



**Worcestershire County  
Council Annual Governance  
Statement 2019/20**

## Introduction

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The Annual Governance Statement is a review of our activities to ensure that the County Council is carrying out its functions effectively. The review includes an update of governance issues previously identified, current issues and an evaluation of the future position of the County Council.

Our risk management process is a key part of our governance arrangements and provides assurance that:

- our business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The 2019/20 Annual Governance Statement also reflects the unprecedented position the County Council finds itself in as it, along with the wider community, reacts to the challenges of working during the COVID-19 crisis.

## The governance framework

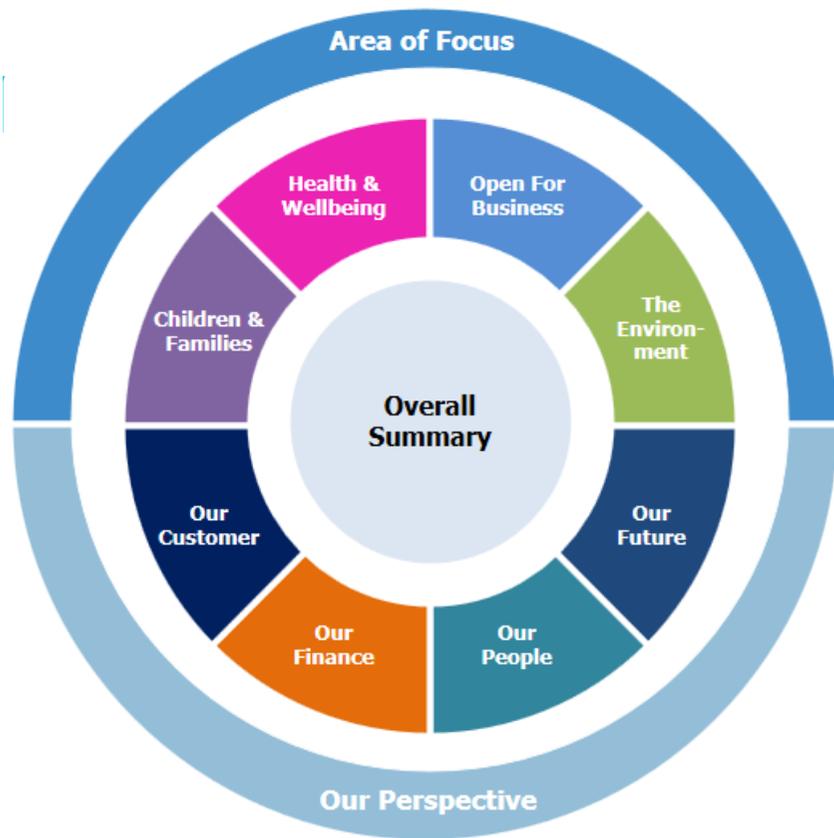
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This Annual Governance Statement is published in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework (2016) (The Framework). This comprises systems and processes for the direction and control of the County Council and the activities through which it accounts to, engages with and leads the community. It enables us to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The County Council has approved the requirements of the Framework and several specific strategies and processes for strengthening corporate governance such as the Corporate Risk Management Group and the Balanced Scorecard.

Our system of internal control is designed to manage risk to a reasonable level and is based on an ongoing process to identify and manage risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. It cannot eliminate all risk of failure but provides reasonable assurance of effectiveness.

The Balanced Scorecard is used to show the relationship between the intended outcomes of the Corporate Plan - Shaping Worcestershire's Future with the finance, workforce and process measures that support their delivery. The Balanced Scorecard is available to the public via the County Council's website to improve accountability to local communities. Performance is measured and reported against areas of focus internally on a quarterly basis and publicly every six months. The COVID-19 crisis has meant that the year-end Balanced Scorecard position has been delayed.



Set out below are the activities carried out by the County Council which contribute to our delivery of the seven principles in the CIPFA/SoLACE Framework during 2019/20.

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

We have arrangements in place to provide assurance that our values are upheld, and that members and officers demonstrate high standards of conduct and behaviour to comply with laws and regulations.

These include:

- Codes of conduct for officers and members;
- The inclusion of ethical values in policies and procedures for all areas;
- A complaints procedure ensuring appropriate investigation and response
- A Whistleblowing Policy which enables employees and others who have serious concerns about any aspect of the Council’s work to come forward and voice those concerns;
- A commitment to equality of opportunity for all citizens, in line with the Public Sector Duty as set out in the Equality Act 2010;
- Our Constitution, which sets out the conditions to ensure that all officers, key post holders and members can fulfil their responsibilities in accordance with legislative requirements. Roles, responsibilities and delegated authority for individual Members, the Council, Cabinet and senior officers are documented.

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

The Chief Executive and Strategic Leadership Team value and are committed to acting on staff feedback. The County Council has an annual staff survey, frequent pulse surveys and staff briefings. Staff are involved in issue resolution arrangements.

In 2019/20, the County Council’s “Making a Decision” Roadshows have enabled Councillors and Officers to engage with members of the local community to receive feedback and inform our Adult Social Care Services. The results of the Worcestershire Viewpoint Survey 2019 were published in July 2019; responses to the online survey have enabled us to monitor public perception in relation to local priorities, satisfaction with Council services and level of engagement.

Feedback from events and surveys help to inform the council's four corporate priorities: supporting Children and families, promoting

Health and Well Being, protecting the Environment and championing Open for Business.

We are registered as a Controller under the General Data Protection Regulation (GDPR) which governs how we manage and process the information we collect and retain. We have a nominated Data Protection Officer and procedures in place that explain how we use and share information, as well as arrangements for members of the public to access information. We have also adopted the model publication scheme produced by the Information Commissioner's Office.

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

Our Corporate Plan, Shaping Worcestershire's Future 2017-22, identifies four key priorities that help us shape the future vision for Worcestershire and focus the delivery of our services.



**Open for Business** – we have a significant programme of improvements in workforce skills, employment, infrastructure and productivity. We are aiming to become a financially self-sufficient Council and to achieve this aim we are promoting and supporting businesses in the County and

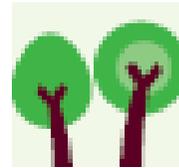


those looking to relocate here.



successfully into employment. These services are delivered in conjunction with our wholly owned company, Worcestershire Children First.

**Children and Families** – we have a strong focus on improving outcomes for the children, young people and families of Worcestershire. We support schools with achieving a good or outstanding rating by Ofsted and facilitating young people achieving five or more good GCSE's, and support young people moving



business and encourage investment. We also have a key focus on minimising waste which goes to landfill.

**The Environment** - Worcestershire's environment is one of our key features and contributes to enhancing the quality of life for residents and visitors. We are committed to improving our infrastructure networks, including transport and digital technology to support

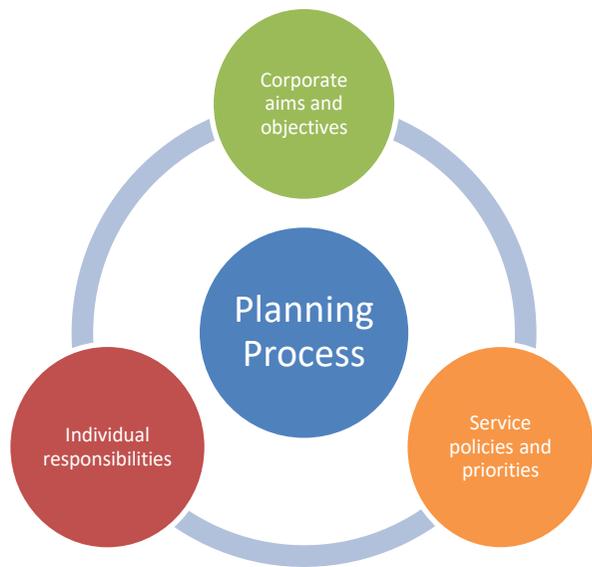


independent as possible by providing choice in how to live their lives.

**Health and Wellbeing** – we are working with local partners to support our residents to be healthier, live longer, have better quality of life and remain independent for as long as possible. Our focus on adult social care aims to keep people with support and care needs as

All services have plans in place in line with approved budgets to deliver the key outcomes contained in the Corporate Plan. Management of these plans varies by service, but includes key performance indicators, ongoing outcome monitoring and reports to management teams and committees as appropriate.

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



The County Council's planning process works to support and optimise delivery and identify and mitigate any risks.

Each key area of focus identifies several aims and targets, which are managed through the Balanced Scorecard. Responsibility for achieving these lies with individual directorates, and relevant aims and targets are included in individual service delivery plans. Risks and issues are managed through the Corporate Risk Management Group and regular updates are provided to SLT and the Audit & Governance Committee.

Progress against the Corporate Plan is monitored and reported to councillors on a regular basis.

### **Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

To deliver our objectives, we rely on our staff to carry on the great work they already do daily which is underpinned by Our People Values:

- **Customer Focus** - putting the customer at the heart of everything we do
- **'Can do' Culture** – being proactive to achieve excellence

- **Freedom within Boundaries** – courage to make constructive change

We aim to drive change, develop talent and optimise potential and enable managers and leaders to develop and motivate our workforce to allow it to be future fit. Reviewing the talent and potential of our workforce enables us to better understand and identify the potential we can develop over the coming years

Our annual performance review scheme forms a central part of our planning process. Discussions and review sessions take place between every member of staff and their line manager to agree and track personal objectives and actions, with formal mid-year reviews as a key part of the process. 99% of staff received mid-year reviews during 2019/20. The timing and impact of the COVID-19 lockdown and staff restrictions has meant that the end of year performance reviews for 2019/20 have been put on hold. Managers are being supported to put in place local monitoring arrangements, including managing any ongoing performance issues.

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

Risk management is about the identification, analysis and control of threats or events that adversely affect the achievement of the County Council's strategic and operational objectives. It also enables positive risks to be taken to innovate and improve service provision. The Risk Management Strategy details the methodology for evaluating corporate risk management arrangements and its delivery is enabled by the Corporate Risk Management Group. A specific risk framework has been put in place to manage the risks identified as a result of the COVID-19 crisis, with the County Council's Corporate Emergency Response Framework activated as part of our response.

The County Council's Anti-Fraud and Corruption Strategy embeds effective standards in countering fraud, corruption and theft. The Chief Financial Officer is responsible for ensuring this Strategy is applied and that the CIPFA Code of Practice on Managing the Risk

of Fraud and Corruption is followed. The County Council supports and submits data for the National Fraud Initiative (NFI) and assesses all matches for review and, where appropriate, mitigation.

Financial Regulations form part of the Constitution and set out our financial management framework for ensuring we make the best use of the money we have available to spend. It outlines the financial roles and responsibilities for staff and Members and provides a framework for financial decision-making. Where there are specific statutory powers and duties the Financial Regulations seek to ensure these are duly complied with, as well as reflecting best professional practice and decision-making.

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

We endeavour to always be open and transparent through our officer and member activity. A large amount of information is available on the County Council website which gives details of the working of the organisation, what we spend, and how our decisions are made.

The Forward Plan provides information about the matters on which the County Council will make decisions. Formal agenda, reports and minutes for all committee meetings are published on our website which ensures that people know what decisions the County Council is planning to take, and the decisions taken.

Our Monitoring Officer has a specific duty to ensure the County Council, its officers and elected councillors maintain the highest standards in all they do. In February 2020, the County Council's Monitoring Officer retired following 21 years of service. An interim Monitoring Officer has been appointed to fulfil this role and ensure the highest standards of conduct are maintained with a permanent replacement starting in June 2020.

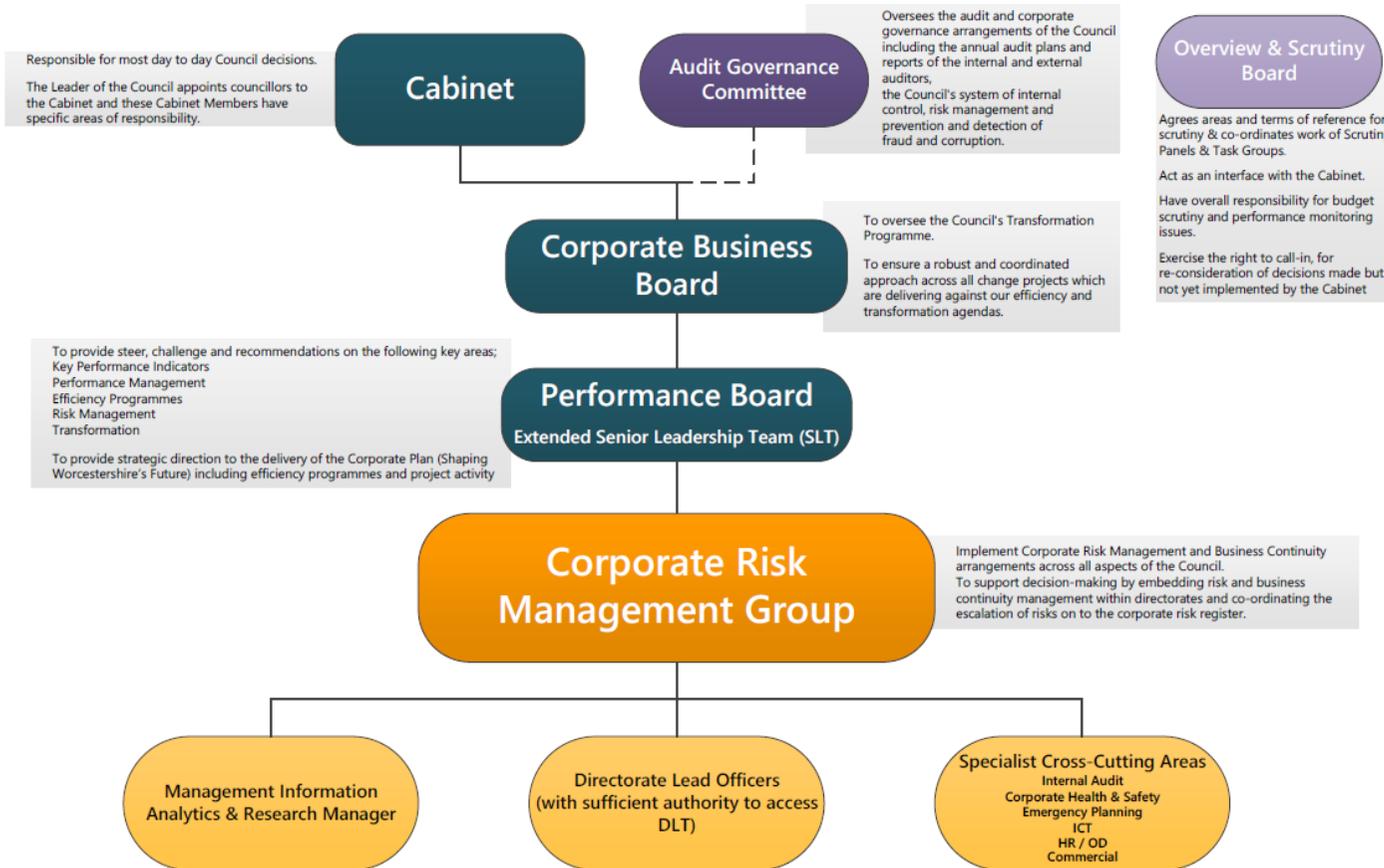
Arrangements are in place to ensure that we fully comply with the requirements of the Public Sector Internal Audit Standards (PSIAS) and CIPFA Statement on the Role of the Head of Internal Audit.

# Review of Effectiveness

The effectiveness of risk management within the County Council is reviewed throughout the year by the Corporate Risk Management Group. The outcomes of this Group have informed this Statement. The governance process undertaken by the Group are detailed below:



## Corporate Risk Management Group Governance v0.1



## Audit and Audit Assurances

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The Council's Statement of Accounts are audited by Grant Thornton UK LLP. In accordance with statutory requirements, the annual audit includes an examination and certification of the financial statements to confirm they are 'true and fair' and an assessment of arrangements to secure economy, efficiency and effectiveness in the use of resources. In 2018/19, Grant Thornton gave an unqualified audit opinion on the financial statements.

From 1 April 2019, internal audit services have been provided by the Council's in-house team (previously provided by Warwickshire County Council). The team's role is to enhance and protect the County Council's value by providing risk-based and objective assurance, advice and insight. It is responsible for reviewing the adequacy of internal controls across all areas of the Council and its services are managed and delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

The Audit & Governance Committee approve the Internal Audit Charter and Audit Plan which outline the role of Internal Audit, its responsibilities and independence and the planned programme of audit work.

Based on the results of work undertaken during the year, the Chief Internal Auditor's annual opinion is that the control environment provides **moderate assurance** that the significant risks facing the County Council are addressed. This is the same level of assurance as previous years and is the second highest category out of four classifications of assurance.

## Significant Governance Issues

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2018/19 issues Governance issues	Update on Progress
<p><b>Sustainable improvement in Children's Services</b></p> <p>As noted in the 2017/18 AGS the response to the statutory improvement notice in Children's Services remains live. The improvement plan continues with regular programme monitoring and independent checking. The new wholly owned Council Company 'Worcestershire Children First' is in shadow form and will become live from 1 October 2019. A programme board is in place to ensure a smooth transition.</p>	<p>Worcestershire Children First (WCF) was successfully launched on 1st October 2019, following a two-year programme of activity. WCF officially took over the operational responsibility for all the delivery of Children's Services on behalf of Worcestershire County Council (WCC). More than 800 staff were smoothly TUPE transferred to the new organisation, with no negative impact on performance and morale. The Department for Education (DfE) were pleased with the progress made to the agreed timescale. DfE have been kept fully informed of progress of the company and its performance as part of the contract monitoring arrangements. The DfE have considered the Ofsted report of July 2019 and the Children's Services Commissioner's report of 22 January 2020 and the Secretary of State intends to withdraw the Children's Services Commissioner due to the good progress made in all areas, with the Direction and monitoring remaining in place.</p> <p>We will continue to monitor developments in Children's Services however following significant improvements noted above, this is no longer a governance issue for 2019/20.</p>
<p><b>Serious harm or death of a child or young person</b></p> <p>Safeguarding risk because of serious harm or death of a child or failure to safeguard children. Reputational risk as a result of poor inspection or service breakdown.</p>	<p>Children and Families have seen no change in service delivery or performance since launch of Worcestershire Children First. A Children Social Care staff survey was undertaken in December along with staffing data which shows a high level of stability and ongoing commitment from staff. Specific priorities for continual development and implementation are included in the Company Business Plan and detailed within Social Care and Safeguarding Business Plan, which is embedded throughout the service, key elements are:</p> <ul style="list-style-type: none"> <li>• Ofsted recommendations for areas of improvement</li> <li>• Service Area Business Development and Improvement Plans</li> <li>• Preparation for Inspections and Focused Visits</li> <li>• Innovation</li> <li>• Quality Assurance and Audit</li> </ul>

<p><b>Activity exceeds budget allocation</b>  Inadequate budgets and / or ineffective financial management will impact on the County Council's ability to effectively provide services and impair our ability to forward plan. The level of earmarked and general reserves could also be impacted by any unplanned draw down.</p>	<p>Regular budget monitoring and a focus on demand / activity continues to strengthen and be a focus of our reporting and monitoring. Demand in WCF was in line / slightly better than forecast and Adult modelling has also improved but further work is scheduled with the use of IT software. This is subject now to review of COVID-19 'new normal' in 2020/21.</p>
<p><b>Serious harm or death of a vulnerable adult</b>  A safeguarding risk because of serious harm / death from failure to safeguard a vulnerable adult. We also face reputational risk as a result of service breakdown.</p>	<p>A Safeguarding Adult Board is in place with representation from safeguarding partners. A centralised Adult Safeguarding Team located within the Safeguarding Hub ensures competency of staff, information sharing and consistency in decision making. The Adult Safeguarding Team are aligned with the Locality Teams and 3 Conversations processes. Staff are assessed against WSAB safeguarding competency framework.</p>
<p><b>Staff capacity, recruitment and retention</b>  Our ability to deliver front line and key services will be impacted unless the County Council adopts a range of strategies to attract and retain a highly skilled and specialised workforce.</p>	<p>There is a dedicated HR team supporting social work recruitment. We are using agency workers to cover specialist and hard to fill roles and considering enhanced payment packages to attract / retain the right staff as part of the Organisational Redesign programme.</p> <p>The development of a workforce strategy to identify future needs and potential gaps is underway. We continue to develop and train internal resource, including maximisation of internal secondments.</p> <p>During 2019/20, the County Council's transactional recruitment team was in-sourced from Liberata and are fully integrated into the HR team.</p> <p>Following progress in our recruitment activity in the year, we have determined that this no longer a governance issue for 2019/20.</p>

<b>2019/20 Governance issues</b>	<b>Identified Actions</b>
<p><b>Serious harm or death of a child or young person</b>  Safeguarding risk because of serious harm or death of a child or failure to safeguard children. Reputational risk as a result of poor inspection or service breakdown.</p>	<p>Safeguarding issues continue to be monitored and managed through the WCF Performance Board in and developed through partnership working with the Worcestershire Safeguarding Children Partnership (WSCP) and other local strategic partners. Quality Assurance measures are in place safeguarding and activity is monitored by the WSCP Safeguarding Practice Review Board and Get Safe Partnership Board.</p>

<p><b>Activity exceeds budget allocation</b>  Inadequate budgets and / or ineffective financial management will impact on the County Council's ability to effectively provide services and impair our ability to forward plan. The level of earmarked and general reserves could also be impacted by any unplanned draw down.</p>	<p>In year financial monitoring and reporting to management, Council and Cabinet is by reference to performance against agreed budgets and forecast outturn position. Achievement of savings targets and the use of Council reserves are monitored as part of ongoing activity to consider financial sustainability and to inform our assessment of going concern. In addition, in setting the 2020/21 budget the Administration set a balanced budget for 2020/21 that took the learning from 2019/20 and reset or carried forward a number of saving provisions. This will continued to be reviewed in that year and after consideration of the impact of COVID19.</p>
<p><b>Serious harm or death of a vulnerable adult</b>  A safeguarding risk because of serious harm / death from failure to safeguard a vulnerable adult. We also face reputational risk as a result of service breakdown.</p>	<p>A Safeguarding Adult Board is in place with representation from safeguarding partners. A centralised Adult Safeguarding Team located within the Safeguarding Hub ensures competency of staff, information sharing and consistency in decision making. The Adult Safeguarding Team are aligned with the Locality Teams and 3 Conversations processes. Staff are assessed against WSAB safeguarding competency framework.</p>
<p><b>COVID-19 Impact upon governance arrangements</b>  The restrictions imposed by Central Government to respond to the global COVID-19 pandemic have resulted in changes to the County Council's working practices and governance arrangements, with particular reference to:</p> <ul style="list-style-type: none"> <li>• Council meetings and decision-making arrangements;</li> <li>• Engagement in local and national response;</li> <li>• Implementation of new policies and processes;</li> <li>• Business as usual and delivery of services;</li> <li>• Future funding and cashflow challenges; and</li> <li>• Assessment of longer-term disruption and consequences.</li> </ul>	<p>Our response to the crisis included activating the Corporate Emergency Response Framework, setting up County Councils own internal Gold, Silver and Bronze arrangements to meet the Covid-19 response requirements, which in turn are aligned to the LRF structures of Strategic (SCG) and Tactical (TCG) Coordinating Groups. The Mission of Gold being: "to preserve life, prevent the spread of infection and maintain critical County Council services".</p> <p>Officer decisions made in dealing with the Covid-19 response have been reported on the Council's website and include provision of PPE, Here2Help, development of the Adult Social Care Access Centre and purchase of care.</p> <p>A revised governance framework has been developed and approved by Cabinet and arrangements made to ensure that meetings and the formal decision-making process conforms to the relevant legislative requirements for remote meetings of a local authority.</p> <p>Our 'Here2Help' community action group was setup in April 2020 to provide information and assistance to vulnerable people in the community and signpost</p>

	<p>local residents to advice and support available throughout Worcestershire.</p> <p>The Worcestershire COVID-19 Economic Response, Recovery and Resilience Group (WERRG), of which the Council holds the role of Chairman, has been established to ensure the alignment of vision and objectives across partner organisations and the Worcestershire Economic Recovery Plan. The group membership includes representatives from District Councils, Worcestershire Local Enterprise Partnership (WLEP), DWP, Chamber of Commerce, Federation of Small Businesses and Farmers Union.</p> <p>The impact of increased expenditure and lost income directly attributable to the County Council's response to COVID-19 is considered alongside funding, cashflow requirements and use of reserves as part of our routine financial monitoring and reporting activity. Information has been submitted to Central Government to report our impact in line with required deadlines.</p>
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### Issues identified for 2020/21

A number of the issues and corresponding action plans noted above will continue to be the key focus for the County Council's leadership in 2020/21:

- Sustaining improvement in Children's Services through Worcestershire Children's First
- Safeguarding vulnerable children and adults
- Ensuring a financially sustainable short and medium-term budget
- Implementing an alternative model for delivery of property services including consideration of TUPE proceedings for Place Partnership Ltd

In addition to these issues, the County Council's response to the COVID-19 pandemic will continue to inform our assessment of governance arrangements, with particular reference to:

- Impact of COVID-19 on the County Council's governance arrangements and new working practices, including a focus on the economic recovery through a One Worcestershire framework

- Monitoring the financial impact of COVID-19 on budgeted income and expenditure
- Consideration of lessons learned from our response to COVID-19
- Further development of the County Council's performance, transformation and productivity culture

## 5. Certification

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To the best of our knowledge, the governance arrangements, as defined above have been effective. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review and through the County Council's Corporate Risk Management Group.

**Paul Robinson**  
**Chief Executive**  
**Date:**

**Simon Geraghty**  
**Leader of the County Council**  
**Date:**