

Appendix C: Significant Governance Issues

To ensure services are delivered to acceptable standards whilst achieving the budget savings required whilst managing strategic risks, the Council as planned in the Annual Governance Statement 2019/20, during 2020/21 strived to achieve and delivered the following outcomes:

Targeted outcome one	Additional Services and care required during the COVID19 pandemic and afterwards is provided to preserve life.
Strategic risk	<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>
Activity planned	<p>All Directors March 2021</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>
March 2021 update	<p>Financial Strategy updated July and December 2020, and February 2021 considering assumptions around the impact of Covid19. The underlying assumption is that the impact of Covid19 will be fully funded by Government.</p> <p>Slipped savings targets have been carried forward to be found in future years as part of the financial strategy within year losses covered by Covid19 funding.</p> <p>Refocus workstream established to shape future ways of working and service delivery across the Council.</p> <p>£140m of Business Grants distributed as at March 2021. The Economic Development team is developing a business recovery activity funded by Covid19 grant.</p> <p>Property and Development Team restructure completed providing additional staffing resource to assist with the delivery of the Asset Management and Commercial Strategy</p> <p>In Homes and Communities: Cultural Strategy completed to drive industries and services supporting the creative economy, physical and mental health and a library transformation review is underway to provide localised services supporting communities in pandemic recovery.</p> <p>In Economy and Place; Economic Growth Strategy is being refreshed which will incorporate the impact of the pandemic and plans to attract investment and provide growth.</p>

	Continue to roll out improved digital connectivity for our communities, which has become a high priority with the changes in home working and to stakeholder communications.
Targeted outcome two	Funding is available to respond to COVID-19 pandemic and to deliver sustainable services. Targeted savings and income collection are achieved to support funding.
Strategic risk	Initial Government Grant not enough to meet all additional spending across all areas or to sustain services post COVID19. 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. 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)
Activity planned	¹Director of Finance Governance and Assurance March 2021 Clear management and monitoring of the financial impact of COVID19 and normal financial pressures on the existing budget. Refreshed financial strategy, clear forecasting and sensitivity analysis. Identification and maximisation of all available funds/ grants
March 2021 update	Central log of expenditure and expected income shortfalls related to Covid-19 established early on and regularly monitored. Named budget holders and workstream leads identified to assist control. Monthly detailed returns have been submitted to Government of Local Authority forecast expenditure and income losses as a result of Covid19. £22.4m of un-ringfenced grant allocated to Shropshire is thought to be enough to meet funding shortfalls in 2019/20 and 2020/21. Future grant allocations anticipated for 2021/22 shortfalls. Two claims submitted to date for Sales, Fees and Charges losses as a result of Covid19. c£5m expected in 2020/21. Furlough claims being submitted as required. Detailed consideration is being given as to how relevant local authority costs are applied to some of the ringfenced grant to ensure best use of funds. The current financial strategy, as at February 2021, continues to show a structural funding gap in future years which will require a change in funding methodology to address. In Homes and Communities; Visitor Economy development progressing with Additional Restrictions Grant funding support and a refreshed link to Visit Shropshire, to boost tourism for economic recovery, generating and sustaining jobs. In Economy and Place; Distribution of £130m grant funding from the government to businesses to support them during the pandemic. This includes £3m to be spent on business support over the next year and a programme is currently being put in place for this.

¹ Now the Executive Director of Resources in 2021

Targeted outcome three	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
Strategic risk	Increased safeguarding issues are not addressed as timely and fully as they should be.
Activity planned	Executive Directors of Adult and Children Services March 2021 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
March 2021 update	STAR Housing is directed to support Adult and Children's Services in delivery of cost-effective accommodation solutions.
Targeted outcome four	Good recruitment and retention of experienced and qualified staff delivering services
Strategic risk	Demands for specialist staff changes as a result of COVID19. Staff cannot be recruited to quickly enough and need to be retained from more attractive offers to sustain Council service provision. Increases in work related stress impacts the ability to deliver Council outcomes.
Activity planned	Director of Workforce and Transformation² March 2021 Monitor demands on agency staff. Maximise training and apprenticeship programmes and use of the leaver. Ensure slick recruitment processes with Shropshire Council as an employer of choice. Review data showing demands on services to confirm workforce needs going forward and to respond appropriately. Employ redeployment processes to match skills across roles and to identify and strengthen any recruitment needs in a timely manner. Staff survey to review the impacts and challenges of COVID19.
March 2021 update	Quarterly monitoring takes place of workforce indicators including leavers, recruitment, agency use etc. Apprenticeship Levy monies being utilised across the organisation as well as new initiatives, i.e. Kickstart to support the workforce.
Targeted outcome five	Efficient use of technical solutions to deliver effective services
Strategic risk	Officers and members are not optimising the technology in delivering their services Failure to adopt approaches to realise savings from the implementation of the Digital Transformation Programme.
Activity planned	Director of Workforce and Transformation Director of Legal and Democratic Services March 2021 Digital Strategy reviewed and refreshed.

² Now covered by the Executive Director of Resources

	<p>Increase in agile working. Members and officers are equipped with and trained to have the confidence to run virtual public meetings as required. Home working is assessed for long term solutions, resourced and set up considering health and safety requirements. Increased number of virtual meetings with clients to deliver services introduced where appropriate. Improvements made to key systems to enhance their functionality (e.g. BW, Liquid Logic).</p>
March 2021 update	<p>All members trained and equipped to run and take part in virtual council meetings. This has been achieved with great success. New Ways of Working Group/ Employee Reference Group looking at elements of longer-term home and flexible working and use of office space, proposals to be shared by Autumn 2021. Links closely with work around future Civic Hub HQ in Shrewsbury and the use of administrative buildings and drop-down spaces. Culture and Leisure services are supported to provide on-line activities and services for customers. Economy and Place continue to offer services that are easily accessible electronically and explore innovative ways to improve the service.</p>
Targeted outcome six	Recognition of the impact of decisions on the climate and a reversal of policies to improve the climate
Strategic risk	Carbon levels increase contributing to the declining health and wellbeing of Shropshire Residents.
Activity planned	<p>Executive Director of Place March 2021 Consider the impact of key decisions and target management of such issues in line with the Council's Climate Change Strategy.</p>
March 2021 update	<p>The Climate Change Action Plan and associated projects are being progressed in line with the strategy approved by Council in December 2020. In Homes and Communities; Development of new homes by STAR Housing and Cornovii Developments Limited are to maximise carbon reduction whilst being affordable to rent and buy. In Economy and Place; Policies are in place in the draft local plan review document to support climate change and carbon reduction in development.</p>