

# Annual Governance Statement

Year ended 31 March 2023



*Working for  
Warwickshire*

# Annual Governance Statement 2022/23

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## 1 Executive Summary

Warwickshire County Council's ambition is to make Warwickshire the best it can be, sustainable now and for future generations. We want Warwickshire to be a brilliant County in which to grow up, work and prosper and grow older.

To be successful the Council must have a solid foundation of good governance and sound financial management. Our Council Plan is available on the Council's website: <https://www.warwickshire.gov.uk/councilplan> and describes how the Council will meet the challenges ahead and make the most of opportunities.

Warwickshire's Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. A copy of the Council's Code is available on our website at <http://www.warwickshire.gov.uk/corporategovernance>. Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements set out in the Code of Governance have been working. This Statement gives assurances on compliance for the year ending 31 March 2023. The AGS reflects the position, role titles and content relevant to governance arrangements that were in place during 2022/23. However, within the Governance Improvement Actions for 2023/24 the role titles have been updated to reflect the structural changes made in October 2023.

The Leader of the Council and Chief Executive recognise the importance of having a solid foundation of good governance and sound financial management and commit to continue to further enhance our governance arrangements to enable delivery of our Council Plan.

## 2 The Governance Framework

We are responsible for delivering public services for the benefit of the people of Warwickshire, operating in line with the law and proper accounting standards, and for using public money economically, efficiently and effectively. We also have a duty under the Local Government Act 1999 to continually review and improve the way we work, while at the same time offering value for money services.

To meet our responsibility, we have put in place effective governance arrangements for overseeing what we do. These arrangements are intended to make sure that we do the right things, in the right way, for the right people, in a timely, open and accountable manner. These arrangements consist of all the systems, processes, culture and values which direct and control the way in which we work and through which we account to, engage with and lead our communities.

We have approved and adopted a **Code of Corporate Governance**, which sets out the principles of the *CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016)*

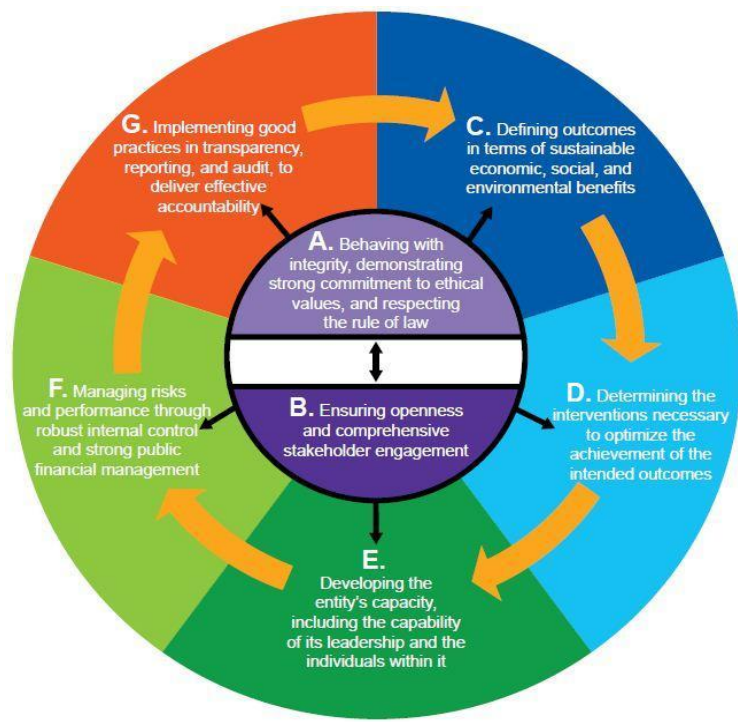


Figure 1: CIPFA's Principles of Good Governance

The Council's Code of Corporate Governance was updated in 2021 and approved by Cabinet in April 2021, to present how our governance arrangements support each core governance principle and reflect organisational structures and processes. The full details of our current code and how we meet the seven Principles of Good Governance can be found on our website here: <http://www.warwickshire.gov.uk/corporategovernance>

We continue to monitor external factors that may have an impact on the Council's governance arrangements and will take appropriate action where necessary. International political and economic events continue to cause significant uncertainty, driving inflation and cost of living challenges. The legal and regulatory framework will continue to change and will present opportunities to update our governance arrangements over time.

The Code of Corporate Governance will be reviewed at least every 4 years, and more frequently if needed. Consequently, governance arrangements in the Code are not repeated in the AGS, which will focus on compliance, effectiveness and improvements to the Framework.

### **The aim of the governance framework**

Our Framework allows us to direct resources in accordance with our priorities, monitor how we are achieving our strategic aims and ambitions, and to consider whether they have helped us to deliver appropriate services. The Framework also aims to assure we deliver value for money by applying specifically governance processes aligned to:

- Principle C: defining outcomes that have impact.
- Principle D: optimising achievement of outcomes that are effective.
- Principle E: strong financial management that delivers economic and efficient solutions.

The Annual Governance Statement provides assurances that these processes are working in practice and provide services in line with our priorities by delivering on our supporting priority of Making the Best Use of Resources.

**Figure 2: The Council's Three Strategic Priorities**



We want Warwickshire to have a **thriving economy and places** that have the right jobs, skills, education, and infrastructure.



We want to be a County where all **people can live their best lives;** where communities and individuals are supported to live safely, healthily, happily and independently.



We want to be a **County with a sustainable future** which means adapting to and mitigating climate change and meeting net zero commitments, so that our generation ensures future generations can live well and reap the benefits of a sustainable and thriving Warwickshire.

### **Financial Management Code of Practice**

Our Code of Corporate Governance was enhanced by adopting CIPFA's Financial Management Code of Practice in 2021/22 and compliance with the Code is reviewed on an annual basis as part of the AGS process. The annual refresh of the CIPFA FM Code self-assessment was reported to the Audit and Standards Committee in March 2023. This reiterated that the Council complies with the standards set out within the Code. The Committee also considered progress on the delivery of the Code's improvement action plan and approved a new action plan for 2023/24. Given the Council is already compliant with the Code, the improvement action plan entails continuing to push for best practice in relevant areas, rather than simply settling for basic compliance.

We are alert to ensuring our governance arrangements support the Council as a whole and individual services to deliver value for money across all our activity and at all levels of accountability, and we continue to seek to adapt and improve our governance arrangements in that regard.

### 3 Review of compliance with the Code of Corporate Governance

We confirmed that arrangements under each of seven governance principles continue to be applied. The COVID pandemic made 2020/21 a year of significant change which required the Council, wherever required, to adapt existing governance arrangements as part of our response to the pandemic and plans for recovery. Many of these changes have now become established as part of the Council’s governance arrangements as we adapted to a new way of working during 2022/23 and beyond.

We have set out below, for each governance principle, our self-assessment of compliance in the year.

**Table1: Summary of Compliance against the Code of Corporate Governance**

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
Compliance Overview	<p>The key policies, procedures and practices set out in the Code of Corporate Governance remained in place and were applied throughout the year. Our key behaviours and supporting values which underpin our governance arrangements are at the heart of all we do and continued to be central to how we appraise our performance.</p> <p>We have continued to meet the Public Sector Duty, as set out in the Equality Act 2010 and do not consider that we have unlawfully discriminated in the provision of services whether delivered by us or commissioned externally. Equality impact assessments have also continued to be produced to inform all appropriate decisions during the financial year.</p>
	<p>Integrity is embedded in our behaviours and the supporting values of being accountable and trustworthy. To ensure our behaviours are upheld we have codes of conduct for officers and members, registers of gifts and hospitality, registers of financial interests, and policies on anti-fraud and whistleblowing.</p> <p>We reviewed our Member Code of Conduct against the LGA Model Code, and a new updated Code of Conduct was agreed at Council in July 2021. We undertook several refresher training sessions for members on conduct and behaviours during 2021/22 and these have continued throughout 2022/23 as part of our refreshed approach to Member Development. As part of those sessions, we consider any developments in law or guidance in the area of member conduct and update members. If there are any significant developments, these will form the basis of a further formal review of the Code. <a href="https://democracy.warwickshire.gov.uk/documents/s14878/Revised%20Member%20Code%20of%20Conduct.pdf">https://democracy.warwickshire.gov.uk/documents/s14878/Revised%20Member%20Code%20of%20Conduct.pdf</a></p> <p>We include ethical values in policies and procedures for all areas including procurement and partnership working. We have a Complaints Policy and a corporate complaints and feedback procedure to ensure that all complaints are investigated and are responded to as quickly as possible (<a href="http://www.warwickshire.gov.uk/complaints">http://www.warwickshire.gov.uk/complaints</a>). We appreciate the diversity of our</p>

customers, workforce and the wider Warwickshire community and are committed to Equality, Diversity and Inclusion and fulfilling our Public Sector Equality Duty. This is integral to everything we do including policy development, service delivery and partnership working to ensure that we do not unlawfully discriminate in the services we deliver or commission (<http://www.warwickshire.gov.uk/equality>).

Our Constitution, <https://www.warwickshire.gov.uk/constitution> including Contract Standing Orders and Financial Regulations were reviewed during 2022/23, with only minor updates required during the financial year to ensure that they remained legislatively compliant and reflect the organisation's operating arrangements. Changes were approved by Council in May and September 2022.

The Constitution sets out the decision-making framework to ensure that all officers, key post holders and Members can fulfil their responsibilities in accordance with legislative requirements. All our reports to member bodies receive financial and legal checks prior to submission to ensure they comply with regulatory requirements. Our Monitoring Officer receives weekly reports to alert her to any legal issues which she shares with the Section 151 / Deputy Section 151 Officers and the Head of Paid Service. The Head of Paid Service, Section 151 / Deputy Section 151 Officers and Monitoring Officer meet regularly to ensure any regulatory requirements are addressed and any regulatory risks are discussed and visible.

A formal induction programme for Members is undertaken following each quadrennial election which covers the legal principles governing decision making and the Code of Conduct. The induction programme incorporates commercial awareness to ensure that members understand their responsibilities in relation to governance of commercial activity. Member induction and training also covers a broader understanding of Council finances and the key Committee and Officer roles responsible for governing our finances as well as the wider responsibilities of the Council and the services it provides. This is supplemented annually by on-going Member refresher training for key areas like finance.

All officers with budget responsibilities receive training on general financial management and specifics around financial policies, procedures, systems and propriety.

Cabinet approved the Procurement and Contract Management Strategy in November 2022. The Strategy has been considered by a number of employees to seek feedback prior to formal promotion and training being carried out in 2023/24. Nationally, Procurement legislation is being refreshed and currently running through Parliamentary approvals processes with implementation likely to take place in autumn 2024. A report has been shared with Corporate Board on possible implications for further consideration. In addition, following a focused piece of work involving procurement and legal teams, areas where we can further strengthen procurement practice have been identified and will continue to be a focus during 2023/24.

The Joint Consultative Committee meets on a quarterly basis providing the opportunity for elected employee representatives to meet with senior management and discuss issues affecting the whole workforce including Health & Safety. Teacher Trade Unions meet separately with the Assistant Director of Education to discuss Education and Schools specific items. We have



a positive working relationship with the Trade Unions, and they are proactively involved at a Directorate level in relation to change management and individual casework.

We are registered as a data controller under the Data Protection Act as we collect, and process personal information and we have a named Data Protection Officer, a role shared by the Information Governance Team leads. We have General Data Protection Regulation (GDPR) compliant procedures that explain how we use and share information and arrangements for members of the public to access information. We have adopted the model publication scheme produced by the Information Commissioner's Office (ICO), in accordance with the Freedom of Information Act 2000. <https://www.warwickshire.gov.uk/publicationschemeguide>

Trading companies, wholly or partly owned by the Council, are scrutinised and challenged through shareholder representatives and for wholly owned companies the Commercial team monitors performance through the Commercial Delivery Group on a quarterly basis. In some instances, Council officers are appointed as Directors, and where appropriate, we also support new Council appointed Directors with training on how to perform their role as Directors effectively. Annual General Meetings are held by all trading companies to allow the Council as shareholder to further review annual performance and influence company governance procedures. Directors of relevant companies have also received "conflict of interest" awareness training and we actively monitor the risk of potential conflicts. Investments are governed by appropriate documents, for example loan agreements. The Council operates an anti-money laundering policy, and the Assistant Director Finance (Deputy Section 151 Officer) is the Council's Anti-Money Laundering Responsible Officer (AMLRO).

## Principle B: Ensuring openness and comprehensive stakeholder engagement

Compliance Overview The key policies, procedures and practices set out in the Code of Corporate Governance remained in place and were applied throughout the year.

Council and Committee meetings are available as webcasts (<https://warwickshire.public-l.tv/core/portal/webcasts>), and decisions are recorded and published.

The Warwickshire Youth Council represents the voice of young people in Warwickshire. Each year, young people across Warwickshire vote for self-nominated young people to represent them. Those elected meet monthly at Shire Hall and have the responsibility of campaigning and ensuring that the voice of young people is heard across the Council. Each area of Warwickshire also has a Youth Forum which represents young people at a more local level.

We continue to be guided by the Children and Young People Strategy 2021 - 2030 which has the Child Friendly Warwickshire programme at its heart. Approved by Cabinet in October 2021, the Strategy outlines the Council's commitment to ensuring children and young people have a voice and are supported to be the best they can be. The Strategy's goals and ambitions were shaped by feedback from a survey completed by over a thousand young people across Warwickshire and will be the Council's approach to working with partners, families and communities between now and 2030 to help youngsters reach their potential.

We have an Employee Engagement Strategy to ensure employees have a voice, that managers and leaders hear and can act on staff feedback and that they continue to focus on coaching and developing their people, and there is clear communication about the direction of our Council. This is supported by employee forums and regular employee surveys, regular check in surveys which measure employee engagement and our direction of travel against Our People Strategy Delivery Plan which includes our people related measures.

Regular Corporate Board and Strategic Director live broadcasts, supported by Assistant Director and Team briefings and broadcasts are now embedded as a way to engage with our people irrespective of working arrangements (remote, office based or hybrid). Feedback from employees that completed the 'Your Say Survey' in February 2023 highlights 79% agree or strongly agree that 'Our internal communications keep me updated on what is happening'.

Regular feedback is provided to the workforce through various mechanisms, for example through briefings, Working 4 Warwickshire, intranet pages etc.

Warwickshire County Council, as "Corporate Parents", have high aspiration for our children in care and care experienced young people. We are committed to hearing the voice of children in care through engagement with the Children in Care Council who seek to improve services for children. <https://www.warwickshire.gov.uk/childrenincare>

The Warwickshire Pension Fund engages with its employers and members through the Warwickshire Local Pension Board which has representatives from employers and members, and through direct communications for example directly sharing new policies such as the Funding Strategy Statement for comment. The Pension Fund is currently rolling out online member self-service, which is improving the accessibility of information for members. There is also a Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme.

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

### Compliance Overview

We have a clear set of priority outcomes in our five-year Council Plan and associated deliverables in our two-year Integrated Delivery Plan. The Council Plan has three priorities as follows:

- Priority 1, A county with a thriving economy and places with the right jobs, skills, and infrastructure (Economy & Places);
- Priority 2, A place where people can live their best lives, where communities and individuals are supported to live safely, healthily, happily, and independently (People & Communities); and
- Priority 3, A place with sustainable futures, which means adapting to and mitigating climate change and meeting net zero commitments (Sustainability).

The Medium-Term Financial Strategy (MTFS) supports the delivery of the Council Plan and is based on clear assumptions. Resources are aligned to priorities and ensure a balanced budget to sustain services and the longer-term financial health of the Council. The MTFS process, which includes scenario planning, assists with forward planning and responding to variations in financial forecasts and changes to assumptions. All Committee decisions have to identify any environmental implications linked to the decisions in the reports.

The Council Plan was approved and became effective from 1 April 2022 and is supported by the Integrated Delivery Plan which was approved by Cabinet in May 2022 and has been refreshed and approved in May 2023. Our strategies are supported by Business Plans, key change projects and investments to develop the actions needed to deliver outcomes. Projects and investments are scrutinised to ensure they deliver required outcomes.

The Council's Capital Programme is directed by our Integrated Capital Strategy, aligned to the Council Plan and approved by Council in February each year as part of the MTFS. The Capital Review has delivered a range of improved processes and embedded new controls around capital programme management, with the final stage linked to upgrading our financial system for capital monitoring.

Priorities and a programme of actions for addressing the climate emergency the Council declared in 2019 are included in the Council Plan and all Council reports identify financial and environmental implications. Warwickshire is committed to reducing emissions from areas that the Council has direct control over including its own transport, gas and bought electricity to net zero by 2030. The Council has also committed to working with all partners and residents in Warwickshire to support the County to net zero by 2050.

The draft Sustainable Futures Strategy with a trajectory for carbon emission reductions to be a net zero county by 2050 was agreed at Cabinet in October 2022. A large-scale engagement campaign has been conducted with a range of

	<p>stakeholders and further targeted sessions will follow through the period to August 2023 to co-produce the Strategy and an action plan. The final Strategy and action plan for Warwickshire is due to be taken to Cabinet for approval by the end of 2023.</p> <p>Warwickshire Pension Fund has completed the 2022 valuation with a positive data quality assessment, and the Funding Strategy Statement has been updated. The Pension Fund has a Climate Risk Investment Strategy in place, and the Council's own Investment Strategy for non-treasury investments includes a dedicated ethical investing policy.</p> <p>Warwickshire Property &amp; Development Group (WPDG) is now trading with the Joint Venture, Develop Warwickshire, having been successfully created. Both WPDG and Develop Warwickshire will play an important role in shaping Warwickshire as a place to invest, live and thrive.</p> <p>The Warwickshire Recovery and Investment Fund (WRIF) is now in full operation with the relevant capacity and contracts in place for the services and expertise required to manage the Fund. The Fund is managed by an Investment Panel.</p> <p>Both the WPDG and WRIF have dedicated oversight from a Member Oversight Group.</p>
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**Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

Compliance Overview	<p>The key arrangements for managing performance and delivery, to inform interventions, continued to operate throughout the year.</p>
	<p>Arrangements are in place to report critical management information on the key aspects of delivery of the Council Plan, including finance (monthly), risk and performance (quarterly) to Corporate Board and quarterly to Cabinet and Overview &amp; Scrutiny Committees. Staffing vacancies have impacted on the frequency of risk reporting to Corporate Board in recent months however, the Risk and Assurance Manager post has been in place since April 2023 and reporting is expected to be back to plan in 2023/24. At the end of the year Assistant Directors signed off statements providing assurance that they have been managing risks in their service areas.</p> <p>Our Performance Framework supports the delivery of the Council Plan, and includes mechanisms to assess progress, inform actions and interventions to achieve intended outcomes. The Programme Management Office, monitor and scrutinise project delivery against plans and highlight actions needed to manage escalated risks and deliver project objectives. Performance reporting flows through the executive structure and through Directorate Leadership Teams in the normal course of business.</p>

	<p>We have introduced an Integrated Delivery Plan to track delivery against the Council Plan on a quarterly basis alongside information on risk and performance. Increased emphasis is being placed on benefit identification and realisation. This is reported quarterly to Corporate Board, Overview and Scrutiny Committees, and ultimately to Cabinet.</p> <p>Each Directorate has escalation arrangements in place to its Directorate Leadership Team. Our Service Business Continuity Plans and procedures set out mitigating actions and contingency plans in response to business interruption events. We work in partnership with Coventry and Solihull Councils as part of the Coventry, Solihull and Warwickshire (CSW) Resilience Team, linking with the Warwickshire Local Resilience Forum to actively manage Civil Contingency requirements and responses. <a href="https://cswprepared.org.uk/">https://cswprepared.org.uk/</a></p> <p>Delivery of Council Plan outcomes is achieved through business plans, strategies and programmes/projects. This is supported by business insight, commissioning, performance, and corporate policy functions. The appraisal system links Council objectives to individuals' personal objectives and personal development plans.</p>
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**Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

Compliance Overview	<p>The key arrangements for building our capacity and capability continued to operate throughout the year. Leadership forums, including Senior Leadership Forum were maintained and enhanced with strategy &amp; commissioning network meetings.</p>
	<p>A member induction and development programme is delivered each year to ensure the core development needs of members, aligned to their respective roles, are met and to take account of new and emerging issues.</p> <p>Our People Strategy ensures our workforce can deliver the Council Plan and that they remain aligned with our vision and behaviours. Direction continued to be determined by Corporate Board with progress being overseen by the Assistant Directors with responsibility for HROD functions alongside Corporate Board and the Staff and Pensions Committee. The Staff and Pensions Committee provides overall oversight of the development of our people and approves the Our People Strategy and Annual Delivery Plan. Our Agile Working Principles set out how employees can work as efficiently and productively as possible, whilst maintaining a priority focus on service needs.</p> <p>The Our People Strategy recognises that the Council's people are its primary asset to enable the delivery of exceptional services to Warwickshire's communities. It is aimed at delivering our vision for the Council to be a great place to work where diverse and talented people are enabled to be their best. The Strategy is our mechanism to have an effective approach to workforce planning, reward and recognition, embedding our values, behaviours and a high-performance culture, leadership and talent development and supporting our organisational design.</p>

We have a corporate process for annual appraisals and Personal Development Plans supported by regular 1:1 conversations. This provides the necessary clarity of expectations and behaviour, direction, support and opportunities for growth and development and allows employees and managers to have constructive discussions on performance, progress against outcomes, wellbeing and development. The appraisal process is aligned to the Council's Behaviours Framework and our recruitment process for senior managers applies a behavioural assessment process, which includes leadership capability and identifies personal development areas.

We have a Senior Leadership Forum (SLF) of our top three management tiers primarily for leadership and strategic organisational matters. The SLF has continued to meet regularly and effectively both in person and online as appropriate. We invest in the health and wellbeing of our employees with a Workplace Wellness Strategy and supporting processes including those to manage sickness absence and return to work.

The health & wellbeing of our people remains a top priority and as well as ensuring we engage with employees as stakeholders, we have focused on building a resilient and high performing workforce:

- maintaining wellbeing and HR policy information on dedicated intranet sites (Keeping You Well and Working, Working4Warwickshire) with links to active internal and external support networks, resources and employee wellbeing check in surveys; and actions arising from those surveys; and
- regular live broadcast to our people from Corporate Board and Strategic Directors, which help to communicate key well-being messages, updates and provision of Questions & Answers.

We have continued our approach from last year to listening to the voice of our people, through our YourSay engagement survey. We have also achieved 'silver' in the 'thrive at work' accreditation. The priority focus has been on wellbeing and workload. A series of questions within the survey have given us an overall wellbeing score of 78% and has set a high benchmark for future years. In terms of workload, we have measured this throughout the year with an in-year increase from 62% to 64% of people feeling that their workload is manageable. Workload will remain a focus going forward. Sickness absence rates have remained relatively stable across the year however, we have seen a slight increase in our days per full time equivalent relating to stress and mental health absence and addressing this will form part of our wellbeing offer during 2023/2024.

Our strategic Equality Diversity and Inclusion (EDI) agenda is guided by Corporate Board and the Council's EDI Group will ensure this agenda is translated into practice. The Council EDI Group is chaired by the Strategy and Commissioning Manager for Human Resources and Organisational Development (HR&OD) and is comprised of diverse employees from across the Council, advised by the EDI team.

The Council's move to the Cloud-based Microsoft 365 environment has secured communication and data security and has also enhanced our ability to work remotely and collaboratively. A portfolio of training materials is available to all employees via the Council's intranet.

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

**Compliance Overview**

The regulations, policies and governance arrangements set out in the Code of Corporate Governance have been fully applied throughout the year for the Council and for Warwickshire Pension Fund.

The Council adopted a new Strategic Risk Management Framework in April 2021 and continues to apply the CIPFA Code of Practice for Managing the Risk of fraud and corruption and this is reflected in our anti-fraud policy. <http://www.warwickshire.gov.uk/antifraud>

Strong financial management is achieved through a robust Medium-Term Financial Strategy process which includes comprehensive involvement of Elected Members and Corporate Board to enable the delivery of the outcomes and objectives set out in the Council Plan and achieving a balance between robustness of financial management and achieving the Council's ambitions.

The Council's budget is set as part of a five-year Medium Term Financial Strategy, which is reviewed annually to ensure we remain prudent, robust and ambitious, whilst being flexible and responsive to emerging situations. The Council's strong financial management includes a range of activities and controls including policies and procedures relating to financial management (financial planning, budgetary control and accounting), procurement, contracting and investment.

Cabinet approved the Procurement and Contract Management Strategy in November 2022. The Strategy has been shared with relevant colleagues to seek feedback in advance of the roll out of training, which is planned for delivery in 2023/24. Nationally, new Procurement legislation is expected to come into force in autumn 2024. Corporate Board has considered a paper on the possible implications of the new Procurement legislation for the Council.

Risk management is an integral part of good corporate governance and management and is therefore at the heart of what we do. Our approach to managing risk is explained in the Strategic Risk Management Framework. The Framework has been implemented through the development of a strategic risk register. Service level risks have also been identified and assessed resulting in the development of service level risk registers. Service areas have reviewed and updated risk throughout the year however, work is required to embed this consistently across the Council.

Our Performance Framework supports the delivery of the Council Plan, and includes the following mechanisms to assess progress, inform actions and interventions to achieve intended outcomes:

- progress against the Council Plan and the MTFs is assessed through Key Business Measures (KBMs) to evaluate the delivery of outcomes for reporting to Overview & Scrutiny Committees and Cabinet on a quarterly basis; and
- a suite of reports and dashboards provides HR, finance and performance data to Strategic Directors, Assistant Directors and third tier managers for their areas of responsibility. This enables managers to interrogate information quickly and efficiently and identify any interventions needed.

For programmes and projects new governance arrangements have been agreed in 2022/23, these are being consolidated through 2023/24. These changes were in train before the Local Government Association Peer Review of March 2022 and reflect the recommendations of that review. Programmes and projects owned within the Directorates will report and provide assurance through the Directorate Leadership Teams. Each Strategic Director is responsible for updating Corporate Board by exception on delivery, risks and issues. The Council has developed two key cross-cutting theme boards, Sustainable Futures and Levelling Up, which report directly to Corporate Board. The Programmes and Projects supported by officers from the Portfolio Management Office (PMO), are delivered using the PMO standards and processes with governance following the new arrangements i.e. into the respective Directorate Leadership Team and Strategic Director.

We have an effective system of internal audit delivered in line with the Public Sector Internal Auditing Standards and effective counter-fraud and corruption arrangements as well as whistleblowing policies and procedures. Internal Audit provide advice to service areas and change projects to help ensure the control environment remains strong. We have adopted the CIPFA Code of Practice for Managing the Risk of Fraud & Corruption, and this is reflected in our Anti-Fraud Policy. <http://www.warwickshire.gov.uk/antifraud>. There is regular reporting on audit assurance outcomes to Audit & Standards Committee.

All public sector internal audit services are required to measure how well they are conforming to the standards. This can be achieved through undertaking periodic self-assessments, external quality assessments (EQA), or a combination of both methods. However, the standards state that an external reviewer must undertake a full assessment or validate the Internal Audit Service's own self-assessment at least once in a five-year period.

In February 2023, an independent review was performed by a representative of CIPFA to determine how Internal Audit has applied the Public Sector Internal Audit Standards PSIAS (revised 2016 and 2017) and CIPFA Local Government Application Note (LGAN) in practice. The review confirmed compliance with all requirements and there were no areas of partial or non-compliance. The audit opinion stated, "It is our opinion that the self-assessment for the Warwickshire County Council's Internal Audit Service is accurate, and we therefore conclude that the *Internal Audit Service generally conforms to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.*"



We gain assurances on internal control from:

- Assistant Director annual assurance statements;
- social care quality assurance policy and procedures;
- the Internal audit work programme reports;
- risk management arrangements; and
- external sources of assurance including external audit opinions, statutory inspections, third party reviews and whole council or service specific peer reviews.

We actively promote safeguarding to prevent harm and reduce the risk of abuse or neglect, working with partners as Warwickshire Safeguarding <https://www.safeguardingwarwickshire.co.uk/>

### Principle G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Compliance Overview

We endeavour always to be open and transparent. The regulations, policies and governance arrangements set out in the Code of Corporate Governance have been applied throughout the year for the Council and for the Warwickshire Pension Fund and can be accessed here. <https://www.warwickshirepensionfund.org.uk>

Each year we publish information on our website outlining how we spend Council Tax income. <http://www.warwickshire.gov.uk/counciltaxspending>

We have a forward plan which provides information about the key decisions that the Council has scheduled. Formal agendas, reports and minutes for all committee meetings are published on our website which ensures that people know what decisions the Council is planning to take, and the decisions taken. Live and recorded webcasts of formal public meetings are available. <http://www.warwickshire.gov.uk/democracy>

Corporate Board, supported by Directorate Leadership Teams, takes responsibility for providing overall leadership and setting the strategic direction and specifically, for ensuring that the Council meets its statutory obligations and exercises sound corporate governance and effective resource management, and that the performance of the Council is managed effectively, including the delivery of key aspects of our change programmes.

Overview and Scrutiny Committees act as a critical friend and hold Cabinet to account for its decisions. The terms of reference for all Overview and Scrutiny Committees are defined in the Constitution. <http://www.warwickshire.gov.uk/scrutiny>  
The Audit and Standards Committee has oversight of internal and external audit matters, the Council's arrangements for corporate governance and risk management and any other arrangements for the maintenance of probity. In line with good practice, the Committee is chaired by an independent member and the Council has appointed a second independent member to sit on the Committee.

All reports that go to Members through a formal Committee, or for Leader / Deputy Leader / Portfolio Holder decisions, are considered by legal and finance colleagues who sign-off as the final stage before being released by Democratic Services.

The Internal Audit Manager is designated as the Head of Internal Audit. There is an Internal Audit Board, and the internal audit service is subject to Public Sector Internal Audit Standards (PSIAS) external quality assessments. Sufficient audits have been conducted to provide an annual audit opinion for the year.

The Council has been subject to two Ofsted inspections in the year:

Warwickshire Adult and Community Learning Service was subject to a Short Inspection in October 2022 and the outcome is '*Warwickshire County Council continues to be a Good provider*'. Ofsted set out two improvement areas:

i. that all learners benefit from high-quality impartial careers advice and guidance; and ii. the timeliness of the information received on the progression and destinations of learners to determine effectiveness of the curriculum.

Warwickshire County Council Children's Services arrangements for care-experienced young people was subject to a Focused Visit in March 2023 with the report published in May 2023. Since the last inspection in November 2021, when Children's Services were judged to be good overall, there has continued to be an effective focus on improving services for care-experienced young people by senior leaders, elected members, and partner agencies. Two improvement areas were noted: i. timeliness with which personal advisers are allocated; and ii. the effectiveness of management oversight of work with young people in custody and those living in unsuitable accommodation.

## 4 Review of effectiveness and improvements to governance arrangements

We have approved and adopted a **Code of Corporate Governance**, which sets out the principles of the *CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016)*

We have responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. The review of effectiveness is informed by the work of managers who have responsibility for the development and maintenance of the governance environment and by the Head of Internal Audit's annual report.

The review of effectiveness was co-ordinated by an evaluation panel consisting of representatives from Legal, Finance and each Directorate (Resources, Communities and People) and Internal Audit. In carrying out its review, the evaluation panel:

- considered the approach of the Council to establishing its principal statutory obligations and organisational objectives;
- considered the approach of the Council to identifying principal risks to the achievement of those obligations and objectives;
- identified the key control frameworks that the Council has in place to manage its principal risks;
- obtained assurance from managers on the operation of key control frameworks and on the results of relevant external or internal inspections;
- reviewed progress against the Governance Action Plan (Appendix 1); and
- evaluated the assurances provided and identified any gaps.

In addition, Assistant Directors (AD) have confirmed that they have complied with the risk management framework throughout the year and each AD has provided an assurance statement at year end.

Consideration was also given to the results of reviews carried out by external regulators and agencies during the year including the external audit of the accounts. The work of the evaluation panel was scrutinised by the Assistant Director Governance and Policy (Monitoring Officer), the Assistant Director Finance (Deputy Section 151 Officer), Strategic Director for Resources (Section 151 Officer) and Strategic Director for People before being submitted to the Audit and Standards Committee in May 2023 for further scrutiny.

The results of Internal Audit work were reported to the Audit and Standards Committee throughout the year. The individual reviews feed into the overall Internal Audit Annual Report. This report concludes that the Council's control environment provides substantial assurance that the significant risks facing the Authority are addressed. The Audit and Standards Committee also considers in greater detail areas where limited assurance opinions have been provided. The internal audit findings, including those with a limited assurance opinion, were duly considered in the preparation of the annual assurance opinion and this statement.

**The Governance Improvement Action Plan (Appendix 1)** presents, on an exception basis, additional actions that are already planned or being considered to inform future Council planning and strengthen governance. The process of review has also captured other governance improvements in each of the principles above.

## 5 Governance issues and challenges

We have not experienced any significant governance failures during the last year and our arrangements remain fit for purpose in accordance with the governance framework. A primary purpose of the governance framework is to manage strategic risks proactively and to ensure that risks that cannot be tolerated are appropriately mitigated.

Warwickshire County Council has three strategic priorities to make Warwickshire the best it can be, sustainable now and for future generations. The most significant strategic risks that have existed during 2022/23 are presented against the three strategic priorities along with highlights of the action that is being taken to help reduce risk levels. It is worth noting that a number of global issues, including macro economic factors, inflationary pressures and international conflict, continue to influence the Council's view of risk.

The Council Plan 2022-2027 has been in place throughout the year along with the Integrated Delivery Plan, which sets out the ambitions and priorities of the Council and how those will be achieved. Monitoring of the delivery takes place on a consistent and quarterly basis and reports are prepared and presented to the respective leadership team, Corporate Board and relevant committees. Furthermore, towards the end of 2022/23 the Council has implemented a quarterly stocktake process to consider any the Council's delivery across its portfolio, its performance and any emerging issues, risks or cross-cutting themes.

The

Strategic Risk Ref.	Strategic Risk Description	Activity
<b>Strategic Priority 1, A county with a thriving economy and places with the right jobs, skills, and infrastructure (Economy &amp; Places)</b>		
1	Risk of a slow or stalling economic growth	Through the delivery of plans, the Council continues to support the economy of Warwickshire. Building on the pandemic recovery work, the business support programme continues to assist in addressing specific barriers to business growth and this includes support for tech-based and other innovation-led businesses, pre and new business starts. Businesses are being supported to access loan funding via the Warwickshire Recovery & Investment Fund to facilitate growth. Tourism is a key focus, and a Draft Sector Growth Plan has been developed for consultation with partners.

Strategic Risk Ref.	Strategic Risk Description	Activity
5	Risk of Post Pandemic widening of social, health and economic inequalities and inability to catch up, resulting in worsening outcomes for our communities	<p>The Council has developed, commissioned and/or is delivering a range of skills-based programmes and initiatives to help maintain and build the talents of Warwickshire’s population. Engagement with local businesses, partners and stakeholders has taken place to refresh the Council’s Careers Strategy to help address the post pandemic recruitment challenges. Work has taken place to understand demographics, via the State of Warwickshire Report, and also the future skills need, to assist in planning for and to ensure sustainable employment. Activity includes offering the Warwickshire Apprenticeship Support Programme to the County’s employers and the sharing of Apprenticeship Levy funding to increase take up and achievement. For the first time since the programme launched in 2018, the Small Business Apprenticeship Levy has utilised all available funding. Exploration of wider sharing is taking place. Introduction of the Apprenticeship Progression Programme has supported employers to progress their apprentices, increasing retention rates.</p>
14	Risk of continued uncertainty about key external influences on local government and factors such as Government policies and economic outlook that inform longer term plans.	<p>The Council, its officers and members, are engaged in a wider range of national networks. These are based in professional and service boundaries for example Directors of Environment, Economy, Planning &amp; Transport (ADEPT) and Association of Directors of Adult Social Care (ADASS). Engagement takes place with more general bodies such as the Local Government Association, County Council Network and Society of County Treasurers who will also have their own thematic groups. These relationships are managed by senior officers and Elected Members, with key messages being shared with Cabinet and Corporate Board as required.</p> <p>The Council’s Corporate Policy Team also undertakes a regular external policy and foresight scan with regular updates and a fortnightly ‘Policy Bites’ newsletter. The foresight work also informs the newly established quarterly stocktake exercise for Corporate Board.</p>
17	Risk of sustained inflationary pressures and cost of living increases	<p>The Council has had to make difficult decisions and choices in developing its financial proposals and will continue to operate with a rolling five-year Medium Term Financial Strategy and this demonstrates that Council finances are allocated in accordance with the priorities of the organisation. The underpinning finances remain robust and service delivery is sustainable for the benefit of the residents and businesses of Warwickshire. We do, however, acknowledge that we are operating in an environment of increased uncertainty as the demand for services increases and inflationary pressures mount.</p>

Strategic Risk Ref.	Strategic Risk Description	Activity
		<p>The Council has not taken decisions to address the short-term challenges that undermine financial sustainability over the medium-term or leave financial ‘gaps’ to be closed in future years. Instead, the Council has acknowledged that plans, whilst remaining robust and ambitious also need to be flexible to handle the most plausible scenarios, whilst recognising it is impossible to guarantee this in such a complex and volatile environment. An example of this includes where cost confidence in education capital schemes is low appropriate contingency figures are included in the cost estimates to account for this. Inclusion of contingency figures are expected to mitigate most cost increases experienced as projects progress and costs become more certain. An internal process is currently being devised to strengthen governance regarding contingency funding to ensure appropriate use. This will include enhanced officer oversight and scrutiny of requests to utilise project contingency funding. Associated Council reporting has taken place. Additionally, the capital programme is to be re-considered and re-scoped.</p>

**Strategic Priority 2, A place where people can live their best lives, where communities and individuals are supported to live safely, healthily, happily, and independently (People & Communities)**

13	<p>Risk of insufficient resources to match the increasing demand for <b>SEND</b> provision and support and to deliver the post Ofsted Written Statement of Action.</p>	<p>The Council has made a commitment to deliver its Special Educational Needs and Disabilities Inclusion Change Programme and Written Statement of Action to address the recommendations of the Ofsted and Care Quality Commission inspection. Public consultation has taken place along with the use of online surveys and face to face events to raise public awareness and seek views. A review of the SEND information held online is also being considered to ensure it is accurate and fit for use. School employees are being offered free training and take up has been strong leading to training materials now being uploaded to the schools hub web page for ease of access. Whilst the Council is taking steps to manage the risk, work continues to meet our targets and reduce risk levels.</p>
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**Strategic Priority 3, A place with sustainable futures, which means adapting to and mitigating climate change and meeting net zero commitments (Sustainability)**

18	<p>Risk of not achieving net zero by 2050, biodiversity and</p>	<p>A draft Sustainable Futures Strategy and Action Plan was endorsed by Cabinet in October 2022. That endorsement included proceeding with extensive public engagement carried out between November 2022 and February 2023 to inform further development of the plan. The plan is designed around six themes of climate</p>
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Strategic Risk Ref.	Strategic Risk Description	Activity
	climate adaptation targets.	change action. For each theme there is a carbon reduction trajectory to achieve net zero targets, an analysis of carbon emissions, action already taken to reduce those emissions and future actions needed. Over the summer of 2023, the Strategy and Action Plan will undergo further engagement and review of future actions in partnership with other sectors and stakeholders before final versions are presented to Cabinet for approval in the autumn of 2023.

### Risks identified by the Independent Inquiry into Child Sexual Abuse

The *Independent Inquiry into Child Sexual Abuse (IICSA)* published its final Report in October 2022. The report makes a number of powerful recommendations, based on separate investigations. We note the full findings and will not be complacent in our work and our awareness raising. We continue to work with partner agencies to embed the recommendations to continually improve our practices. Our ongoing campaign "Something's not Right" continues to highlight awareness and support, together with new interactive theatre programmes in education settings, to prevent and protect children and young people.

### Recruitment and Retention

As with many organisations, we continue to experience some challenges in recruitment and retention, particularly in light of the volatile global and national landscape. Through the Our People Strategy, we continue to develop ways to address this, and throughout 2022/2023, we saw a stabilisation of our turnover rates, with an overall minimal decrease at year end bringing us below 13% and within target of 15%. We also saw a marginal upturn on our engagement rates, essentially maintaining already very high scores.

We continue to review our approaches to ensure that we are able to recruit and retain the best talent.

### In-Year Schools Admissions

Over the summer of 2022, there were problems with the in-year schools admissions process, which created challenges for pupils, parents, carers and schools at the start of the September term, which were quickly addressed. A review was commissioned by the Chief Executive to understand the causes of these issues. The review report was presented to Resources and Fire Overview and Scrutiny Committee in February, and its recommendations have informed an ongoing improvement programme.

## **Financial Sustainability**

Towards the end of 2022-23, the longer-term effects of the inflationary pressures and the post pandemic economic position, coupled with significantly increasing demand for services, e.g. special educational needs, home to school transport and social care for children and older people started to impact on our financial position. The MTFS refresh and in-year activity are establishing both short- and long-term mitigations that are being actively monitored and reported upon.

## **School Place Provision**

Current housing growth trajectories across the County are expected to increase the long-term demand for school places as new families move into the County. This is the biggest challenge in ensuring sufficiency of school places faced by the Council. Developer contributions will continue to be sought to provide the new provision needed as a result of housing growth. However, the need to forward fund education infrastructure to meet increased demand together with competing demands to use Basic Need capital resources for education provision such as Early Years sufficiency, SEND provision, maintaining the condition of the school estate and the inflationary increase in the costs of construction will put significant pressure on the funding available to provide sufficient school places. Any funding gap which cannot be met by future developer contributions will require additional borrowing or less funding being available to investment in meeting the Council's other investment priorities.



## 6 Certification

We will continue to manage the risks detailed above and further enhance our governance arrangements over the coming year as set out in the Governance Action Plan at Appendix 1. We are satisfied that the risks we have identified are addressed in our Council Plan, Integrated Delivery Plan, Medium Term Financial Strategy and other key strategies. We are satisfied that the actions identified will address the improvements that were highlighted in our review of effectiveness. These are monitored and reported to Members and Corporate Board as part of the corporate performance management framework. We will monitor their implementation and operation as part of our next annual review.



Councillor Izzi Seccombe OBE  
Leader of the Council



Monica Fogarty  
Chief Executive/Head of Paid Service

## Appendix 1 – Governance Improvement Action Plans

Table 1: Governance Improvement Actions 2022/23	Action Owner	By when?	Review of Activity
<p><b>HMICFRS Action Plan</b> – the actions from the Action Plan have been transferred into delivery and team plans following (His Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services) HMICFRS inspection. A new WFRS Delivery Plan 2022-24 has been developed and will be used to monitor progress against the HMICFRS causes of concern to ensure that agreed actions are implemented.</p>	Chief Fire Officer	March 2023	Warwickshire Fire and Rescue Service has responded positively to the HMICFRS Inspection findings. An action plan was produced, and significant progress has been made in delivering improvements. The Prevention Cause of Concern has been discharged by HMICFRS. HMICFRS have also made comment that progress is being made across the areas for improvement. A follow up HMICFRS inspection commenced in Spring 2023, and the report was published in September 2023 and reported to Cabinet in November 2023.
<p><b>Joint local area SEND inspection in Warwickshire</b> - Her Majesty's Chief Inspector of Schools determined that a Written Statement of Action was required because of certain significant areas of weakness identified. Her Majesty's Chief Inspector also determined that the local authority and the area's Clinical Commissioning Group were responsible for submitting the Written Statement to Ofsted. Our response was submitted on 24<sup>th</sup> December 2021 on behalf of the Strategic Director (People).</p>	Strategic Executive Director People	December 2022	The Council has made a commitment to deliver its Special Educational Needs and Disabilities Inclusion Change Programme and Written Statement of Action to address the recommendations of the Ofsted and Care Quality Commission inspection. Activity is ongoing into 2023/24 to take forward actions.
<p>Review of the Code of Corporate Governance against the new Council Plan</p>	<p>Strategy and Commissioning Manager Legal and Democratic Services /</p> <p>Assistant Director Governance and Policy</p>	December 2022	We continue to keep our Code of Governance under review as against the Council Plan and Integrated Delivery Plan to ensure that the approaches reflect the needs of the updated projects and activities within the Plan. This is an iterative process as the actions and requirements of the Plans evolve.

Table 1: Governance Improvement Actions 2022/23	Action Owner	By when?	Review of Activity
Undertake a governance health check using the Centre for Governance & Scrutiny Governance, Risk and Resilience Framework (the Framework).	Strategy and Commissioning Manager Legal and Democratic Services  Team Lead Senior Solicitor	December 2022	This work was completed throughout autumn and winter 2022, including delivery of a series of workshops utilising the Framework published by the Centre for Governance and Scrutiny (CfGS). The results have been reported to Corporate Board in February 2023 and actions are being implemented.
Undertake a review of our officer delegations to ensure they are up to date following organisational changes	Strategy and Commissioning Manager Legal and Democratic Services	December 2022	Delegations have been reviewed and have been approved by Council in September 2022. We continue to keep constitutional governance arrangements, including delegations, under review and will recommend amendments where necessary.
Undertake a wide-ranging commissioning / governance review to refine our Target Operating Model. This will include a review of the governance of projects and programmes to align it with commissioning activity, and will include additional reviews, led by Governance and Policy for organisational-level governance, and Finance for monitoring of capital programmes. In line with the Council's new Delivery and Performance Plans, the review will continue throughout 2022/23 and will provide recommendations on governance to Corporate Board in Q2.	Assistant Director Enabling Services  Assistant Director Governance and Policy  Assistant Director Finance (Deputy Section 151 Officer)	September 2022	The Capital Financial Management Project has undertaken a comprehensive review of how capital projects are managed in Warwickshire. Several changes designed to provide greater rigour to the capital process improved ownership and increased visibility were identified for implementation.  We have refreshed our governance arrangements supporting our Target Operating Model which puts the Council's Strategic Objectives at the core of all we deliver, approved by Corporate Board. As part of this we have created a new governance forum, the Capital Strategy Group, which has responsibility for ensuring this new model is embedded across the organisation.  The project will deliver a revamped capital training offer and will relaunch the Intranet pages with updated information and easy to access guides.  We have also as part of the refresh introduced a quarterly stocktake process for Corporate Board to consider wider

Table 1: Governance Improvement Actions 2022/23	Action Owner	By when?	Review of Activity
			<p>strategic issues, including emerging national issues and policy developments.</p> <p>We have completed the governance health check (referred to above) using the Centre for Governance &amp; Scrutiny Governance, Risk and Resilience Framework</p>
<p>Develop an action plan to address issues arising from the Local Government Corporate Peer Challenge which took place in March 2022. The report will be published in June 2022.</p>	<p>Assistant Director Governance and Policy</p>	<p>March 2023</p>	<p>The outcome of the peer review, including emerging themes for inclusion in the action plan, was considered by Cabinet in June 2022. An action plan was subsequently developed with progress against the action plan being presented to the peer assessors on their revisit in November 2022.</p>
<p>Producing, with public sector, business and voluntary sector partners and Government, a costed plan and trajectory for the County to be net zero no later than 2050, that is clear with Government about resources and support necessary to deliver national and local aspirations on net zero.</p>	<p>Assistant Director Commissioning Support Unit</p>	<p>September 2022</p>	<p>A draft strategy with a trajectory for carbon emission reductions to be net zero across Warwickshire was agreed at Cabinet in October 2022. A large scale engagement campaign has been conducted with a range of stakeholders and further targeted sessions will follow through the period to August 2023 to facilitate co-creation of the strategy and action plan. The final strategy and action plan for Warwickshire are expected to go to Cabinet by the end of 2023.</p>

Table 2: Governance Improvement Actions for 2023/24	Action Owner	By when?
Governance Team (Legal Services), to collaboratively work with colleagues across the Council to consider and implement actions, endorsed by Corporate Board, arising from the governance stocktake against the Framework.	Director of Strategy, Planning & Governance	January/ March 2024
The Pension Fund will respond to the Scheme Advisory Board's Good Governance Review and the Pension Regulator's Single Code of Practice as the requirements are issued.	Head of Investments, Audit, Insurance & Risk	March 2024
Targeted consideration of aspects of the Constitution and the Codes of Conduct is being undertaken and we anticipate recommendations will be presented to Council by the end of 2023.	Head of Legal and Governance	December 2023
Response to the new Procurement legislation (expected autumn 2024) to be implemented across the Council including strengthening of procurement practice as appropriate.	Director of Strategy, Planning & Governance  Director of Finance	Autumn 2024
An improvement plan for School Admissions processes and practices is being produced by Education Services for delivery by April 2024.	Head of Access to Education	April 2024
Review and refresh the Strategic Risk Management Framework.	Head of Investments, Audit, Insurance & Risk	December 2023
Reviewing the end to end approach to education capital programme procurement	Head of Property Services	Autumn 2024