

Shropshire Council

Annual Governance Statement

2019/20

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 Constitution¹, 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 2019/20 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 post holders. 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 2019/20 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 or areas of concern, these are identified, reported through appropriate channels and managed effectively under established policies and processes and where necessary escalated to the top of the Council for action.

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

Officers also comply with their professional organisations' codes of conduct in delivering services (E.g. HCPC², AMGPs³,PSIAS⁴, EHORB⁵, 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. 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, examples include having key statutory officers in place (Monitoring⁶, Section 151⁷ 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, LGPS⁸ Regulations, CIPFA⁹ Code of Practice, Freedom of Information (FOI), Elections, Coroner and Registrars' Services. Statutory responsibilities for Special Educational Needs, Education Access, Early Years and place planning, sufficiency and admissions are discharged openly, proactively and in full compliance with Admission Codes.

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. Staff are well supported, receiving training and development opportunities.

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 reasonable 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.

Key developments consider green and environmental issues, such as the North West

² Registered body for qualified social workers

³ Approved Mental Health Act Professionals

⁴ Public Sector Internal Audit Standards

⁵ Environmental Health Registration Board

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 Councillors 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

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

Relief Road (NWRR) project to ensure mitigations, such as noise reductions for tourism venues, acoustic fencing, etc. and Equality and Social Inclusion Impact Assessments (ESIA) have also been undertaken for the Housing and Local Economic Growth Strategies.

B: Ensuring openness and comprehensive stakeholder engagement

Openness and transparency are demonstrated throughout Council activity. Councillors represent local people in the Council's decision making, reporting processes are transparent, both internally through officer and director groups, and publicly through Council committee meetings. Compliance is demonstrated in the main to the Transparency and Freedom of Information agenda. 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 reports, policy approvals, and minutes of meetings (FGAT¹⁰, Information Governance, Commissioning and Assurance Board).

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), 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 Local 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.

Many Council services are delivered in partnership with other organisations such as the Local Strategic Partnership, Fire Service, STaR¹¹ Housing, West Mercia Energy, Shropshire County Pension Fund, town and parish councils and voluntary bodies and trusts. Children's Services Ofsted inspections and recent focused visit have reported on the good quality of partnership working by the Children's Safeguarding and key agencies involved with safeguarding children and looked after children.

Several stakeholder and community groups work with the Council to deliver major projects; Broadband Delivery UK, Homes England, Environment Agency, Highways England, Shropshire Business Board, Shrewsbury and Oswestry Business Improvement Districts. The Future Oswestry Group (FOG) has been formed to take forward the vision and implementation plans for Oswestry town centre and surrounding growth corridor.

The Council also works with local partnerships in commissioning, procurement and contract activity. COVID19 has seen changes to supplier chains, demands on provision of services, renegotiation of contracts and review of risks, including developing joint commissioning arrangements with others for the supply of personal protective equipment. 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 undertakes early market engagement exercises to inform its commissioning decisions and procurement processes, examples of stakeholder engagement in Public Health include;

¹⁰ Finance Governance and Assurance Team

¹¹ Shropshire Towns and Rural Housing

B: Ensuring openness and comprehensive stakeholder engagement

developing the Parking Strategy, Pavement Permits, Drug and Alcohol consultation and the Health and Wellbeing Strategy.

Annually the public is consulted on several projects, examples include; the Budget, Local Economic Growth Strategy and Great Outdoors Annual Public Survey. Extensive non-statutory, consultations of the development of the Local Plan Review 2036 have been conducted, the most recent on the preferred strategic sites, these have been extensively responded to and publicly reported upon and will inform the final draft Local Plan Review, which will be subject to statutory consultation. High level consultations have been conducted on the NWRR and engagement in community events, to Members briefings and Traffic Regulation Orders in local areas. The Council's web site is well utilised and where required consultations are extended to allow for any local concern that is raised.

Economic Growth convenes and leads the strategic infrastructure forum which brings together providers in Shropshire including digital and fibre providers, Highways, Environment Agency, Utility companies, etc. Stakeholders have reported back positively on the helpfulness of these sessions. They are enabling better collaboration, communication, planning of resources and joined up approaches to local delivery. This year there have been specific coverage of strategic topics including Climate Change.

Economic Growth with Information and Intelligence colleagues have been involved in engaging stakeholders in the emerging Communities and Rural Strategy for Shropshire, engagement has involved all local elected members, town and parish councils. The new Asset Management Strategy has gone through the Performance and Management Scrutiny Board which tested the emerging outcomes and objectives with members prior to its agreement at Cabinet incorporating key feedback from the stakeholder group.

Officers from several areas have received and responded to multiple enquiries from communities, residents and businesses following the impact of flooding in February and Covid19 from March. Web services are increasingly used to provide updates to common enquiries and roll out self-service channels, such as Revenues and Benefits products; business grant applications following Covid19; Adult Social Care in promoting self-service and ensuring that information is accessible and relevant to meet service needs. Shropshire Choices provides information about a wide range of sources of help and support, including independent financial advice and information about care homes and housing options.

Shropshire Human Resources (HR) provides HR advice to both private and public sector businesses across Shropshire on a not for profit basis. They host events throughout the year on employment law and HR matters to support local businesses managing their staff. In September 2019, they held the first Leadership Conference which attracted 170 plus individuals from across Shropshire.

Adult Social Care utilises several communication and engagement channels. With Shropshire Partnership In Care (SPIC) it is on a journey towards true co-production, showing a strong commitment to involve people as equal partners in designing their support and achieving outcomes on a personal level, as well as contributing their knowledge and experiences towards decision making and service design at the strategic level. Citizens, Experts by Experience and patient representatives are involved in a range of partnership groups, for example; the Making it Real Board is chaired by a member of the public who also regularly attends and inputs to Director Management Team meetings.

Shropshire Community Safety Partnership (CSP) is currently under a restructure which will bring together the Children's Safeguarding Partnership, Adult Safeguarding Board and CSP. This is in recognition of the number of cross-cutting areas that impact across the statutory

B: Ensuring openness and comprehensive stakeholder engagement

framework, for example 'domestic violence, exploitation and transitional safeguarding'. The governance of this work will be overseen by a board which will include the Director of Adult Social Care (ASC), Director of Public Health, Police Chief and other key stakeholder executives and a new role of Statutory Safeguarding Business Partner has been introduced to ensure organisational compliance with this approach.

The Health and Wellbeing Board (HWBB), is developing its priorities for a refreshed 2021 Strategy which relies on working together in partnership to improve people's health and sustain services. The priorities are based on the refreshed JSNA¹². Membership of the Board includes commissioners, providers, Healthwatch, the Voluntary and Community Sector. Subgroups of the Board involve a wide range of stakeholders including experts by experience. The strategy focusses on working together to take a whole system approach to improving the health of the Shropshire population. It relies on utilising the effective work already taking place and making better use of our resources to help prevent ill health and sustain services.

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

The Council has seen a refresh of the Commercial, Economic Growth, Asset Management, Treasury, Fees and Charges; and the Workforce Development Strategies. Production of a co-ordinated Medium Term Financial Plan (MTFP) and Capital Strategy aligned to the Corporate plan and other corporate strategies was achieved, both were expanded and improved in 2019/20 to ensure they contained realistic estimates of resources and expenditure to inform decisions on service delivery. Finance Business Partners were involved with services in their financial planning for future delivery. Service delivery was detailed in the Service Plan set out in actions and targets that align to the Corporate aims and objectives with Key Performance indicators (KPIs) in place to monitor performance.

Whilst COVID19 only arrived in March 2020, the longer term financial resilience issues; loss of income; additional spending; impact on policies and the reprioritisation of projects; effect on economic growth and resilience needs to be considered, especially given there is no identifiable end date for its impact, it is a recognised continuous event and as a result the above strategies and policies will be revisited throughout 2020/21.

Shropshire Council is the administering authority for Shropshire County Pension fund. The Local Government Pension Scheme company, LGPS Central Limited, manages across 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.

Adult and Children's Social Care both 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. The Adult Social Care Market Position Statement (MPS), published in November 2019 and co-produced with the market and updated every six months provides detail and focus on Adult Social Care and related services such as housing and helps to inform the Council's commissioning intentions.

Adult Social Care is primarily focused on the social benefits of improving the well-being of those it provides support to, but such services will also assist Shropshire economically and

¹² Joint Needs assessment

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

environmentally in areas such as sustained supported employment; prevention activities; transforming care; resilient communities and healthy lives; performance reporting and monitoring; the right interventions and promoting the use of innovative technology. Ofsted data shows that in Shropshire 90% primary schools are good or outstanding compared to a national average of 88% (as of 31/12/2019) and 85% of secondary schools compared to a national average of 76% (as of 31/12/2019)

Children's Services are working to engage with business leaders in the local area to promote the best interests of our looked after children and care leavers to seek opportunities for work placements and apprenticeships in the local area. The Care Leaver Covenant has been launched and officers are working within that to develop learning and employment opportunities for our young people for whom the Council has corporate parenting responsibilities.

There is now specific guidance for the inclusion of Climate Change Impact on decisions in Committee Reports. There is strong evidence associating air pollution with increased mortality and ill-health, including exacerbation of asthma, effects on lung function and increases in respiratory and cardiovascular hospital admissions. There are two areas in Shropshire, a part of Shrewsbury Town Centre and of Bridgnorth Town Centre where the legal limits for air pollution (nitrogen dioxide) are being exceeded. Local Authorities have statutory local air quality management duties under the Environment Act 1995. Shropshire Council has been successful in securing DEFRA¹³ grant funding for an innovative project to help develop and implement air quality measures in Shrewsbury and Bridgnorth to benefit the health of those living, working and visiting our towns. As one of the Council's priorities in its Corporate Plan 2019/20 – 2021/22 is "A Healthy Environment" with a declaration made underneath this to "ensure infrastructure and assets are as efficient and environmentally friendly as they can be to reduce pollution" the Council is keen to see that the Local Town Plan has air quality running through it as a main strand, in particular where there are exceedances of legislative air quality objective levels. In addition, Regulatory Services and the wider Public Health Directorate commented on recent proposals to cut the Park and Ride Service and the Local Bus subsidies which could adversely impact air quality.

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 that the population and those in more vulnerable groups are met. Health practices have been reviewed informally against this in 2019 and will be formally audited in 2020.

A Health and Wellbeing in all Policies (HiAP) approach has now been approved for all Shropshire Council policies. It is a whole Council approach to public health based on an understanding of the interconnectedness of the social determinants of health. It has been defined by the World Health Organisation as an approach to public policies across sectors that systematically considers the health implications of decisions, seeks synergies, and avoids harmful health impacts to improve population health and health equity. Therefore, ensuring sustainably across economic, social and environmental benefits, all outcomes will be monitored.

Our Workforce Digital Strategy sets out how Shropshire Council is becoming more sustainable using technology, it defines how our training efforts can support the local

¹³ Department for Environment, Food and Rural Affairs

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

economy and how technology can reduce carbon emissions. The future design of the Council is also considered, such as, increased home working, the need for electronic signatures on documents; increased use of MTeams for meetings, sharing documents, and providing advice. Virtual committee and officer meetings are becoming the new norm and a digital post room has been established and rolled out.

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. Connecting Shropshire has led the engagement with the West Mercia 5G project – an opportunity to be a testbed of 5G implementation focused mainly on health and social care implementation and a series of case studies are being included. This project is led by Worcestershire County Council and includes health, education, local authority and service provider partners.

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

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. Responding to COVID19 emergency decisions follow approved processes and a protocol for virtual public meetings is adopted.

Implications for delivery of services and/or increases in resources are reported throughout the Council and with the support of Finance Business Partners, services do not overspend without appropriate action being taken and where this is not possible, appropriate justification provided.

The Capital Investment Board chaired by the s151 Officer oversees significant future investments aligned to Council priorities and key strategic objectives (income generation, reduction in costs, and achievement of social value). There has been extensive development of the monitoring tools and processes for capital projects which is undertaken by the Strategic Programme Officer Group (SPOG). The gateway processes and procedures have been finessed this year and many outputs are collected and reported on. Additions have included considerations for climate change within each project in support of the Council's agreed Climate Change Framework.

Economic Growth is supporting the reporting of several LEP funded projects including SITP¹⁴ and North West Relief Road in accordance with stringent MHCLG¹⁵ requirements. Extensive negotiation has secured a £9.3 million grant from Homes England Housing Infrastructure Fund to improve facilities. The work undertaken to identify unmet housing needs in the county has led to the establishment of a wholly owned housing development company as a vehicle to addressing this need, Cornovii.

Under business continuity plans teams have mobilised quickly to respond to recent flooding and COVID19 pressures. The Council has worked with partners to optimise the support for those who need it. For floods; this included a business impact survey, regular communications including personal visits, a drop-in session for advice and support, feeding impacts to the LEP

¹⁴ Shrewsbury Integrated Transport Package

¹⁵ Ministry of Housing, Communities and Local Government

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

and MHCLG and supporting the delivery of the flood response grants with Finance colleagues. Wider learning from responses will be cultivated in the Council's transition to a refreshed business operating model following COVID19 which has identified new areas of risk as result of pandemic and opportunities to do some things in a slightly different way.

The Workforce Digital Strategy and The Workforce Strategy have been updated this year. They set out how the Council is becoming more sustainable using technology, supporting training and upskilling the workforce, through a combination of internal and external organisational development and or IT interventions. The Council is utilising the opportunities provided by the apprenticeship levy for formal training as well as creating internal teams to support staff as they in turn need to develop with the technology. The HR Team has been restructured to support service areas in a more focused way.

Climate Change is increasingly impacting on decisions an example of which is the increase in calls to divest from certain companies and sectors within the Shropshire County Pension Fund (SCPF). To date this pressure has been managed and where Shropshire Council has come under pressure, it is satisfied that SCPF is managing the risk robustly and will continue to challenge and review the situation as required.

Persistent high levels of smoking in pregnancy across Shropshire, Telford and Wrekin; the inclusion of commitments around inpatient smoking services for women in the long-term plan; and a decision to decommission smoking services in Shropshire led to a full review of services. Options for smoking in pregnancy services have been outlined and recommendations for a future system-wide service model based on best practice from across the Country and experiences within the Shropshire, Telford and Wrekin area has been developed collaboratively with the LMS¹⁶, service providers, local authorities and Public Health England. A new system-wide service model, embedded in maternity services is needed which builds on the experience of existing providers, this has been shown to deliver higher outcomes and return on investment in services, and supports the ambitions in the long term plan

Children's Services are delivering against a Joint Targeted Area Inspection (JTAI) Action Plan to address Ofsted Inspection recommendations. In addition, a Permanency Action Plan has been developed and implemented following a recent Focused Visit. Individual Work Plans are also in place across several teams which are subject to improvement in the Independent Reviewing Unit, Leaving Care and Joint Adoption Service.

In Adult Social Care, strengths-based conversations are underway for hospital discharges with individuals, called Pathway Zero. The approach was assessed and launched in September 2019 to support discharge from hospital for people with needs below the criteria for Pathways 1, 2 3 who may be readmitted without support. This new approach provides a preventative pathway to ensure that people who may be below the criteria for requiring personal care and active rehabilitation, will be supported through a community network and 'pick list' of options to maintain them in their normal place of residence, delaying the need for health or social care interventions/support. Patients discharged under this Pathway Zero approach; rate of local hospital readmission reduced from 25% to 3% in four months. The service is also trialling use of the Public Health MyCAW¹⁷ evaluation model to measure wellbeing outcomes following an individual's hub appointment.

Work has been focused improving the control environment in Highways following an unsatisfactory Internal audit assurance rating for the service. Restructuring, use of

¹⁶ Local Management Service????

¹⁷ Measure yourself concerns and well being

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

consultants, improved use of technology and a review of processes is leading to improvements ready for a review in 2020/21. Management have provided interim update reports to Audit Committee demonstrating a positive direction of travel.

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

The Council saw the resignation of the Chief Executive in March and in the interim, the position is covered jointly by the Director of Adult Services and the Director of Children Services. 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. In addition, all members continue to receive training throughout their four-year term and performance appraisals 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.

The Council is leading regional workforce development work for the Association of Directors of Public Health Network, Central England Environmental Health Management Board and Charter Institute of Trading Standards. During 2019 a peer review of regulatory services, trading standards and licensing has been complete, and recommendations will be implemented during 2020. Public Health services are also looking to undergo a peer review in 2020/21.

The third Shropshire Leadership Programme started in September 2019 and concludes in Spring 2020 with 30 delegates attending. This takes the total to over 120 managers and future leaders who have completed the programme. Tools from the senior leadership programme are being implemented and learning dispersed throughout various teams. Workforce planning adopted for example in Finance, Governance and Assurance is allowing for succession planning ensuring that employees at all levels of the service are giving opportunities to develop and move up the structure.

Leap into Learning, an e-learning tool to support staff development, continues to increase its modules. Upskill Shropshire is the brand name for use of the Apprenticeship Levy at Shropshire Council. The Council partners with training providers across Shropshire (and beyond) to provide high quality apprenticeship training to staff. In addition to providing the framework of providers to two other local authorities (Telford and Wrekin and South Staffordshire District Council). There are several of our Looked After Children in apprenticeships across the Council. Opportunities have been provided throughout the Council for graduates and apprentices. Graduates have gained experience of project development, programming, business support and planning processes. Part time study is available to several staff to assist with their professional development into positions where it has proved difficult to recruit new staff with relevant qualifications or experience.

In Education, funding reductions have significantly reduced capacity. A traded Education Welfare Service has been established and is extremely successful with a high level of buy in, the cost recovery basis on which it operates means that capacity is constantly stretched. Ways of working are constantly under review and the team has digitalised many of its functions, the use of technology to enhance the teams' work will continue to be developed and implemented. Service level agreements are reviewed annually and modified as appropriate.

Diminishing funding presents risk to sustaining effective arrangements for monitoring,

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

challenging, supporting and intervention in schools by the Education Improvement Service (EIS). This increases the risk of a reduced proportion of good and outstanding schools.

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.

COVID19 business continuity response has seen the completion of Workforce Questionnaire identifying key skills and willingness to support key frontline services with appropriate training and support. Where required resources are redeployed into either new or established teams. i.e. Coordinating and Distribution of PPE, Hospital Discharge Hub, Telephone and Community Reassurance team

Increased online activity is encouraged to enable residents to self-serve where possible; in Revenues and Benefits an ongoing initiative to enable and encourage e-billing and e-notifications has seen over 70% of applications for housing benefit made online and a commitment to reduce internal printing costs is being delivered. In Adult Services, virtual day services have been established during COVID19, continuing to support people who would usually be in day services when they are at home including check in and chat calls to families and assistance with practical tasks. The Early Help service has partly implemented the move of its cases onto the new Early Help Module in Liquid Logic, this is ongoing to September 20.

In Adult Social Care a new supervision and appraisal policy was launched. Its implementation was supported by workshops with supervisors, communicated to staff at a winter roadshow and in the staff newsletter. Support for people receiving direct payments and for Community Team practitioners has been developed with a dedicated Direct Payment Team. Implementing a policy that direct payments are considered where funded care has been identified as required. The assurance of this work is overseen by the Direct Payment Board which is chaired jointly with an individual who receives a direct payment and the Assistant Director for Adult Social Care. A review into the services and activities provided for unpaid or family carers has been instigated to understand better the reach and impact of the carer support services delivered by Crossroads Together and how Shropshire's strengths-based, community-led support model is demonstrated in the conversations our practitioners have with carers. There is a need to understand the effectiveness of the interface between Council directly delivered and commissioned services and the voluntary and community sector. The approach was one of co-production with the Family Carers Partnership Board (FCPB), chaired by the Portfolio Holder and made up of family carers, and representatives of Shropshire's health and care system fully involved in its design and delivery.

Adult Social Care have continued to work with partners and the provider market to ensure that there are robust and flexible arrangements in place that support discharges from hospitals and allow for more flexibility in admission times particularly during surge periods. Early in 2017 Shropshire Council was a middle performing authority and was required to improve its performance by 60%. By collectively implementing innovative measures, Shropshire Council exceeded its Better Care Fund targets, achieving a 99% reduction in numbers in December 2019 compared to numbers in April 2017.

In Early Years there has been a year on year increase in the numbers of children and young people requiring support through an EHCP¹⁸ since the introduction of the Children

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

and Families Act 2014. At the same time, there has been a period of reduction in real terms of funding available to support high needs across schools/education settings. This has meant that case work has become more complex, it is difficult to recruit and retain staff, and whilst action is taken to review the team and its operations to support more efficient ways of working, delivery remains a challenge

In response to COVID19 Legal Services required greater investment to deal with the court care proceedings which moved to a virtual review setting but required greater resourcing. Health and Safety officers turned to managing the procurement and provision of personal protective clothing supplies and their distribution aligned to Government guidance.

Children's Services are focusing on providing social workers and managers with the rights tools to deliver highly effective services, including evidence based models of assessment and intervention; (Resilience Model) which involves each worker receiving five days specialist training, with specific training for managers. Restorative Practice focused on relationship based practice. Secure Base Model of Trauma Recovery for children who are looked after. Shropshire are part of both Frontline and Step Up to Social Work, which are graduate programmes to ensure recruitment of good quality newly qualified social workers. The service has increased numbers of Team Managers in recognition of need to increase management oversight on children's case work and to ensure that their plans progress in a timely manner. New Team Managers are accessing National Practice Supervisors Programme.

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.

Risk registers for key projects involve all relevant parties including external partners to ensure all risks are captured and mitigated. Major projects including NWRR Shrewsbury Shopping Centres, Oswestry Growth Corridor, Oswestry HIF¹⁹ and Quarry Pool have clear governance in place with project boards established. A Major Projects Board for Place has oversight of the key projects across the Place Directorate and each of the Boards reports by exception into this governance structure.

The Council 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.

More recently, application of these plans has ensured service provision during periods of flooding and in response to Coronavirus, this is ongoing into 2020/21 seeing competing challenges for resources, services and supporting the business and public community. Service Recovery Plans were instigated so all non-essential work was stood down to respond to the

¹⁹ Housing Infrastructure Fund

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

pandemic. Reactions to business continuity challenges continue to be well managed providing; speedy responses to ensure the safety of all, compliance with and implementation of Government guidance, improved communications of the issues, increased deployment and use of IT systems for remote working, community support, collation of data and compilation of dashboards such as staff absences, payment of grants to businesses, redeployment of staff, testing of staff showing symptoms, business and council tax relief and minimising the risk of fraud.

Governance process have stood up to the COVID19 challenge with Executive/ Emergency Management Team intervening as necessary to deal with escalated issues. Specific processes that have seen an element of redesign during COVID19 responses include; successful piloting of virtual committee meetings; the compilation of a Covid19 Vulnerable People single database and analytical reports to enable the identification of vulnerable individuals and households, and communities; Following COVID19 pressures, patients are discharged within three hours of being deemed medically optimised. Changes to working patterns, agreement of new workflows and system reconfigurations have all been acted upon quickly and efficiently to ensure a 'system' that is supported in the discharge and delivery of appropriate and timely care requirements for all Hospital Pathways; All rough sleepers have been accommodated in hotel accommodation; There is a food offer in place for all households temporarily accommodated to avoid unessential trips and assist with social distancing and self-isolating. Additional bed space is assured for both domestic abuse victims and key workers unable to return home.

The financial impact of COVID19 in 2019/20 is minimal and cashflow arrangements and grant funding put in place by Government and arrangements to track extraordinary spend in-year prevent this from being a control issue as at 31 March 2020. It is flagged as a potential issue for 2020/21 to impact on the Financial Strategy for which a short-term interim plan will be necessary. Fair Funding and Business Rates Retention have been delayed until at least 2022.

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. In addition, based on the work they performed, External Audit concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources. for the year ending 31 March 2019

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 financial management training and regular updates with Finance Business Partners to monitor and manage department budgets appropriately. A dashboard of financial performance is shared and discussed at each management team meeting. This includes a RAG rating for each of the primary codes within the service. Budget forecasting is completed on Business World each period.

Internal Audit sets a 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

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

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 limited assurance for the 2019/20 year that the Council's framework for governance, risk management and internal control is sound and working effectively. She reported that; There are an increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected. In addition to which, the response to the Coronavirus pandemic has led to scope limitations which restricts the independent assurances provided on the key systems that have undergone fundamental changes during the year. Where systems have been evaluated to a draft stage, assurances remain low. Management of Coronavirus has introduced unprecedented pressures and responses. Managers have been diverted onto business continuity pressures and unable to plan improvements to known internal control processes, leading to increased risks in some areas that will impact on delivery of the Council's objectives. 2019/20 has been a challenging year given the embedding of key fundamental line of business systems (financial and human resources) alongside the challenge to deliver savings, increase income and respond to Coronavirus.

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

Shropshire Safeguarding Community Partnership (SSCP). Multi-agency partnership datasets have been developed about safeguarding activity. From April 2020, a single Assurance and Performance group will be established with datasets being developed under the following headings: Prevention, Demand and timeliness, Customer satisfaction/hearing the voice of the person. Operationally, a new Business Planning document will be established for Partnerships groups to use, with the following areas for action: Prevention, Learning and Development, Datasets/subject profiles, Case audits, Hearing the voice of the person and Other activity

A review of leisure centres has resulted in two centres being brought into Council management. Late February and March 2020 saw the onset of COVID19, and changes in services and home working meant that communication, closure of some services such as Libraries, or Park and Ride had a significant impact upon revenue, plus additional costs for suspending contractors whilst social distancing procedures are developed will have an ongoing cost.

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

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

Economic Growth Strategies. The Place Plans have also been the subject of a Shropshire Association of Local Councils (SALC) working group. Regular briefings are held with portfolio holders and ward members are engaged on local matters.

Scrutiny committees and meetings, consider new strategies, plans and performance outcomes. In the last 12 months this has included business support, Shrewsbury Shopping Centres and inward investment. The Commissioning and Assurance Board continues to allow for stakeholder engagement, integral in managing key decisions, such as the Shrewsbury Shopping Centre Project. The Information Governance Group is implementing updated Information Security policies based on best practice and an Anonymisation and Pseudonymisation policy to ensure compliance with Data Protection requirements and to enable research and data discovery.

Transparency is demonstrated in our partnerships: The Shrewsbury Big Town Plan is a one with a partnership agreement in place and an independent chair. The purpose of which Shropshire Council is a key partner to, is to drive the delivery of the Big Town Plan and ensure that outputs and objectives within the plan are adhered to. There will be an annual performance report of progress against the Big Town Plan.

In Highways, a presentation to Members on their Portal, its inception and development has provided greater access to updates. There are other examples of greater transparency with on line service information, such as Car parking data; wide advertising of procurement opportunities (Website, Twitter, UK Contract Finder, OJEU); Increased reporting to Directors through the Commissioning and Assurance Board managing reports around contract assurance, saving achievement, SME and local procurement expenditure and management of the Council wide contract register and reference system.

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. Business World is flagged as a potential risk in terms of transparency, given the inadequate levels of assurance that can be evidenced around the system in its first year of operation

In their Audit Findings for the year ended 31 March 2019, the External Auditor provided an unqualified opinion on the financial statements and an unqualified Value for Money (VFM) conclusion.

Significant governance issues

Satisfactory governance exists but improvements are required to meet good governance standards. To achieve this, the main challenges facing the Council appear in the **Appendix** below and are set in the context of continuing to respond to the Coronavirus whilst delivering services to acceptable standards and achieving a balanced budget in 2020/21. The impact of Covid-19 requires a complete review of the current year budget, spending pressures, income targets and savings delivery potential. The 2021/22 Budget cannot yet be considered; Fair Funding and Business Rates Retention have been delayed for a further twelve months and, at present, no confirmation of interim arrangements has been confirmed. A structural funding gap, in the order of £50m per annum and growing, was identified ahead of the Fair Funding review and the impact of Covid-19 and delivering a legal and balanced budget remains the key strategic risk facing the authority in the medium to long term.

Leader

**Andy Begley/ Karen Bradshaw
Interim CEOs/ 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	Strategic Risk	Activity	Lead Officer	Completion date
1.	Additional Services and care required during the COVID19 pandemic and afterwards is provided to preserve life.	<p>Resource limitations and the ability to mobilise services at speed places people and businesses at a higher risk of failure and loss.</p> <p>Failure to deliver the Commercial Strategy within agreed timescales and to levels approved by Council within the Financial Strategy prevents the Council from meeting savings targets and corporate outcomes.</p> <p>Impact of Covid19 and Brexit.</p>	<p>Refresh strategies and policies impacted on by COVID19 (e.g. Commercial, Economic Growth, Asset Management, Home Working, Code of Governance, Digital and Financial).</p> <p>Identifying ongoing responsibilities and design of services to sustain their delivery.</p> <p>Reprioritise plans and resources to deliver services and reflect health needs recognising the fluid longer term strategic needs impacting on capacity.</p> <p>Work with business owners to provide advice and support and signpost where help is available.</p> <p>Clear communication plans to ensure that everyone remains focused and engaged in delivering Council objectives.</p>	All Directors	March 2021
2.	Funding is available to respond to COVID-19	Initial Government Grant not enough to meet all additional spending across	Clear management and monitoring of the financial impact of COVID19 and	Director of Finance	March 2021

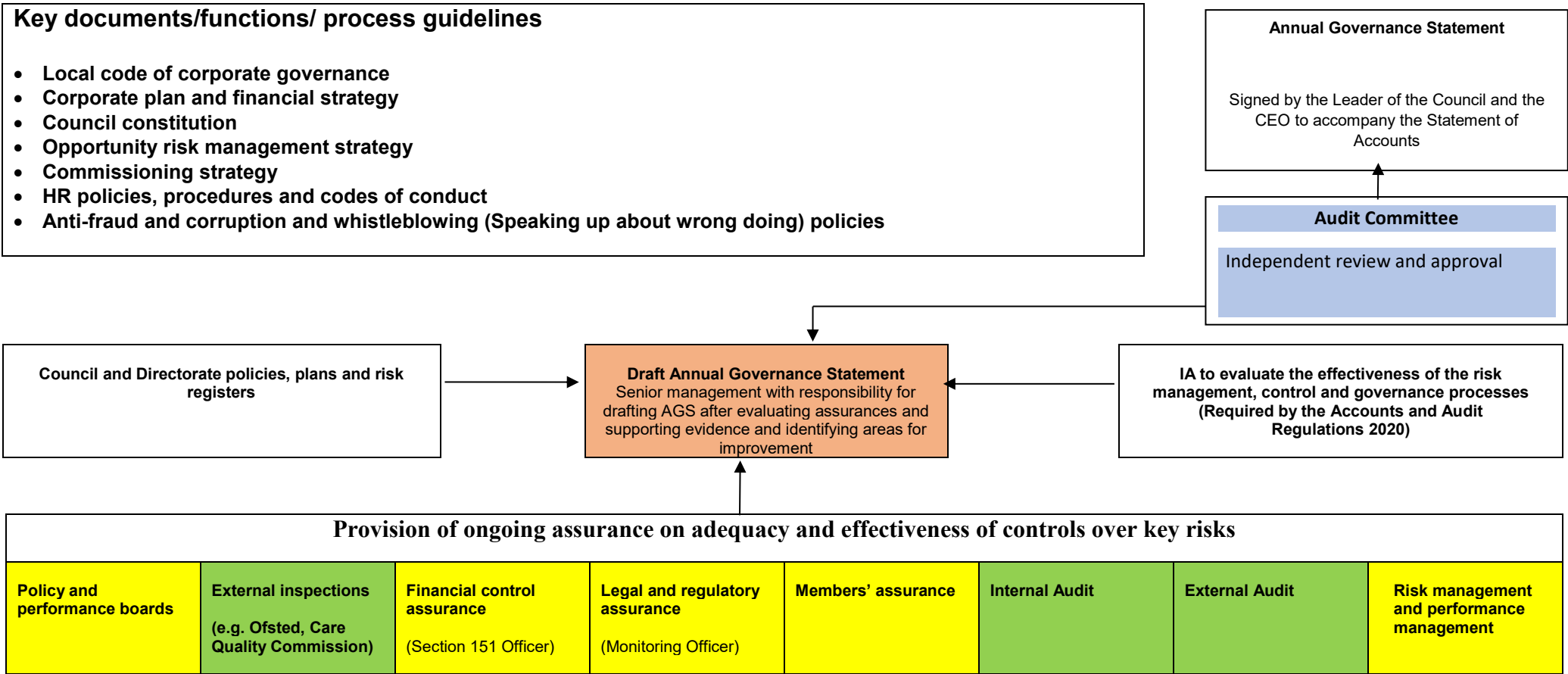
	Targeted outcome	Strategic Risk	Activity	Lead Officer	Completion date
	pandemic and to deliver sustainable services. Targeted savings and income collection are achieved to support funding.	<p>all areas or to sustain services post COVID19.</p> <p>Inability to ensure income exceeds expenditure for the years 2019/20 and future years as defined within the Financial Strategy for outcomes to be delivered.</p> <p>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>	<p>normal financial pressures on the existing budget.</p> <p>Refreshed financial strategy, clear forecasting and sensitivity analysis.</p> <p>Identification and maximisation of all available funds/ grants.</p> <p>Ongoing liaison with all relevant bodies²⁰ around the funding crisis and practical response to it.</p> <p>Monitor recovery, savings and income collection targets and take action to maximise revenue.</p>	Governance and Assurance	
3.	Plans are designed to mitigate the lack of funding and impact of COVID19 that risk statutory functions not being delivered robustly in respect of Adult and Children services	Increased safeguarding issues are not addressed as timely and fully as they should be.	Budget monitoring and reporting to ensure delivery of statutory services. Explanation and exploration of the impact of funding issues on base pressures and additional COVID related activity.	Director of Adult and Children Services	March 2021
4.	Good recruitment and retention of experienced	Demands for specialist staff changes as a result of COVID19. Staff cannot be recruited to quickly enough and need to be retained from more	<p>Monitor demands on agency staff.</p> <p>Maximise training and apprenticeship programmes and use of the levee.</p>	Director of Workforce and Transformation	March 2021

²⁰ MP's /Secretary of State/ etc.

	Targeted outcome	Strategic Risk	Activity	Lead Officer	Completion date
	and qualified staff delivering services	<p>attractive offers to sustain Council service provision.</p> <p>Increases in work related stress impacts the ability to deliver Council outcomes.</p>	<p>Ensure slick recruitment processes with Shropshire Council as an employer of choice.</p> <p>Review data showing demands on services to confirm workforce needs going forward and to respond appropriately.</p> <p>Employ redeployment processes to match skills across roles and to identify and strengthen any recruitment needs in a timely manner.</p> <p>Staff survey to review the impacts and challenges of COVID19.</p>		
5.	Efficient use of technical solutions to deliver effective services	<p>Officers and members are not optimising the technology in delivering their services</p> <p>Failure to adopt approaches to realise savings from the implementation of the Digital Transformation Programme.</p>	<p>Digital Strategy reviewed and refreshed.</p> <p>Increase in agile working.</p> <p>Members and officers are equipped with and trained to have the confidence to run virtual public meetings as required.</p> <p>Home working is assessed for long term solutions, resourced and set up considering health and safety requirements.</p>	<p>Director of Workforce and Transformation</p> <p>Director of Legal and Democratic Services</p>	March 2021

	Targeted outcome	Strategic Risk	Activity	Lead Officer	Completion date
			<p>Increased number of virtual meetings with clients to deliver services introduced where appropriate.</p> <p>Improvements made to key systems to enhance their functionality (e.g. BW, Liquid Logic).</p>		
6.	Recognition of the impact of decisions on the climate and a reversal of policies to improve the climate	Carbon levels increase contributing to the declining health and wellbeing of Shropshire Residents.	Consider the impact of key decisions and target management of such issues in line with the Council's Climate Change Strategy.	Director of Place and Enterprise	March 2021

ANNUAL GOVERNANCE STATEMENT (AGS) ASSURANCE FRAMEWORK



Key to levels of assurance
First line of defence
Second line of defence
Third line of defence