

2021/22

Flintshire County Council
Annual Governance Statement
Enclosure 2

Draft V4

What is the purpose of this document?

This document details our assessment against the Council's Corporate Governance Framework and identifies the areas of best practise and areas for further improvement. The document explains:

- What is the Annual Governance Statement
- Governance response to the COVID-19 Pandemic
- Comparison of the Effectiveness of the Council's Governance Framework
- Key principles of the Corporate Governance Framework and our statement:
 - Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
 - Principle B - Ensuring openness and comprehensive stakeholder engagement
 - Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Principle E - Developing our organisations capacity, including the capability of our leadership and the individuals within it
 - Principle F - Managing risks and performance through robust internal control and strong public financial management
 - Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- How have we addressed the governance and strategic issues from 2020/21 AGS
- What are the governance issues identified during 2021/22
- What are the strategic issues identified during 2021/22
- Certification of the Annual Governance Statement

What is the Annual Governance Statement?

The Accounts and Audit (Wales) Regulations 2018 require us to prepare a statement on internal control. Like many authorities in Wales, this is referred to as the 'Annual Governance Statement'. This is a public document that reports on the extent to which we as the Council comply with our own code of governance.

In this document, we, the Council:

- Acknowledge our responsibility for ensuring that there is a sound system of governance;
- summarise the key elements of that governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describe how we have monitored and evaluated the effectiveness of our governance arrangements in year, and any planned changes in the coming period;
- provide details of how we have responded to any issue(s) identified in last year's governance statement; and
- report on any governance issues identified from this review and provide a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Flintshire County Council during the financial year 2021/22 and up to the date of approval of the Statement of Accounts.

Governance response to the COVID-19 Pandemic

At the beginning of 2021/22 saw the continuing impact of the Coronavirus/Covid-19 emergency. Our formal Council, Cabinet and Committee continued as 'Remote Attendance Meetings' utilising WebEx and Zoom video technology. The Council's continued response to the pandemic was through the Emergency Management Response Team (EMRT), led by the Chief Executive which worked through significant changes to our working lives and culture.

Whilst the pandemic severely impacted the delivery of projects within our digital strategy, the use of technology to facilitate the delivery of services from home has increased the appetite and engagement in digital delivery. The way that we were able to use our information to support vulnerable residents through the Shielding Programme has also highlighted the value of developing high quality data and the potential improvements that can be made by securely sharing information across the council and with our partners.

A politically balanced Member Recovery Committee, supported by the statutory and specialist officers as necessary was set up in June 2021. Working together, the Recovery Committee operated between June 2021 and March 2022, discharging elements of decision making as well as scrutiny. The terms of reference of the Board were tightly drawn:

1. To re-set the recovery objectives for the whole organisation and for each of the service portfolios;
2. To overview recovery against those objectives;
3. To refer issues to the Cabinet and the Overview and Scrutiny Committees for detailed review/planning;
4. To help give assurance to the public and partner organisations on our local planning

Auditor General for Wales concluded in the Annual Audit Summary in January: *'We undertook this work on an ongoing basis, providing real-time and ongoing feedback where appropriate. Our key findings were the Council's communications with the public and residents during the pandemic have been consistent, clear, and innovative. The Council has now carefully 'unlocked' many of its key services in line with Welsh Government guidance and identified what will be different as staff return to work to keep them safe. The reopening of services has progressed well, once again helped by a clear communications strategy.'*

Our Annual General Meeting of Council was held on 25th May, at which point the five committee Overview & Scrutiny structure was agreed.

Chief Finance Officer Statement on Compliance with the Financial Management Code

The CIPFA Financial Management Code (CIPFA FM Code) sets out the principles by which authorities should be guided in managing their finances. It has been developed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The CIPFA FM Code sets out the specific standards that authorities should, as a minimum seek to achieve.

The Code is based on a series of principles including the CIPFA Statement of Principles of Good Financial Management. These principles are the benchmarks for authorities to measure the effectiveness of their financial management and sustainability to enable authorities to:

- financially manage the short, medium- and long-term finances of a local authority;
- manage financial resilience to meet foreseen demands on services; and
- financially manage unexpected shocks in their financial circumstances.

The specific principles within the code include the elements of Organisational Leadership, Accountability, Transparency, Professional Standards, Assurance, and Sustainability.

Each local authority must demonstrate that the requirements of the Code are being satisfied.

As Section 151 Officer I have the Statutory Responsibility (supported by the Chief Officer Team and Elected Members) for ensuring compliance with the FM Code.

As part of the annual review of the Annual Governance Statement I have carried out a full assessment of Flintshire's compliance with the FM Code and I can confirm that in my opinion Flintshire is compliant with the code in the majority of areas.

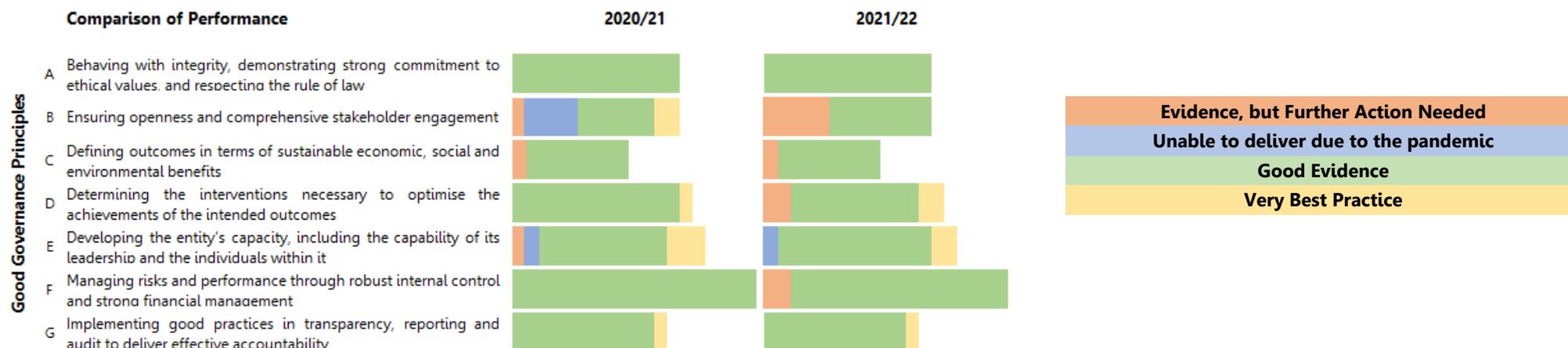
This is supported by the Audit Wales Financial Sustainability Review which was undertaken in 2021 which made no recommendations and required no further actions.

However, the assessment recognises that, due to the continuing financial challenges for all local authorities, the following areas will require continual review and improvement:

- Indicative funding settlements for 2023/24 and 2024/25 are now known requiring the need to focus on our financial planning requirements over the longer term.

- As part of the above develop the latest Medium Term Financial Strategy and begin considerations early on options for ensuring a sustainable budget including exploring any opportunities for transformation of services.
- Ensure compliance with the process for increased engagement for services in contributing to and signing off method statements for both pressures and efficiencies.
- Complete the assessment of the revised CIPFA Prudential Code for Capital to ensure compliance and to ensure future Capital plans are affordable, prudent and sustainable.
- To review and develop a future approach to budget consultation as part of Stakeholder Engagement.

Comparison of the Effectiveness of the Council’s Governance Framework



Areas of Very Best Practice:

- (D48) Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- (D49) Ensuring the achievement of 'social value' or 'community benefits' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community over and above the direct purchase.
- (E52) Recognising the benefits of partnerships and collaborative working where added value can be achieved.
- (G92) Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.

Unable to deliver due to the pandemic:

- (E51) Benchmarking against peers due to lack of need to submit nationally

Further Action Required:

- (B17, B21, B23, B24, B25) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. Further planning required following the legislation on Local Government & Elections (Wales) Act 2021
- (C30) Identifying and managing risks to the achievement of outcomes.
- (D39) Engaging with internal and external stakeholders in determining how services and other interventions can best be delivered
- (D40) Considering and monitoring risks facing each partner when working collaboratively including shared risks.
- (F66, F73, F74) An Internal Audit review of the risk management framework was undertaken during 21/22 and has highlighted some areas for improvement to build upon the risk management framework and processes going forward.

Annual Internal Audit Opinion 2021/22: "For the year ending 31 March 2021, based on the work the Internal Audit Service has undertaken my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control".

Internal Audit, Performance and Risk Manager, Flintshire County Council

Key principles of the Corporate Governance Framework

We aim to achieve a good standard of governance by adhering to the seven key principles of the CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. In the following section we have defined how we achieve the standard against the seven key principles which are:

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Principle B	Ensuring openness and comprehensive stakeholder engagement
Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Principle F	Managing risks and performance through robust internal control and strong public financial management
Principle G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability

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

Sub Principles	How we do this / How we achieve this
Behaving with Integrity	<ul style="list-style-type: none"> • The behaviour and expectations of Members and Officers are set out in our Codes of Conduct, Constitution, and a suite of policies and procedures • Codes of Conduct for Members and Officers specify the requirements around declarations of interests formally and at the beginning of meetings, gifts and hospitality etc • We take fraud seriously. Key policies are in place to prevent, minimise and manage such occurrences • Compliance with policies and protocols e.g. Contract Procedure Rules • Enhanced profile of Internal Audit
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • A set of leadership competencies are deployed in each Portfolio and led by each Chief Officer • Our recruitment policy, training and competencies based appraisal processes underpin personal behaviours with ethical values • Robust policies and procedures are in place, subject to formal approval prior to adoption by formal committees • All contracts and external service providers, including partnerships are engaged through the robust procurement process and follow the Contract Procedure rules regulations • Application of the corporate operating model; working internally to promote high standards of professional performance and ethical behaviour to achieve organisational priorities and objectives
Respecting the rule of law	<ul style="list-style-type: none"> • We ensure that our Members and Officers fulfil legislative and regulatory • We ensure that the full use of the Council powers are optimised by regular challenge and keeping abreast of new legislation to achieve corporate priorities have an Effective Anti-Fraud and Corruption framework • Our Monitoring Officer is responsible for ensuring the Council complies with the law and avoids maladministration. Our Constitution & Democratic Services Committee promotes high standards of conduct which are monitored by the Standards Committee

What has worked well during 2021/22
<ul style="list-style-type: none"> • Open decision making on the basis of evidence and principle is at the heart of the standard form of reporting to Council, Cabinet and committees

Principle B – Ensuring openness and comprehensive stakeholder engagement

Sub Principles	How we do this/how we achieve this
Openness	<ul style="list-style-type: none"> • Committed to having an open culture, demonstrated through accessible website, policies and procedures and open environment meetings. <ul style="list-style-type: none"> ○ The most appropriate and effective interventions / courses of action are determined using formal and informal consultation and engagement. Consultation principles ○ Formal and informal engagement models with employees and communities e.g. alternative delivery models Member workshops ○ County Forum (Town and Community Councils) ○ Positive engagement with Trade Unions both formally and informally
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> • We engage effectively with stakeholders to ensure successful and sustainable outcomes by: <ul style="list-style-type: none"> ○ Effective application and delivery of communication strategies to support delivery ○ Targeting communications and effective use of Social Media ○ Effective stakeholder engagement on strategic issues ○ Service led feedback questionnaires and events • Effective use of resources and achievement of outcomes is undertaken by the Council both through informal and formal partnerships: <ul style="list-style-type: none"> ○ Extensive range of partnerships to support the delivery of the Council’s strategic priorities, including the Public Services Board ○ Open and productive partnership arrangements supported by an effective governance framework ○ Trust and good relations lead to delivery of intended outcomes e.g. community asset transfers
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> • The achievement of intended outcomes by services is supported by a range of meaningful guidance on consultation engagement and feedback techniques with individual citizens, service users and other stakeholders • We have structures in place to encourage public participation governed through the Communication and Social Media Policies. These include the following (but not all have been possible during the last year because of Covid restrictions; E-newsletters, The Council’s website, Tenants Forums, Service user groups, Quality circles, Use of infographics

What has worked well during 2021/22	Areas identified for Further Improvement
<ul style="list-style-type: none"> • Formal and informal partnerships from strategic levels (PSB) to operational partnerships (Community Endowment Fund / Regional Armed Forces Partnership) • New partnerships have emerged and are working well (the Joint Flintshire and Wrexham Public Services Board / North Wales Research and Insight Partnership) • Good relationship management with partners • Partnership working based on trust and commitment has increased and evidenced strongly during this year due to the pandemic. 	<ul style="list-style-type: none"> • (B17, B21, B23, B24, B25) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. Further planning required following the legislation on Local Government & Elections (Wales) Act 2021

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

Sub Principles	How we do this/how we achieve this
Defining outcomes	<ul style="list-style-type: none"> • We have a clear vision describing the organisation’s purpose and intended outcomes which is achieved through: <ul style="list-style-type: none"> ○ Linking of vision and intent to the MTFS ○ Service Planning consideration including sustainability of service delivery • Risk Management is applied consistently at all levels ensuring consistent application of risk process and terminology • The development of the County’s Well-being Plan and delivery of the Public Services Board’s priorities ensure that public services work effectively together to add value • Annual Performance Report contains recommendations of improvements or area of priority working for the following year
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • When deciding future service provision we take a longer-term view, balancing the economic, social, environmental impact along with the wider public interest. This is supported by: <ul style="list-style-type: none"> ○ Longer term business planning and budgeting using effective forecasting models ○ Multi-disciplinary approach to policy development delivering defined outcomes and ensuring fair access to services ○ Procurement strategy defines expectations around economic, social and environment benefits which inform service specifications, tenders and contracts ○ Communication plans for public and community engagement

What has worked well during 2021/22	Areas identified for Further Improvement
<ul style="list-style-type: none"> • Portfolio Business Recovery Plans with a risk-based approach ensured effective planning • Member workshops/briefing sessions • In addition to the normal budget management process significant monitoring took place to manage the additional expenses / funding received / reallocation of resources to address the pandemic • The Flintshire Public Services Board published their Assessment of Well-being for Flintshire 2022 (This went out to consultation) which will help inform the new Well-being Plan and priorities going forward to improve the economic, social, environmental and cultural well-being of Flintshire 	<ul style="list-style-type: none"> • (C30) Identifying and managing risks to the achievement of outcomes.

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

Sub Principles	How we do this/how we achieve this
Determining interventions	<ul style="list-style-type: none"> • Full engagement with Members on a longer-term basis e.g. MTFS, Council Plan, Business Planning and other key workforce strategies e.g. digital and procurement • The MTFS and budget setting process provides opportunities for all public, stakeholders to be engaged in considering options. • Active engagement of key decision making in the development of initial ideas, options and potential outcomes and risks e.g. ADM Programme, Gateways • Clear option appraisals, including the use of forecasting models, to ensure best value is achieved • Regular budget monitoring for each Portfolio • Application of Integrated Impact Assessments
Planning interventions	<ul style="list-style-type: none"> • We established and implemented robust planning and control cycles covering response and recovery through Emergency Management Response Team • We applied the risk management principles when developing the Recovery Strategy and Portfolio Business Recovery Plans • Regular monitoring of business planning, efficiency and reliability including feedback • Service performance is measured by establishing a range of local indicators, which are regularly monitored, reported and used for recovery monitoring
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> • Resource requirements are identified through the business planning process, including any projected shortfall in those requirements. • Regular engagement and ownership of the budget process is undertaken through the Chief Officer Team and in consultation with Members through workshops and the scrutiny process • Social values are achieved through the effective commissioning of services and compliance with Council procedures • Consultation and engagement events, particularly relating to ongoing decisions on significant service delivery issues or to changes in the external environment set the context for the MTFS for both residents and employees

What has worked well during 2021/22	Areas identified for Further Improvement
<ul style="list-style-type: none"> • Ensuring social value through Council activity and procurement is established practice, for which the Council is renowned • The use of historical data to inform the MTFS and looking forward in terms of what the future landscape for services may be and applying a risk-based approach to decision making around the budget setting process 	<ul style="list-style-type: none"> • (D39) Engaging with internal and external stakeholders in determining how services and other interventions can best be delivered. • (D40) Considering and monitoring risks facing each partner when working collaboratively including shared risks.

Principle E – Developing our organisations capacity, including the capability of our leadership and the individuals within it

Sub Principles	How we do this/how we achieve this
Developing our organisation’s capacity	<ul style="list-style-type: none"> • We review our operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness through service delivery reviews, performance and risk management and Programme Boards’ development and monitoring • We review the sufficiency and appropriateness of resource allocation through techniques such as benchmarking internally against previous performances and to support internal challenge, and normally externally to identify improvement opportunities • Benefits of collaborative and partnership working both regionally and nationally to ensure added value is achieved by linking services and organisation priorities to partnership working • Develop and maintain the workforce plan to enhance the strategic allocation of resources and future workforce and succession planning
Developing the capability of our organisation’s leadership and other individuals	<ul style="list-style-type: none"> • Effective shared leadership which enables us to respond successfully to changing external demands and risks is supported by a range of management and leadership development programme, run in partnership with Coleg Cambria <ul style="list-style-type: none"> ○ The Leader of the Council and the Chief Executive have clearly defined and distinct leadership roles • Individual and organisational requirements are supported through: <ul style="list-style-type: none"> ○ Corporate induction for new employees to the Council and service specific inductions for employees in new jobs ○ Opportunities for continued learning and development for employees ○ A comprehensive range of learning and development opportunities available ○ Feedback and shared learning to the organisations both through reports and interactive sessions such as the Senior leaders ‘Academi’ • Support and maintain physical and mental wellbeing of the workforce, via our in-house Occupational Health Service, Care First (Employee Assistance Programme) and a range of internal training and awareness sessions to support mental, financial and physical health related issues.

What has worked well during 2021/22	During 21/22 what was affected by the Pandemic
<ul style="list-style-type: none"> • Partnership and collaborative working – regional and nationally • Lead on regional partnerships e.g. residual waste project • Successful local partnerships e.g. Flintshire Public Services Board / Joint Flintshire and Wrexham Public Services Board around community resilience • Service specific inductions have taken place. New methods have been used to recruit and induct new starters through the pandemic which is being retained • Increased workforce comms, introduction of wellbeing appraisals, strong recognition of mental health impacts and support networks provided 	<ul style="list-style-type: none"> • (E51) Benchmarking against peers due to lack of need to submit nationally

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

Sub Principles	How we do this/how we achieve this
Managing risk	<ul style="list-style-type: none"> The Council has clear and concise risk management framework. There are a number of risk registers which are reported regularly which outline the risks faced by the Council and its service areas. These all include, current risk ratings and target risk ratings supported by mitigation comments
Managing performance	<ul style="list-style-type: none"> Members and senior management are provided with regular reports on service performance against key performance indicators and milestones against recovery objectives Members are clearly and regularly informed of the financial position and implications including environmental and resource impacts
Robust internal control	<ul style="list-style-type: none"> Internal Audit provides the Council, through the Governance & Audit Committee, with an annual independent and objective opinion on the adequacy and effectiveness of the Council’s internal control, risk management, governance arrangements and associated policies. We are dedicated to tackling fraud as detailed within the Anti-Fraud and Corruption Strategy, Fraud Response Plan, and Whistleblowing Policy
Managing data	<ul style="list-style-type: none"> We have effective strategic direction, advice and monitoring of information management with clear policies and procedures on personal data and provide regular training to ensure compliance with these We have appropriate Information Sharing Protocols in place in respect of all information shared with other bodies The quality and accuracy of data used for decision making and performance monitoring is supported by guidance from a range of professional bodies Internal Audit review and audit regularly the quality and accuracy of data used in decision making and performance monitoring
Strong public financial management	<ul style="list-style-type: none"> Our Financial management arrangements support both the long-term achievement of outcome and short-term financial performance through the delivery of the MTFs Setting a prudent Minimum Revenue Provision for the repayment of debt The integration of all financial management and control was reviewed as part of the finance modernisation project

What has worked well during 2021/22	Areas identified for Further Improvement
<ul style="list-style-type: none"> Maintained performance monitoring at mid and end of year Roll out and use of new Performance and risk management system (InPhase) 	<ul style="list-style-type: none"> (F66, F73, F74) An Internal Audit review of the risk management framework was undertaken during 21/22 and has highlighted some areas for improvement to build upon the risk management framework and processes going forward.

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

Sub Principles	How we do this/how we achieve this
Implementing good practice in transparency	<ul style="list-style-type: none"> • We recently improved the layout and presentation of our reports in order to improve the presentation of key information to decision-makers and monitor this regularly • We are mindful of providing the right amount of information to ensure transparency • A review of information sharing protocols has been undertaken and new principles adopted
Implementing good practices in reporting	<ul style="list-style-type: none"> • We report at least annual on the achievement and progress of our intended outcome and financial position. This is delivered through the Annual Performance report assessing performance against the Council Plan • Progress against the Well-being Plan • Annual Statement of Accounts • Our Annual Governance Statement is published following robust and rigorous challenge to assess and demonstrate good governance
Assurance and effective accountability	<ul style="list-style-type: none"> • Through robust assurance mechanism, we can demonstrate effective accountability. These mechanisms include: <ul style="list-style-type: none"> ○ Internal Audit undertakes independent reviews to provide an annual assurance opinion of the Council’s control, risk management, and governance framework. To allow this Internal Audit has direct access to Chief Officer and Members of the Council ○ All agreed actions from Internal Audit reviews are monitored regularly through monthly reports to Chief Officers and each Governance & Audit Committee ○ Any ‘limited/red’ assurance opinions are reported to Governance & Audit Committee in full and progress monitored closely ○ Peer challenge and inspection from regulatory bodies and external compliance reviews. The outcomes from these inspections are used to inform and improve service delivery ○ Through effective commissioning and monitoring arrangements and compliance with Council’s procedures, we gain assurance on risk associated with delivering services through third parties and any transitional risks ○ Reports are presented to Cabinet and an annual report to Governance & Audit Committee of external feedback from regulatory work and peer reviews along with the Council’s responses

During 2021/22 what worked well
<ul style="list-style-type: none"> • Open and embracing attitude / good evidence. Increased working through the workshops for all regulatory bodies in early 2021 to give an overview of suggested plans and areas of work.

How have we addressed the governance and strategic issues from 2020/21 AGS?

The 2020/21 Annual Governance Statement contained 3 governance and 21 strategic issues. Of these areas:

- Two Internal Governance issues were closed and detailed within the table below;
- One Internal Governance issues remain open and this is included within the 2021/22 actions;
- Sixteen strategic issues were closed from the 2020/21 AGS and detailed within the table below;
- Four are new strategic issues and included within the 2021/22 actions; and
- Nine Strategic issues remain open and included within the 2021/22 actions.

Ref	Closed Internal Governance & Strategic Issues detailed in 2020/21 AGS	Details
Closed Governance Issues from the AGS 2020/21		
1	Defining outcomes in terms of sustainable economic, social and environmental benefits. Also carried forward from 2019/20.	Risk closed. Whilst a draft Council Plan for 2020/21 was produced due to the response phase to the pandemic, the report never reached the democratic process for sign off and adoption. All Strategic reports committee reports have a section to consider Integrated Impact Assessment and Risk Management to ensure that all considerations have been given fully.
2	Structures for public participations have still been in place, but ability to deliver has been curtailed due to the pandemic and could be strengthened	Risk closed. The recent transfer of Corporate Communications to Customer Contact is a step towards transforming the way we communicate using digital technology. Opportunities to use animations, video and media platforms will be explored with the assistance of newly appointed higher-level trainees to strengthen participation by members of the public.
Closed Strategic Issues from the AGS 2020/21		
3	CG20 - Council Tax Collections rate reduce and impacts on cash-flow, annual budget and Medium Term Financial Strategy (MTFS) due to suspension of debt recovery	In September we reported to Recovery Committee the Risk allocations to OSC's and their FWPs. CG20 was identified within this as a duplicate of CF08 and was recommended for closure due to duplication.
4	HA04 - Increased financial risk due to business failures and ability to anticipate Council Tax Refund Scheme (CTRS) due to business closure, unemployment, reduced hours of work	Risk rating has reduced to green and is included in the Housing & Assets Risk Register
5	PE03 - Unable to regenerate Town Centres through implementation of the Town Centre Strategy due to insufficient resources and the compound economic consequences of the emergency situation	Risk rating has reduced to amber and is included in the Planning, Environment & Economy Risk Register

Ref	Closed Internal Governance & Strategic Issues detailed in 2020/21 AGS	Details
6	CF08 - A reduction in Council Tax collection impacts on (1) cash-flow and (2) annual budget	Risk rating has reduced to amber and is included in the Corporate Recovery Risk Register
7	CF19 - A reduction in Business Rates collection impacts on (1) cash-flow and (2) the stability of the National Collection Pool	Risk rating has reduced to amber and is included in the Corporate Recovery Risk Register
8	CF20 - Insufficient capacity to deliver grants and rate relief whilst also recovering lost income/debts may impact debt recovery capacity	In July we reported to Recovery Committee the Corporate Risk Register and Mitigations Documents with a recommendation a number of risks were closed. CF20 was included in this list due to 'grant schemes ending and the Council no longer required to administer it'.
9	CG04 - Diversion of resource to emergency management delays implementation of key digital and infrastructure projects	Risk rating has reduced to amber and is included in the Corporate Recovery Risk Register
10	PE12 - The implications of Ash Die back on finances and reputation of the Council due to the scale of the problem and the ability to make safe Highways and Council amenity land	Risk rating has reduced to amber and is included in the Planning, Environment & Economy Risk Register
11	ST10 - Increased expenditure on contract, labour, plant, vehicles and materials due to changing work patterns in response to pandemic	Risk rating has reduced to amber and is included in the Streetscene & Transportation Risk Register
12	ST17a - Increased risk of ill health due to mental health and well-being, personal and/or family issues	Risk rating has reduced to amber and is included in the Streetscene & Transportation Risk Register
13	ST28a - Unable to gain regulatory approval (planning; Drainage; environmental permitting) to progress key infrastructure projects in a timely manner due to delays in processing applications	Risk removed as it is included in the Streetscene & Transportation Risk Register as an operational risk
14	ST35 - Lack of preparedness to respond to multiple emergencies or major incidents during pandemic (severe weather event, fire, major transport accident) due to resource focused on delivering key services	Risk rating has reduced to amber and is included in the Streetscene & Transportation Risk Register
15	PE07 - Impact on service delivery due to the resilience of staff and succession planning	Risk rating has reduced to amber and is included in the Planning, Environment & Economy Risk Register as an Operational Risk
16	Funding will not be secured for priority flood alleviation schemes – Carried forward from 2019/20	Risk Closed - Replaced by Non-compliance with Sustainable Urban Drainage System legislation due to capacity of the team.
17	The scale of the financial challenge – Carried forward from 2019/20	Risk Closed - Legacy risk from 2019/20 which are now superseded by other risks the Council has to manage.
18	Fully funding demand led services and inflationary pressures – Carried forward from 2019/20	Risk Closed - Legacy risk from 2019/20 which are now superseded by other risks the Council has to manage.

What are the governance issues identified during 2021/22?

The review of the effectiveness of the Council’s governance framework identified one internal governance issue during 2021/22. Details of how the issue has been addressed and if it remains open is provided below:

Internal Council Governance issues for 2021/22	Mitigation Actions	Current Status
<ul style="list-style-type: none"> (B17, B21, B23, B24, B25) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. Further planning required following the legislation on Local Government & Elections (Wales) Act 2021 	An action plan is being developed to make improvements in the coming year a review of the Council’s Consultation Strategy.	<ul style="list-style-type: none"> Open
<ul style="list-style-type: none"> (C30) Identifying and managing risks to the achievement of outcomes. 	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<ul style="list-style-type: none"> Open
<ul style="list-style-type: none"> (D39) Engaging with internal and external stakeholders in determining how services and other interventions can best be delivered. 	In relation to the Public Services Board, improvements could be made to ensure greater engagement of internal and external stakeholders in determining interventions which would provide greater synergy between the strategic partnership and operational delivery	<ul style="list-style-type: none"> Open
<ul style="list-style-type: none"> (D40) Considering and monitoring risks facing each partner when working collaboratively including shared risks. 	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<ul style="list-style-type: none"> Open
<ul style="list-style-type: none"> (F66, 73, 74) An Internal Audit review of the risk management framework was undertaken during 21/22 and has highlighted some areas for improvement to build upon the risk management framework and processes going forward. 	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<ul style="list-style-type: none"> Open
<ul style="list-style-type: none"> Red / Limited Assurance Audit – Drury Primary School 	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<ul style="list-style-type: none"> Open
<ul style="list-style-type: none"> Red / Limited Assurance Audit – Homelessness & Temporary Accommodation 	Full Action Plan has been developed and shared with Governance and Audit Committee in March 2022	<ul style="list-style-type: none"> Open
<ul style="list-style-type: none"> Red / Limited Assurance Audit – Contract Management: Residential Development 	Full Action Plan has been developed and shared with Governance and Audit Committee in November 2021	<ul style="list-style-type: none"> Open

What are the strategic issues identified during 2021/22

The review of the effectiveness of the Council’s governance framework identified nine strategic issues during 2021/22. Details of how the issue has been addressed and if it remains open is provided below:

Strategic Issues for 2020/21	Mitigating Actions
<p>CF14 - Increase in rent arrears impacts on the stability of the Housing Revenue Account (HRA) Business Plan</p>	<ul style="list-style-type: none"> • Regular weekly monitoring of the financial impact by the Housing Rents team to track in-year rent collection levels and compare to previous year • Continued use of Mobysoft 'Rent Sense' to identify early arrears cases to allow the team to engage with and support these tenants by signposting to the support that may be available for the payment of Housing Rents • Reporting impacts to Financial TCG on a regular basis • Regular referral of cases to an officer led Case Review Panel to ensure all housing interventions are coordinated and cases at risk of homelessness are tracked by all teams • Increase of resource levels to support the work in rent income service
<p>EY01 - Secondary schools are not financially viable due to insufficient base funding and falling pupil numbers</p>	<ul style="list-style-type: none"> • Risk associated with insufficient base budgets for secondary schools included in the MTFS. • Funding Formula review
<p>EY06 - Insufficient funding to deliver new archive premises</p>	<ul style="list-style-type: none"> • Regular progress monitoring meetings between the Archive Project Board of senior officers and political leaders. • Cabinet and Executive support for the bid to National lottery Heritage Fund with formal commitment to provide capital funding to top up the scheme from both Flintshire and Denbighshire. • Effective project management ensuring the project is progressing within budget and timescales. • Revise project to reduce costs, develop further applications to the Wales Lottery Heritage Fund and explore other funding streams (Stage 1 bid submitted to the National Lottery Heritage Fund was unsuccessful. This has created a significant financial shortfall of £8.5m)
<p>CF05 - An increase in the level of debt owed to the Council.</p>	<ul style="list-style-type: none"> • Collection of income continues • Active engagement with tax-payers, tenants, customers and businesses to offer flexible arrangements • Enforcement has begun for tax-payers and tenants who are falling into debt and not made any contact with us • Risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS) including a review of the adequacy of levels of bad debt provision across the Council

Strategic Issues for 2020/21	Mitigating Actions
	<ul style="list-style-type: none"> Additional funding (circa £1.05m) from Welsh Government to compensate for losses of 2020/21 council tax collections is helping to provide financial resilience as we enter the recovery phase
<p>HA06 - Impacts on income stream based on delayed/non recovery of housing benefit overpayment</p>	<ul style="list-style-type: none"> Financial monitoring – Budget and Income Contacting customers to arrange to repayment plans at a level which suits their new income Offering customers support and advice to claim available benefits
<p>ST24a - Unable to progress with key infrastructure improvement projects due to resilience in staff, contractors and supply chain</p>	<ul style="list-style-type: none"> The service is continuing to see an issue in the supply chain to progress infrastructure projects. This is resulting in delays to schemes however the overall impact of progress is not resulting in project failure. Each grant funded project is given a project team to control delivery within specified timescales. Additional partners (consultants; WRAP) have been engaged in projects to support staff with delivery.
<p>SS01 - Expenditure on out of county placements increases as placement costs increase in a demand led market</p>	<ul style="list-style-type: none"> Develop in house residential care services for children with complex needs who would otherwise need to be placed out of county. Grow our in house fostering service to support more looked after children within Flintshire
<p>SS29 - Insufficient capacity in the social care workforce (social work and occupational therapy) is a risk to the reputation of the Council and its ability to fulfil its statutory and essential functions with respect to social care</p>	<ul style="list-style-type: none"> We are experiencing significant challenges in workforce recruitment within a highly competitive market, where people are choosing other, often better paid, career choices. A regional and local analysis of the underlying issues and actions to mitigate has been developed and will require national support and funding as well as local action. Project team meets fortnightly and reports to the Portfolio Programme Board. In the short term we have moved to a 12 month market supplement for Level 3 Childcare Social Workers
<p>CW10 - Impacts of the third wave in the pandemic on the continuous availability of key workers to operate services in a further response phase</p>	<ul style="list-style-type: none"> Key workers will be invited to attend for a flu vaccine when they are available

Certification

The review provides good overall assurance that Flintshire County Council's arrangements continue to be regarded as fit for purpose in accordance with the governance framework requirements for Local Authorities within Wales.

Opportunities to maintain and develop the Council's governance arrangements have been identified through this review. We pledge our commitment to addressing these issues over the coming year and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Flintshire County Council

Neal Cockerton – Chief Executive

Cllr. Ian B Roberts – Leader of the Council