Shropshire Council
Annual Governance Statement
2020/21

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

The Council's Code of Corporate Governance, located in the Constitution[1], summarises the Council's good governance principles and details the actions and behaviours required to demonstrate good governance. Senior managers have provided assurances that the seven core principles have been applied throughout the 2020/21 financial year:

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.

Any significant instances of non-compliance have been identified and escalated to the top of the Council for action. Where there have been major directorate changes, assurances have been provided by the new post holders. The process helps to demonstrate that the Council is doing the right things in the right way for the right people, in a timely, inclusive, open and accountable manner. These arrangements take into consideration the systems, processes, culture and values which direct and control the way the Council works 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. This is supported by a 2020/21 Code of Governance Internal Audit review 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 the Rules; 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

---

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

processes and where necessary escalated to the top of the Council for action. The Council has responded well to modified statutory timetables and other regulatory requirements in acknowledgement of the challenges of the Covid pandemic with both a flexible and proportionate approach.

Officers also comply with their professional organisations' codes of conduct in delivering services (E.g. HCPC[2], AMGPs[3], PSIAS[4,] EHORB[5], 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 (Monitoring[6], Section 151[7] Officer, Head of Paid Service and the Senior Information Risk Owner (SIRO)). Examples of statutory responsibilities delivered include, LGPS[8] Regulations, CIPFA[9] Code of Practice, Freedom of Information (FOI), Elections, Coroner and Registrars' Services. Statutory responsibilities for duties under the Care Act; Special Educational Needs, Education Access, Early Years and place planning, sufficiency and admissions are discharged openly, proactively and in full compliance with Admission Codes. All roles have responded rapidly and flexibly in reaction to the pressures of the Covid pandemic and changing legislation; examples of which have been seen in delivering vaccinations, testing and lockdown practices.

Human Resource and recruitment policies and processes help ensure that the Council complies with employment law and avoids discrimination, these are refreshed regularly and agreed with the recognised trade unions. Staff are well supported, receive training and development opportunities.

The Employee Survey showed an improved direction of travel for the ethical framework which is 'working for'[10] the Council; refocus plans look to embed it further across all areas.

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

---

[2] Registered body for qualified social workers – Social Work England

[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

[10] When looking at Leadership and Management; People; Processes and procedures; Culture, Values and Consistency; Assurance and Accountability. An ethical framework can be: Emerging within; Happening within; Working for; Embedded and integrated within; or Driving the council

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

have responded flexibly to the demands of the pandemic in ways to support services and to gain assurances for the year end opinion.

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. Millions of pounds of grant money has been awarded to thousands of businesses and built in pre authorisation counter fraud checks arranged to minimise fraud; the system was refined and improved with each round of funding and officers resisted pressure to pay before suitable arrangements were embedded to ensure best use of grants.

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, 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 in addition to regular outcome reports, receive an annual report.

Key developments, such as the North West Relief Road (NWRR) project, consider green and environmental issues to ensure mitigations are in place; such as noise reductions for tourism venues and acoustic fencing. Equality and Social Inclusion Impact Assessments (ESIIA) 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 executive director groups, and publicly through Council committee meetings which continued in a virtual world and became available to a wider audience. Compliance has been forefront and demonstrated in the main through the Council's response to the Covid pandemic with communications across several media channels and at an unprecedented level of frequency; daily at peak times and to a variety of clientele. An example of which were the regular updates from the Chief Executive to keep members and officers informed of responses to major events and activities, such as flooding and the Covid pandemic.

The Council has a strong 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 Executive Director meetings. Examples include: Cabinet and Council reports, policy approvals, and published minutes of meetings (Information Governance, Commissioning and Assurance Board).

B: Ensuring openness and comprehensive stakeholder engagement

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

There is a Local Resilience Forum (LRF) which is supported throughout the Council, including at Chief Executive level by attendance at Gold Command meetings through which a huge amount of work is undertaken with the community and multi-agency partners to ensure a robust response is possible for any emergency, this has been key to managing the response to Covid.

Public Health has been at the forefront of engagement with all stakeholders during the pandemic. An engagement board has liaised with members and community leaders, with continued engagement through the Health and Wellbeing (HWB) and Partnership Forums. Local leaders have also been brought together in areas of high cases or in outbreak situations. Other work streams such as the Drug and Alcohol Strategy, Joint Strategic Needs Assessment and Weight Management work are centred around good engagement.

Many Council services are delivered in partnership with other organisations such as the Local Strategic Partnership, Fire Service, STaR[11] Housing, West Mercia Energy, Shropshire County Pension Fund, town and parish councils and voluntary bodies and trusts. The Safeguarding Executive Board comprises of NHS, police, third sector creating a strategic forum for planning and delivering services, for example, hospital discharges with NHS providers and commissioners.

Our commissioning, procurement and contract activity includes early market engagement exercises and a full feedback process to unsuccessful bidders. There has been comprehensive stakeholder engagement in the commissioning of existing and new services. Internal Stakeholder engagement in management of procurement projects including with colleagues in Risk Management, Audit, Insurance, Legal, Finance and Human Resources (HR). Overall, the Commissioning and Assurance Board with attendance by Executive Directors, allows for strategic stakeholder engagement. The Council also works with local partnerships and Covid 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 (PPE).

Annually the public is consulted on several projects, examples include; Shrewsbury Tannery loading bay, pavement permit applications, school admission arrangements, budget consultation, statement of community involvement, draft local plan,

---

[11] Shropshire Towns and Rural Housing

B: Ensuring openness and comprehensive stakeholder engagement

development of the Big Town Plan and Master planning, one-way system and prohibition of vehicles. The full list of consultations undertaken is available on the Council website which is well utilised and where required consultations are extended to allow for any local concern that is raised.

The Place Directorate currently has 1,700 volunteers benefiting from opportunities to work with Council staff across a wide range of activities. It is highly engaged with its service users and there is strong evidence of how well it is valued. Development of strategies, such as the recent Cultural Strategy, or projects, such as the Swimming in Shrewsbury project, have benefited from significant stakeholder engagement and public consultation to ensure that they are reflective of local priorities.

Officers from several areas have continued to receive and respond to multiple enquiries from communities, residents and businesses following the impact of flooding and Covid. 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; Adult Social Care in promoting self-service and ensuring that information is accessible and relevant to meet service needs. Shropshire Choices has provided information about a wide range of sources of help and support, including independent financial advice and information about care homes and housing options.

Adult Social Care utilises several communication and engagement channels. Working closely with all those involved in commissioned services including service users, carers, health and social care colleagues and advocates. There has been a redesign in the way care and support for individuals with Mental Health Needs, Learning Disability and Autism are tendered and the new accreditation process, questions and model answers were coproduced with parents/carers, services users, advocacy agencies, the Clinical Commissioning Group (CCG) and Telford and Wrekin (T&W) Council.

Children Services have seen stakeholder engagement take place through groups such as the Central Policy group (CPG) which is attended by headteacher representatives and other working parties and directly with partners and through multi agency groups to promote the best interests of the child and family to improve outcomes. As part of the Shropshire Safeguarding Partnership Board the service contributes to Board activity including multi-agency case file audits, sharing performance data and undertaking Section 11 audits and engaging with the Board's wider activities to promote effective stakeholder engagement. The principles of co-production and partnership working underpin all elements of Special Education Needs (SEND) work with engagement events supporting development of SEND services at a local level. School communications have been timely and locally focused reflecting the dynamics of the constantly changing environment.

Regular dialogue occurs with employees and the recognised trade unions around formal changes to policies and terms and conditions through the recognised collective bargaining processes (Policy Forum, Employees Joint Consultative Committee and Association Secretaries Group (Schools)). A New Ways of Working Group made up of senior managers from across the organisation has been established and an Employee Reference Group made up of a wide range of staff across all service areas. These two groups are engaged in discussions around alternative ways of working following

B: Ensuring openness and comprehensive stakeholder engagement

the Covid pandemic and are helping to shape proposals for the future. Equality Impact Assessments are also carried out on proposals to ensure inclusivity.

Investment in Communication activity has been made and activity is planned with all stakeholders. Wherever possible, feedback is sought on proposed approaches and used to help shape and improve services. For example, the Communications and Customer services team now monitor through work hours the feedback we receive via social media and this is shared with services responsible for content. The Feedback and Insight team are also instrumental in conducting surveys to capture public views on a very broad range of subjects, providing guidance to services in how to conduct such activity to meet best practice. They also work very closely with the voluntary sector to embed strong partnership working and open dialogue, involving them in any discussion on changes to services and policies or future direction.

Committee staff have engaged with officers, members and third parties throughout the pandemic to support them in accessing virtual meetings. Public viewings of meetings appear to have risen approximately threefold as a result. Committee staff have delivered other administrative functions such as education appeals for which they undertake and deliver training to panel members, comply with legal requirements and the need for fair, transparent and inclusive processes for stakeholders.

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

In responding to Covid the Council has reprioritised non-essential work and redeployed employees across the workforce to meet service needs in addition to redeployment to NHS roles to support the vaccination roll out programme. There has been a reduction in demand for office space and the need for travel, the response to Covid has radically challenged some of the Council's traditional approaches to service delivery and learning is to be evaluated to ensure the right blended approach going forward. The use of digital technology has increased; customers were encouraged to self-serve on line including ongoing initiatives to enable and encourage council tax e-billing and benefit e-notifications; over 80% applications for housing benefit are made online and there is continued commitment to reduce internal printing costs. Across all services, challenges to the way they have been and are to be delivered are being felt and Refocus projects going forward will support further improvements which underpin this principle.

When not in Covid response mode, Public Health has been primarily focused on the social and economic benefits of improving the well-being of individuals and communities within Shropshire through our health and wellbeing programmes, environmental health and antisocial behaviour, ensuring safe trading through trading standards, etc. In addition, the service area assists Shropshire economically and environmentally in areas such as ecology and access to green space, air pollution, support to local businesses; prevention activities; resilient communities and healthy lives; performance reporting and monitoring; the right interventions and promoting the use of innovative technology. 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.

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

There are two areas in Shropshire where the legal limits for air pollution (nitrogen dioxide) are being exceeded and work is focused on improvements.

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

The Chartered Institute of Public Finance Accountancy (CIPFA), Financial Management Code 2019 (FM Code) was established to improve the financial resilience of the Council by embedding enhanced standards of financial management. Inevitably, the impact of Covid has tested that financial resilience in 2020/21 and will continue to do so in coming years. The medium and long-term planning elements of the FM Code will be recognisably challenging this year with the one-year spending review and scenario planning remaining important. The Council aims to comply with the principles of the FM Code and where there are outstanding matters or areas for improvement, as part of the wider Refocus Programme aim to address these.

Our Workforce Digital Strategy sets out how Shropshire Council is becoming more sustainable using technology. Improvements in communications; increased home working, electronic signatures on documents; sharing documents, virtual committee and officer meetings have become the new norm and cybersecurity is a focus to ensure sustainability of services.

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.

In Adult Social Care, new policies on direct payments have been introduced following extensive research, co-production and consultation.

Upskill Shropshire manages the use of the Apprenticeship Levy at Shropshire Council. We partner with Training Providers across Shropshire (and beyond) to provide high quality apprenticeship training to our staff. We also provide the framework of Providers to two other local authorities (Telford and Wrekin and South Staffordshire District Council). We have and continue to support several of our Looked After Children in apprenticeships across the Council, for example in Children Services Early Help engage with the Corporate Kickstart programme, by supporting work placements and apprenticeships, aligned to work of the Family Information Service and Local Offer.

Children Services were peer reviewed for virtual school activity. The review reflected that we had sustained a level of services during the Covid pandemic, the outcomes of which were access to the same level of service; higher attendance and early intervention to help achieve appropriate levels against a widening of the gap across

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

pupils. The findings are being considered and improvement plans developed. Disadvantaged families during the pandemic had support with food costs outside of term times and an example of environmental benefits is illustrated by the BREAAM[12] and carbon reduction principles being applied to the current school place planning projects

The embedding of Social Value within the commissioning and procurement processes (including award criteria) are well established and professionally supported. 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.   Climate Change is the responsibility of an Assistant Director and continues to be a priority under the Council's Climate Change Strategy.

Activities of both STAR Housing and Cornovii Development Limited (CDL) are focussed fully across economic, social, and environmental benefit areas. The development of homes that are affordable to buy or rent is a key focus of both organisations and their development programmes support this goal. The development of homes that perform to a high environmental standard, whilst maintaining affordability for delivery and occupation is also a priority.

The Culture Leisure Theatre (CLT) service is already operating with a commercial approach, and some parts of the service, such as the Theatre Severn, had reached self-financing prior to the pandemic. The contribution of both the Customer Services Centre and Libraries to the social fabric of Shropshire towns during the pandemic has been significant, supporting isolated and vulnerable residents, and providing a critical link to the Council when other services could not.

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 Covid emergency decisions followed approved processes and a protocol for virtual public meetings was 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 mainly do not overspend without appropriate action being taken and where this is not possible, appropriate justification provided. Support is also provided to maximise income generation. Recently introduced financial systems have attracted low internal audit assurances and a Financial Management Refocus project is planned to improve the financial information and its management in a consistent way across the Council supported by these systems, progress has been hindered whilst resources were diverted responding to Covid pressures. New processes have been set up rapidly to manage and pay out significant grants provided as a direct consequence of Covid. Some grants have been used to cover additional costs to the Council such as,

---

[12] Way of assessing the sustainability of buildings.

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

providing PPE, setting up vaccination and testing centres; other grants providing for third parties, such as those to businesses and care homes. All seeing systems established from scratch and over tight time periods to manage these, prevent fraud and provide audit trails.

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). Monitoring tools and processes for capital projects undertaken by the Strategic Programme Officer Group (SPOG) is ongoing and many outputs are collected and reported on.

Under business continuity plans, teams have mobilised quickly to respond to flooding and Covid 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 and MHCLG and supporting the delivery of the flood response grants with Finance colleagues. The response to Covid has seen adaptations to reflect new ways of working and emergency arrangements; changes to 'business as usual' activities, including cessation or reduced frequency or scale of activities and resulting longer-term changes to priorities, programmes, strategies and plans as a result of the impact of the pandemic on the Council. Wider learning from responses will be cultivated in the Council's transition to a refreshed business operating model (Refocus) which has identified new areas of risk as a result of the pandemic and opportunities to do some things in a slightly different way.

Covid became a key priority for the Council in partnership with other key partners. Advice and support has been provided to the wider community: vaccination and testing sites established; PPE sourced and distributed; provision of lateral flow tests; grants and advice to businesses and signposting to other support providers such as, food provision; social networks and grief and bereavement services to name just a few. Staff, buildings, funds, equipment and furniture have been redeployed in a united fashion to support the wider public health needs. All activity was data and intelligence led in terms of responses, positioning, scope and size of activities provided.

Energy has been invested in encouraging channel shift in our dealings with all stakeholders for online service requests and transactions and increased activity has resulted. Both the Digital and Workforce Strategy provided for the support of Covid related activities, not just at the Council but at our partners sites too, e.g. in vaccination, testing and distribution centres and in support of our partners recruitment, deployment and system connectivity. With increased home working and reliance on digital services, increased cybersecurity activity has been required to ensure systems are robust and protected, work is ongoing in these areas to address improvements identified. Digital signatures have been introduced to optimise efficiencies in processes, especially contracts and certifications of grants.

The Early Help Partnership Strategy is under review to ensure improved multiagency provisions to deliver outcomes from all actions identified. In the case of schools, performance monitoring determines any interventions required. Responding to

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

Covid, changes in RAG[13] ratings were considered for care of children to reflect discretionary elements of the regulations; risk assessments conducted to allow for virtual visits where appropriate and increased garden visits. Risk assessed flexibility was also introduced for some adoption and fostering regulations approved by the Executive Director of Children Services.

Adult Social Care continued striving to maximise client's independence. wellbeing and personal decision making. Direct payments processes have been enhanced and in terms of where people live, 'shared lives' and supported living is targeted to enable greater choice and independence. Technology is helping to provide bespoke solutions to help people stay independent, examples include, devices to manage prompts and create structures and technology that supports learning opportunities for greater independence. 57 individuals across supported living are in receipt of this, starting to feel the benefits and have greater control over their daily routines. Individuals have services tailored according to their support plans and provided through appropriate commissioning models. Key decisions were made and communicated throughout the pandemic to ensure the safety and compliance of care home provision within Government guidance and legislation and advice offered to clarify risks and identify mitigating controls.

The local plan has been prepared with full internal and external stakeholder engagement and cross-party support; this provides a better chance of a 'sound' plan that can then be adopted. Key infrastructure and property projects consider interventions required to deliver the outcomes needed as part of the Project Initiation Document. In several areas, for example Highways, demand outstrips resources and therefore strategies and risk assessments are deployed to prioritise activity. Work continues to be focused on improving the control environment in Highways, 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 start of the year saw the Chief Executive post covered jointly in the interim by the Director of Adult Services and the Director of Children's Services. Following a successful recruitment process the Director of Adult Services attained the Chief Executive (Head of Paid Service) post, following which a shuffle of the Executive Management Team has taken place. Permanent Executive Directors for Children; Adults; Place are in post and an Interim Executive Director of Resources established. Beneath these each area has four Assistant Directors reporting to them.

Officers and Members understand their respective roles, these are set out in job descriptions and the Constitution. These responsibilities and accountabilities are understood and reviewed on a regular basis. Members continued to receive training throughout 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 alongside information.

---

[13] Red Amber Green delivery confidence assessment

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

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

There have been restructures to increase capacity and capabilities. Corporately investment has been made in Communications; Data and Insight; Well Being; and Refocus Programme management. To improve service delivery, changes have been seen in Property and Development, Climate Change and Carbon reduction. Business Continuity and Emergency Planning are moving to form a single Resilience Team to respond to incidents, whether they affect solely the Council or the community. This will make it easier for people to understand their roles and will introduce a central control for any incident, a Resilience Hub.

The business continuity response to Covid has seen the completion of workforce questionnaires identifying skills and willingness of officers to support key frontline services with appropriate training and support in response to emerging situations. As required resources were redeployed into either new or established teams, for example; coordinating and distribution of PPE, Hospital Discharge Hub, Telephone and Community Reassurance team. As part of any movement of staff or the closure and reopening of facilities, full health and safety risk assessments have been undertaken and appropriate protection afforded. It is recognised that capacity has been stretched across several service areas during the pandemic and work reprioritised.

The cross-directorate Business Continuity group has provided a good forum to share service pressures across all areas; consider response requirements; explore problems and identify innovative solutions, breaking down barriers and resulting in timely responses or escalation of issues to Executive Directors.

Digital Champion training has been invested in to improve the use of ICT and support the exploration of embedding IT into practices and processes to maximise efficiencies. This has paid off as the workforce has moved to more remote and virtual working. An e-learning tool to support staff development, Leap into Learning, has been invaluable to support increased remote working demands and has seen a wide expansion of topics in its modules. Whilst Covid has meant that most training is virtual there has been a slow return to face to face training where this is vital to the subject, for example, some health and safety activities. In the main, staff are encouraged to take part in Apprenticeship schemes, their profession's Continuous Professional Development (CPD) schemes and a number are completing master's at a leadership level. There are a few areas that report such development has been stifled and development stagnated due to funding and a resistance to permit personal growth.

Covid reduced capacity within Resources by diverting capacity across several areas and required new approaches to delivery. Initiatives were stalled where possible (debt collection, HR balanced scorecards, ERP[14] development) but other activity, e.g. statutory requirements, could not be 'switched off' requiring a refresh and

---

[14] Enterprise Resource Planning software to manage and integrate important parts of the Council's businesses; finance, HR, supply chain.

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

reassessment post Covid. Specific development work on the ERP is necessary to close off gaps in assurance. In a few areas, somewhat misguided attempts to accelerate delivery of projects by potentially bypassing checks and balances has been witnessed and is suboptimal, controls are being reinforced in such areas.

The additional support requirements of the pandemic have been significant for the Finance Team with over £200m of new funding across more than thirty different funding routes requiring advice from the Finance Team as well as frequent recording and reporting. The team had already been carrying key senior vacancies prior to the pandemic and several rounds of recruitment to these posts proved fruitless leaving already stretched resources spread thinly across functional areas. Niche posts such as the Local Government VAT accountant have been particularly difficult to recruit to.

The Finance Team relies on a Trainee Accountant programme to provide a flexible resource at a junior level but also to fill key senior vacancies as the trainees complete their programmes and go on to develop post qualification experience. The 2021 trainee accountant recruitment programme stalled as a result of the pandemic, leaving the team with a gap in resource which will be felt for some time to come and the recruitment procedure has been cumbersome in the remote working environment, exacerbating the problem. Trainees in post are now accessing their CIPFA qualification via the Apprenticeship levy which is far more cost effective for the Council and other Finance colleagues have accessed training ranging from Modern Apprentice to master's level.

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 executive 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 HIF[15] and Shrewsbury Swimming Provision 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.

---

[15] Housing Infrastructure Fund

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

The Council prioritised supporting Covid over delivering other services and its own business continuity and emergency planning responses during the pandemic and periods of flooding. The Covid response continues into 2021/22 impacting on resources, services, supporting businesses, the public and communities. The year saw Service Recovery Plans observed and non-essential work stood down. Business continuity challenges were 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 processes have stood up to the Covid challenge with Executive/ Emergency Management Team intervening as necessary to deal with escalated issues. Processes that have seen redesign during Covid responses include; digital post; the compilation of a Covid Vulnerable People single database and analytical reports to enable the identification of vulnerable individuals and households, and communities; patients being discharged within three hours of deemed medically optimised. Changes to working patterns, agreement of new workflows and system reconfigurations were acted upon quickly and efficiently to ensure a 'system' that supported the discharge and delivery of appropriate and timely care requirements for all Hospital Pathways;   All rough sleepers were accommodated in hotels at the height of the pandemic; food was on offer in place for all households temporarily accommodated to avoid unessential trips and assist with social distancing and self-isolating. Additional bed space was assured for both domestic abuse victims and key workers unable to return home.

The financial impact of Covid in 2020/21 saw cashflow arrangements and grant funding put in place by Government and arrangements to track extraordinary spend in-year which is to be reported upon. A one-year interim plan is necessary with Fair Funding and Business Rates Retention have been delayed until at least 2022. A review against the Financial Management Code has not been undertaken, given competing pressures on resources, compliance is planned during 2021/22. Establishments were supported alongside other key areas in their budget monitoring with Finance Business Partners and regular meetings.

Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. There have been occasions where projects were implemented or launched without the relevant Finance involvement which meant that budget adjustments had to be made in response. 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 2020.

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

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

All managers have an allocated member of the Finance Business Partner Team who takes them through monthly forecasting procedures and budget management expectations when they start in post. A dashboard of financial performance is shared and discussed at each management team meeting. This includes a RAG 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 annually identifying the key areas for review and the need for assurance. Covid saw the Audit plans regularly revisited and resources redeployed to help design and deliver processes and activity in response to Covid which provided a level of assurance as to the Council's management of the situation. High risk areas not subject to audit were identified to enable senior management and members to gather and seek direct assurance as necessary. Audit Committee undertakes a regular self-assessment, challenged by officers and External Audit, and undertakes regular training sessions based on the identification of areas for improvement and key risks and fundamental knowledge-based needs; assurances on the response to Covid were a feature of these. 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, support to the Council in responding to the COVID pandemic and management responses received; the Head of Audit reports limited assurance for the 2020/21 year on the Council's framework for governance, risk management and internal control. She reported that there are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected. Management of Coronavirus has introduced unprecedented pressures and responses, and this inevitably has impacted on her opinion. Managers' priorities have been diverted to business continuity pressures and this has removed capacity to plan and deliver improvements to known internal control processes, leading to maintained and increased risks in some areas that may impact on delivery of the Council's objectives. The year has continued to be challenging with the embedding of key fundamental line of business systems (financial and human resources), changes of key managerial posts, alongside a challenge to deliver savings, increase income and respond to changing Coronavirus pressures, at times on a daily and weekly basis.

Information management training is compulsory for all staff and senior staff report fulfilment through to the SIRO. All data has assigned owners, who 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. Flowz, an information management system, enables a more consistent approach to the management of data assets.

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

An Early Help Performance framework has been implemented, joining up information sharing with adults and children's social care. Legal support in childcare cases has increased as a result of unprecedented challenges within the court care proceedings process and will be reviewed post Covid.

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

CLT has engaged on several reviews that have informed, strengthened, managed and delivered an improved approach in terms of governance, finance and internal controls. Housing have seen the initiation of Cornovii Developments Limited (CDL) to deliver affordable housing and a governance review has been carried out on the Council's relationship with CDL to provide an independent view of performance and areas for improvement. This has been shared with the Housing Supervisory Board and forms the basis of an action plan for improvement.

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

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

Reporting continues to Executive Directors through the Commissioning and Assurance Board which seeks contract assurance information and evidence of managing small and medium enterprises, local procurement expenditure, contract signature authorisation and progress of contracts. The Commissioning and Assurance Board allows for stakeholder engagement, integral in managing key decisions. There is wide advertising of procurement opportunities (Website, Twitter, UK Contract Finder, UK tender finder, Delta e-sourcing) Contracts awarded and procurement information is updated monthly on our websites and full, detailed and timely feedback is available to all unsuccessful bidders.

The Information Governance Group oversees the implementation of Information Security policies based on best practice.

All directorates hold regular meetings and cascade information up and down to all including financial and performance statistics. An example is Adult Services where daily monitoring of hospital discharges has enabled timely action to meet and exceed

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

government targets regarding performance. The Council is in the upper quartile in the majority of ASCOF[16] indicators for local authorities in the West Midlands.

Statutory returns including grants, have not always been completed accurately and in a timely fashion, due to competing priorities on resources under Covid but communications have been clear on this. Survey, customer complaints and compliments are reported openly and used to improve service delivery.

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 2020, the External Auditor provided an unqualified opinion[17] on the financial statements and an unqualified Value for Money (VFM) conclusion.

Significant governance issues

Satisfactory governance exists but improvements are required to meet continuing 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 pandemic whilst recovering services to acceptable standards, learning from the opportunities our response to Covid provided and achieving a balanced budget in 2021/22. The impact of Covid requires ongoing review of the current year budget, spending pressures, income targets and savings delivery potential. The 2022/23 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 reported in the Financial Strategy of £46.0m in 2022/23 growing to £64.0m in 2025/26. This is including assumptions made re growth in services such as social care which is expected to increase. Delivering a legal and balanced budget remains the key strategic risk facing the authority in the medium to long term.

Leader ----------------------------- **CEO** -----------------------------

---

[16] Adult Social Care Outcomes Framework
[17] An unqualified opinion is an independent External Auditor's judgment that the Council's financial statements are fairly and appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles. An unqualified opinion is the most common type of auditor's report.

Appendix: Significant governance issues

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

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
1.	Additional Services and care required during the Covid pandemic and afterwards to preserve life whilst delivering against economic demands.	Resource limitations and the ability to mobilise services at speed places people and businesses at a higher risk of failure and loss.	Early warning "system" to identify future pinch points; stood up quickly as needed. Centralised Redeployment process; stood up quickly as needed.	Chief Executive	As required
		Failure to deliver the Commercial Strategy; Economic Growth Strategy within agreed timescales and to levels approved by Council within the Financial Strategy prevents the Council from meeting savings targets and corporate outcomes.	Refocus: Introduction of a single performance, information and reporting service for Shropshire Council Milestones: IRIS Structure in place and Operational – Embedding of new working practices, including frontline interaction; background activities and learning and development begins Economic Growth Strategy refresh	Executive Director of Resources Executive Director of Place	July 2021 December 2021

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
		Impact of Covid and Brexit on the County's economy including the Council.	Scoping of research to understand the impact of Brexit for Shropshire's economy as a result of Covid.	Executive Director of Place	September 2021
2.	Targeted savings and income collection are achieved to support funding, providing good value for money. Funding is available to respond to COVID-19 pandemic and to deliver sustainable services now and into the future.	Inability to fund services (particularly adult and children's) and inability to deliver a balanced budget over the five years of the Medium-Term Financial Strategy based upon robust estimates of cost and available resources.	Refocus: Implementation of a new Financial Framework to Improve the management of council finances. Milestone: Embed a suite of KPIs to measure our performance. Refocus: Introduction of a single performance, information and reporting service for Shropshire Council Milestones: IRIS Structure in place and Operational – Embedding of new working practices, including frontline interaction; background activities and learning and development begins. First draft savings profile from Refocus programme produced. Funding Prioritisation discussions by the Executive Directors Team	Executive Director of Resources	Oct 2021

July 2021

Autumn 2021 |

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
			and their Directorate Management Teams (EDT/ DMT).		
3.	Staff delivering services are looked after in terms of both their physical and mental wellbeing.	Demands for specialist staff changes as a result of Covid and other changes to activity. Staff cannot be recruited quickly enough and need to be retained from more attractive offers to sustain Council service provision.	Refocus: Payroll Improvement Project reviewing recruitment and onboarding processes to improve customer experience and time to hire. Work with West Midlands Employers on regional campaigns for hard to recruit professions. Workforce and succession planning taking place with service areas to quickly deploy resource to areas of pressure.	Executive Director of Resources	December 2021 March 2022
		Increases in work related stress; staff wellbeing including mental health on the ability to deliver Council outcomes.	Refocus: Staff Wellbeing project will create an environment to ensures an employee has an opportunity to flourish and achieve their full potential. Milestones: Wellbeing Plan Approved by Executive Directors. Strategy approved through formal channels.	Executive Director of Resources	April 2021 Summer 2021

	Targeted outcome	Strategic Risk	Activity	Sponsor	Completion date
4.	Making digital the preferred way to work and transact.	Officers and members are not optimising the technology in delivering their services leading to failure to adopt approaches to realise savings from digital transformation.	Refocus: Increased use of technology to reduce pressures in the system Milestones: Executive Director of Resources and Head of ICT to agree list of projects, funding requirement and timeline for delivery	Executive Director of Resources	July 2021
		Increased risk of cyber-attacks and threats to the ICT infrastructure at a time of high reliance.	To be advised	Executive Director of Resources	tbc
5.	Recognition of the impact of decisions and activities on the climate and a reversal of policies to reduce emissions in the climate.	Carbon levels increase contributing to the declining health and wellbeing of Shropshire residents, visitors to and service users.	Refocus: Implement energy consumption and emissions activities to provide a pathway for the council to reach net-zero carbon by 2030. Milestones: Range of staff incentives for low carbon behavior and living Transport Projects – Develop pipeline for low carbon transport Target Completion Date	Executive Director of Place	Sept 2021 July 2021 2030

ANNUAL GOVERNANCE STATEMENT (AGS) ASSURANCE FRAMEWORK

Key documents/functions/ process guidelines

- **Local code of corporate governance**
- **Corporate plan and financial strategy**
- **Council constitution**
- **Opportunity risk management strategy**
- **Commissioning strategy**
- **HR policies, procedures and codes of conduct**
- **Anti-fraud and corruption and whistleblowing (Speaking up about wrongdoing) policies**

Annual Governance Statement

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

Audit Committee

Independent review and approval

Council and Directorate policies, plans and risk registers

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

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

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

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

Key to levels of assurance

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