliance with procurement (Theatre), where the recognised approval process has been circumvented (IT solutions, IGLOO<sup>2</sup>) these have been identified and escalated to the top of the Council for action.

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

<sup>2</sup> Digital workplace solution that enables organizations to move beyond a traditional intranet to a digital workplace; a destination that brings people and resources together to solve critical business challenges — and cultivate a strong corporate culture.

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

Officers also comply with their professional organisations' codes of conduct in delivering services (E.g. HCPC<sup>3</sup>, PSIAS<sup>4</sup>, Faculty of Public Health), 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.

Officers lead by example, both directly with their teams and in undertaking their duties across the Council. Areas of concern are identified, reported through appropriate channels and managed effectively under established policies and processes.

Integrity, open involvement and honest communication surround changes as demonstrated in both Planning and Digital Transformation Services. The Planning Services functions are delivered in an open and transparent manner utilising online mechanisms in addition to face to face and other communication and the service measures outcomes against quantitative and qualitative indicators to monitor its performance. Both Adult and Children's Social Care have a dedicated Principal Social Worker whose role is to raise the quality of ethical social work practice and ensure values and integrity of social work are improved. The Deprivation of Liberty Safeguards Team works daily to ensure the least restrictive care possible is being received by someone lacking capacity living in a care home or hospital. Civil Enforcement Officers use video badges when undertaking parking enforcement, which ensures a high level of integrity is maintained by them whilst protecting the public, the service and the Council.

Human Resource and recruitment policies and processes ensure that the Council is fully compliant with employment law and that no discrimination exists, these are refreshed regularly and agreed in conjunction with the recognised trade unions. This year guidance updates developed and communicated included: General Data Protection Regulations (GDPR), Anti Money Laundering and the Modern Slavery Act. Staff are well supported, receiving training and development opportunities.

Senior officers meet regularly and work closely with Members to ensure that they understand and can undertake their respective roles effectively and legally. Work continues to strengthen the investment in the joint Directors/ Cabinet meetings to help deliver better outcomes and model desired culture, engaging Members earlier in developing financial and other strategies.

Members and officers are advised on and promote accurate reporting, and recognise the importance of data quality, rules and standards. Feedback from service users is received as part of this process and acted upon. Decisions are documented transparently.

Statutory responsibilities across the Council are discharged openly and proactively, examples include having key statutory officers in place (Monitoring<sup>5</sup>, Section 151<sup>6</sup> Officer and the Head of Paid Service, Director of Children's Services, Director of Adult Services, Senior Information Risk Owner (SIRO)). Examples of statutory responsibilities delivered include, LGPS<sup>7</sup> Regulations, CIPFA<sup>8</sup> Code of Practice, Freedom of Information (FOI), Elections, Coroner and Registrars' Services. Statutory responsibilities for Special Educational Needs, Education

<sup>3</sup> Registered body for qualified social workers

<sup>4</sup> Public Sector Internal Audit Standards

<sup>5</sup> 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 Councillors and officers; and 3. To be responsible for the operation of the Council's Constitution.

<sup>6</sup> 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

<sup>7</sup> Local Government Pension Scheme

<sup>8</sup> Chartered Institute of Public Finance Managers

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

Access, Early Years and place planning, sufficiency and admissions are discharged openly, proactively and in full compliance with Admission Codes.

Internal Audit produces a risk based plan each year, working closely with directors and heads of service to provide independent assurance that appropriate standards are maintained or areas of concern highlighted and acted upon.

The Council has a zero tolerance to fraud and corruption. Identified concerns are acted upon in a timely manner, which can lead to specific outcomes, learning points and improvements. There is a high level of success in criminal legal proceedings, licensing and parking appeals, which provides external judiciary/tribunal assurance that the decision making within the Council is robust.

The Council undertakes a self-assessment of its fraud risks, to identify and understand them. It acknowledges issues and puts in place plans which demonstrate that action is being taken and outcomes are visible. This process is transparent and reports are taken to senior management and those charged with governance. Guidance on 'Speaking up about Wrongdoing' which incorporates whistle blowing is available to staff, 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 an annual report. Additional work this year has seen the updating of the Anti-Money Laundering guidance, roll out and refresh of training in this area and in counter fraud generally.

The staff survey showed that 50% of respondents agreed that people within the Council acted honestly with 33% recognising it is easy to speak up about wrong doing and confident it will be addressed. An assessment of all results identified the Council as having an ethical framework in place in respect of leadership, management, people, processes, procedures, culture, values, consistency, accountability and assurance.

An Equality and Social Inclusion Impact Assessment (ESIIA) and a thorough analysis of consultation methods and responses is undertaken when changing operating models, policies or contracting with other parties. Over twenty ESIIAs have been undertaken and reported in 2018 including for the Parking Strategy and the Shrewsbury Big Town Plan. There was a two-stage consultation on the Early Help Family Hubs during the summer and autumn, which helped to inform the final report to Cabinet.

**B: Ensuring openness and comprehensive stakeholder engagement**

Openness and transparency, as one would expect with a large public body, is demonstrated throughout. Councillors represent local people in the Council's decision making. All service areas feed into transparent reporting processes, both internally through officer and director groups, and publicly through Council committee meetings. This is further supported by compliance to the Transparency and Freedom of Information agenda, managed in large parts by services and, although sometimes delayed, the Council is compliant with the legislation and steps to improve quality and timeliness are demonstrating improvement. Key decisions are reported, and trialled where necessary, through the senior team and then to Members via Party Leads, Groups, Cabinet and Director meetings. Examples include: Cabinet and Council

## **B: Ensuring openness and comprehensive stakeholder engagement**

reports, policy approvals, and minutes of meetings (FGAT<sup>9</sup>, Information Governance, Commissioning and Assurance Board, Digital Transformation Programme Board).

The Council engages positively and always 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, Broadband Delivery UK), the Marches Local Enterprise Partnership (LEP) 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, this has led to development of the Economic Growth Strategy and helped to launch and promote the Shropshire Growth Hub (part of the wider Marches Growth Hub). The management of One Public Estate is underway 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) has been established to manage high cost placements efficiently.

There is monthly dialogue with MHCLG<sup>10</sup> through the LEP management group and BEIS<sup>11</sup> survey and supporting guidance and information for businesses on Shropshire Marches Growth Hub website. Further support through events and seminars held via the Growth Hub. European Union funding is being delivered in accordance with Government timetables. Evidence gathered through cross member task and finish groups engaging with external organisations including NFU<sup>12</sup>, Department. for International Trade and Chamber of Commerce to support economic growth approaches.

Brexit preparations are in place coordinated by the Council's Emergency Planning team. Weekly meetings occur as part of the Local Resilience Forum. The Council's Economic Development Team are working with the Business Board and Chamber of Commerce to understand issues, provide advice and to signpost to information.

Many Council services are delivered in partnership with other organisations such as the Local Strategic Partnership, Fire Service, STaR<sup>13</sup> Housing, West Mercia Energy, Shropshire County Pension Fund, town and parish councils and voluntary bodies and trusts. The Council coordinates the multi-agency Emergency Planning Group, Tactical Coordinating group (TCG), with Telford and Wrekin Council. Council group accounts set out the financial statements providing an overall view of the materiality of the economic activity of the Council.

Examples of the Council's work with local partnerships in commissioning, procurement and contract activity include the Mental Capacity Act Lead working with the Shropshire Clinical Commissioning Group (CCG). The Council has continued to develop joint commissioning arrangements with Shropshire CCG, and lead on the implementation of Social Prescribing and the commissioning of the new Wellbeing and Independence Partnership. The Council has also agreed to host the West Midlands ADASS<sup>14</sup> programme and has worked on establishing the practical arrangements for this hosting including collaborative commissioning and procurement activities. The Council is a member of the Community Operating Groups (COGs) which promotes local procurement with other public-sector bodies and representation from businesses through engagement events. It also regularly undertakes early market

<sup>9</sup> Finance Governance and Assurance Team

<sup>10</sup> Ministry of Housing, Communities and Local Government

<sup>11</sup> Local enterprise partnership

<sup>12</sup> National Farmers Union

<sup>13</sup> Shropshire Towns and Rural Housing

<sup>14</sup> Association of Directors of Adult Social Services

## B: Ensuring openness and comprehensive stakeholder engagement

engagement exercises to inform its commissioning decisions and procurement processes to ensure it has market knowledge and input from expert markets.

Annually the public is consulted on the budget for the forthcoming year. Other one-off consultation examples include; the Local Plan Review 2036; Shrewsbury Big Town Plan; Local Economic Growth Strategies for six of the key market towns. These consultations engage with organisations, businesses, and residents of Shrewsbury and Shropshire.

Regular interface meetings take place between Children's Services and key partner agencies including the police, CCG, education and health to promote effective partnership working. Service User impact action plans ensure the views of children, young people, parents and carers drive improvements and help to shape future service provision. Children's services actively seek the views of partner agencies when working with individual children, for the purposes of assessment, decision making and planning. Regular multi-agency meetings take place to promote the best interests of the child and family and to improve outcomes. Children's Services engage with Shropshire Safeguarding Children Board. Children's Services last two Ofsted inspections have reported on the good quality partnership working that takes place by Children's Safeguarding and key agencies involved with safeguarding children and looked after children

The performance of maintained schools is monitored according to the School Performance Monitoring (SPM) criteria. The Shropshire Protocol for Monitoring the Performance of Academies provides monitoring criteria and challenge to academies. Engagement of stakeholders in securing the sustainability of schools through federation is co-ordinated through Governor Services.

Adult Social Care utilises several communication and engagement channels, these include; First Point of Contact; Keeping Adults Safe in Shropshire Board; Shropshire Accident and Emergency Delivery Board; Shropshire Partnership In Care (SPIC) and learning from complaints. Information collected has informed the main priorities of *Our Vision and Strategy for Adult Social Care 2018/19 – 2020/21*. An Annual report was published to reflect this and one of the identified successes of the year was the pulling together of all the Adult Social Care and Children's Services Partnership Boards at an Annual Summit Event

Council links with Better Care accommodation schemes to enable older people to remain in their own homes for longer, and houses people successfully under the Home Ownership for Clients with Long Term Disabilities (Buy to Live) scheme. The Council has a strong focus on providing opportunities for people with disabilities to live as independently as they are able, and commissioning of supported living accommodation aims to support this ethos. Continued work with the Shropshire Partnership Prevention Programme draws together current prevention activity (from Adult Social Care, Public Health, the Health and Wellbeing Board, Better Care Fund, Shropshire CCG and Provider partners), while developing new prevention activity, into one programme to increase independence and reduce demand on services. This programme relies on working together in partnership with Shropshire communities to improve people's health and wellbeing

The Council works with the Voluntary and Community Sector Assembly including continuing to recognise and promote the Compact<sup>15</sup>. The Council has engaged extensively with Voluntary Sector organisations, stakeholders and customers to plan and recommission preventative services for adults. This encompasses practical help in the home, being active, housing support and fair access to consumer and civil advice, advocacy and welfare benefits support.

<sup>15</sup> The Shropshire Compact is an agreement that sets out the "rules of engagement" for how Shropshire Council and the voluntary and community sector (VCS) should work together for the benefit of the people they serve.

## **B: Ensuring openness and comprehensive stakeholder engagement**

Regular engagement between Public Health, CCG and Adult Social Care for the future provision of services is in place. This includes the agreement of Continuing Health Care funding on a case by case basis through to service redesign and commissioning as part of the Better Care Fund (BCF), the Transforming Care Partnership (TCP) and the Strategic Transformation Plan (STP) in conjunction with the Health and Wellbeing Board. An independent STP Chair is now in post, the CEO and Director of Adult Services attends the Senior Leadership Group to influence and shape development. The Council is looking for a more central role in relation to place planning and integration.

The Local Government Association (LGA) Peer review, conducted in April 2018, recognised an increased focus on economic growth and infrastructure. Throughout the year actions have been delivered against this.

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

The Council's Corporate Plan has been revisited for 2019/20 to 2021/22. It provides a focus across priority outcomes and actions for the longer, medium and shorter terms. The Council Vision, 'Innovate to thrive,' covers the following priorities: more people with a suitable home; care for those in need at any age; a good place to do business; a healthy environment; sustainable places and communities, and embrace our rurality. These are underpinned by more specific themes which focus on benefits including a continued focus on communities being enabled to do more for themselves (social), promoting clean growth and safeguarding natural assets such as water quality and supply, and a focus on economic growth through appropriate investment and skills development. The plan has been communicated to all staff and members, new measures for the performance management framework are being finalised with directors and members, and will include key milestones for the delivery of strategies and projects.

It has been recognised that the Commercial Strategy needs to be refocused and realigned to the wider corporate strategies to enable the required income to be delivered. There has been increased focus on the Economic Growth Strategy, the key objective of which is to support and drive increased economic productivity, deliver financially and socially driven outcomes and maximise environmental benefits. A Financial Strategy is drawn up aligned to service outcomes and the long-term sustainability of the Council. All documents provide a direct or indirect flow from the Council's Corporate Plan and the strategic objectives. The Financial Strategy sets out the short and long-term implications for service delivery across the Council. A new Financial Strategy was developed over the 2018/19 financial year, and by February 2019 a five-year plan was approved by Council with a strong focus on minimising impactful changes ahead of the Fair Funding review exemplifications due later in 2019. This revised Strategy creates a balanced budget for 2019/20. Funding gaps are predicted for 2020/21 to 2023/24 and the long-term strategy for managing these will be considered in detail during 2019/20 as details of government funding and redistribution models into the future are shared. The Sustainable Business Plan developed in late 2015 remains, a valid interpretation of the implications for the Council of the current funding formula and sets an approach to deliver a balanced budget, albeit at the expense of most services currently being delivered. All council reports are required to consider financial implications, risk and opportunity, alongside economic, social and environmental concerns.

A new Capital Strategy is in place for 2019/20 to 2023/24 with clear objectives and a framework, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities of the Council's



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

Corporate Plan.

Savings delivery is a key part of ensuring a sustainable budget going forward and delivery progress is monitored very carefully by Finance officers, reported to Cabinet quarterly and to directors more frequently. Finance Business Partners regularly advise officers on the long term financial impact of their proposals as well as any conflicts with regulatory requirements or policies.

Local Government Pension Scheme (LGPS) Central Limited has been established (£45 Billion FCA<sup>16</sup> registered company), across nine Local Pension Funds. Governance arrangements are led by the Company's Board and the Council has invested £230m during 2018/19.

The Local Plan Review process integrates several sustainability assessments. This includes both Sustainability Appraisal and Habitats Regulation Assessment, consistent with the requirements of national policy and consultation documents. Sustainable development principles are fundamental to the determination of all new development proposals across Shropshire. They are embedded in both the locally adopted development plan policies and national guidance, and all officers are aware of the need for sustainable considerations to be at the forefront of plan making and decision taking;

Outcomes and outputs are defined and managed through robust project management and contract governance in all service areas, examples are the Digital Transformation Programme, Capital Investment Board and Commissioning Assurance and Performance Board. The Boards have become further embedded providing assurance, identifying risks and exploring mitigations required to ensure delivery of key projects.

The Council and its partners have a shared Social Value Charter. It promotes and embeds social value in commissioning and procurement practice and provides a basis for measuring the extent to which social, economic and environmental benefits have been delivered. A Social Value training package is available to staff on 'Leap into Learning'. The Council routinely include Social Value Criteria within their procurement processes to explore the social value benefits that contractors deliver whilst providing services to the Council, examples include: WSP (Engineering Services Consultancy), Veolia and Serco contracts. Government grant has been awarded to deliver the North-West Relief Road, the largest single project undertaken by the Council which will improve transport routes in this area.

Ofsted data shows that in Shropshire 90% primary schools are good or outstanding compared to a national average of 87% (as of 31/8/2018) and 89% of secondary schools are good or outstanding compared to a national average of 75% (as of 31/8/2018).

Adult Social Care is primarily focused on the social benefits of improving the well-being of those it provides support to, including carers, but such services will also assist Shropshire economically and environmentally in areas such as sustained supported employment; prevention activities; resilient communities and healthy lives; performance reporting and monitoring; the right interventions and promoting the use of innovative technology.

---

<sup>16</sup> Financial Conduct Authority

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

The LGA Peer review conducted in April 2018 identified that the Council had a strong sense of identity and commitment with ambitious leaders. There was evidence of delivering good services at low cost including some significant projects. All eleven recommendations were accepted by the Council and a high-level action plan is in place. Progress on actions was included in a report to Council in February 2018 and ongoing reviews of progress and plans takes place through Directors, most recently at their workshop on the 3 April 2019. A follow up visit by members of the Corporate Peer Challenge Team to review progress has been arranged for September 2019.

All decisions are taken correctly either through delegating to officers or by Cabinet or Council. Reports are considered by Legal, Finance and Risk Management Services before decisions are made to ensure they present the information required for members to make a reasoned decision.

All service areas produce performance and budgetary information for planning purposes and act on the implications of this information. Where this suggests inadequate performance, this is acted upon. All new developments are considered, formally or informally, by Risk Management staff and Finance Business Partners before reaching decision points.

Budget Consultation is undertaken annually, and consultation with Members through party groups and leaders as requested. The Financial Strategy identifies the short and longer-term approaches to managing the budget and considering the options for delivering a self-sufficient council in the future, aligned to the Council's Corporate Plan. Implications for delivery of services and/or increases in resources are reported throughout the Council and through the support of, for example Business Partners, understood and acted upon. Services do not overspend without appropriate action being taken and where this is not possible, appropriate justification provided. Service structures map structures where necessary, ensuring appropriate alignment with Council priorities.

Capital Investment Board chaired by s151 Officer oversees significant future investments aligned to Council priorities and key strategic objectives (income generation, reduction in costs, and achievement of social value). The Hopper and Pipeline processes provide a business case methodology and investment prioritisation approach ensuring project due diligence work is undertaken before Cabinet take any key investment decisions. Project examples this year include: Shrewsbury Shopping Centre; Tannery development including student accommodation; Ludlow Assembly Rooms; Paul's Moss and Shirehall Redevelopment considerations. The IT Approvals Board provides challenge to potential IT solutions and ensures their fit with the IT Strategy. There have been a small number of projects escalated to the top of the Council for a decision where a difference of approach was identified.

In Place and Enterprise, a continuing level three rating was achieved in Highway Maintenance, to ensure the maximum capital funding from the Department for Transport. The Commercial Strategy has been identified as requiring review and recruitment is underway to help deliver future commercial income targets. A new Housing and Regeneration Development Company has been established to affordable deliver homes going forward. A Climate Change Strategy has been adopted. Management of the Corporate Estate has delivered substantial improvements over the year.

National Accreditation for the Archives Service continues to drive up standards and lead to better outcomes for customers; The Shropshire Museums Service Strategy (2018 – 2023) supports the service in providing a high quality, well-organised and accessible collection that helps to tell Shropshire's stories; Connecting Shropshire has a defined Local Broadband Plan which defines the Council's strategic direction for Broadband, this is an area of infrastructure



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

that has become critical for residents and businesses and has a key role to play in supporting economic productivity and dealing with challenges of accessing services and rural isolation.

Given the high demand for adult care services, processes ensure services are allocated fairly to those who meet the criteria for eligibility. Limited resources are allocated fairly in accordance with statutory eligibility criteria by utilising several mechanisms including: brokerage, robust systems connecting users and providers in the care market; contract management, (robust quality assurance processes to ensure support is appropriate and proportionate to promote independence); focus on quantitative and quality performance; and Shropshire Choices Information Portal provides Public Factsheets. In addition to statutory performance data submitted for the safeguarding adult return, local performance measures are being developed to monitor activity and provide qualitative information on safeguarding risks.

Children's Services are delivering against a Joint Targeted Area Inspection (JTAI) Action Plan to address the recommendations of the Ofsted Inspection. Individual Work Plans are also in place across several teams which are subject to improvement i.e. Independent Reviewing Unit, Leaving Care, Joint Adoption Service.

Significant parts of Digital Transformation Programme have been delivered. Social Care core modules (Liquid Logic) CRM and My Shropshire Portal and Business Transformation (ERP Business World). The effectiveness and impact of these new systems on the internal control environment will be reviewed in 2019/20. A fully tested Disaster Recovery / Business Continuity capability for the Council's IT systems is in place.

Progress against staffing and work-related stress risks has been marginal. The Council continues to find it challenging to recruit staff with the correct skills, knowledge or experience. This impact is now wider than the positions that have traditionally been hard to recruit to and extends to generic posts in support services (i.e. finance, ICT, HR). The pay policy was reviewed to address the pay drift Shropshire had with other local authorities by restoring rates of pay with national ones. To help mitigate work related stress, a range of wellbeing events have been held over the year and have been well attended, the 'Health MOT' sessions have been fully booked. Currently the 'Step up to feel good,' initiative is encouraging staff to get more active during the working week. Absence for stress has dropped but remains high.

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

The LGA Peer review identified enthusiastic staff, engaged with plans for transformation which are ambitious, challenging and have pace. They recognised the need for the Council to consider how staff deliver business as usual as well as transformation. The Future and Senior Leaders Programme had clearly been valued and is having an impact. Recruitment and retention challenges are affecting capacity to deliver some services but there are opportunities to harness business and other partners to add capacity e.g. research, digital skills inclusion, volunteering. Basic IT skills training for staff and members is continuing and the focus on broadband and mobile access as an enabler maintained. Utilising the apprenticeship levy to upskill the workforce continues with funds being fully utilised.

Officers and Members understand their respective roles, these are set out in job descriptions, the Constitution, Part 8 Delegations, Contract and Finance Rules. These responsibilities and accountabilities are understood and reviewed on a regular basis. In addition, all members continue to receive training throughout their four-year term and performance appraisals are in

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

place for officers. Members are briefed on new and emerging local government initiatives and the e learning portal provides other pieces of helpful training. Portfolio Holder roles have been recently refreshed and reporting through senior management and members identifies accountability.

A staff survey reported 78% of employees enjoy the work they do most days with 75% understanding what is expected and clear of their objectives; 75% know how their role contributes to priorities; 66% agreed that their manager regularly lets them know how they are doing and 65% feel comfortable challenging ideas and decisions with their manager; 62% agree that when they make a mistake, they are supported and there is a wish for them to succeed and 55% can access the training and development opportunities required to be effective in their role.

Leadership results were not as strong; 29% agreed that the Council's political leaders and 41% of the Senior Management team are ambitious for Shropshire; 14% agree that officers and elected members work well together and 17% agree that the Council uses its resources appropriately and spends public money responsibly. Key issues employees wanted to change included the working environment; clear directions supported by robust decision making at all levels; more two-way communication and knowing about changes before they are reported publicly. The ability to work flexibly, make a difference, and work with capable, supportive and proactive teams were identified as the best things about Shropshire. Action plans will be in place to deliver improvements going forward specifically to reduce work related stress and further improve staff wellbeing.

Section 151 update meetings and governance meetings with the Director of Workforce and Transformation, Monitoring Officer, s151 Officer and Head of Audit are established and undertaken regularly to consider governance issues as they arise.

Tools in place to support the clarity of officer roles and the development opportunities provided to them include; Workforce Strategy; team and service plans; risk management reporting through to Cabinet, Audit and Scrutiny Committees; Learning Pool<sup>17</sup>; performance management process; renewed focus on sickness absence; lunch and learn sessions; CPD<sup>18</sup> programmes; regular reporting to Health, Safety and Welfare group; knowledge sharing systems; team meetings and one to ones; improved strategies (IT, Asset, Financial, Communications, etc.); and mentoring and sounding boards for the support and development of staff.

The IT service has been restructured with most senior roles now in post. This change reflects best practice, IT management methodology of ITIL<sup>19</sup>, specifically the process of capacity management which scopes the skillsets required to fulfil the services needed by customers, both now and in the future. This change is helping the IT service to react to new demands whilst continuing to deliver the existing core requirements of the Council and other customers. Taking the ITIL's theme of Continuous Service Improvement (CSI) the service has moved to an Outcome based approach, seeking problems from customers that can be addressed with technology. This, combined with an improved approach to training and support, is upskilling the workforce, which will help with service provision whilst identifying opportunities to achieve beneficial outcomes using technology.

---

<sup>17</sup> E learning package

<sup>18</sup> Continuing professional development

<sup>19</sup> Information Technology Infrastructure Library

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

Leap into Learning, an e-learning tool, to support staff development has had increased modules developed. A second Leadership Programme has been successfully delivered across the Council, further cohorts are planned alongside recognised management professional qualification delivery. Cohorts of individuals are currently undertaking the Level 5, 6 and 7 in Leadership and Management through the apprenticeship route, utilising levy funds.

All Highways and Transport staff have been trained in formal Institute of Civil Engineers Contract Management from day courses to full Service Manager award. A restructure of Highways and Transport, and increased resources into the contract management team will support future requirements. NEC<sup>20</sup> contracts, project management and procurement strategy training across the Highways team. and wider training and development across the Property Services management team, has resulted in an increase in contracts won; National accreditation programme for Highways Inspectors as part of the new Code of Practice for Highways; and officers undertaking recognised management qualifications (MBA). Local Governance Boards are in place for high value re-commissioned contracts e.g. Highways, Broadband. Negotiation training delivered to relevant officers across the Council.

Adult Social Care have a dedicated Lead Practitioner whose role is to ensure a smooth transition from children to adult services, this helps promote young people achieving their potential and realising their ambitions. The Council adheres to revised DoJ's<sup>21</sup> legislation and has a National Lead officer in this field. Work with Shropshire Partners in Care (SPIC) and the Care Workforce Development Programme (CWDP) ensures the workforce across all commissioned services are trained and appropriately skilled to support vulnerable adults

Removal of the Education Support Grant in 2017 resulted in a significant loss of funding for EIS<sup>22</sup> and EAS<sup>23</sup> services to schools (from Learning & Skills), as well as HR (which sits outside Learning & Skills). This loss of funding continues to impact on the Council's ability to maintain the required capacity to meet statutory requirements in these service areas, presenting an increased risk to the effectiveness and deliverability of these services. Through Shropshire Schools Forum, approval has been secured from maintained schools to continue to top-slice part of the DSG<sup>24</sup> to contribute to funding of EIS for a further year. This funding is used to commission in several associate headteachers to undertake work on behalf of the EIS and to provide a flexible model of working that can adapt to needs. In respect of EAS, the top-slice meets the costs of provision to maintained schools, while academies can secure support through traded arrangements.

Children's Services social work capacity has been boosted to reflect increased demand with a view to reducing caseloads. Recruitment and retention of social workers is a key priority and retention payments have been agreed for teams where the Council struggles to recruit. The Ofsted Action plan is now concluded and the JTAI identified progress against Ofsted recommendations, the JTAI Action Plan now in place.

---

<sup>20</sup> New engineering contract

<sup>21</sup> Deprivation of Liberty Safeguards

<sup>22</sup> Education Improvement Service

<sup>23</sup> Education Access Service

<sup>24</sup> Dedicated Schools Grant

## **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. Both strategic and operational risks are reviewed regularly by senior managers and directors for learning points and action, and are reported through to Informal Cabinet and Audit Committee. Risks are also identified and managed 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.

Large projects, such the Digital Transformation Programme (DTP), Northern Relief Road and the new housing company are supported with the compilation of their risk registers. DTP business risks were further challenged by the DTP Assurance Board which added a further layer of governance to this well managed programme.

A risk matrix is operated by the Contracts team in relation to Adult Social Care (ASC) contractors. High risk contractors are prioritised for monitoring and intervention based on several factors including: the number of individuals receiving a service; regulatory inspections; complaints; reported issues and safeguarding concerns; information from Health and other partners. A rolling programme of financial credit assessments is now undertaken by Adult Social Care and the Contracts Team across care sector contractors with priority given to those with a higher spend. Regular financial credit assessments are conducted on key suppliers. Data and intelligence requirements are being built into contracts as they are developed, e.g. the Independence and Wellbeing (Prevention) contract. This is an ongoing area of focus for the Council and will need to continue to be implemented as commissioning takes place. Provider complaints reporting has been built into all contracts. An awareness and training session for ASC providers was delivered in the autumn and was well received. There is a good working relationship between the Customer Feedback team and Adult Social Care Safeguarding. Non-section 42 referrals are shared with the team to be investigated as a complaint.

All 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 linked to the Corporate Plan for a self-sustaining Council. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with best practice and have an unqualified audit opinion. It is recognised that there were some issues with debt collection processes however, plans are in place to address these with the introduction of new digital solutions. Based on the work performed by the External Auditor to address the significant risks, they concluded that; 'the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources'.

The Council approves the Robustness of Estimates and Adequacy of Reserves paper each year. This report demonstrates the financial resilience of the local authority, 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. The Council, despite significant financial challenges, has delivered an underspend of between £0.3m and £2.8m each year since 2013/14.

Information management training is undertaken by all staff and senior staff report this through to the SIRO. All data has assigned owners, these are 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. Investment in Flowz, an information

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

management system, is enabling a more consistent approach to the management of data assets.

The local authority has continued to conduct its own business continuity management and emergency planning exercises and participated in multi-agency exercises. Full action plans are created following the exercises and these provide both assurance and learning points for future development.

Quarterly Corporate Performance Reporting using the Performance Portal is delivered, making information more accessible to members, officers and the public. Key information is data quality checked, for example by applying the Data Quality Toolkits for Adults and Children's Social Care, and the checking carried out on statutory return data. Services manage their performance through several methods: quarterly Quality and Performance meetings with team managers and service managers to review feedback from case file audits, complaints, service user feedback, performance data and the use of dashboards. Quality and performance is a standing agenda item on team meeting agendas and exceptions are escalated up through management structures. Across the Council, 84 complaints and enquiries were made to the Local Government Ombudsman and Social Care (LGO). Of those, 25 resulted in an investigation outcome, 17 were not upheld and eight were. The LGO reports Shropshire Council's upheld rate at 32%. The Council continues to learn from associated feedback.

Internal Audit sets a balanced and risk assessed programme each year identifying the key areas for review and the need for assurance. High risk areas not subject to review are identified to enable senior management and members to gather and seek their own assurance as necessary. Audit Committee undertakes a regular self-assessment, challenged by officers and External Audit, and undertakes 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 control and risk management environment. Based on the Internal Audit work undertaken and management responses received; the Head of Audit has offered reasonable assurance for the 2018/19 year that the Council's framework for governance, risk management and internal control is sound and working effectively. She reported that generally, risks are well managed but some areas require the introduction of, compliance with or improvement to internal controls to ensure the achievement of the Council's objectives. She recognises that 2018/19 has been a challenging year, given the level of key fundamental line of business system changes delivered (social care, customer services, financial and human resources) and the embedding of these continues. Alongside the challenge to deliver savings and increase income (Commercial and Digital Transformation).

Scrutiny has an increased focus on pre-decision (overview) work, providing the opportunity for non-executive Members to inform the development of policies and decisions. A strategic work programme is in place, developed with Scrutiny members directly linked to the Council's medium-term outcomes and objectives set out in the Strategic Action Plans which form part of the Corporate Plan. Committee work programmes provide a mix of meetings and task and finish groups which create opportunities to carry out in depth scrutiny.

## **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



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

Local Enterprise Partnership and Management Committee. Regular briefings are held with portfolio holders and ward members are engaged on local matters.

Scrutiny committees and meetings, such as Shropshire Children's Trust consider new strategies, plans and performance outcomes are discussed. In Economic Growth performance of developer spending contributions have been the subject of a detailed cross-party member task and finish group reporting to Performance Management Scrutiny Committee with recommended changes.

The Commissioning and Assurance Board continues to embed and has been integral in managing key decisions, such as the Shrewsbury Shopping Centre Project. The Information Governance Group is implementing and monitoring progress of General Data Protection Regulations and improved FOI processes have impacted positively on resulting statistics.

Reports are written and communicated to the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience ensuring that they are easy to access and interrogate. The Council's Communication team works with officers and members to ensure key messages are conveyed in plain English and appropriate formats which do not discriminate against any member of society.

Both Children's and Adult Social Care have a high level of transparency in decision making and involving service users in the process. The services are often challenged and held to account for the decisions made which are supported by employing a variety of techniques that include: performance reporting and dashboards; financial modelling (e.g. Adult Social Care Growth Model); liaison meetings with CQC held jointly with Telford and Wrekin Council and Health Watch. Through ongoing reporting and auditing of hospital discharges, Adult Social Care has been able to constructively challenge hospital data where necessary and apportion correct accountability between organisations. This work has also been instrumental in the monitoring of the Council's own internal processes to improve good practice. Detailed Children's Trust reports have focused on school performance, elective home education, pupil exclusions, special educational needs and gaps between the performance of specific groups of pupils (such as those who are disadvantaged) and their peers.

Quarterly performance reports are provided from Connecting Shropshire to the Marches LEP for the growth deal funding. These are then reported at LEP management group and to the LEP Board which both have representatives of Shropshire Council. A cross party elected member briefing group has been established for the Shopping Centres and future development of the Riverside area. This meets on a quarterly basis and receives updates on performance, business plans and financial forecasting.

All service areas are subject to internal audit review with significant key systems falling under annual review given their status. 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.

In their Audit Findings for the year ended 31 March 2018, the External Auditor provided an unqualified opinion on the financial statements and an unqualified Value for Money (VFM) conclusion.

Both Internal and External Audit can be invited to review issues once they have gone through the appropriate management review processes to provide a level of independence, an example of this is the management and control of the Market Town Revitalisation Programme.

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

Public Protection is subject to inter authority audits of Food Standards Service and statutory returns are submitted annually for Food Safety, Food Hygiene, Permitted Processes and Private Water Supplies.

The Local Government Association conducted a Corporate Peer Challenge early 2018/19 to allow the Council to learn from others and target future improvements. There has been on going delivery against the improvement plan which has led to improvements in year.

**Significant governance issues**

Satisfactory governance exists but improvements are required to meet good governance standards and to achieve this, the main challenges facing the Council appear in the **Appendix** below and are set in the context of delivering services to acceptable standards whilst achieving the £18.5m budget savings required in 2019/20 and managing the remaining structural funding gap of £35m, growing to £57m by 2023/24 as identified as part of the Corporate Plan and Financial Strategy

---

**Leader**

---

**CEO/ Head of the Paid Service**

## 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	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
1.	Services review, identify and deliver efficiency savings, financial assumptions become more refined and budget plans are in place to deliver services within the resources available.	High	Lack of clarity from Central Government on the future funding levels and changes to Local Government powers and financing, plus increased uncertainty re: local resources which inhibits the ability to calculate future budgets (including funding methodology).	<p>Central Government Funding mechanism is expected to change because of Fair Funding and Business Rates Retention from 2020/21. Early sight of implications, modelling of suspected impacts and responses to all consultation requests is essential.</p> <p>Future funding levels are now closely aligned with new rules under Prudential Code for Council to produce a 20-year Capital Programme expressed within a revised Capital Strategy. This strategy to be linked with other corporate strategies in place.</p> <p>NHB may be abolished from 2020/21, worth £7.2m in 19/20 and a significant (absolute and relative) benefit to Shropshire. This has been raised with Directors and Members and will form part of lobbying with local MPs. Currently still working to 2020/21 for the potential abolition of NHB. Council will need to identify an alternative for £7.2m NHB<sup>25</sup> currently being utilised in the Financial</p>	James Walton	<p>April 2020</p> <p>July 2019</p> <p>Sept 2019</p>

	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
				<p>Strategy prior to this indicative abolition date; alternative funding or additional savings.</p> <p>Initial exemplification produced by SCT<sup>26</sup> to model impact of fairer funding. Adult Services modelling suggests Shropshire would benefit, but potentially by too small a margin to make a significant impact. Further work to be undertaken and actions will then arise.</p>		June 2019
2.	<p>The workforce can effectively deliver the objectives of the Council and meet its priorities. The workforce has the right people in the right place at the right time, but allows flexibility to adapt and change to economic, and external factors. Levels of sickness absence is low, staff are trained and competent in their roles and morale is high.</p>	High	<p>Inadequate retention and recruitment of experienced and qualified staff results in insufficient capacity and experience to sustain Council's service provision.</p>	<p>Workforce Strategy to be reviewed in line with the Target Operating Model work and updated with the creation of Organisational Development Strategy/Plans to support.</p> <p>Re-structure of Human Resources team to allow senior officers to spend time on transformation</p> <p>Report to Directors in the new year with outcomes/recommendations following the staff survey of 2018. Communication out to the workforce "You Said, We Did" thereafter.</p>	Michele Leith	<p>30<sup>th</sup> June 2019</p> <p>July 2019</p> <p>April 2019</p>

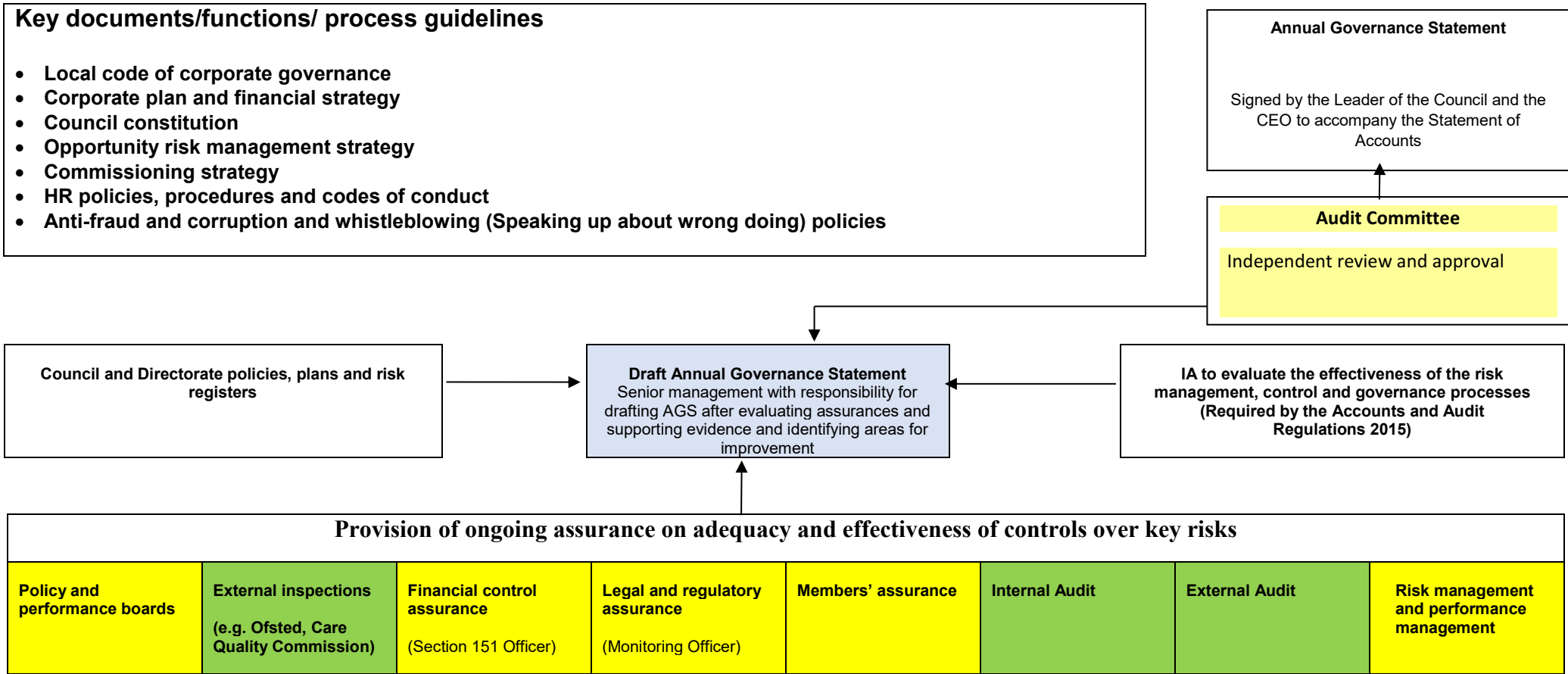
	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
3.	Staff are healthy and happy in the workforce and therefore perform to a high standard.	High	Increases in work related stress impacts the ability to deliver Council outcomes.	<p>Review of the 'one stop shop' for workplace wellbeing on the staff intranet to raise profile and ensure information is relevant.</p> <p>Further proposals for policy change (sickness absence) will be presented to Directors as well as an update on current sickness levels to consider following the work of the joint working group. Action plan to be produced following investigation of context of work related stress.</p> <p>Profile of work related stress to be raised with reports going to Health and Well-being Board</p> <p>Development on mental health awareness at work – resources and tool kit</p> <p>A bid has been put forward for funding for the monthly staff MOTs to continue due to charges being applied from help2Change. These have currently been put on hold.</p>	Michele Leith	<p>31st December 2019</p> <p>30 June 2019</p> <p>30<sup>th</sup> June 2019</p> <p>June 2019</p> <p>July 2019</p>
4.	A clear long-term budget is identified allowing for certainty in the delivery of future services.	High	Inability to ensure income exceeds expenditure for the years 2019/20 and beyond for outcomes to be delivered.	<p>Stage 3 of the financial Strategy, looking at 2020/21 and beyond will be drawn together for consideration by Cabinet/ Council in Spring 2019.</p> <p>Directorate objectives to be agreed for each Director linked closely to Financial Strategy requirements in Stage 3.</p>	<p>James Walton</p> <p>Clive Wright</p>	<p>June 2019</p> <p>May 2019</p>



	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
				<p>Savings - Key area of delivery in “Innovation” pillar: transformation of the Council to deliver efficiency savings in the order of £6m - £10m. work to develop a Target Operating Model, efficiencies through mobile and flexible working and consolidation of systems is being planned through a working group including Directors and Cabinet Members (including the Leader).</p> <p>Savings – Key area of delivery in “Innovation” pillar: Consolidation of our Estate through the ‘One Public Estate’ programme. Asset management strategy being refreshed to align with the capital strategy and commercial strategy.</p> <p>Council disposals list updated to align with capital receipts target in the capital strategy approved by Council on 14th February 2019.</p> <p>Workshops with Directors and Cabinet required to examine further areas for savings in 2020/21</p>	<p>Michele Leith</p> <p>Tim Smith</p> <p>Tim Smith</p> <p>James Walton</p>	<p>September 2019</p> <p>May 2019</p> <p>May 2019</p> <p>June 2019</p>
5.	The public are confident in the delivery of Council services.	High	Reputation: Loss of reputation and public confidence in the Council by failing to meet public	Communications strategy produced for review by Directors.	Michele Leith	November 2019

	Targeted outcome	Risk Target	Strategic Risk	Activity	Lead Officer	Completion date
			expectations and identified need.			
6.	Commercial Strategy delivers outcomes that support the overall direction of the Council.	High	Failure to deliver the Commercial Strategy prevents the Council from meeting the corporate outcomes.	<p>Commercial Strategy refresh. This strategy will be linked to the Capital Strategy.</p> <p>Identify opportunities to operate in a more commercial way that are enabled by developments including new IT systems.</p> <p>Senior Leaders quarterly sessions to develop ideas for innovation into projects (ongoing)</p> <p>Conference focussing on Leadership and Digital taking place to showcase Shropshire, commercial services and to maximise income generation opportunities.</p>	<p>Mark Barrow</p> <p>Michele Leith / Tim Smith</p> <p>Michele Leith</p> <p>Michele Leith</p>	<p>June 2019</p> <p>March 2020</p> <p>May 2019</p> <p>September 2019</p>

## ANNUAL GOVERNANCE STATEMENT (AGS) ASSURANCE FRAMEWORK



<b>Key to levels of assurance</b>
First line of defence
Second line of defence
Third line of defence