



# **Annual Governance Statement 2022/23**

# Stoke-on-Trent City Council Governance Statement 2022/23

## **1. Introduction**

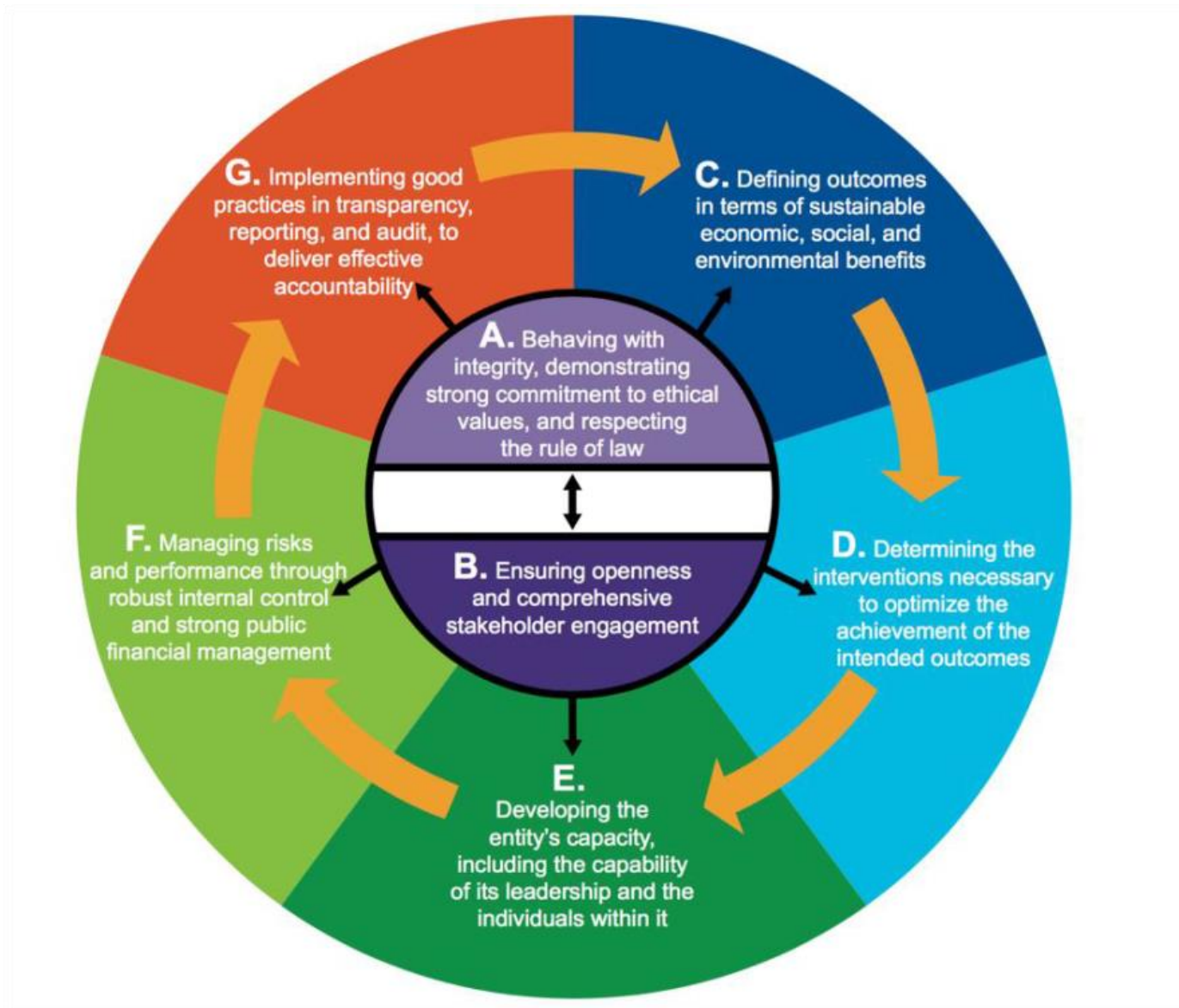
- 1.1 Each year the city council produces a governance statement that explains how it makes decisions, manages its resources and promotes values and high standards of conduct and behaviour. This statement complies with regulation 6(2) of the Accounts and Audit Regulations 2015.
- 1.2 Stoke-on-Trent city council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, correctly accounted for and used economically, efficiently and effectively to deliver quality services to the community it serves.
- 1.3 The city council is committed to embedding and achieving a robust set of corporate governance arrangements. The city council is managed within a robust framework as set out in the city council constitution, which clearly outlines how the city council operates, how decisions are made and what procedures need to be followed to ensure the city council is efficient, transparent and accountable to its local residents and stakeholders.
- 1.4 The Annual Governance Statement reports on:
  - i. how the city council complies with its own governance arrangements;
  - ii. how the city council monitors the effectiveness of the governance arrangements and;
  - iii. what improvements or changes in governance arrangements are proposed during the forthcoming year.
- 1.6 The governance framework is under continuous review and this has continued this year. The Monitoring Officer remains a member of SMT, corporate groups and is fully involved in the breadth of city council activity and decision making. A full constitutional review has now been completed and amendments in year include the scheme of delegation, procurement rules, committee structures and member code of conduct. The last stage of the review is now to make any resultant alterations to the constitution as a result of amendments. The next full review of the constitution will take place in 4 years' time, until then amendments will be made on a frequent basis as constitutional updates.
- 1.7 The footnotes provided are internet links which will take you to the specific supporting documents and appropriate web pages.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## **2. Scope of Responsibility**

- 2.1 Stoke-on-Trent city council is responsible for ensuring that its services are provided and conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Local Government Act 1999 also places a duty on all councils to secure continuous improvement and to demonstrate economy, efficiency and effectiveness.
- 2.2 In discharging this overall responsibility, the city council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.
- 2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and The International Federation of Accountants (IFAC) identified seven key principles relating to governance in their document *International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)*. A summary of the Seven Principles of Good Governance in the public sector and how they relate to each other is shown over:

# Stoke-on-Trent City Council Annual Governance Statement 2022/23



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## **The Purpose of the Governance Framework**

- 2.4 The Governance Framework comprises the systems and processes, culture and values by which Stoke-on-Trent city council is directed and controlled. This, together with its activities and leadership, enables it to monitor and manage its performance for delivering cost effective services.
- 2.5 Effective performance and risk management allows the city council to have increased confidence in achieving its objectives and also allows the citizens of Stoke-on-Trent to have increased assurance in the city council's governance arrangements and its ability to deliver.
- 2.6 The system of internal control is a significant part of the governance framework and is designed to manage risk to an acceptable level. Risk cannot be eliminated and therefore controls can only provide reasonable and not absolute assurance of effectiveness. Internal Control is based on a process to:
- Identify and prioritise risks that prevent the achievement of the city council aims and objectives;
  - Evaluate the likelihood that risks are realised and their impact;
  - The appropriate management of those risks.
- 2.7 The city council has a number of committees that challenge and review the options considered and actions taken by the city council. The aim is to ensure that robust decisions are made that focus on achieving the best strategic outcomes for local residents within the available level of resources.
- 2.8 The city council has an Audit Committee,<sup>1</sup> which, has as part of its function the responsibility of considering the effectiveness of the city council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements, and seek assurance that action is being taken on issues identified by auditors and inspectors. In discharging this function, the Audit Committee will ensure compliance with such codes, protocols, statements and policies as are necessary to meet its responsibilities, which includes the appropriate arrangements for the management of risk.

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<sup>1</sup> [Audit Committee Details](#)

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## **3. The 2022/23 Governance Framework**

- 3.1 The CIPFA/IFAC framework (Good Governance in the Public Sector), provides advice and indicators to good governance which affords the city council the opportunity to review and test its governance and structures in delivering best practice.
- 3.2 The CIPFA/IFAC framework identifies the seven core principles of good governance as:
1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  2. Ensuring openness and comprehensive stakeholder engagement.
  3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
  4. Determining the interventions necessary to optimize the achievement of the intended outcomes.
  5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  6. Managing risks and performance through robust internal control and strong public financial management.
  7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 3.3 The governance framework covered by this statement has been in place at Stoke-on-Trent city council for the year ended 31 March 2023 and is considered up to June 2023. An assessment of the city council's governance arrangements against each core principle is attached at Appendix 1.
- 3.4 In October 2020 the city council approved the Stronger Together Strategic Plan 2020-24 which sets out the council's strategic priorities, as well as the objectives that it will aim to achieve over the next four years and the approaches it will take to achieve them. The overarching vision for the council and the wider city for 2024 will be used to shape and influence activity and service delivery, as well as the council's interactions with partners, residents and stakeholders. City council also approved the revised Performance Framework which sets out arrangements for corporate monitoring and reporting of performance against these objectives and priorities.
- 3.5 On 5<sup>th</sup> May 2023 a local election took place for all 44 seats on Stoke-on-Trent City Council. The results were 29 seats for Labour, 14 for Conservative and 1 independent. On 25<sup>th</sup> May 2023 the annual council meeting took place to make decisions regarding the makeup of Committees and the Cabinet. The new administration will take time formulating its strategic plan and key objectives. This governance statement is based upon the Stronger Together plan of the previous administration.
- 3.6 In addition to the change in administration it is important to note that the city council continues to operate in a very uncertain and challenging economic environment which is placing significant pressure on the city council's financial position following the coronavirus pandemic and the ongoing cost of living crisis. The current economic climate brings with it elevated levels of uncertainty and volatility

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

at a macro level that increase the level of financial risk to all local authorities and wider public sector organisations. The council continues to experience significant demand and inflationary pressures as a result of this. Due to the particular challenges faced by the city council including the low levels of financial resilience and reserves, high demands for social care and a weak council tax base this presents a greater financial risk than it does to those authorities that do not experience similar characteristics.

- 3.7 The council's Medium Term Financial Strategy 2022/23 was approved by City Council on 24 February 2022. As set out in the MTFS Section 25 statement the S151 Officer indicated that "whilst this budget is considered robust and sustainable at the time of writing, it must be acknowledged that it is framed in an extremely uncertain financial environment. In addition to the inherent uncertainty of the economic wider economic climate as outlined throughout the report the city council continues to see significant challenges in relation the demand and related costs of both Children's and Adult Social Care. To mitigate against this there is significant additional investment in these services; sufficient transformation resources are budgeted to target sustainable change in these areas, but delivery is critical. The city council's ability to manage these pressures over the coming years is vital to the delivery of a robust medium term financial strategy."
- 3.8 Since the budget was set in February 2023 the city council has seen rapidly escalating demand in relation to children's social care in relation to both numbers, complexity of need and unit costs. This has been coupled with sustained levels of inflation which is placing further risk on both the cost of care and wider costs across the council. This is resulting in significant additional pressures being forecast in the financial year and indicates that some of the assumptions made based on the data available at the time of setting the budget have turned out to be too optimistic . These pressures will need to be addressed rapidly through relevant mitigations and where required additional savings proposals if the city council is to remain financially sustainable. The low levels of reserves held by the city council and the rapidly escalating social care demand mean that should appropriate savings not be delivered at pace the financial resilience of the council will be further weakened potentially leaving the council with a level of reserves than would be insufficient to manage the associated financial risks in future years. In this scenario more formal steps may need to be considered by the Section 151 Officer. Immediate action to address these challenges is therefore required.

## 4. Review of Effectiveness

- 4.1 A review of the city council's governance arrangements draws on several sources including:
- Service updates from individual service managers
  - Reviews of partnership governance arrangements
  - External inspections by government agencies
  - Internal Audit reviews which consider and report upon compliance with corporate policies and procedures
  - External audit reports



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 4.2 The Audit Committee plays a key role in the city council's review of the effectiveness of its governance framework. It seeks assurance on the adequacy of the city council's risk management, control and governance arrangements.
- 4.3 The Audit Committee receives regular training to ensure it has the appropriate knowledge and skills. The Committee also completes a self-assessment against updated CIPFA guidance. The previous self-assessment was undertaken in 2018 and due to changes in the make-up of the Committee following local elections in May 2019 plans were established to undertake a revised self-assessment and a knowledge and skills assessment to support a training plan for the Committee. This was originally planned for March 2020 but was been postponed due to the Covid-19 emergency situation. Following further changes in the committee's membership, it is planned that a self-assessment will be undertaken in 2023.

## **Internal Audit and Review**

- 4.4 The city council has a strong Internal Audit function and a positive working relationship with External Audit. The arrangements for the provision of Internal Audit are contained within the city council's Financial Regulations which are included within the Constitution. The Director of Strategy & Resources, as Section 151 Officer is responsible for ensuring that there is an adequate and effective system of Internal Audit of the city council's accounting and other systems of internal control, as required by the Accounts and Audit Regulations 2015.
- 4.5 In 2017 CIPFA published revised Public Sector Internal Audit Standards to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. The city council has adopted these standards and Internal Audit has carried out self-assessments with areas for improvement being addressed. An external review was undertaken in November 2022. This gave the city council's internal audit service the highest category of "Generally Conforms" to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note for the second time. An action plan has been produced to implement the recommendations and suggestions from the review, which will be reported to the Audit Committee on a regular basis.
- 4.6 Internal Audit's Annual Plan is prioritised by a combination of key and statutory systems' assessments and reviews on the basis of risk, and the city council's corporate governance arrangements. The work incorporates reviews of the main financial systems, other systems identified as high risk, grant certification work and the continued development of proactive fraud work. The resulting work plan is discussed and agreed with Directors, the Audit Committee and shared with the city council's external auditor. All planned audit reports include an assessment of the adequacy of internal control and a prioritised action plan to address any areas needing improvement where for example, controls need to be improved or the overall control environment strengthened. These are provided to Directors, and other officers as appropriate, and a summary is provided to Members on a quarterly basis.



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 4.7 The Internal Audit review of the city council's control environment is set out in the annual report to Audit Committee which concluded that based on the full knowledge of the Head of Internal Audit, including significant risks the council is facing and information from a variety of other assurance sources, the level of assurance on the adequacy and effectiveness of the city council's control environment is Satisfactory. This includes an assessment of the level of assurance the city council's governance arrangements can provide. A number of governance audits were completed or in progress in 2022/23 including the Adults Safeguarding Partnership Board, Children's Safeguarding Board, Levelling Up Programme, Budget Management and Transparency.
- 4.8 Whilst a satisfactory opinion on the control environment as a whole is positive, individual audit reviews have highlighted a number of opportunities to improve control further which are to be addressed through the implementation of internal audit recommendations. In addition, the council plans to continue to undertake a full review of control process during 2023/24 to ensure consistent and regulatory controls are applied at all levels. This work will provide additional capacity to strengthen the council's control environment.

## External Audit and Review

- 4.9 Ernst & Young LLP have been appointed by the Public Sector Auditor Appointments (PSAA<sup>2</sup>) as the city council's external auditor from 2018/19 for a five year period. Their annual work programme is set in accordance with the Code of Audit Practice issued by the National Audit Office and includes nationally prescribed and locally determined activities. City council officers work closely with external audit to provide information and assurance in support of those conclusions and acts on any recommendations made as a result.
- 4.10 The city council received a qualified Value for Money (VFM) conclusion for 2019/20 due to the issues identified within Children's Services and the court of protection administration, all other services were viewed as having the proper arrangements in place. The issues within Children's Services and the Court of Protection administration identified weaknesses in proper arrangements for understanding and using appropriate and reliable performance information to support informed decision making and performance management, and managing risks effectively and maintaining a sound system of internal control. The city council has received an unqualified opinion on the financial statements for 2019/20 and the previous three years. The city council noted the recommendations resulting from the report and took steps to make further improvements. The accounts for 2020/21 onwards are pending final sign off by our external auditors.

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<sup>2</sup> PSAA website provides information regarding the National Audit Office Code of Practice in relation to audits of local authorities

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## **External Inspections**

- 4.11 The city council is subject to a number of inspections by regulatory bodies on many of the services that it provides. During 2022/23 the number of external reviews completed was reduced due to the impact of the coronavirus pandemic. However, some reviews were undertaken and progress continues to be made as the result of previous inspections.
- 4.12 The city council has 6 internal services registered with Care Quality Commission, these are:
- The Meadows – last inspection Nov 2020 – CQC Rating Good
  - Marrow House – Last inspection Aug 2019 – CQC Rating Good
  - Enablement service – Last inspection June 2018 – CQC Rating Good
  - School Street – Last inspection Nov 2017 – CQC Rating Good
  - Shared Lives – no inspection has taken place since registration in May 2019 therefore no rating as of yet
  - Community Care and Support Service - no inspection has taken place since registration in February 2022 therefore no rating as of yet
- 4.13 Due to the pandemic the CQC have changed their inspection regime and have continued to monitor regulated activity remotely. All services have been required to return a provider information request (PIR) with key information aligned to the Key Lines of Enquiry (KLOE's) to allow them to make an informed decision on whether services require further inspection. All internal services (apart from the community care and support service) have submitted PIR's and the CQC have taken no further action based on the information submitted and ratings remain the same where rated. The Meadows, Marrow House, School Street, Shared Lives and the Enablement service through Covid have also had support calls from their CQC inspector via their emergency support framework.
- 4.14 In June 2022, the CQC have reviewed data relating to the Meadows, Schools Street, the enablement service and Marrow House and highlighted on their website that no action is required in relation to forth coming inspections or change to ratings. Direct monitoring calls with the registered managers have also taken place with The Enablement Team, Marrow House, Shared Lives and the Community Care and Support Team during 2022/23 in line with CQC's regulatory monitoring framework.
- 4.15 In October 2022 Ofsted undertook a full inspection of our children's social care services (ILACS). The review looked at the impact of leaders on social work practice; the experiences and progress of children who need help and protection; and children in care and care leavers. The results of the review were an overall effectiveness score of 'requires improvement to be good', with the experiences and progress of children in care and care leavers rated 'good'.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 4.16 The inspection report recognised the “substantial” and “significant” progress that the council has made since the 2019 inspection, and identified a “coordinated and relentless drive to continue to improve children’s experiences”. Since the inspection, the council have refreshed its continuous improvement plan to ensure it has a comprehensive plan to respond to all inspection feedback and take all services to ‘good’ and beyond. This improvement plan has been formally submitted to Ofsted and is being delivered through a robust project management approach.
- 4.17 The DfE improvement notice as revised in March 2020 remains in place and the council continue to work closely with its Children’s Commissioner and accept support provided by partners in practice. The council’s multi-agency Children’s Improvement Board, chaired by the Children’s Commissioner, now meets six-weekly to scrutinise performance data and progress against the improvement plan.
- 4.18 The council have had two six-month reviews with the Department for Education and the Children’s Commissioner to review the children’s social care improvement journey. The feedback from both reviews was positive, acknowledging the progress the council has made on its improvement journey, emerging areas of strength, and increased confidence in our governance, leadership and assurance processes.
- 4.19 The council’s Annual Conversation with Ofsted took place in May 2023 to cover all areas of children and family services. The conversation considered all areas of children’s services; Children’s Social Care, Early Years, Schools, Further Education and Skills and further considered current capacity issues for the local authority. There were no formal recommendations made as a result of the Annual Conversation. The council are also preparing for other key upcoming inspections, including a SEND local area inspection and a possible joint targeted area inspection or focused visit.
- 4.20 In March 2023, the council took part in the West Midlands children’s services peer challenge, where the council were paired with two other local authorities to review our services and share learning, and the council have made changes in response to feedback at this event. The council also had an LGA early years/speech and language peer review to help it better understand how it can continue to develop this area.
- 4.21 The council’s youth justice service was inspected in September 2022 which gave an overall rating of ‘requires improvement’. The council has used the recommendations to inform improvement activity which is overseen by the Youth Justice Management Board. The council’s small group homes are regularly inspected with the vast majority currently rated as ‘good’. Registered managers of the homes prepare action plans in response to inspection feedback and these action plans are progressed and monitored.
- 4.22 In September 2022 the council also had an Ofsted monitoring visit of adult and community learning. This inspection found that reasonable progress has been made in all four thematic areas. The council are currently reviewing and reshaping its adult and community learning provision and will respond to all the feedback raised in the inspection.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 4.23 Implementation of the new Housing Customer Engagement Strategy 2021 has resulted in a significant increase in tenants and leaseholders who want to get involved in the Housing Service. The council are currently planning an updated independent health check assessment during 2023/24 in line with previous reviews and as appropriate to the development of the regulator for Social Housing's review of its consumer standards. During the course of 2022/23 the Regulator for Social Housing and the Department for Levelling Up, Homes and Communities have requested and received assurance on how the city council are responding to the challenges of damp and mould in the private rented sector and within its own housing stock including recommendations made by the Housing Ombudsman. Senior oversight has been provided through the Shareholder Group including the Leader of the Council, Housing portfolio holder and the City Director. Whilst awaiting further details of the requirements of the new Social Housing Regulation Bill, the Housing Division will continue to monitor and report its progress against the Charter for Social Housing Residents Social Housing White Paper.
- 4.24 The city council asked the Local Government Association (LGA) to organise a Corporate Peer Review of the authority and this took place from 23rd to 26th May, 2022. The review provided the council with an important set of objective and expert insights from sector peers to support our improvement journey. The peer review's findings included that:
- The council has positioned the city very effectively in relation to securing potential benefits from the national Levelling Up agenda.
  - Local partnerships have been strengthened and there is a desire amongst partners to be more actively engaged and involved.
  - The council has worked hard to develop increased financial oversight and control in the organisation; significant savings have been delivered, although risks remain.
  - Progress has been made in relation to improving the way the organisation functions.
  - The council faces a number of risks across its commercial and capital programmes, necessitating rigorous monitoring and consideration of the approach going forward.
- 4.25 Key recommendations arising from the peer review included:
- Maintaining the children's services improvement agenda as the absolute priority.
  - Mapping out how the financial gap will be addressed over the five years of the Medium-Term Financial Strategy
  - Enhancing engagement with residents, partners and staff, particularly around the Stronger Together strategic vision and Levelling Up plans.
  - Developing more 'distributed leadership' managerially and fostering a culture of greater accountability, devolved decision-making and responsiveness.
  - Developing understanding of the organisational principles and values that have been established and using these to drive change in the organisation
  - Reviewing the capital programme in light of macro-economic factors.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- Having a rigorous focus on 'improvement' over the next twelve months that draws in learning from across the sector.
- Developing a stronger corporate core

4.26 In March 2022 a report was commissioned by the Department for Levelling Up, Housing & Communities (DLUHC) arising from the approval of a capitalisation direction for the council in 2019/20 which allowed £12.9million of revenue expenditure relating to redundancy costs to be treated as capital expenditure and funded from borrowing. The review focused on the general fund and provided an assessment of the council's financial position and approach to financial management, management of risk, deliverability of savings plan, efficiency of service delivery, financial pressures and ability to manage pressures, and other elements pertinent to the overall financial position of the council. The review made nine recommendations to which the council provided management responses and details of actions to be taken to Cabinet in November 2022.

4.27 The outcome of the city council's assessment of its governance arrangements in 2022/23 is summarised below. A more detailed assessment against the seven CIPFA/IFAC principles is set out in **Appendix 1**.

## 5. Framework – key improvement areas

5.1 The following paragraphs detail key elements of the framework which have undergone significant improvements and further developments are planned over the coming year.

### Operating Framework

5.2 In May 2022 Cabinet approved the Operating Plan for the 2022/23 financial year, the Operating Plan was part of the Operational Framework to ensure that all elements of the organisation are able to work more closely together to deliver the Stronger Together Strategic Plan, strengthen partnership working and improve outcomes for our residents. This provides a clear golden thread from the vision and priorities through to team and individual plans. The Operating Plan translates the Stronger Together vision into a set of key requirements that should be met in order to ensure delivery of the priorities and objectives. Following a change in administration in May 2023, a new operating framework will be developed for 2023/24 onwards.

5.3 There are four overarching priorities to the Stronger Together framework:

- A concerted, whole-council endeavour to transform outcomes for children and young people.
- Strengthening financial performance through improved financial control and greater emphasis on efficiency, productivity and transformation.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- A relentless drive to support the delivery of economic growth and opportunity by maximising the use of our assets, powers and resources.
- Using our influence and resources to make the council an effective enabler of strong families and communities in order to help the people of Stoke-on-Trent to realise their ambitions.

5.4 The Operating Plan included a focus on improving efficiency and productivity to strengthen the council's financial resilience in the face of rising demand and cost pressures. It also set out the authority's ambitions to progress and achieve its Levelling Up plans for the city – shifting the focus towards commencement of the delivery phase of key regeneration projects while managing a range of resource pressures. Civic pride also featured in the plan, which set out a challenge for the city council to build on the successes that it had achieved during its response to the Covid-19 pandemic by giving residents, businesses and communities reasons to be proud of Stoke-on-Trent and help to promote and celebrate the city. The Operating Plan also detailed the next steps towards delivering the core cross-cutting priorities underpinning the council's transformation programme:

- Process and activities - streamlining our internal management processes to make them simpler, more consistent and reliable.
- Organisation and people – improving recruitment and retention, departmental structures, organisational development, innovation, internal engagement; reviewing terms and conditions; embedding flexible working and strengthening equality and diversity.
- Information, data and technology – implementing the Digital Strategy, improving digital infrastructure, accelerating channel shift, strengthening data analytics and boosting workforce skills.
- Location and assets – delivering the Asset Management Strategy to consolidate office space, enable locality working and support regeneration.
- Suppliers and partners – developing and delivering a new Commercial Plan to improve and streamline procurement and contracting processes to extract greater financial, social and environmental value and secure better outcomes for the Council and wider city.
- Management and governance – strengthening assurance, development, performance management and service transformation through the creation of an effective system of management governance.

5.5 During 2022/23 the council approved a suite of strategies designed to support delivery of the Stronger Together vision and priorities. These included:

- Customer Service Strategy
- Digital Strategy
- Workforce and Organisational Development Strategy
- Asset Management Plan
- Stoke-on-Trent Cultural Strategy
- Equality and Diversity Strategy
- Library Strategy

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 14-25 Learning and Skills Strategy
- Stoke-on-Trent Visitor Economy Strategy
- Transport Strategy
- Older People's Housing Strategy
- Adult Social Care Strategy
- Joint Commissioning Strategy for SEND

Collectively, these strategies will help the city council to improve outcomes across a range of services and priorities, secure additional benefits from the national Levelling Up agenda and use digital transformation, innovation and service improvement to enhance the services we provide to our customers and residents while making the best use of our financial, human and physical resources.

## **Team Plans**

- 5.6 In April 2022 team plans were finalised that focused on continuous improvement and driving efficiency. The Team Plans are designed to encourage managers and teams to consider how they contribute to Stronger Together, and where there may be scope to work differently in future to help strengthen collaboration and partnership working to improve outcomes for our residents. Team Plans are a critically important element of the operating framework. They reinforce the 'golden thread' linking priorities and outcomes in the Strategic Vision with all levels of business planning across the organisation. The process for developing team plans for the 2022/23 Financial Year started early in the new calendar year with a number of additional asks for every team to detail how they will support children and young people, social value, apprenticeships, restorative practice, financial control and smarter working.

## **Strategic Measures**

- 5.7 The 2022/23 monitoring year saw a small number of changes to the strategic measures. The performance of the strategic measures continues to be reported to Cabinet and Overview & Scrutiny Committees on a quarterly basis.

## **Analytics**

- 5.8 In order to achieve the strategic objective of improving the use of data in decision making and service improvement to improve outcomes for residents it is necessary to commit to developing analytics within the council. This involves the creation of an engine room and business intelligence system to best support operational planning. This will provide:

- Real time insights – to understand the impact of our actions
- Predictive analytics - to plan well for the future



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- Self-service - drillable management dashboards
- Efficient reporting - saving officer & member time/£, paperless/light reporting
- Integrated reporting - triangulation of data across multiple systems to identify synergies
- Deep dive analysis - focus on deep dive cross functional analysis

5.9 Following a pilot project to develop a number of Use Cases the development of Power Bi reports has now become part of business as usual work. Phase 2 of the project includes the development of a Data strategy and associated action plan which is a key element to support the drive to deliver more insight from the valuable data that we hold.

## Management of Risk Arrangements

- 5.10 The city council recognises that the management of risk assists achievement of its objectives, and is committed to identifying and responding to risks which could impact on its strategic aims, business plans and operations. The management of these risks assist members and officers to deliver the council's priorities. The Director of Strategy and Resources (Section 151 Officer) and the Assistant Director – Governance and Registration (Monitoring Officer) are the joint senior leads for the management of risk. The current Management of Risk Policy, which is reviewed on an annual basis, was approved by Cabinet in April 2023 and "...applies to all directorates and to all areas of operation including all service provision, initiatives, projects and developments. It requires that all council managers, officers and elected members address the issue of day to day risk management and associated risk whilst making any and all policy decisions."
- 5.11 The city council's strategic risk register, which focuses on identifying those risks that may significantly impact on the achievement of its strategic objectives and priorities is maintained and managed by its senior management team, and is reviewed on a quarterly basis by the Audit Committee. This is supported by the management of directorate and operational risks, with a framework in place for the recording and maintenance of risk registers by the respective responsible officers. In addition to this the management of risk also forms an integral part of the city council's approach to project governance.
- 5.12 In 2023 the city council's insurers; Zurich, undertook a review of its risk management arrangements. At the time the review noted:
- "There is a strong belief in the council's risk management arrangements and confidence in its embedding at strategic level. This stems from recent changes to improve the risk management framework and integrated practices in recent years which has improved the focus on governance and strategic risk management. Corporate risks are regularly considered and confidence of support in leadership by the City Director is clearly articulated..."
  - "Regular risk reporting is presented to portfolio holders and at governing Committees where there is opportunity to challenge."
  - "It is noteworthy, that the council has a clear risk aware culture and a confidence in its ability to continuously consider and manage risk even though there are some areas of improvement for consistent application."

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 5.13 Moreover, the review by Zurich noted that: “The council plan is underway to introduce Pentana to utilise as a risk management system that will provide better control, improve aggregated risk reporting and ownership.” The development and implementation of Pentana will continue in 2023/2024.

## **Financial Resilience**

- 5.14 The city council, along with the rest of the local government sector, is seeing growing financial pressure driven by the rapidly rising levels of inflation. This is a global phenomenon with a mix of causes which disproportionately impacts on those local authority areas with a relatively low-wage economy such as Stoke-on-Trent. This is having a significant adverse impact on the council’s overall financial position including pay inflation; demand increasing for core services; and goods and services becoming more expensive to buy. Both Children’s and Adults’ Social Care are seeing significant continuing increases in both demand and cost of placements.
- 5.15 The current macroeconomic challenges are currently driving an exponential increase in demand for both Children’s Social Care and Adult Social Care services that at current levels and cost is not financially sustainable. Work in relation to the Children’s Improvement Plan, managing demand and an ongoing review of commissioning in placements is underway and aims to deliver sustainable savings over the medium term, but is proving challenging in the short term. This work has been strengthened over the latter part of 2022/23 by the establishment of a Placement Sufficiency Board, chaired by the City Director, as well as a Placement Finance Board, chaired by the S.151 Officer. The aim of these boards is to accelerate the work that aims to manage both the nature and cost of placement provision within the city.
- 5.16 Despite the financial challenges faced a balanced budget was achieved for 2022/23. However, a balanced budget could only be achieved through the use of a number of one-off mitigations including savings resulting from a lump sum payment into the Local Government Pension Scheme (LGPS); reduced capital financing costs as a result of reduced borrowing; and maximising the use of earmarked reserves to support service expenditure where appropriate. Strong financial management during the year has also resulted in mitigations such as service efficiencies re non-essential spend and staffing savings from vacant posts which have all helped to mitigate the pressures faced. Clearly the use of one-off mitigations is not financially sustainable in future years. This use of one-off items has also further eroded the weak financial resilience position of the city council. A contribution of £0.5m to General Reserve was maintained within this position.
- 5.17 In the Medium-Term Financial Strategy (MTFS) presented to City Council in February 2023, it was assumed that the council would work towards increasing the General Fund non-earmarked reserve to improve financial resilience. The MTFS includes a contribution to the General Reserve of £0.5 million per annum with an aim to hold a minimum balance of circa 5% of the net budget. The budget position for 2023/24 continues to be monitored closely, particularly in relation to the ongoing impact of high inflation and increasing demand for services, in order to manage and minimise any risk to the reserve.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 5.18 In light of the financial challenges currently faced by the authority, a framework of financial control has been embedded in order to strengthen budget and risk management across the authority:
- Financial Review Group (FRG) – this monitors, manages and challenges the use of resources and financial performance across the city council. Additional emphasis is being put on embedding a culture of personal responsibility and accountability, performance management and continuous improvement of services through the operational framework.
  - Transformation Board – The transformation programme seeks to embed a culture of continuous change as business as usual and to move towards the city council becoming a learning organisation. The post COVID recovery work is feeding into the programme, assessing how this period has changed service delivery, for example, agile working and channel shift.
  - Commissioning and Contract Management Board - looking at commissioning arrangements across the authority and particularly on children’s and adults’ placements.
  - Establishment Board - to respond to the human resources elements associated with the delivery and financial challenges faced by the city council and to support delivery of an increasingly effective and productive workforce. This will include monitoring of changes to establishment and agency, consultants and interim staff (through a dedicated sub group).
  - Capital and Asset Management Board – to ensure that the city council’s portfolio of significant programmes and projects have been properly tested through a gateway process in terms of deliverability, affordability and VFM and are aligned to strategic objectives and are delivered on time, to quality and to budget.
  - Commercial Board – this monitors commercial financial risk and advises on alternative future delivery models for services in order to drive efficiency. The authority is putting measures in place to ensure that it will be fully compliant with the new Procurement Act when the latter receives Royal Assent. These measures include: briefing members; ensuring that Procurement professionals are participating in Crown Commercial Services briefings; and publishing a Commercial Pipeline well ahead of the statutory date for doing so. Preparation is also taking place for the new subsidy arrangements.
  - Digital & Data Board - an officer sub-board of the Senior Management Team that provides strategic oversight of all digital and data projects and programmes of the council, to act as a control mechanism and approve all software systems including renewals and major upgrades and to manage and oversee all aspects of data architecture.
  - Annual Assurance Process – These agreements set out the expectations to budget holders with respect to financial and business management and enable budget holders to provide assurance over the financial position as well as to give a mechanism through which risk can be escalated and managed.
- 5.19 In addition, the Section 151 Officer has written to all senior managers to outline the significant financial challenge that lies ahead for the council and to remind managers of their financial management responsibilities as a senior leader in ensuring ownership, accountability and delivery. The letter also sets out key opportunities and additional support available.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## **Financial Management Code**

- 5.20 In support of strengthening the financial framework, CIPFA has developed the Financial Management Code (FM Code), which sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. The FM Code standards covers areas including responsibilities of the CFO / leadership team, governance and financial management, Medium Term Financial Plan and financial resilience assessments, the annual budgeting process and monitoring of financial performance.
- 5.21 The FM Code is designed to be flexible to the nature, needs and circumstances of individual authorities. It is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out. An initial assessment was carried out in early 2021 and the findings indicate that the council are broadly compliant against the FM standards with a further assessment planned over the next 12 months.
- 5.22 Following the initial assessment, further work has been undertaken to improve longer-term planning by extending the MTFS to 5 years in detail and 10 years at a higher level, and scenario planning is also now evident particularly in respect of Children's Services. In addition, to ensure the strength of financial management, reviews are underway of existing systems such as financial regulations; financial controls; training programme for both members and officers etc to ensure they are sufficiently promoted and embedded. Consideration will also be given to national reports, such as those published in the public interest, to learn from others where applicable. Additional resources have been approved to recruit to a new financial assurance team which will focus on the delivery of a programme of review and refresh of all financial processes and procedures across the city council to strengthen the financial environment.
- 5.23 In addition to the general financial assurance work outlined above some challenges in relation to financial forecasting and related systems were experienced in 2022/23. Steps have been taken to ensure that future forecasting is more robust particularly in demand led service areas which will improve the accuracy and timeliness of available data and the related forecasts. This will be kept under review and further improvements will be undertaken to strengthen this position. In the medium term, the city council has embarked on the procurement of a new ERP (Enterprise Resource Planning) system which will improve the technology available to address this issue.

## **Commercial Risk**

- 5.24 The current economic climate also creates significant commercial risk for the council due to deflated values of the council's assets and rental income. For example, this is having an impact on council investments such as the Smithfield car park and hotel developments. This is also having a direct impact on general traded services within the City Council. To mitigate this, governance has been further strengthened with the creation of two key new boards which give additional oversight to financial and commercial risk.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

The Financial Review Group, chaired by the S.151 Officer and attended by the Senior Management Team, provides senior oversight of the financial performance of the organisation and allows for action to be taken where performance is not on target. The establishment of a Commercial Board, chaired by the City Director, allows for management and oversight of commercial risk, transformational change and a forward-looking analysis of service delivery models.

- 5.25 Robust governance around the authorities wholly owned companies, Fortior Homes and Unitas, has also been a core part of managing financial and operating risk. A refinancing of company debt within Fortior Homes has been successfully completed this year which will provide a stable and sustainable financial platform for the company in what is a highly volatile economic climate. The authority is not however immune to the impact of high-inflation and rising interest rates which will inevitably impact on the risk profile of a number of areas of the council, including its commercial investments. The council is therefore closely monitoring risk around all capital loans, investments and developments.

## **Recruitment & Retention**

- 5.26 The city council is facing a number of recruitment and retention challenges. These challenges are felt across a wide range of roles but most keenly across our professional services e.g. Social Workers, Planning, Legal, Finance etc. This is not a position that is unique to the City Council as 90% of all Local Authorities are reporting the same concerns. In order to try and address the challenges, the council is taking forward a number of actions both collectively as part of a consortium of local authorities but also more locally. Work on the development of a new recruitment website and enhanced recruitment marketing strategy are currently in the final stages, which will also include new branding in order to ensure the council stands out across social media platforms. The council are also exploring where else to advertise in order to attract a more diverse range of talent from across the local area. The entire recruitment process is being overhauled to make it more accommodating and extensive work is being done in relation to educational engagement in order to ensure we are seen as a viable employment option for our young people.
- 5.27 Recruitment is however only half of the story and the council are also facing similar challenges in respect of retention. It is evident that it is currently an applicant's market and that salary levels across the private sector, coupled with the growth in hybrid working, means that there are more opportunities than ever for employees to earn higher rates of pay and without having to move out of the area. The council are addressing this possible through market supplements on a number of roles and will also shortly be commencing a full review of the pay and grading structure. However, the council is also mindful of its financial situation and therefore increased salary levels cannot and should not be the only answer. Job quality is just (if not sometimes more important) than salary and the council are continually reviewing how to improve this. There are many dimensions to this and there is no one size fits all solution. The council are looking at how to make improvements to career progression, what training and development is available (including better access to apprenticeships) and other benefits that can be introduced.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## **Cyber Security Arrangements**

- 5.28 With more and more digitised services and with world events such as the Russia/Ukraine conflict, cybercrime is very much on the rise. At a recent presentation given to Digital Leaders, the Head of the National Cyber Security Centre (NCSC) stated a targeted attack against public sector organisations was not a case of 'if' but 'when'. Similar attacks have already taken place at Redcar and the London Borough of Hackney. This is a sobering message and whilst the council can do little to prevent a sophisticated targeted attack, it can do everything possible to not make itself a target, and to mitigate the risk should an attack be successful. Whilst the council are encouraging the community to transact with it digitally, it must ensure these transactions are secure. With this in mind, there is therefore a twin track approach of prevention and mitigation. The council have therefore installed new hardware and software to improve its security capability. The most important weapon in the council's armoury is staff awareness; the weakest point of any security system is usually people, who unlike machines can be coerced to doing something they wouldn't normally do, such as click a link or reveal a password. Cyber Security training for council staff is now mandatory. The council are also making structural and operational changes to improve capacity and capability in this area. Whilst the council hope to never be successfully compromised by a cyber-attack, it must be planned for. The NCSC have an 'exercise in a box' which the council complete annually to ensure the ICT Team are prepared. The council are also ensuring that Cyber is built into all directorate Business Continuity Plans, so that all functions are prepared to operate without ICT for a sustained period. At the beginning for this year, we also undertook the LGA Cyber360 review which not only focuses on technology but also the culture and preparedness of the organisation, whilst that report is still being finalised the Council has committed to actioning all points raised within.

## **Other Governance Improvements**

- 5.29 During 2022 the council piloted assurance conversations with all senior managers to ensure the council has the right governance and assurance processes in place. The process was designed to set the culture and tone of what is expected of managers in discharging their responsibilities as well as providing managers with the opportunity to identify areas where additional support or training is required. A template was developed across a number of key areas including financial management, risk, governance and decision making, cyber security and internal control. Feedback on the process was positive with manager's saying the process provided them with an opportunity to expand on issues already being discussed at 1-2-1s. Following completion of conversations in 2022, this has been developed into a more formal assurance process with managers completing an online form which will be collated to highlight key areas to be covered in this and future governance statements.
- 5.30 The council has a confidential reporting procedure in place which provides a process to encourage people working with the council to report suspected wrongdoing as soon as possible, in the knowledge that they are able to raise genuine concerns in good faith without fear of reprisals; their confidentiality will be respected; and their concerns will be taken seriously and properly investigated where



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

appropriate. The number, nature and outcomes of confidential disclosures made to Council officers is recorded and monitored. During 2022/23 one referral was made under the confidential reporting procedure which has now been closed. In 2021/22 no referrals were made under the procedure. In addition, during 2022/23 the council received an external report of concerns regarding the procurement of a major contract. The council took these allegations seriously and appointed independent advisors to research the allegations and conduct due diligence on the schemes concerned reporting to the Monitoring Officer and City Director respectively. This work has now been completed with due diligence supplied to the City Director and actions taken and the Monitoring Officer is due to report shortly on the allegations.

- 5.31 In January 2023 contractors operating on behalf of the council very seriously damaged an important sculpture as part of works to expand the Marina Way Roundabout connecting to the newly opened Etruria Valley Link Road. The event was reported to the council by social media and as soon as it was reported, immediate action was taken by the council to recover and preserve the remains of the sculpture which was in many pieces. The council has pledged to restore the sculpture. The council's Monitoring Officer conducted an investigation into the decision making with regard to the incident. The findings were that the correct approvals were not in place to proceed as the chief officer had not signed off the works in line with the original Cabinet delegation. The contractors carried out the council's instruction and did not make a mistake. The Monitoring Officer has published a report in relation to the incident which makes a number of recommendations to ensure that this type of incident is avoided in future.
- 5.32 Information Governance best practice has continued to develop within the authority with training on cyber security rolled out. A cyber security audit has been carried out which is on the whole positive and useful feedback has been provided which will form an action plan to be actioned by the cyber security manager who will be appointed as a result of a need identified and provided for during a restructure. The Information Governance Group continued to develop chaired by the SIRO, Vice-chaired by the Strategic Manager for Information Security and Caldicott Guardian and including the Council's Data Protection Officer and representatives from legal, communications, IT, Information Rights, Learning and Development and each department. The group has now been widened to include data within its remit and is considering how data is used in the council. The group continues to be effective in raising the profile of Information Governance with each directorate now having its own group. A cyber attack took place during the year on one of the council's suppliers and this was managed to a high level through an interdepartmental critical incident response group.
- 5.33 Chief Officer and Deputy Chief Officer declarations of interest have been relaunched and are now available online and reviewed annually, the next stage will see this rolled out for other officers, which was unfortunately delayed last year. Similarly work has been completed to review the arrangements with regard to city council owned/influenced entities to ensure that the appropriate ethical walls are observed and the action plan has been fully implemented. There have been significant improvements to officer level governance



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

which has been consolidated and codified within the year with the creation of a number of strategic co-ordinating boards and greater clarity in terms of the decision making pathway for reports, these arrangements have been added to by an ICT Challenge Board to assist with digital delivery.

- 5.34 During 2022 a review of the council's complaints process was conducted through a series of activities such as stakeholder interviews, process mapping and liaising with other local authorities. The information was summarised and findings / proposed opportunities were approved in November 2022. A project board was established to deliver the improvement opportunities across eight core workstreams: Channel, Resource/Structure, Policy, Process, Systems, Reporting, Restorative Practice and Complaint Learning. To date the team have developed a draft online webform and website structure that simplifies the way in which our residents contact the council with a complaint. In addition to this, new measures have been implemented within the Contact Centre and Customer Feedback Team to measure:
- Upfront complaint demand (measure the total complaint demand received via contact centre)
  - Complaint Referral to Online (measure the number of raised by the contact centre vs. directed online)
  - Service request triage (measure the conversation rate of complaint to service request)
  - Complaints vs Service Request Failure (measuring the number of service requests incorrectly raised as a complaint)
- 5.35 Additionally the team have also developed an approach for assigning complaints to the directorate more effectively (Single Point of Contact) that is underpinned by a matrix to put ownership at the appropriate level. Work has also commenced on improving the corporate complaints policy, as well as capturing and created a matrix showing the number of reports generated with the frequency, effort required and initial generation problems. In conjunction with Keele University, the council are also planning on developing a plan to pilot and implement Restorative Practice.
- 5.36 The city council's financial assessments team's functions include carrying out financial assessments for residential and non-residential care, acting as appointees and deputies for adults who lack capacity and the provision of direct payments for children and adults. In April 2020 the service transferred from Corporate Finance to Revenues and Benefits. Following the transfer of the service, a review of staffing, processes and procedures and internal controls was undertaken. One of the key risks identified within this review related to Court of Protection reconciliation processes and as such focus was concentrated on this area. A number of potential internal control and reconciliation weaknesses were identified that needed to be considered and addressed. Following an internal audit review, an action plan was developed and a full reconciliation of the existing individual accounts commenced. This included new reconciliation procedures being put in to place for new transactions, guidance and training of staff regarding the new processes. A historic reconciliation was also undertaken which included the review of 100,000s of transactions. The council have been in ongoing dialogue

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

with the Office of the Public Guardian (OPG) regarding the reconciliation and they have offered their support to the council in addressing the issues and the council will maintain an open dialogue with the OPG as further improvements are undertaken. The issues regarding balances have now been addressed and a report was presented to the Audit Committee in March 2023 under a closed agenda item. A transformation project for the overall Financial Assessments service is underway and a number of improvements have been made to processes. The process for carrying out the reconciliation for Court of Protection work is being transferred from a manual process to an automated one. This will reduce the risk of manual intervention in relation to the Court of Protection function.

- 5.37 The council entered a contractual arrangement with Community Energy Scheme (CES) UK Ltd for them to install solar panels on Stoke-on-Trent's social housing stock and to enter into a contract with tenants for the provision of electricity from these panels. Following a number of complaints about the company's management of the scheme, the Office of Gas and Electricity Markets (Ofgem) are currently undertaking an investigation. The council is not the subject of the investigation, but have done all it can to assist Ofgem in its investigation and await the outcome. Dependent on the outcome this may have operational and financial implications for the Council and CES, both retrospective and forward looking.
- 5.38 There is a national shortage of suitable foster homes for children in care (the recent Care Review recommended that central government invests to secure an additional 9000 foster carers). Consequently, there are many instances in which Stoke-on-Trent children, who could be in foster care, are required to live in children's homes because there is no foster carer availability. One consequence of this is that children's homes end up full of children who could be in foster care and therefore are not available to care for those who really need to live in a residential home. Where there are suitable vacancies in residential or foster homes, they are often not in the local area. For our children, the consequence of this is that too many end up having to live in residential or foster care that is far from their home communities. This is not conducive to them receiving ideal care and can inhibit plans for them to be able to return back to their birth family.
- 5.39 A further risk is the inability to find homes for a very small number of children (up to 10 at any time). This results in them either being cared for in an unregistered setting (very rare) or being supported at home even when this is no longer in their best interests. The council are in the process of thoroughly updating its Sufficiency Strategy and Plan that will set out how the council intend to increase the availability of the homes our children need. The plan will take approximately two years to implement fully but work on increasing local availability will start in earnest from the end of May 2023 when we expect to have a working draft of our new Sufficiency Plan in place.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

5.40 The children's social care market is reasonably healthy in that, for the most part, providers do not appear to be at any immediate financial risk. However, there are insufficient quality homes for children with complex needs. In addition, market pressures have resulted in significant increases in the cost of placements which represents a significant challenge for the local authority. In response to these issues the city council is implementing a variety of changes:

- A new, comprehensive, robust Sufficiency Strategy and Implementation Plan. This will set out precisely how we plan to secure additional foster care, residential care and supported accommodation for our cared for children.
- Regular provider network events to build effective joint working with local providers and engage them in discussion about how they can provide the specific homes our children need.
- Additional scrutiny of the highest cost placements – this has already resulted in securing considerable additional contributions from the ICB.
- Review of the fee breakdown we ask for from providers so that it is less onerous for them, whilst giving us the key information we need to understand value for money of the placement.
- A review of how our placement decision making panels work to ensure that they perform as effectively as possible
- We also continue to utilise our Tripartite and High Needs panels to give assurance that all placements are appropriately funded and that they provide the best value for money available from the market.

5.41 The council are also facing challenges in relation to working age adult placements. The council has historically placed many working age adults in traditional residential settings both locally and out of area often due to a local shortage of commissioned Supported Living (SL) Schemes. Residential placements costs have increased year on year and may not always be the optimal solution for younger adults, and as such the council are currently developing it's Sustainability Plan for Working Age Adults which will include projections for future need and the range of accommodation and care and support that we will need to develop including local solutions to enable us to support more younger adults locally in appropriate settings, as well as looking at the cohort of younger adults placed outside of area that may be able to return to live closer to home following review. The council are tendering through a flexible framework for the care and support element relating to Supported Living during 2023 as part of our ongoing strategy to better control costs and ensure a more sustainable market although the element of the Sustainability Plan that relates to accommodation will take two to three years to implement fully as it is likely to be contingent on availability of land and/or capital and interest from developers. The council are also working with a small number of local residential providers who are considering shifting their business model to Supported Living.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- 5.42 The Working Age Adults (WAA) residential and nursing market is fragile primarily due to increasing inflationary challenges providers are facing both locally and nationally. Following the agreement to uplift placements by 4% initially the council will be launching a cost of care exercise with this market to better understand their costs including their return on operations, and a small number of providers have already requested meetings as they have concerns about their financial viability in the immediate short term pending the costs of care. The council will be working with them through an open book accounting exercise, and it is possible that some providers may serve notice on placements if we are unable to secure agreement on placement costs. To mitigate this the council are:
- Developing a Market Sustainability Plan for WAA which will detail what the council are doing now and need to do to ensure capacity and quality is available across residential, supported living and home care settings.
  - Re-engineering WAA provider forums to build on some of the effective joint working the council have in place already with local providers and engage them in the development of sustainability plans
  - Scrutinising all new WAA placements – with finance and commissioning involvement - to ensure that the most cost effective solution is sourced in the least restrictive environment following social work assessment
  - Further reviewing how the placement decision making panel is working to ensure that they perform as effectively as possible and that all placements are appropriately funded and health contribution is secured
- 5.43 The ‘People’ Commissioning and Contracts Board (covering the Children and Family Services and Adult Social Care, Health Integration and Wellbeing directorates) has run since January 2022. This Board has oversight of the delivery of the 3-year Commissioning and Procurement Plan covering spend on spot and block contracts sitting within children’s, adults and public health. Following a review of Commissioning in Dec 2022, the Board Terms of Reference were revised to ensure effective governance and oversight of activity and spend across these areas and the relationship with the Commercial Board. This remit will expand in 2023/24 to incorporate coordination and oversight of the ‘People’ Commissioning elements within HDG. The work of the Board will ensure the completion of performance and risk dashboards to give early sight of issues emerging. Extensive baselining of all contracting activity has been completed and work will continue on the more granular spot provision to ensure we are managing the market costs and quality appropriately. The Commercial Board oversees the development of the commercial activities of the Council, including supporting the council in its shareholder function with respect to the two arms-length companies, in its procurement activity, in its delivery of traded services and in broader commercial activity as required. The Board will be chaired by the City Director going forwards.
- 5.44 The Care Act 2014 places a duty on each Local Authority to establish a Safeguarding Adult Board (SAB) and specifies the responsibilities of the Local Authority and connected partners with whom they work, to protect adults at risk of abuse or neglect. The Board has a broad membership of partners in Staffordshire and Stoke-on-Trent and is Chaired by an Independent Chair appointed by

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

Staffordshire County Council and Stoke-on-Trent City Council in conjunction with Board members. The Safeguarding Partnership Board publishes an annual report, and also a 'more accessible' version which is produced by young adults supported by Rockspur who are a user led not for profit company providing day opportunities and supported living for younger adults with learning difficulties/disabilities and autism. The board are committed to learning and improving practice from Safeguarding Adult Reviews. They host a programme of learning events through the year to assist with the delivery of Review findings and the SSASPB Strategic Plan. A Safeguarding expert and lead in Social Work practice was bought into the Local Authority at the latter end of 2022 to review and report on the function of the service and the interaction between the Local Authority and the SSASPB. This has developed into an improvement plan that is currently being implemented through the Local Authority's Target Operating Model. The Local Authority is in full attendance at all board Executive meetings and sub-group meetings focusing on all areas of safeguarding vulnerable adults including prevention and engagement and the SAR sub group.

- 5.45 The Stoke-on-Trent Safeguarding Children Partnership continues to grow in maturity, with new arrangements in place for multi-agency partners to share leadership. Multi-agency partnership arrangements include an Executive Board, Quality Assurance Group and sub-groups for Practice Review and Learning and Development. The council has also established a new Education Safeguarding sub-group to develop our leadership and assurance in this space. The council has agreed a quality assurance and scrutiny framework, which is being implemented alongside our multi-agency training programme. The council has now published its first annual report and continue to progress against partnership priorities and to implement learning from practice reviews.
- 5.46 The council has a robust quality assurance framework in place for children's social care and continue to develop quality assurance arrangements across education services, particularly in relation to SEND. The council has an established programme management approach providing senior management with a clear line of sight and timely oversight of the large range of project plans which support the over-arching Continuous Improvement Plan and delivery of key directorate strategies. The council use service area and a directorate risk register to manage and mitigate emerging strategic risks.
- 5.47 The council has strengthened its education partnership governance, with a new structure in place with focused boards to drive improvements and drive one shared vision. As part of this, the Education Challenge Board oversees the priority education investment area to improve standards and outcomes for children and young people.
- 5.48 Due to the pressures identified in the High Needs Block funding and the need to manage the safety valve savings, the council have created a High Needs Board. The DfE approved a safety valve payment of £10 million which will be paid to the city council over a 4 year period (£9.1 million to reduce the deficit and £0.9 million capacity funding). This is subject to compliance and satisfactory progress with certain conditions set. The overall deficit on DSG as at 31 March 2023 was £14.6 million. There is an agreed action plan in place

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

which covers the financial years from 2020-21 to 2023-24, with a focus on two key strands: firstly, to reduce the number of independent sector placements (this will be achieved through the increase of provision within the city including expansion of special schools, resource bases and free schools); and secondly, to work with mainstream schools to ensure that the pupils with special educational needs can have appropriate provision within a mainstream setting. Due to emerging challenges relating to forecast increases in the demand for EHCPs (Education Health Care Plans), alternative provision placements due to rising exclusions, and delays in capital project delivery, there are significant pressures forecast against the safety value agreement which will make delivery against the existing profiles difficult. The council are currently engaging with the DfE to discuss mitigating actions to address these challenges. Discussions are also ongoing with the Schools' Forum in respect of how they can support the plan. The High Needs Board meets regularly to analyse the expenditure and the impact on vulnerable learners of any realignments of funding. The Board also oversee the match of funding to need in order to meet statutory duties for vulnerable learners. The new Inclusion Board monitors the statutory duty with regard to learners with SEND and those who are vulnerable and in need of additional/ specialist support. Preparing for Ofsted inspections, multi-agency working, funding, expenditure, provision, co-production of alternative provision, transition and quality of provision all form part of the work of the Board.

- 5.49 The city council currently has a number of entities in which it has an interest either as an owner, shareholder or as a member. These include Fortior Homes Ltd; Unitas Stoke-on-Trent Ltd; Stoke-on-Trent Regeneration Ltd; Stoke Energy Co Ltd and Rhead Homes Ltd. The latter two companies are dormant. Fortior and Unitas play an important role for the city council in not only providing financial return and delivering services, but also in terms of delivering city council objectives and as users of city council supplied services. The city council wants these ventures to be successful, however, they do come with a degree of risk. The city council needs to ensure it has robust processes and arrangements in place to protect its interests and to ensure that, as shareholder and lender, the city council can be assured the companies are effectively managed. Since last year both boards have appointed independent chairs which has strengthened the governance arrangements and the robust shareholder arrangements have been enhanced through active dialogues with both companies and work is ongoing. A review of the tax arrangements by an independent tax expert to ensure compliance and efficiency of all entities where the city council has an interest.
- 5.50 In the 2021 Autumn Statement, the Chancellor confirmed that the city council had been successful in bidding for three Levelling-Up Fund (LUF) projects to support the regeneration of the city. The successful bids are towards the delivery of the following schemes:
- £20m of LUF funding towards the Etruscan Square mixed-use development in the City Centre, delivering new homes, commercial space, a new multi-storey car park, an indoor arena with a capacity of 3,600, and a hotel.
  - £16m of LUF funding towards the Goods Yard mixed-use development situated adjacent to Stoke-on-Trent railway station, the A500 and the Trent and Mersey canal at a key gateway into the City, delivering new homes, commercial space and a hotel.



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

- £20m of LUF funding to transform three heritage assets in the City, creating new homes in Crown Works (Longton), Spode Works and Tunstall Library & Baths.

5.51 These regeneration schemes were established to help drive the transformation of the city, and are now either in their delivery phase or moving quickly towards it. The governance of the schemes was overseen by the Levelling-Up Board, chaired by the Leader, and attended by the Deputy Leader, City Director, Section 151 Officer, the Director of Housing, Development & Growth and other senior officers from across the Council. Governance arrangements under the new administration are currently being considered. Updates on the schemes over the last 12 months are as follows:

- Goods Yard - The Goods Yard build is now well underway, ground remediation has been completed and construction of the new 174 apartment block, adjacent to the West Coast Main Line, is progressing in line with the delivery programme. The planned removal of the first floor to create a full height, vaulted ceiling space in the old bonded warehouse is also on schedule. On completion, this will form a leisure space along with the redundant signal box building. In addition to the levelling up funding, the Goods Yard scheme involves significant council borrowing. The decision to progress with the scheme was considered in summer 2022 and advice and issues to be considered was provided by the Section 151 Officer at the point of the decision.
- Etruscan Square - The recent planning approval for the Etruscan Square masterplan along with detailed planning permission for the first phase of the scheme signals a major milestone within the delivery process. Kier Ltd has been appointed to develop the detailed design for the proposed Mobility Hub. For the first phase of residential, a ground investigation work has been completed and the city council is working with prospective partners to bring this first phase to fruition.
- Heritage schemes - Three key heritage buildings/sites form the third Levelling Up package, Crown Works in Longton, Spode Works, in Stoke and Tunstall Library and Baths will all be brought back into economic use through their conversion into primarily residential space. Development partners have been secured for two of the schemes and the city council will be seeking the third in late summer of this year.

5.52 Following the establishment of a formal Project Management Office (PMO) the council has continued to embed project management controls through the directorate PMOs to ensure that its large transformation programme and the high volume of projects across multiple service directorates are effectively managed. During the next twelve months the PMO will work to upskill existing staff and ensure best practice adoption across the organisation. The PMO has introduced the following:

- A Central PMO site established for all staff to access standard corporate project management tools and templates
- New Gateway Approval Process for the Capital programme
- Transformation Assurance Group to oversee the major transformation programme

5.53 The city council are in contract with Transform Schools Stoke on Trent Ltd (TSSL) for the delivery of a maintenance and facilities management service for some 88 schools across the council's education estate. This is a PFI relationship and the contract period



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

comes to an end in October 2025, there is a joint risk in that the council as administrator of the contract has an ethical responsibility to ensure the schools are left in the best possible state of repair and maintenance (both for academy and retained schools) and also a contractual responsibility to act in a proper fashion in its capacity as administrator. A dedicated project team and programme board have been established under the oversight of the City Director to deliver handback and mitigate this risk.

- 5.54 Through discussions with the council's insurers (two separate insurers providing building insurance cover to commercial and public buildings respectively) there has been a need to revisit the engagement and information provided. This has been reviewed and an updated process and inspection regime has been introduced. To obtain maximum value from contract re-procurement the property team are now playing a more active role in qualifying the nature of cover required subject to the council's intentions in respect of the building i.e. different cover may be required if the premises are vacant and/or earmarked for demolition and redevelopment, which in turn would require a different inspection and reporting regime. This new more proactive approach to building insurance is being managed through close co-operation between the insurance team, property and the Housing Development and Growth project management team. The risk to be monitored is in respect of changes in the use of property or its disposal not being reported and should regular building checks either not take place or not be conducted in line with the insurer's requirements, this could potentially invalidate our cover and in some instances mean that properties are not fully insured. The above processes and enhanced management are mitigating the risk and the relationship with the insurers has improved through this more direct engagement approach.
- 5.55 Previously, the council has deliberately chosen to pursue a very practical approach to tackling the climate emergency by identifying and pursuing individual programmes and projects that it considers can make the biggest difference, particularly with respect to energy generation and efficiency, public transport, air quality and tree planting. The new administration intends to consider how a more strategic and co-ordinated approach can be adopted. Addressing climate change is a requirement of all Cabinet members through their portfolios and all relevant council strategies, plans and programmes. Since 2018, the city council has reduced power consumption by 20% and related carbon emissions by 32%, by successfully implementing energy efficiency measures in corporate buildings and across the streetlight network. As a result, the Council's electricity bill is £1.6m per year lower and an equivalent of 5,540 tonnes of CO2 eliminated, equivalent to removing 1,500 cars with internal combustion engines from Stoke-on-Trent's roads. Identifying further opportunities to make efficiencies and reduce carbon remains a challenge. As the council and government agenda and policy evolves around net zero, the council will continue to deliver decarbonisation projects which will be configured into a city wide approach to net zero in the future.

# Stoke-on-Trent City Council Annual Governance Statement 2022/23


## 6. Significant Governance Issues


- 6.1 In 2022/23 no further significant governance issues were identified other than those included in this statement. All findings of regulatory inspections received during the period covered by this statement are being addressed and progress will be reported at regular intervals through the appropriate committee.


## 7. Declaration by City Council

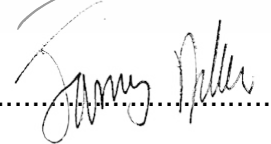
- 7.1 We have been advised on the results of the review of the effectiveness of the governance framework by the Audit Committee. The city council continues to develop plans to ensure continuous improvement of the arrangements are in place and these will continue to be enhanced.
- 7.2 Over the coming year, we will continue to strengthen the city council's governance arrangements and will monitor the implementation of recommendations to improve and enhance the arrangements as part of our next annual review.

### Signed:

.....  ..... Leader of the Council: Cllr Jane Ashworth (from 25<sup>th</sup> May 2023)  
Date:

.....  ..... City Director: Jon Rouse  
Date:

.....  ..... Section 151 Officer: Nick Edmonds  
Date:

.....  ..... Monitoring Officer: James Doble  
Date:

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## APPENDIX 1

### Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Ref	How we can demonstrate that the city council meets this principle	Evidence
PA.1	<p>The city council promotes high standards of ethical behaviour by developing, maintaining and monitoring a Code of Conduct for Members of the city council. The Code of Conduct clearly sets out the standards expected for elected Councillors to ensure they operate in a clear, transparent manner and treat each other, and members of the public, with respect and courtesy. The Code and the city council’s policies and procedures are communicated via corporate induction sessions and are available on the city council’s intranet site.</p>	<p>Members Code of Conduct &amp; Staff Code of Conduct are included in the city council’s Constitution</p> <p><u>Constitution</u></p>
PA.2	<p>The Codes of Conduct for Members and city council employees include the requirement to disclose interests (including statutory Disclosable Pecuniary Interests) and to declare gifts and hospitality. The Members Gifts and Hospitality Register is available on the city council’s website on the Transparency pages.</p>	<p><u>Councillor’s Register of Interests</u></p>
PA.3	<p>Comprising of nine councillors, allocated on the basis of the political composition of the council, the city council’s Standards Committee is responsible for helping Members to adhere to the Members Code of Conduct and promoting other elements of sound ethical behaviour.</p> <p>The Committee, in conjunction with the Monitoring Officer, deals with complaints against Members and this may involve the undertaking of investigations or some other form of action being taken, such as additional training. The Committee also issues (and updates) local codes of guidance from time to time, such as a Code on Criminal Records Bureau checks and guidance on dealing with planning and licensing determinations.</p>	<p><u>Standards Committee</u></p> <p><u>Modern Day Slavery and Human Trafficking Statement 2022</u></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PA.4</b></p>	<p>The city council has an established Procurement Process Guide in place to ensure an ethical and robust process. This enables a clear and documented end to end procurement process that supports probity, provides effective stewardship of public funds and meets the needs of the business.</p>	<p><u>Procurement Process Guide</u></p>
<p><b>PA.5</b></p>	<p>The city council has an established corporate compliments, comments and complaints process. In the event that the procedure is exhausted, the Ombudsman is required to carry out an investigation into a complaint.</p> <p>The Ombudsman's Annual letter is published on the <a href="#">LGO's</a> own website.</p>	<p><u>Compliments, Comments and Complaints Process</u></p> <p><u>LGO Annual Review Letter 2022</u></p>
<p><b>PA.6</b></p>	<p>The city council has a Counter-Fraud &amp; Error Strategy as well as a Confidential Reporting (Whistleblowing) Procedure to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. The Audit Committee receives regular update reports outlining progress in implementing key anti-fraud actions to protect the city council's interests.</p>	<p><u>Statement on Countering Fraud, Corruption &amp; Error Strategy January 2023</u></p> <p><u>Confidential Reporting (Whistleblowing) Procedure Mar2021</u></p>
<p><b>PA.7</b></p>	<p>In response to the Covid-19 emergency situation a full analysis of all changes to legislation has been produced and circulated to senior officers. Changes were also made to the city council's constitution to respond to the emergency situation to enable decision making to continue was agreed by full city council on 26<sup>th</sup> March 2020.</p>	<p><u>Amendments to Part 2 and Part 3 of the city council's Constitution</u></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## Principle B – Ensuring openness and comprehensive stakeholder engagement

Ref	How we can demonstrate that the city council meets this principle	Evidence
PB.1	<p>The city council publishes its decisions on its website; on this page you can find a record of executive decisions made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations</p>	<p><a href="#"><u>Notice of Decisions</u></a></p>
PB.2	<p>The city council is committed to openness and transparency. Meeting items are only discussed in private if they absolutely cannot be discussed in any other way<sup>3</sup>. City council and Cabinet Meetings are broadcast live on the internet, and are available online to be watched after the event.</p>	<p><a href="#"><u>City council Meeting Webcasts</u></a> <a href="#"><u>Cabinet &amp; City Council Meetings</u></a></p>
PB.3	<p>The city council places communications at the centre of all that it does. The communications strategy which is underpinned by the city council's Stronger Together vision sets out an approach which aims to improve communications with local people as well as a number of key stakeholders across the city through a series of pre-agreed campaigns. This approach proactively supports engaging local people and stakeholders in democracy and city council services in a number of ways across a number of digital and more traditional channels.</p> <p>The city council's Community Cohesion Strategy has been developed taking into account the views of young people and consultation with statutory, voluntary and community partners.</p>	<p>Corporate Communication Strategies Quarterly Priorities are agreed with Cabinet Leads, the City Director and Directors (internal only)</p> <p><a href="#"><u>Community Cohesion Strategy 2020-2024</u></a></p>
PB.4	<p>The city council has an established customer feedback procedure which enables those in the City to engage with the organisation and offer ideas, suggestions, compliments and complaints. The Annual Customer Feedback Report for 2019/20 was published in December 2020 and shows a reduction in the number of stage one complaints received and a reduction in the number of statutory complaints about social care services for the third year running. The 2020/21 and 2021/22 reports are due to be presented to Cabinet on 27<sup>th</sup> September 2022.</p>	<p><a href="#"><u>Customer Feedback Procedure</u></a> <a href="#"><u>Customer Service Strategy 2021 - 2024</u></a> <a href="#"><u>Annual Customer Feedback Report 2020/2021</u></a> <a href="#"><u>Annual Customer Feedback Report 2021/2022</u></a></p>

<sup>3</sup> Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PB.5</b></p>	<p>The City Council Operating Plan for 2022/2023 has been reported to the Cabinet on the delivery of the priorities and objectives of the Stronger Together Strategic Plan 2020-2024.</p>	<p><u>Stronger Together Priorities</u></p> <p><u>Operating Plan 2022-2023</u> (Updates provided to Cabinet Internal only)</p>
<p><b>PB.6</b></p>	<p>The city council communicates through its website regarding the city council's vision, achievements, financial position and performance. The website has recently been redeveloped to provide the public with easier access to information and services. Various parts of the organisation use a variety of social media, including Twitter, Facebook, YouTube, google+, Pinterest and Flickr to engage and inform communities and stakeholders. The Communications Team also provides related media releases, where appropriate.</p> <p>The city council continues to produce brief weekly news updates which include headline stories and important corporate information, the bulletin - called Our Week – is emailed to staff every Wednesday. There is also be a fortnightly Our Learning bulletin providing up-to-date training, development and learning information and an Our Wellbeing newsletter including all the latest health and wellbeing opportunities available to staff.</p>	<p><u>Facebook</u></p> <p><u>Face book live questions and answers</u></p> <p><u>Main News Page</u></p> <p>Our Week (internal document only)</p> <p>Our Learning (internal document only)</p> <p>Our Wellbeing (internal document only)</p> <p>Leisure Newsletter (internal document only)</p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PB.7</b></p>	<p>Engaging with our communities is essential to ensure that we are a resident led authority. Consultation exercises are carried out as required; for example, consultation on the Budget has become a regular component of the budget setting process. Consultation meetings were held across the Medium-term Financial Strategy period to consult on the budget proposals.</p> <p>The city council also conducted a number of online consultations in the year including the rights of way improvement plan; how do you use your chemist; elective home education policy, social workers survey to support carers and when would you like to shop at our markets.</p>	<p><a href="#"><u>Budget Consultation 2023-2024</u></a></p> <p><a href="#"><u>Budget Consultation book 2023-2024</u></a></p>
<p><b>PB.8</b></p>	<p>Enhancing the accountability for service delivery and effectiveness of other public service providers is demonstrated through the reporting mechanisms for joint arrangements, such as the Health and Well Being Board, Adult Strategic Partnership, CYS Partnership, Responsible Authorities Group and the Youth Offending Service Board, - all of whom deliver services in partnership with Staffordshire PCT, Staffordshire Police, Probation Services and the city council. The city council works in close partnership with the Stoke and Staffordshire Local Enterprise Partnership to develop investment and business growth across the region.</p>	<p><a href="#"><u>Health and Wellbeing Board</u></a></p> <p><a href="#"><u>Place to Be - Adult Services Strategy 2023/2026</u></a></p> <p><a href="#"><u>Adults' Strategic Partnership Plan</u></a>  <a href="#"><u>Staffordshire and Stoke-on-Trent Adult Safeguarding Partnership Board</u></a>  <a href="#"><u>SSASPB Annual Report 2021/2022</u></a>  <a href="#"><u>Children's Safeguarding Partnership</u></a></p>
<p><b>PB.9</b></p>	<p>Directors of Public Health in England have a statutory duty to produce an annual report outlining the health of their local population. During 2021, Public Health remained top of everyone's agenda as the City continued to respond to unprecedented challenges during the Covid-19 pandemic and reaffirmed the Council's commitment to improving the health of our city and reducing inequalities.</p>	<p><a href="#"><u>Director of Public Health Annual Report 2021</u></a></p>



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## Principle C – Defining Outcomes in terms of sustainable economic, social, and environmental benefits.

Ref	How we can demonstrate that the city council meets this principle	Evidence
PC.1	<p>In January 2020, the city council agreed the strategic vision for the period from 2020 to 2024. The new vision comprises five priorities and 25 strategic objectives and was been developed in consultation with Cabinet. The vision is the basis for a more detailed strategic plan for 2021/22.</p>	<p><u>Stronger Together Priorities 2020-2024</u></p> <p><u>Operating Plan 2022-2023</u></p> <p><u>Strategic Performance &amp; Framework 2020 (A)</u></p> <p><u>Strategic Measure Target Setting 2021/2024</u></p> <p><u>We are levelling up Stoke-on-Trent</u></p> <p><u>Silicon Stoke Prospectus</u></p> <p><u>Library Strategy 2022/2025</u></p> <p><u>Playing Pitch Strategy 2021/2040</u></p> <p><u>Stoke-on-Trent Cultural Strategy 2022/2028</u></p> <p><u>Stoke-on-Trent Green Space Strategy Interim Update May 2022</u></p> <p><u>Visitor Economy Strategy</u></p> <p><u>Transport Strategy and Delivery Plan 2022/2031</u></p> <p><u>Community Renewal Fund Prospectus</u></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PC.2</b></p>	<p>The Stronger Together Strategic Plan provides a clear vision for Stoke-on-Trent, to create a city we can all be proud of. This vision is underpinned by five priorities which guide everything the city council does:</p> <ul style="list-style-type: none"> <li>• Support our residents to fulfil their potential;</li> <li>• Support our businesses to thrive, delivering investment in our towns and communities;</li> <li>• Work with residents to make our towns and communities great places to live;</li> <li>• A commercial council, well governed and fit for purpose, driving efficiency in everything we do;</li> <li>• Support vulnerable people in our communities to live their lives well.</li> </ul> <p>Sitting underneath the five priorities are 29 strategic objectives which describe the areas where the organisation will drive change over the next four years. To guide the delivery of our priorities and objectives there are five cross cutting values. They describe how we will work and how we would like to work with others, across organisational and geographical boundaries.</p> <p>The council’s Medium Term Financial Strategy has been aligned to support the delivery of the above strategic priorities.</p>	<p><a href="#"><u>Strategic Measures Q1 2022/2023 (1)</u></a>  <a href="#"><u>Strategic Measures Q1 2022/2023 (2)</u></a></p> <p><a href="#"><u>Strategic Measures Q2 2022/2023 (1)</u></a>  <a href="#"><u>Strategic Measures Q2 2022/2023 (2)</u></a></p> <p><a href="#"><u>Strategic Measures Q3 2022/2023 (1)</u></a>  <a href="#"><u>Strategic Measures Q3 2022/2023 (2)</u></a></p> <p><a href="#"><u>Strategic Measures Q4 2022/2023 (1)</u></a>  <a href="#"><u>Strategic Measures Q4 2022/2023 (2)</u></a></p> <p><a href="#"><u>Medium Term Financial Strategy &amp; Council Tax Setting 2023/2024</u></a></p> <p><a href="#"><u>Addendum (Item 7) to Medium Term Financial Strategy 2023/2024.pdf</u></a></p>
<p><b>PC.3</b></p>	<p>The city council has adopted in full CIPFA’s Prudential Code for Capital Finance in Local Authorities and their Treasury Management Code of Practice. The city council receives specialist support from Arlingclose on all aspects of borrowing, lending and investments.</p> <p>Reserves strategy and forecasts are clearly set out in the Medium Term Financial Strategy and are monitored through the quarterly Finance updates. Opportunities for strengthening the reserves position are routinely considered as part of the account closure exercise. The revenue budget is set and will be reviewed on a regular basis.</p>	<p><a href="#"><u>Capital Financial Strategy 2023/2024</u></a>  <a href="#"><u>Capital Investment Programme Funding 2023/2024</u></a>  <a href="#"><u>Capital Investment Programme 2022/2023 - 2031/2032 Summary of Changes Appendix A</u></a>  <a href="#"><u>Capital Investment Programme - Detailed Programme HDG Appendix B</u></a>  <a href="#"><u>Capital Investment Programme - Detailed CAFS Appendix Bii</u></a>  <a href="#"><u>Capital Investment Programme - Detailed Programme ASCHIW Appendix Biii</u></a>  <a href="#"><u>Capital Investment Programme - Detailed Programme STAR Appendix Biv</u></a></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

		<p><u>Capital Investment Programme Appendix C</u></p> <p><u>Medium Term Financial Strategy &amp; Council Tax Setting 2023/2024</u>  <u>Addendum (Item 7) to Medium Term Financial Strategy 2023/2024.pdf</u></p> <p><u>CIPFA Treasury Management Code of Practice 2022/2023</u></p>
<p><b>PC.4</b></p>	<p>The annual report on the Treasury Management Strategy for 2021/22, incorporating the Minimum Revenue Provision Policy Statement, Investment Strategy and Prudential and Treasury Indicators 2021/22 required under Part 1 of the Local Government Act 2003 was approved by city council in February 2021 (having been considered by the Audit Committee).</p> <p>Member awareness and engagement on Treasury Management issues is progressed through development events and regular updates.</p>	<p><u>Treasury Management Annual Borrowing &amp; Investment Strategy &amp; Minimum Provision Policy 22/23</u></p> <p><u>Treasury Management Annual Borrowing and Investment Strategy 2023/2024 &amp; Minimum Revenue Provision</u></p> <p><u>Treasury Management Policy Statement 2023/2024</u></p> <p><u>Minimum Revenue Provision Policy 2023/2024</u></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

PC.5

The council have produced an Asset Management Plan to set out the continuing work of Asset Maximisation and brings together the priorities for delivery for operational property, the accommodation strategies and plans and how the decisions taken to drive these also provide a greater level of opportunity for physical regeneration within the City.

[Asset Management Plan 2022-2024](#)

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes.

Ref	How we can demonstrate that the city council meets this principle	Evidence
PD.1	<p>Financial and non-financial performance reports are presented on a monthly basis at Senior Management Team Meetings (SMT) and taken to Cabinet each quarter.</p> <p>The content of the reports demonstrates the city council’s progress in achieving against the performance measures and budgets across city council activities and are used to highlight examples of excellence in service delivery, as well as monitoring areas requiring improvement. Reports are also provided to Overview and Scrutiny Committees for each respective service area.</p>	<p><a href="#"><u>Financial Performance Q1 2022/2023</u></a></p> <p><a href="#"><u>Financial Performance Q2 2022/2023</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 App A</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 Annex A</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 Annex B</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 Annex Ci</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 Annex Cii</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 Annex Ciii</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 Annex D</u></a>  <a href="#"><u>Financial Performance Q2 2022/2023 Annex E</u></a></p> <p><a href="#"><u>Treasury Management Mid-Year Review 2022/2023.pdf</u></a></p> <p><a href="#"><u>Financial Performance Report Q3 2022/2023</u></a>  <a href="#"><u>Financial Performance Q3 2022/2023 Annex A</u></a>  <a href="#"><u>Financial Performance Q3 2022/2023 Annex B</u></a>  <a href="#"><u>Financial Performance Q3 2022/2023 Annex Ci</u></a>  <a href="#"><u>Financial Performance Q3 2022/2023 Annex Cii</u></a></p> <p><a href="#"><u>Financial Performance 2022-23 Provisional Outturn Appendix A</u></a>  <a href="#"><u>Financial Performance 2022 - 23 Provisional Outturn Annex A.</u></a>  <a href="#"><u>Financial Performance 2022-23 Provisional Outturn Annex B.</u></a>  <a href="#"><u>Financial Performance 2022-23 Provisional Outturn Annex Ci.</u></a>  <a href="#"><u>Financial Performance 2022-23 Provisional Outturn Annex Cii.</u></a></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

The city council monitors a set of strategic measures to understand performance against the Stronger Together priorities. The Strategic Measures are reported to the Senior Management Team (SMT), Cabinet and Overview & Scrutiny on a quarterly basis and are refreshed annually to ensure they remain up to date and relevant. SMT consider corporate health performance information on a monthly basis which includes customer feedback, sickness absence & HR data, health & safety and customer services information. Key Directorate KPIs are also reviewed on a monthly basis with a focus on a specific directorate each month. The city council continues to work with partners and reports performance on a quarterly basis to various boards including Health & Wellbeing Board and Children & Young Peoples Strategic Partnership Board.

Financial Performance 2022-23 Provisional Outturn Annex Ciii.

- Strategic Measures Q1 2022/2023 (1)
- Strategic Measures Q1 2022/2023 (2)
- Strategic Measures Q2 2022/2023 (1)
- Strategic Measures Q2 2022/2023 (2)
- Strategic Measures Q3 2022/2023 (1)
- Strategic Measures Q3 2022/2023 (2)
- Strategic Measures Q4 2022/2023 (1)
- Strategic Measures Q4 2022/2023 (2)

Strategic Measure Target Setting 2021/2024

Treasury Management Q3 Review 2022/2023

Overview & Scrutiny Committees

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PD.2</b></p>	<p>In determining the courses of action to take decisions are informed by the city council's strategic priorities and objectives (its strategy and key performance indicators) which subsequently inform a clear planning methodology and long term direction for its business activities. To support this, the city council ensures it has an adequate and all-inclusive budget process.</p>	<p><u>Medium Term Financial Strategy &amp; Council Tax Setting 2022/2023</u>  <u>Medium Term Financial Strategy &amp; Council Tax Setting 2023/2024</u>  <u>Addendum (Item 7) to Medium Term Financial Strategy 2023/2024.pdf</u>  <u>Strategic Measures Q1 2022/2023 (1)</u>  <u>Strategic Measures Q1 2022/2023 (2)</u>  <u>Strategic Measures Q2 2022/2023 (1)</u>  <u>Strategic Measures Q2 2022/2023 (2)</u>  <u>Strategic Measures Q3 2022/2023 (1)</u>  <u>Inflation and the Impact on Financial Resilience</u></p>
<p><b>PD.3</b></p>	<p>A Housing Strategy has been created to enhance Stoke-on-Trent's housing offer so that people at all stages of life can find and live in a quality home they want at a price they can afford.</p>	<p><u>Housing Strategy 2022-27</u>  <u>Housing Revenue Account Management Strategy 2022/2027</u></p>
<p><b>PD.4</b></p>	<p>"Making Stoke-on-Trent a digitally inclusive city". Enabling more people to access the internet has the potential to transform the way in which citizens access local services and make choices about aspects of their own lives, while simultaneously reducing demand for key services.</p>	<p><u>Digital Strategy 2021-2024</u></p>



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<b>PD.5</b>	<p>Our vision is for Stoke-on-Trent to be a vibrant, healthy and caring city which supports its citizens to live more fulfilling, independent and healthy lives. Our objective is to promote personal responsibility, early intervention and independence by involving communities in the way our services are shaped. We will encourage community leadership, a strong focus on efficiency, value for money and ease of access to services.</p>	<p><a href="#"><u>Joint Health and Wellbeing Strategy 2021 - 2025</u></a></p> <p><a href="#"><u>Joint Dementia Strategy 2021-2024</u></a></p> <p><a href="#"><u>Young Peoples Learning and Skills Strategy</u></a></p> <p><a href="#"><u>Joint Commissioning Strategy For SEND 2023/2028</u></a></p> <p><a href="#"><u>Annual Youth Justice Plan 2022/2023</u></a></p>
<b>PD.6</b>	<p>A set of Equality Objectives for the city council for the period 2021-2024 have been developed.</p>	<p><a href="#"><u>Equality Objectives 2021-2024</u></a></p> <p><a href="#"><u>Equality and Diversity Strategy 2022/2025</u></a></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

**Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it.**

Ref	How we can demonstrate that the city council meets this principle	Evidence	
PE.1	The city council participates in multiple benchmarking exercises and uses the information for financial and service quality comparisons. Learning from other entities enables the city council to achieve value for money and best practice service delivery.	Benchmarking <u>Corporate Peer Review</u>	
PE.2	The city council has four statutory <sup>4</sup> posts with responsibility for governance.	<b>Statutory / Mandatory posts</b>	<b>Post within current structure</b>
		Head of Paid Service	City Director
		Chief Financial Officer and s151 Officer	Director of Strategy & Resources
		Monitoring Officer	Assistant Director Governance & Registrars
		Senior Information Risk Owner	Assistant Director Governance & Registrars

<sup>4</sup> There are other statutory roles, including the Director of Children’s Services and the Caldicott Guardian, currently held by the Assistant Director – Commissioning, Health and Social Care

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PE.3</b></p>	<p>The Constitution sets out a Scheme of Delegation, Financial Regulations and Contract Procedure Rules.</p> <p>The Scheme of Delegation gives officers authority to act within the policies and objectives defined by the executive and the city council as a whole. The scheme has been extended to Assistant Directors and work continues to extend further to Strategic Managers. The Financial Regulations underpin the effective management of the city council’s financial arrangements and the Contract Procedure Rules govern the making of contracts for and on behalf of the city council.</p> <p>The city council’s Constitution sets out the framework for decision making and the formal reporting of those decisions. Decision making is underpinned by a framework of policies, plans and strategies. These are referred to as the Budget and Policy Framework and are identified within the Constitution. The Constitution is kept under review by the Assistant Director - Governance, (the city council’s Monitoring Officer).</p> <p>These documents are comprehensively reviewed on a regular basis by the Constitution Working Group with amendments being approved by full city council.</p>	<p><u>Constitution</u></p>
<p><b>PE.4</b></p>	<p>For our elected Members, the city council produces an annual Learning and Development Plan supported by a calendar of training events and workshops. These continued to adhere to the best practice guidelines given in the Local Government Association’s Member Development Charter.</p>	<p>Councillor Induction Plan 2019-23 (Internal only) <u>Role of a Councillor</u></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PE.5</b></p>	<p>In compliance with the data transparency code, the city council has published its senior management structure and pay structure.</p> <p>The city council publishes an annual pay policy, last approved by city council in February 2021. 25/02/2021</p> <p>Information is also provided about member’s remuneration.</p>	<p><a href="#"><u>Pay Policy Statement 2022/2023</u></a></p> <p><a href="#"><u>Pay Policy Statement 2023/2024</u></a></p> <p><a href="#"><u>Members Allowances 2022/2023</u></a></p> <p>Terms and Conditions Review (Internal document only).</p>
<p><b>PE.6</b></p>	<p>The city council recognises that its employees are central to its success. Training for staff is developed via information from annual P.L.A.N - Progress, Learning, Actions, Nurture. The employee performance framework exists to promote performance and identify development needs. A revised performance appraisal process is currently being developed.</p> <p>Staff also undertake a range of compulsory e-learning on topics such as health and safety and data protection.</p> <p>A leadership events took place in March and June 2022 with further planned throughout 2022/23. These events were led by the City Director for all Senior Managers and included a variety of management tops and information sharing.</p>	<p>P.L.A.N – Progress, Learning, Actions, Nurture</p> <p>E-learning Programme</p> <p>Stronger Together Management Programme</p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

## Principle F – Managing risks and performance through robust internal control and strong public financial management

Ref	How we can demonstrate that the city council meets this principle	Evidence
<b>PF.1</b>	<p>The Management of Risk Policy sets out the city council’s strategy for ensuring that effective risk management is embedded within all areas of the city council’s operations. It also requires that all managers and Councillors address the issue of associated risk whilst making any and all policy decisions. The Audit Committee reviews the Strategic Risk Register annually.</p> <p>The system of internal control is designed to identify and prioritise the risks to the achievement of the city council’s policies, aims and objectives and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.</p>	<p><u>Strategic Risk Register</u></p> <p><u>Management of Risk Policy</u></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

PF.2

The city council's Financial Management arrangements conform to the governance requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2016). Information on the financial performance of the city council provided to budget managers and senior officers is well presented, timely, complete and accurate. Real time desk top budget information is available to budget holders across the city council.

[Financial Performance Q1 2022/2023](#)  
[Financial Performance Q2 2022/2023](#)  
[Financial Performance Q2 2022/2023 App A](#)  
[Financial Performance Q2 2022/2023 Annex A](#)  
[Financial Performance Q2 2022/2023 Annex B](#)  
[Financial Performance Q2 2022/2023 Annex Ci](#)  
[Financial Performance Q2 2022/2023 Annex Cii](#)  
[Financial Performance Q2 2022/2023 Annex Ciii](#)  
[Financial Performance Q2 2022-2023 Annex D](#)  
[Financial Performance Q2 2022/2023 Annex E](#)  
[Financial Performance Report Q3 2022/2023](#)  
[Financial Performance Q3 2022/2023 Annex A](#)  
[Financial Performance Q3 2022/2023 Annex B](#)  
[Financial Performance Q3 2022/2023 Annex Ci](#)  
[Financial Performance Q3 2022/2023 Annex Cii](#)

[Financial Performance 2022-23 Provisional Outturn Appendix A](#)  
[Financial Performance 2022 - 23 Provisional Outturn Annex A.](#)  
[Financial Performance 2022-23 Provisional Outturn Annex B.](#)  
[Financial Performance 2022-23 Provisional Outturn Annex Ci.](#)  
[Financial Performance 2022-23 Provisional Outturn Annex Cii.](#)  
[Financial Performance 2022-23 Provisional Outturn Annex Ciii.](#)

[Strategic Measures Q2 2022/2023 \(1\)](#)  
[Strategic Measures Q2 2022/2023 \(2\)](#)  
[Strategic Measures Q3 2022/2023 \(1\)](#)  
[Strategic Measures Q3 2022/2023 \(2\)](#)  
[Strategic Measures Q4 2022/2023 \(1\)](#)  
[Strategic Measures Q4 2022/2023 \(2\)](#)

[Treasury Management Annual Report 2022/2023 and Quarter one 2023/2024 Performance Summary](#)

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p><b>PF.3</b></p>	<p>The city council’s policies and staff training programme promote compliance with information legislation. To support this, data protection courses have been further updated for both officers and councillors. Training for senior managers is complete and relevant policies are in place in line with current legislation. We comply with standards for public sector data handling and security and have achieved Public Services Network certification every year since its launch. The city council has met the standards required by the new NHS Data Security and Protection Toolkit.</p> <p>The city council is a signatory to the One Staffordshire county-wide information sharing protocol to ensure that when data is shared with our partners it is done in a transparent, compliant and consistent way.</p>	<p>Data Protection Policy (Internal only)</p> <p>Data Sharing Policy (Internal only)</p> <p>Information Governance Policy (Internal only)</p>
<p><b>PF.4</b></p>	<p>The city council’s review of the effectiveness of the system of internal control is informed by:</p> <ul style="list-style-type: none"> <li>• Directorate assurance based on management information, performance information, officer assurance statements and Scrutiny reports</li> <li>• The work undertaken by Internal Audit during the year.</li> <li>• The work undertaken by the External Auditor reported in their annual audit and inspection letter.</li> <li>• Other work undertaken by independent inspection bodies.</li> </ul> <p>In February 2018 an external review of the internal audit function was undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA). The review gave the city council’s internal audit service the highest category of “Generally Conforms” to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note.</p>	<p><u>Internal Audit Monitoring Q1 22/23</u>  <u>Internal Audit Monitoring Q2 22/23</u>  <u>Internal Audit Monitoring Q3 22/23</u></p> <p><u>External Review of Internal Audit</u>  <u>External Review of Internal Audit 2022 Appendix</u></p>



# Stoke-on-Trent City Council Annual Governance Statement 2022/23

PF.5

The city council has a Corporate Strategy for the prevention and detection of fraud and corruption. A key area of work during 2021/22 continues to be Housing Tenancy Fraud and in particular Right to Buy where the implementation of enhanced due diligence checks and robust anti-money laundering controls have been hugely successful in preventing non bona fide Right to Buy applications thereby protecting the public purse. Results of fraud investigations are publicised on the internet using the city council's social media presence and also in the local media to promote the city council's 'Zero Tolerance Against Fraud' approach.

The city council participates in the National Fraud Initiative (NFI), this is a range of annual and biennial data matching exercises led by the Cabinet Office that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Regular updates on these exercises are provided to the Audit Committee.

Statement on Countering Fraud, Corruption & Error Strategy January 2023

National Fraud Initiative

Staffordshire Counter Fraud Partnership

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

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

Ref	How we can demonstrate that the city council meets this principle	Evidence
PG.1	<p>In line with the Local Government Transparency Code 2015, the city council is required to publish certain types of information for transparency purposes, this information can be found on the city council’s website along with monthly Transparency Reports.</p> <p>A record of executive decisions made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 are published on the city council’s website. Information is also provided about member’s remuneration.</p>	<p><a href="#"><u>Transparency Report Jan 2023</u></a></p> <p><a href="#"><u>Members Allowances 2022/2023</u></a></p> <p><a href="#"><u>Notice of Decisions</u></a></p>
PG.2	<p>The city council operates a number of Overview and Scrutiny Committees that consist of Elected Members who undertake annual work programmes. The Overview and Scrutiny Committees are aligned to the directorates within the city council. Their two main functions are to hold decision makers to account and to also develop and review policy.</p>	<p><a href="#"><u>Overview &amp; Scrutiny</u></a></p>
PG.3	<p>The Statement of Accounts is published and produced in compliance with the Accounts and Audit Regulations 2015 presenting a true and fair view of the financial performance of the city council in the delivery of services to the citizens of Stoke-on-Trent. The accounts are subject to independent external audit and are made available via the city council’s website. This is seen as an essential feature of public accountability and stewardship as it provides an annual report on how the city council has used the public funds for which it is responsible.</p>	<p><a href="#"><u>Published Accounts 2018/2019</u></a></p> <p><a href="#"><u>Accounting Policies Adopted for 2022/2023 Statement of Accounts</u></a></p>

# Stoke-on-Trent City Council Annual Governance Statement 2022/23

<p>PG.4</p>	<p>The Audit Committee has responsibility for conducting an annual review of the effectiveness of the governance framework, including the system of internal control. The review of effectiveness will be informed by:</p> <ul style="list-style-type: none"> <li>□ City council officers, responsible for the development and maintenance of the governance environment</li> <li>□ The Strategic Manager, Audit and Fraud’s annual report</li> <li>□ Comments and observations made by external auditors and external review agencies and inspectors.</li> </ul> <p>The Committee also report on their activities to full council.</p>	<p><u>Roles and Responsibilities</u></p> <p><u>Audit Committee Annual Report 2021/2022</u></p>
<p>PG.5</p>	<p>The city council’s assurance arrangements conform to the governance requirements of the CIPFA Statement on the role of the Head of Internal Audit (2020). Information on the work of Internal Audit is provided to managers and senior officers and is well presented, complete and accurate. Summary reports are provided to the Audit Committee on a quarterly basis.</p> <p>The annual report of the Strategic Manager, Audit and Fraud summarises the audit work undertaken during 2021/2022. Where recommendations have been made to improve processes, these are being addressed by appropriate officers. From the work undertaken in 2021/2022 by Internal Audit, the Strategic Manager, Audit and Fraud was able to give the following assurance:</p> <p><i>“From the work carried out by Internal Audit during 2021/22, it has been concluded that the level of assurance on the adequacy and effectiveness of the city council’s control environment is Satisfactory.”</i></p>	<p><u>Internal Audit Charter 2023/2024</u></p> <p><u>Internal Audit Annual Report 2022/2023</u></p>
<p>PG.6</p>	<p>In response to the Covid-19 emergency situation a revised governance structure was put into place that was communicated to all staff. This consisted of a Gold Command for strategic decisions lead by the City Director and a Silver Command for operational tasks led by the Assistant Director - Housing and Community Safety as the Business Continuity lead.</p>	

# Stoke-on-Trent City Council Annual Governance Statement - Annex (September 2024)

## **Introduction**

- A1 Due to the delay in signing the 2022/23 accounts and Annual Governance Statement, details of developments relating to the council's governance arrangements are provided in the following paragraph.

## **Other Governance Issues**

- A5 In addition to the information provided at 5.36, a further report to address issues raised was presented to the Audit and Standards Committee in May 2024 under a closed agenda item. The council continues to liaise with the OPG and update an action plan on a quarterly basis and the OPG are satisfied with the progress made. The council has now started to open individual bank accounts for all deputyship and appointeeship clients, 150 accounts are now open and applications for debit cards for individuals continue to be made.