

**Wiltshire Council**

**Audit and Governance Committee**

**23 July 2024**

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**Annual Governance Statement 2023/24**

**Executive Summary**

The Annual Governance Statement for Wiltshire Council should demonstrate how the Council is meeting the principles of good governance adopted in its Code of Corporate Governance. A statement has been prepared based on the local code of corporate governance adopted by full council as part of the Constitution. The statement has been shared with external auditors for comment and will be updated to reflect the discussion at the committee ahead of its final agreement as part of the Annual Accounts.

**Proposal(s)**

The Audit and Governance Committee is asked to consider the draft Annual Governance Statement for 2023/24 at Appendix 1.

**Reason for Proposal**

The Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2023/24. This will be signed by the Leader of the Council and the Chief Executive after final approval by the Audit and Governance Committee. The AGS will form part of the Annual Statement of Accounts for 2023/24.

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**Deputy Chief Executive and Corporate Director Resources**

**Perry Holmes**  
**Director of Legal and Governance (Monitoring Officer)**

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**Director of Finance & Procurement (Section 151 Officer)**

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## Wiltshire Council

### Audit and Governance Committee

23 July 2024

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## Annual Governance Statement 2023/24

### Purpose of Report

1. To consider the Annual Governance Statement for 2023/24.

### Background

2. The Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2023/24. This will be signed by the Leader of the Council and the Chief Executive after final approval by the Audit and Governance Committee. The AGS will form part of the Annual Statement of Accounts for 2023/24.
3. The format of the AGS follows advice from the Chartered Institute of Public Finance and Accountancy (CIPFA), with an onus on making it focused and readable. This is also the format of the [Local Code of Corporate Governance](#) that full council adopted as part of the Constitution on 9 July 2019.
4. The AGS for Wiltshire Council should demonstrate how the Council is meeting the principles of good governance adopted in its Code of Corporate Governance. These principles aim to ensure the Council is:
  - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  - Ensuring openness and comprehensive stakeholder engagement.
  - Defining outcomes in terms of sustainable economic, social and environmental benefits.
  - Determining the interventions necessary to optimise the achievement of intended outcomes.
  - Developing capacity, including the capacity of the Council's leadership and the individuals within it.
  - Managing risks and performance through robust internal controls and strong public financial management.
  - Implementing good practices in transparency, reporting and audit to deliver accountability.

5. The AGS is primarily retrospective. It reports on the assurance framework and measures in place for the financial year 2023/24, but must take account of any significant issues of governance up to the date of publication of the Statement of Accounts. The AGS should outline the actions taken or proposed to address any significant governance issues identified.
6. The AGS is drafted by senior officers who have lead roles in corporate governance. The evidence for the AGS comes from a variety of sources, including service plans, relevant lead officers within the organisation, internal and external auditors and inspection agencies. The government has recently issued [draft statutory guidance](#) on the Best Value duty which notes that in a well-functioning council '*The Annual Governance Statement, prepared in accordance with the CIPFA/ SOLACE Good Governance Framework, is the culmination of a meaningful review designed to stress-test both the governance framework and the health of the control environment.*' The senior officers meet regularly to deliver this meaningful review through the AGS.
7. In last year's Annual Governance Statement the Council identified a number of areas where further improvements could be made to strengthen its governance framework. Update reports have been provided to the Audit and Governance Committee and where appropriate have been rolled forward into the AGS for 2023/24. Here is the latest update:

### Summary of improvements suggested in 2022/23

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

AGS improvement actions	Current Status	
<p><b><i>Review contract management approaches to embed standard contract management activity; deliver policy and training to embed the Socially Responsible Procurement Policy across the Council; and strengthen our approach to working with SMEs and VCS'.</i></b></p>	<p>With the planned introduction of the Procurement Act 2023 in October 2024 there will be a requirement placed upon the Council to formally report at a national level contract performance where it is deemed to be poor, for those contracts deemed in scope as set out in the Procurement Act 2023. Additionally, for certain contracts, there will be a requirement for the Council to publish, annually, performance against some Key Performance Indicators. A project plan has been developed, which includes things such as a toolkit and training development. During February 2024 briefings will start to take place. A review of approvals boards will also take place to ensure that decisions around contract performance are treated consistently across the organisation.</p> <p>A Socially Responsible Procurement Policy and associated action plan was agreed by Cabinet in November 2022. That policy is used and referenced in procurement activity. Work is now underway to ensure that Social Value ask within specifications links to the objectives of the Council.</p> <p>Monitoring of Social Value and its delivery will also be picked up as part of the Contract Management and performance activity as outlined above.</p>	<p><b>LW</b> <b>DB</b></p>

<b><i>Continue activities to embed all of the elements in Our Identity across the organisation.</i></b>	This is an action on the workforce strategy action plan which is being monitored through Performance Operating Group. Activities include staff recognition events/awards linked to Our Identity, chief exec and heads of service forums briefings to reinforce expectations, learning programme designed around this and ongoing staff communications.	<b>TK PM</b>
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**Principle B - Ensuring openness and comprehensive stakeholder engagement**

<b>AGS improvement actions</b>	<b>Current Status</b>	
<b><i>Develop a renewed framework for working with the Voluntary and Community Sector</i></b>	<p>A joint WC and VCS conference will be collaboratively delivered in November 2024 to continue renewal of the framework. This will commence a programme of engagement focusing on the strategic A co-produced strategic workshop took place in September 2023, between WC and VCS regarding the way in which the local authority delivers its commissioning processes and engagement.</p> <p>An update on Community Conversations was provided at Public Service Board – with full partner engagement and expansion of programme underway to three further areas.</p> <p>VCS reps are now included on HWB, WPSB &amp; ICA and we are looking to include them in BSW C&amp;YP Programme Board.</p>	<b>DR RS</b>
<b><i>Implement a council-wide system for publishing officer decisions in line with the Openness of Local Government Bodies Regulations 2014</i></b>	<p>The Democracy and Governance teams will be taking steps this year to roll out further support to council decision makers to embed the practice of submitting records of officer decisions for publication.</p> <p>Officer decision making guidance has been developed which sets out the process to be followed for recording and publishing decisions, which will be published on the Council’s Intranet as part of the further support provided to council decision makers.</p>	<b>PH JM KE</b>
<b><i>Review the role and function of Area Boards so that they add maximum value to our place shaping ambitions.</i></b>	<p>Progress against this action is linked to activity on Place Shaping. The role and function of the Area Boards in terms of Place Shaping is being considered by the emerging place shaping board.</p> <p>High levels of grant funding leverage were achieved in 2023/24. For every £1 invested, an additional £5.14 was contributed from other sources. An Area Board grant funding Power BI dashboard has been introduced to support evidenced based decision making.</p> <p>A revised SDAT policy has been trialled with Westbury Town Council and learning will be taken from that process to inform future decisions around the SDAT policy and programme. Initial findings suggest that local councils are interested in the look and presentation of local spaces and therefore a more focused approach would be around services for that locality. Consideration is being given to the budget and resource implications of further or accelerated transfers particularly service based transfers.”</p>	<b>DR RS</b>

**Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits**

AGS improvement actions	Current Status	
<p><b><i>Develop a more clearly articulated strategic narrative of place, using the Local Plan as key spatial narrative.</i></b></p>	<p>The emerging draft Local Plan (approved by Council) has been subject to public consultation in autumn 2023. This provides a spatial vision, settlement and delivery strategy which will inform place-shaping for the future of Wiltshire. The Local Plan will be reported back to full Council in autumn 2024, which will pave the way for submission to the Planning Inspectorate in December 2024.</p> <p>Together with the development of the Local Transport Plan (LTP), this will provide the key spatial narrative.</p> <p>A Place Shaping framework is in development. Governance structures have been established (including a Place Shaping Board) and are aligned to principal settlements. Programme reporting mechanisms established.</p> <p>The May 2023 planning peer review provides suitable assurance on direction of travel. A transformation programme has been established to ensure the service is structured to deliver on Planning both in terms of development Management and future special/strategic planning for the council. Delivery of Local Plan will be at the centre of the council's new Place Shaping strategy.</p> <p>The Local Enterprise Partnership has been integrated, and a new economic strategy is being developed.</p> <p>Wiltshire Developers Forum has been piloted, discussing potential applications with key consultees to support the development of good quality applications. To date the pilot forum has seen 2 Wiltshire businesses looking to develop and the lessons learned from this process are being reviewed to inform a model going forward.</p>	<p><b>PK NT VM</b></p>
<p><b><i>Create a county-wide strategic partnership board to oversee an Economic Strategy for Wiltshire</i></b></p>	<p>Integration of the Local Enterprise Partnership has taken place, and new structures for business engagement are being established.</p> <p>An Economic Advisory Board has been recruited and the first meeting is due to take place in Summer 24. The board contains representation from key business groups and sectors, to oversee development of growth policy and future interventions.</p> <p>Wiltshire's draft economic strategy is being adapted to these new requirements and the input of this new advisory board. The local prospectus have been adapted to support the delivery of investment priorities in line with the guidance.</p>	<p><b>PK VM</b></p>

**Principle D - Determining the interventions necessary to optimise the achievement of intended outcomes**

AGS improvement actions	Current Status	

<p><b><i>Consider how developing a comprehensive Asset Management and Capital Investment Strategy could support future transformation and place shaping ambitions and inform future budget decisions</i></b></p>	<p>Capital Programme Improvement Board established to have greater oversight over existing and in year planned spend.</p> <p>Service delivery plans and transformation will identify capital requirements and associated payback/costs, this will be further improved together with longer term planning around all council assets in coming and future MTFS cycles.</p> <p>Asset categorisation has been completed, which will enable identification of potentially surplus assets via service reviews and greater emphasis on where services or communities have a need for asset rationalisation/ enhancement or addition. This will be built into the MTFS cycle to allow for longer term planning on service delivery, transformation that require either maintenance of existing or rationalisation/addition of assets (assets being all e.g. IT, buildings, fleet).</p> <p>Intention to progress a renewed strategic asset dialogue with public sector partners has been impacted by lack of capacity from One Public Estate and Cabinet Office co-ordination support. However specific asset and location based discussion will continue as required through local networks. Capacity is being developed to capture future asset requirements d from Council services to inform planning and the creation of a new Asset Management Strategy. External support with this process is also being explored. However extensive asset management case work and active strategic asset management continues to take place. Improvements to linkages, reporting and processes between Capital programme oversight, Asset management strategy and programmes, and Transformation portfolio oversight being explored.</p>	<p><b>AB LW JB</b></p>
<p><b><i>Continue to ensure the approach to transformation is embedded and understood across the council.</i></b></p>	<p>We are promoting understanding of the gateway process, financial input required and the governance of transformation, and continue to draw on the lessons learned from recognised successful transformations and partnerships such as FACT and Adult Transformation, as well as introducing a resident-derived principles into service planning based on our work on Community Conversations.</p> <p>Significant revisions to the Transformation Planning Group (TPG) process are underway in response to feedback from both service users and TPG members. These improvements aim to significantly reduce the lead time between proposal and action, and make better use of technology and automation tools – prototype is in development at time of writing.</p> <p>New Programme Pipeline status reporting dashboard created for Transformation Board members is now being used.</p> <p>Transformation team structure has been reviewed and implemented to ensure it meets the needs of the Transformation “offer” to services, with new roles introduced to increase the breadth of skills available for each project.</p> <p>A suite of interrelated strategies is in development through collaboration between ICT, Transformation and IG. This includes Digital, Transformation, Cyber Security, AI, and Data strategies. These strategies are informed by the output from our Transformation programmes to ensure cross-visibility, for example the Tech-Enabled Care workstream of</p>	<p><b>SH PH MN</b></p>

	our Adult Social Care transformation programme has a direct input into how ICT service is shaped to provide support to vulnerable residents using the technology, resulting in a proposal to make our ICT service provision accessible to these residents directly, i.e. a new external ICT support offer.	
<b><i>Focus on wider external partnership opportunities that will help take Wiltshire forward</i></b>	<p>Meetings with ICB and LA CEOs and other officers continue, highlighting the need for alignment in commissioning wherever possible. We continue to lead and participate in forums such as SW ADCS, SW ADASS and national conferences.</p> <p>Successful DfE bids to pilot new innovations continue, the latest being the involvement of CAFCASS in pre-proceedings. We are also through to stage 2 of the fostering recruitment and retention pilot, which is a lead role for the South West.</p> <p>Good practice example in children’s social care published in CCN Spotlight. Participation in networks continues, with the notable additions of hosting the LG Challenge and participating in the SW Challenge.</p> <p>Early discussions continue with neighbouring authorities in the context of the shifting devolution agenda, with central government officials appraised as appropriate. This may lead to further discussion on shared services in due course.</p> <p>The council is supporting peer challenges across the country.</p>	<b>AB</b>

**Principle E - Developing capacity, including the capability of the Council’s leadership and the individuals within it**

<b>AGS improvement actions</b>	<b>Current Status</b>	
<b><i>Rollout training and awareness on decision making processes</i></b>	<p>General Guidance on the council’s decision-making processes has been developed and is available on the corporate intranet.</p> <p>Directors and Heads of Service were briefed in 2022 when the Guidance was rolled out. The Democracy and Governance teams will be launching refresher training on decision making this year.</p> <p>The Democracy and Governance teams will also be promoting and implementing new processes for recording and publishing decisions together with further guidance for officers.</p>	<b>PH JM</b>
<b><i>Measure the impact of the leadership and development programme and other interventions on retention and promotion.</i></b>	This is included in HR&OD Performance Operating Group (POG) metrics, and will be reviewed bi-annually to ensure high-performance.	<b>TK</b>

**Principle F – Managing risks and performance through robust internal controls and strong public financial management**

<b>AGS improvement actions</b>	<b>Current Status</b>	

<p><b><i>Review the corporate assurance framework for performance, risk and service delivery</i></b></p>	<p>A comprehensive review of risk management processes, including a detailed internal audit, has taken place.</p> <p>A new risk Policy has also been approved by Cabinet.</p> <p>Good progress is being made implementing the agreed action plan, including the launch of an improved risk register and creation of a new Risk Working Group.</p> <p>An update on the revisions to the risk policy will be provided as a separate part of the agenda.</p>	<p><b>PH MN</b></p>
<p><b><i>Build on the collaborative approach to budget setting, aligning organisational processes more closely to the outcomes in the Business Plan to ensure a focus on the resources used and outcomes to be achieved</i></b></p>	<p>An outcome-based process has been developed ensuring directorate level service plans link clearly with Business Plan principles. Service planning processes will be used to link priorities, finance, procurement and HR to inform both performance goals and budget setting (including capital required for transformation).</p> <p>A new portfolio management approach which includes organisational level prioritisation and governance arrangements is being implemented to align corporate programmes and transformation activities with the Business Plan and ensure benefits realisation.</p> <p>As part of service planning and transformation programmes we are including scope for challenge through use of insight and corporate research activity and programme governance. Regular reports on progress with transformation programme are included in quarterly monitoring reports at Cabinet.</p> <p>The culture of collective financial management, open challenge &amp; delivery continues. Testament to this is at the 2023/24 Q1 position the Council is forecasting a small overspend of £311K, with a budget gap, mainly down to inflation, rising to £7m by 2025/26.</p> <p>Saving delivery targets/plans are reported and managed through services and linked in to transformation programmes and POBs/POGs. They are reported to Cabinet as part of the overall budget monitoring reports, detailing progress; which is good at over 84% either delivered or on track.</p>	<p><b>AB LW</b></p>

**Principle G - Implementing good practices in transparency, reporting and audit to deliver accountability**

<p><b>AGS improvement actions</b></p>	<p><b>Current Status</b></p>	
<p><b><i>Review how performance can be communicated to the public to deliver maximum openness and transparency, including financial information as part of this.</i></b></p>	<p>A new and common approach to communication of performance as well as publishing open data is being explored through our Data &amp; Insight team, and the Oracle project will in time be able to provide new and expanded process performance and compliance measures. Incorporation of appropriate resident engagement is being considered as part of the regular service planning approach.</p> <p>The annual service planning review process was initiated in June 2023. The more holistic process included mapping</p>	<p><b>SH MN</b></p>



	<p>planned activities as mitigating actions for corporate and strategic risks, and a review of corporate performance targets. Services identified financial requirements, as well as identifying their planned transformation activities for the period, and anticipated support required from HR, Finance, and Transformation resources.</p> <p>The Executive Office has begun taking an enhanced role in the already successful POB/Gs, improving the groups' use of horizon scanning and drawing on service plans more frequently. There is good Cabinet engagement with data, with standing agenda items proving a success and a good example of officer and elected member cohesion.</p> <p>The Exec Office and BI team are exploring transition of the Corporate Performance Scorecard to a Power BI dashboard.</p> <p>As part of the introduction of a new Risk Policy, a separate Corporate Performance Policy and Strategy is being produced and will be circulated for consultation in 2024.</p>	
<p><b><i>Assess progress in delivery against the revised statutory guidance on the Best Value duty</i></b></p>	<p>Consultation on draft statutory guidance took place, to which Wiltshire Council responded. The final revised statutory guidance has now been issued. This refers to participation in corporate and other peer reviews as powerful means of assurance. Appropriate arrangements are in place to meet the requirements of the guidance.</p>	<p><b>PH MN</b></p>

#### Initials

**AB:** Andy Brown, Corporate Director of Resources and Deputy Chief Executive

**TK:** Tamsin Kielb, Director, HR and OD

**PK:** Parvis Khansari, Corporate Director, Place

**DR:** David Redfern, Assistant Director, Leisure, Communities and Culture

**PH:** Perry Holmes, Director, Legal and Electoral Services

**NT:** Nic Thomas, Director, Planning

**JB:** James Barra, Director, Assets

**LW:** Lizzie Watkin, Director, Finance & Procurement

**SH:** Stuart Honeyball, Director, Transformation

DB: Deborah Bull, Head of Procurement

PM: Paula Marsh, HR Senior Strategic Partner

RS: Rhys Schell, Strategic Engagement and Partnerships

JM: Jo Madely, Deputy Monitoring Officer and Head of Legal Services

KE: Kieran Elliott, Democracy Manager

MN: Martin Nicholls, Executive Office

VM: Victoria Moloney, Head of Economy and Regeneration

#### Main Consideration for the Council AGS - Content

- An AGS for 2023/24 is attached at Appendix 1. This will be updated further in the light of the observations of external audit (Grant Thornton) as part of the annual accounts and upon receipt of the annual letter from the Local Government Ombudsman. The Council's internal auditors, SWAP, have given an overall audit opinion of reasonable assurance on the effectiveness of the Council's control environment for 2023/24.

9. The Annual Governance Statement for 2023/ 24 reflects on the further assurance the council has received for its activities through an Ofsted inspection of arrangements for looked after children which awarded the grade 'Outstanding'; as well as [peer reviews](#) of adult social care; special educational needs and disabilities; a peer review of the libraries service and a [peer review](#) on planning.
10. The final sections of the AGS require the Council to identify any significant internal control issues affecting the Council during the relevant period. CIPFA guidance suggests that an internal control issue is to be regarded as significant if:
- the issue has seriously prejudiced or prevented achievement of a principal objective;
  - the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
  - the issue has led to a material impact on the accounts;
  - the audit committee, or equivalent, has advised that it should be considered significant for this purpose;
  - the Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
  - the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;
  - the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.
11. The Annual Governance Statement includes two statements from the Monitoring Officer as follows:

*“During 2023/24 I have held regular meetings with the Director of Children’s Services in her statutory role. In those meetings I have been informed about two decisions to home children in unregistered placements. Unregistered provision is when a child who is being provided with some form of ‘care’ is living somewhere that is not registered with Ofsted. Together we developed an escalation and assurance process that clearly shows an audit trail of all options considered by the DCS and her team and consultation with Ofsted and other key internal and external stakeholders. Strong controls are in place to mitigate any risks. The latest position is that the providers delivering the care have applied to Ofsted to become registered. However, as these are examples of unlawful decisions I am reporting them as part of the Annual Governance Statement. I have chosen not to report these in any other forum, as part of my statutory duty, because the circumstances (the unavailability of any other suitable registered accommodation and the fact that the decisions are made by the DCS personally) would not allow any other body, such as Cabinet, to prevent these decisions being taken.”*

*“I have considered the non-completion of accounts this year by our external auditor. The Council has a legal duty to make the available documentation which supports their audited accounts during the first 10 working days of June each year (Accounts and Audit Regulations 2015). We have been unable to facilitate that this year. This is an historic issue. Once draft accounts for years 2021/22 and 2022/23 are issued in draft the Council will mimic the statutory 10 working*

*day period and provide public access for the relevant documentation. A note has been added to our website making the position clear to residents. However, as this is an example of an unlawful decision, I am reporting that as part of the Annual Governance Statement. I have chosen not to report this in any other forum, as part of my statutory duty, because the circumstances (non-completion of the accounts partly as a result of the actions of our external auditors), would not allow, any other body, such as full Council, to prevent this decision being taken”*

12. The following areas for improvement have been identified at this stage:

- Review contract management approaches to embed standard contract management activity; deliver policy and training to embed the Socially Responsible Procurement Policy across the Council; and strengthen our approach to working with SMEs and VCS.
- Develop a renewed framework for working with the Voluntary and Community Sector
- Implement a council-wide system for publishing officer decisions in line with the Openness of Local Government Bodies Regulations 2014
- Review the role and function of Area Boards so that they add maximum value
- Report annually on the performance of key partnerships to Audit and Governance Committee
- Develop a more clearly articulated strategic narrative of place, using the Local Plan as key spatial narrative.
- Consider how developing a comprehensive Asset Management and Capital Investment Strategy could support future transformation and place shaping ambitions and inform future budget decisions.
- Continue to ensure the approach to transformation is embedded and understood across the council.
- Rollout training and awareness on decision making processes, and organisational discipline
- Develop a Data Quality Strategy outlining objectives, roles, reporting, security and sharing.
- Continue implementing the new risk management approach and develop a corporate approach to benchmarking and service review
- Build on the collaborative approach to budget setting, aligning organisational processes more closely to the outcomes in the Business Plan to ensure a focus on the resources used and outcomes to be achieved
- Review how performance can be communicated to the public to deliver maximum openness and transparency, including financial information as part of this.

13. The Council's external auditors, Grant Thornton, have been asked for their comments on the draft AGS and these will be reflected in the final draft. The Council continues to work with the External Auditors (Deloitte and Grant Thornton) on all aspects of the outstanding Accounts and Audit processes to draw these to conclusion as effectively and efficiently as possible and is considering the options for this. This work will include the final accounts for 2020/21 and draft accounts for the subsequent three years.

14. The statistics on complaints highlighted in yellow in the draft AGS will be updated once the annual letter from the Local Government Ombudsman has been received.

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**Perry Holmes**  
**Director Legal and Governance / Monitoring Officer**

**Lizzie Watkin**  
**Director of Finance & Procurement (S151 Officer)**

**Tamsin Kielb**  
**Assistant Director HR and OD**

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## **Appendices**

Appendix 1 Wiltshire Council's Annual Governance Statement 2023/24