

Wrexham Council

Annual Governance Statement for the year ended 31 March 2023

Mae'r ddogfen hon ar gael yn Gymraeg hefyd /

This document is also available in Welsh

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Section 1

Corporate governance refers to the processes by which organisations such as the council are directed, controlled, led and held to account. It is also about culture and values – the way that elected members and employees think and act.

The council is committed to the principles of good governance as identified in the 'Delivering Good Governance in Local Government Framework 2016' – doing the right things in the right way, in a way which is timely, inclusive, open, honest and accountable. It acknowledges that it has a duty to have in place sound and proper arrangements for the governance of its affairs and is committed to keeping its governance arrangements under review and to improving governance on a continuing basis across the council as a whole.

This Annual Governance Statement (AGS) meets the requirements of the Accounts and Audit (Wales) Regulations 2014 which require a local authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with its published Statement of Accounts.

The AGS therefore presents an assessment of the extent to which the council has, for the year ended 31 March 2023, complied with its Code of Governance, how it has monitored and evaluated this during the year, and whether its arrangements remain fit for purpose.

The review provides good overall assurance that our 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 our governance arrangements have been identified and our agreed actions, which are owned by our Senior Leadership Team, will be reviewed bi-annually and reported to the Governance and Audit Committee.

Signed, on behalf of Wrexham Council:

A handwritten signature in black ink, appearing to read 'M Pritchard', with a horizontal line underneath.

Councillor Pritchard
Leader (May 2023)

A handwritten signature in blue ink, appearing to read 'Ian Bancroft', with a horizontal line underneath.

Ian Bancroft
Chief Executive (May 2023)

Section 2 - Identification of key governance arrangements

2.1 Description of our governance arrangements

The council's [Code of Governance](#) states the importance to the council of good corporate governance and sets out our own governance framework. It is based on the 7 'core principles' identified in the 'Delivering Good Governance in Local Government Framework 2016' which are designed to underpin the governance of all public sector bodies.

Wrexham County Borough Council Governance Code

Our commitment to good governance is made across the following core principles:

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

Our code sets out in detail the arrangements we have in place to ensure that we adhere to these core principles. It sets out the systems and processes by which the council is directed and controlled and through which it accounts to, engages with and leads the community. It also includes our values and culture.

Across the council, there is a range of bodies and structures which fulfil an important role in developing and maintaining the governance framework:

Council

- All 56 Elected Members
- Approves the Council Plan.
- Agrees the Constitution, policy and financial frameworks.

Terms of reference – Section 4 of the [Council's Constitution](#).

Executive Board

- Primary decision making body of the Council.
- Comprises the Leader of the Council and Lead Members who have responsibility for specific portfolios.
- Terms of reference – Section 5 of the [Council's Constitution](#).

Key Governance Officers

The Constitution sets out the functions of key governance officers, including the statutory posts of 'Head of Paid Service' (Chief Executive), 'Monitoring Officer' (Chief Officer – Governance and Customer) and 'Section 151 Officer' (Chief Officer – Finance and ICT) and explains the role of these officers in ensuring that processes are in place for enabling the Council to meet its statutory obligations and also for providing advice to Members, officers and committees on staff management, financial, legal and ethical governance issues.

Priority Boards

- Focus on the achievement of the council's priorities as set out in the Council Plan.
- Report to elected members via corporate performance reporting arrangements.

Standards Committee.

- Promotes high standards of conduct by elected and co-opted members and monitors the operation of the Members' Code of Conduct.
- Terms of reference – Section 8 of the [Council's Constitution](#).

Scrutiny Committees

- Comprise non-Executive elected members.
- Review and scrutinise the decisions and performance of the council and Executive Board.
- Review and scrutinise the decisions and performance of other public bodies and partnerships as appropriate.
- Terms of reference – Section 7 of the [Council's Constitution](#).

Senior Leadership Team & Managers

- Responsible for developing, maintaining and implementing the council's governance, risk and control framework.
- Contribute to the effective corporate management and governance of the council.

Governance Officers' Group

- Ongoing review of the effectiveness of the governance framework.
- Accountable to Governance & Audit Committee and Senior Leadership Team

Internal Audit

- Provide an independent opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements.

- Delivers a programme of risk based audits, including counter-fraud and investigation.
- Identifies areas for improvement in the management of risk.
- Accountable to the Chief Officer Finance & ICT and the Governance & Audit Committee.

Governance & Audit Committee

- A statutory committee providing independent assurance on the council's internal control environment.
- Considers external audit, inspection and regulators' reports, the council's Self-Assessment report.
- Terms of reference – Section 9 of the [Council's Constitution](#).
- External and independent assurance regarding the council's financial statements and arrangements in place to secure economy, efficiency and effectiveness in the use of resources to achieve the council's stated outcomes and statutory responsibilities.

External audit, regulation and inspection

- External and independent assurance regarding the council's financial statements and arrangements in place to secure economy, efficiency and effectiveness in the use of resources to achieve the council's stated outcomes and statutory responsibilities.

Section 3 – Evaluation of the effectiveness of governance arrangements

The council is required to undertake an annual review of the effectiveness of the arrangements it has in place to fulfil each of the principles of good governance and support the achievement of sustainable outcomes. In undertaking the review, the council considers assurance from a range of sources, and these are summarised in paragraph 3.1 below.

The annual review has been structured around the core principles of good governance, considering developments during the year, identifying gaps and opportunities for improvements. The review has been used to inform this overall assessment of our governance arrangements and to identify the significant governance issues for 2023-24. The conclusions and significant issues are set out in paragraph 3.2 below.

There is no official CIPFA definition of what constitutes a 'significant issue', however in the context of Wrexham Council, we consider that a significant issue might be defined as:

- New obligations required of the organisation / new challenges caused by the impact of the pandemic, restoration of business as usual activities;
- Issues that undermine or threaten the achievement of organisational objectives;
- A significant failure to meet the principles (and sub principles) of good governance;
- An area of significant concern to an inspector, external audit or regulator;
- An area recommended for inclusion by the Head of Internal Audit, one of the statutory officers, or an issue that has required formal action being taken by the Chief Finance Officer or Monitoring Officer;
- An issue that cuts across the organisation and required cooperation to address it;
- An issue that has resulted in significant public interest or has seriously damaged reputation; or,
- An issue that has required a significant diversion of resources.

3.1 Effectiveness of the assurance process underpinning the evaluation of effectiveness.

The following provides a brief outline of the key sources of assurance considered in the review and their effectiveness during 2022-23

Internal audit and audit assurances

Internal audit is an independent assurance function that undertakes work that will inform the Head of Internal Audit's (HoIA) annual opinion on the overall adequacy of the council's framework of governance, risk management and control, including all its operations, resources and services and responsibilities in relation to other bodies. To do this, the internal audit service delivers scheduled programme of audits (Audit Plan) on a risk-based needs assessment.

Internal Audit's reporting arrangements comply with the requirements of the Accounts and Audit Regulations (Wales) 2014 and the Public Sector Internal Audit Standards (the Standards).

The Internal Audit Plan for 2022-23 was presented to GAC in [March 2022](#). 35 audits were planned, with a contingency included to allow for unplanned work to be carried out as necessary. In 2022-23, 97% of the Internal Audit Plan was completed along with 100% of the unplanned work that arose. There were 38 audits completed.

Quarterly summaries of all internal audit work undertaken identify areas of significant weakness in the organisation's framework of governance, risk management and control and are reported to Senior Leadership Team and Governance and Audit Committee.

Head of Internal Audit (HoIA) annual opinion and reference to any limitation of scope

Based on internal audit findings, implementation/action plans received from management and other sources of assurance, including External Audit, Risk Management, the Council's Section 151 Officer and the Monitoring Officer, the Head of Internal Audit's opinion is **that in most of the areas examined, the Council's framework of governance, risk management and control is generally adequate and effective in achieving the Council's objectives.**

Internal Audit's work did highlight one specific area for consideration in the Annual Governance Statement 2022-23.

Internal Audit's work highlighted the management of external contractors as a general area for consideration in the Annual Governance Statement 2022-23, which is consistent with the assurances given from the Health and Safety Audits completed during the year.

In addition, the HoIA identified the following specific areas as requiring further attention to ensure that there is compliance with the Council's framework of governance, risk management and control:

- a) Monitoring and reporting arrangements for the completion of mandatory training;
- b) Resilience arrangements for ICT networks. Internal Audit acknowledged the extent of work undertaken, however this remains a high risk area both to the Council and across the public sector.
- c) Compliance with the Welsh language standards for telephone responses; and
- d) The arrangements for managing the repayment of regeneration loans.

A full account is available in the [Internal Audit Annual Report](#) reported to the Governance & Audit Committee on 25th May 2023.

Governance & Audit Committee

The Governance & Audit Committee (GAC) is a key component of the governance framework, providing a high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. During the year the committee met as scheduled, regularly reviewed its work programme to

ensure that the committee's terms of reference were fulfilled, undertook relevant training and development, and has held a series of workshops to evaluate its impact and effectiveness.

The GAC is held to account by Council through an annual report. The annual report provides a comprehensive account of how the committee has met its Terms of Reference. [GAC Annual Report 2022-23](#).

External audit and inspection

External audit and inspection is a key to our governance framework and all reports are submitted to the GAC. Chief Officers attend to present the council's response to the recommendations and the implementation of these is monitored by GAC. Audit Wales' 'local' reviews (i.e. specific to Wrexham Council) are submitted individually, with all other published reports (relevant regional and national reports and other local reports from other inspectorates) included in a 6 monthly summary report (with an additional interim update alongside the Annual Governance Statement).

Audit Wales

Audit Wales, our External Auditor, assesses the council's arrangements for delivering continuous improvement, value for money, compliance with the sustainable development principle, and ensuring that public money is properly accounted for.

Audit Wales has certified that it has issued an unqualified true and fair opinion on our financial statements 2021/22.

Audit Wales' Annual Audit Plan sets out the planned programme of audit work for each year based upon its assessment of the financial and operational risks facing the council. The results of this work are published in an [Annual Audit Summary](#).

Estyn (Her Majesty's Inspectorate for Education and Training in Wales)

continued to monitor the council's progression of its Post Inspection Action Plan put in place to address the shortcomings identified during the [2019 Estyn inspection](#) of the council's education services. A monitoring visit took place in November 2022. Feedback from this was positive and recognised the evaluation work which had been undertaken by the Council. A full inspection is scheduled for summer 2023.

Care Inspectorate Wales (CIW) undertook a full inspection of both adults' and children's social services in [June 2022](#). The inspection report acknowledged the journey of improvement in children's services since 2019 and recognised the council's commitment to improve and appropriately resource an "ambitious and child focused service that promotes the well-being of children"

With regard to adult services the report noted the need for a clear focus on ensuring people receive the right support at the right time. There was reference to negative implications for people's care and human rights within the body of the report but the report confirmed that the council was making efforts to address the issue, and it was noted that most people's voices were heard.

CIW expect Wrexham County Borough Council to consider the areas identified for improvement and take appropriate action to address and improve these. CIW will

monitor progress through its ongoing performance review activity with the local authority.

The **Annual Assurance and Risk Assessment Review** (Audit Wales, Estyn and CIW) was held in January 2022 and helped inform the identification of significant issues for 2022-23.

A summary of all external regulatory reports was reported to Governance and Audit Committee in [October 2022](#) and [February 2023](#) and an interim update to accompany the Annual Governance review in [May 2023](#).

Compliance with Financial Management Code

A key goal of the Financial Management (FM) Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Actions to achieve full compliance with the Code were completed in July 2022.

Chief Officer assurances

Chief Officers undertake an assessment of governance within their services each year and complete an Internal Control Assurance Statement (ICAS). These are reviewed to identify any governance issues either within a specific service or across the organisation which need to be addressed. The focus is on key assurance issues where other assurance is not available. No significant issues have been highlighted for inclusion in this Statement.

Ongoing review of effectiveness of arrangements - Governance Officer Group

The council is committed to improving governance on a continuing basis across the council as a whole, through a process of ongoing evaluation and review, culminating in an annual review which informs the AGS. The Governance Officer Group (GOG), consisting of officers who lead on key areas of the governance framework, as well as service representatives, meets quarterly to lead on this work: it reviews the governance arrangements and effectiveness by core principle, identifies areas for improvement, and monitors and reports on progress with the AGS actions. GOG reports to Senior Leadership Team (SLT) and GAC at [quarter 2](#) and [quarter 4](#) (annual review). GOG is a key contributor to the annual review and the preparation of the AGS.

Management of Risk

Chief Officers and designated senior managers are responsible for identifying the risks to the planning and delivery of services and the achievement of the council's priorities and these are recorded in service risk registers, along with the controls in place to manage the risks. Risk management operated as intended during 2021-22.

Risk registers are reported to Senior Leadership Team and Governance and Audit Committee at quarter 2 and quarter 4. GAC takes an active interest in the effectiveness of risk management arrangements.

The council's Priority Boards, have also identified those risks within service risk registers which relate to the achievement of the council's priorities, to enable these to be managed.

3.2 Evaluation of the effectiveness of governance arrangements in supporting the achievement of sustainable outcomes and fulfilling the principles of good governance, and the identification of significant governance issues.

This section sets out each of the 7 principles of good governance and their supporting definitions (A-G), along with the assessment of our effectiveness and any significant issues identified for inclusion in the AGS action plan.

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

“Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they achieve. They have the overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.”

Assessment:

The council has good resources and processes in place to support high standards of behaviour, ethical standards and adherence to the rule of law. However it needs to continue with work to ensure that support and training is utilised effectively to endorse the principles of good governance, and to ensure that it has a supportive and respectful council, with Elected Members and officers who develop a good understanding of their roles and responsibilities.

Significant issues for inclusion in AGS Action Plan:

- Culture, values, behaviours and ways of working in public meetings.
- Consider and mitigate implications of Council decision not to adopt Local Development Plan, in light of Welsh Government advice and instruction.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

“Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizen and service users, as well as institutional stakeholders.”

Assessment:

The council continues to involve the public and its stakeholders in its future service planning and is continuing to work to embed its involvement principles across all services. It is aware of where it needs to improve its compliance rates and accessibility of information to support openness, and work is underway to address this. Decision-making continues to be open and transparent: committee meetings are webcast, and the Council’s Public

Participation Strategy has been published in accordance with the Local Government & Elections (Wales) Act.

Significant issues for inclusion in AGS Action Plan:

- None

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

“The long term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that there should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes and remain within the limits of authority and purpose. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders is vital to the success of this process and in balancing competing demands when determining priorities for finite resources.”

Assessment:

The Well-being of Future Generations Act is embedded in council planning processes, and the council continues to work on improving the reporting of this to elected members and stakeholders. The council supported the Public Services Board (PSB) with its assessment of economic, social, environmental and cultural well-being in Wrexham which was published in April 2022 and is informing future well-being planning by both the PSB and the Council. The council’s proposed priorities for 2023-28 are structured around outcome statements which aim to offer clarity of outcomes the council is aiming to achieve. Consultation on proposed priorities has included a focus on equality and fairness. Priorities will be underpinned by outcome measures to demonstrate progress.

Significant issues for inclusion in AGS Action Plan:

- None

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

“Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (course of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various type of resource inputs while still enabling effective and efficient operations. Decisions need to be reviewed frequently to ensure that achievement of outcomes is optimised.”

Assessment:

Overall the council performed well in relation to this principle. It has good processes in place to identify and implement interventions and to support

services where additional resource is required. Implementation of the new corporate performance and risk management system is in the final stages and will deliver a system which will improve our ability to analyse and report on achieving our priorities and determining necessary interventions.

The council has maintained its focus on its corporate and service improvement journey, working closely with regulators, developing improvement plans and delivering restructures. There is a continuing ambitious approach to ensuring that current and future economic opportunities are maximised and a clear focus on financial resilience and planning.

Significant issues for inclusion in AGS Action Plan:

- Secondary school performance
- Prioritise and embed De-carbonisation across the organisation

Principle E: Developing the council's capacity, including the capability of its leadership and the individuals within it.

“The council must have appropriate structures and leadership, as well as people with the right skills, qualifications and mind-set to operate efficiently and effectively and achieve the intended outcomes within the specified periods. It must ensure it has both the capacity to fulfil its own mandate and to make certain there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which the council operates will change over time, there will be a continuous need to develop the council's capacity, as well as skills and experience of individual staff members. Leadership will be strengthened by the participation of people with many different types of backgrounds reflecting the structure and diversity of communities.”

Assessment:

The council has continued its commitment to ensuring a modern and resilient council, and continues to implement its ICT & Digital Strategy and embed its modern ways of working programme. It recognises the importance of a sustainable and resilient workforce to provide organisational resilience and address the challenges of retention and recruitment currently being faced both locally and nationally. It continues to progress its work in this area to become an Employer of Choice. The council continues to provide excellent well-being support to its workforce, and this has been recognised by its Gold Corporate Health assessment award.

The council has shown commitment to the development of an effective new council, with a focus on both new and returning members, however it has identified an ongoing risk in relation to elected member take up of training opportunities, as well as the need to improve assurance around workforce training (core training and key governance e-learning modules).

The council welcomes the potential benefits of working in partnership to increase capacity to achieve shared objectives and improve services, but

recognises the complexities that can sometimes be involved to ensure that duplication is minimised and value for money maximised.

Significant issues for inclusion in AGS Action Plan:

- Improve Recruitment and Retention
- Improve Elected Member take up of core and key governance e-learning modules

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

“The council needs to ensure that it has implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important parts of this system and crucial to the achievement of outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes. It is essential that the council has a culture and structure for scrutiny as a key part of accountable decision-making, policy making and review.”

Assessment:

The internal control environment operated largely as planned during the year. The council has made good progress in reviewing time expired key policies and ensuring strategies impacted by Covid-19 are undertaken, and there is ongoing monitoring of progress with this. Key risks have been identified and actions to address these significant issues are underway and ongoing.

Emergency planning and service continuity plans have been tested and continue to be updated with lessons learned from events.

The council acknowledges the need for increasingly robust and strong public financial management to support both short term and long term operational requirements in order to deliver council priorities within balanced budgets in a challenging economic environment. The council continues to plan for this operationally.

It will be prudent for the council to appraise budget control and forecasting arrangements to be assured that they are sufficiently robust, in the light of the volatile cost and demand environment.

Significant issues for inclusion in AGS Action Plan:

- Financial resilience due to increased pressure on service budgets due to high levels of expectation and increasing demands and costs, particularly in social care.
- Management of contracts (Health & Safety Governance Framework)

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

“Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only on actions completed, but also on ensuring that stakeholders are able to understand as the

council plans and carries out its activities in a transparent manner. Both internal and external audit contribute to effective accountability.”

Assessment:

The council maintained good practices in transparency reporting and audit throughout the year, including corporate reporting according to timescales and the adherence to quality controls for reports, as well as reporting on the effectiveness of our governance arrangements culminating in the AGS.

The council, in partnership with its North Wales public sector partners, is committed to improving governance and transparency of partnerships, as highlighted by external regulation and inspection.

Significant issues for inclusion in AGS Action Plan:

- None

Section 4 Significant Issues and Actions

4.1 Action taken to address significant issues identified in previous year's AGS.

Issue: Continue our corporate and service improvement journey evidenced in priorities linked to external regulatory bodies.

Actions:

- Achieve adequate/satisfactory ratings from Estyn (to improve secondary school education).
- Maintain and continue with improvements to achieve a good standard of service in children's social care in accordance with Care Inspectorate Wales (CIW) expectations to ensure that the needs to children are met.
- Continue improvement journey in those corporate or service areas with agreed improvement plans or senior restructures in place – Decarbonisation (corporate); Planning (service); and Housing (service).

Progress 2022/23:

Secondary School Education: We continue to implement the Estyn Post Inspection Action Plan to improve secondary education, and all remaining appropriate actions are on track. There have been positive follow up meetings with Estyn and a full inspection is scheduled for summer 2023. One secondary school remains in special measures.

Children's Social Care: CIW has continued to provide positive and constructive inspection reports in relation to children's social care. A performance evaluation inspection of social care was undertaken in June 2022: the report acknowledged many positive improvements, and those areas it identified for further improvement were those which we had already identified and included in our service plans. In Autumn 2022 the Children's Services Accelerated Improvement Board was expanded to become the Social Care Improvement Board, in recognition of the progress made with children's social care, and the need to now include a focus on adults' social care.

Decarbonisation: Our Decarbonisation Plan and action plans are being finalised and progressed, and four de-carbonisation work streams have been developed to support their delivery. Each department will identify theme leads who can champion decarbonisation within their area of work so that focus is given to embedding decarbonisation into the working practice of the council. Audit Wales undertook an assessment of the council's arrangements to develop and deliver the Decarbonisation Plan which was published in January 2023: it found that 'whilst the council is making progress on its decarbonisation ambition, further work is needed to confirm its carbon footprint, develop and prioritise actions and identify resources to achieve this'.

Other corporate/service areas:

Planning Service: An independent review of the Planning Service (2021), carried out in response to elected member and some residents' concerns, found that the service's performance was credible in the face of financial constraints endured over several years, but made a number of recommendations to improve both the Planning Committee and the Development Management Service. Progress is reported to [Executive Board](#) (6 monthly): progress has been made in relation to a number of recommendations including reduction in the size of the Planning Committee, progress to procure a new ICT system, completion of workforce resourcing review and extensive recruitment, along with various service improvements. Actions remain ongoing, and a third element of the review – lessons learned from the Local Development Plan – is to be undertaken following the Council decision (19 April 2023).

Housing and Assets: The planned restructure of the Housing and Assets Service has taken place. Senior management team has been established and recruitment is ongoing.

Conclusion:

Good progress in key area of children's social services. This remains an issue in relation to pressure on service budgets due to high levels of expectation and increasing demands, and this will be reflected in the significant issue relating to financial resilience.

Good progress has been made with improvements in secondary education – however this will be retained as a significant issue until outcome of Estyn inspection (summer 2023) is available.

Good progress is being made with the implementation of the recommendations of the independent Planning Review and regular monitoring is in place - remove as a significant issue.

Decarbonisation – need to prioritise and embed decarbonisation into the culture of the organisation so that it becomes normal practice – include as a significant issue.

Issue: Organisational and community resilience

Actions

- Work towards ensuring the workforce is sustainable, working in a modern and resilient way, working as one council, having honest and enabling conversations.
- Timely interventions and appropriate pay structures are in place for services where necessary to improve recruitment and retention.
- Our financial management - ensuring that the council is financially resilient and dynamic in meeting the post-Covid financial risks and improving budget reporting to elected members.
- Ensuring we maximise the current economic opportunities available to offset the impact of Covid-19 (such as cost of living issues) - range of initiatives –

City Status, Shared Prosperity Fund, Levelling Up, Wrexham Gateway, World Heritage Site.

Progress 22/23:

The Ensuring a Modern & Resilient Council priority has continued to be progressed, and has been identified as an ongoing priority for the council in its (draft) Council Plan 2023-28. At the end of the current council plan its progress was judged to be Green (provisional – to be confirmed by Executive Board in July via Q4 performance report) in terms of having met its objectives.

Work to review pay and reward benefits commenced during the year and is ongoing. Planning for the new Organisation Development and Workforce Strategy is underway and includes the implementation of work streams to mitigate against recruitment and retention issues being experienced across services and this work will be aligned with the new council priorities. Work continues on 'Grow our Own' and campaign and career promotion. A Social Care Recruitment & Retention Strategy is being implemented to address the significant challenges in this service area, which is being experienced locally and nationally.

The council has agreed a Medium Term Financial Plan and balanced budget for 2023/24. Regular member workshops have been held throughout the year on local government finance, budget assumption national budgets and economic forecasts, as well as service pressures, risks and council reserves. Quarterly budget reporting to Executive Board has been embedded.

Wrexham was awarded City Status in September 2022. The Shared Prosperity Fund is being administered and Wrexham Gateway is progressing despite an unsuccessful bid for Levelling Up Funds.

Conclusion:

Good progress with this priority, and with financial resilience, but increasing service demands and a challenging financial settlement for coming years mean this remains a significant risk

Recruitment and Retention remains a challenge in certain roles across a number of council service areas and is experienced across the region and nationally.

Issue: Ensuring an effective new Council.

- Foster a supportive and respectful culture.
- Ensuring clarity of roles and responsibilities (elected members and officers).
- Ensuring we meet the requirements of the Local Government & Elections (Wales) Act.

Progress 2022/23:

A comprehensive induction for new and returning elected members was delivered May – July 2022. The Democratic Services Committee has identified the lack of member uptake of mandatory / core training as a governance risk and has made recommendations to improve processes and accountability.

The induction included roles and responsibilities and expectations of a supportive and respectful culture. The Chief Officer Governance & Customer has ensured that the Member & Officer Communication Protocol is followed and that individual issues are resolved appropriately.

Work to support elected members and officers in understanding roles and responsibilities and to support positive values and behaviours is ongoing. A Leadership Seminar for elected members, Heads of Service and Chief Officers delivered April 2023.

Audit Wales reviewed our compliance with the Local Government & Elections (Wales) Act and no areas of non-compliance or recommendations were identified.

Conclusion:

Compliance with Local Government & Elections (Wales) Act no longer a significant issue.

Culture, values, behaviours and ways of working in public meetings is a significant issue.

Governance implications of members' low take up of core training and key governance e-learning modules is a new significant issue.

4.2 Action plan to address the significant governance issues.

The effectiveness of our governance arrangements are reviewed throughout the year, culminating in an annual review. The review has identified 8 significant issues to be addressed in 2022-23, along with key actions to be undertaken to secure improvement. These have been reflected in our corporate risks in the council's Risk Register.

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

Significant Issue 1 - Culture, values, behaviours and ways of working in public meetings.

Risk (including risk register reference)

- C09 - There is a risk that the Council is destabilised due to political (internal or external) events and developments
- GC 008 – Members or officers breach ethical codes.

Mitigation actions

- Leadership seminar (elected members, Chief Officers, and Heads of Service) – a continued focus on values, behaviours equality, diversity and inclusivity (April 2023) and follow up programme.

- Embedding ways of working shared in the council induction.
- Embedding updated values and behaviours in the new Council Plan.
- Codes of Conduct

Significant Issue 2 - Consider and mitigate implications of Council decision not to adopt Local Development Plan

Risk (including risk register reference)

- C07 - There is a risk that the Council fails to comply with its statutory and governance requirements

Mitigation actions

Explore options about (how to):

- Respond to any decisions that Welsh Government or law courts make about the Council not adopting the LDP.
- Working without an LDP in place.

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

Significant Issue 3 - Secondary school performance

Risk (including risk register reference)

- C04 - There is a risk that revenue and capital resources are insufficient to achieve stated priorities and meet obligations at a time of increasing demand for services.

Mitigation actions

- Continue to progress Post Inspection Action Plan (PIAP)
- Estyn Full Inspection (Summer 2023)

Significant Issue 4 - Prioritise and embed De-carbonisation across the organisation

Risk (including risk register reference)

- C04 - There is a risk that revenue and capital resources are insufficient to achieve stated priorities and meet obligations at a time of increasing demand for services.

Mitigation actions

- Senior Leadership Team Leadership Plan for Decarbonisation.
- Departmental working groups and workshops, and identification of work stream/theme leads.
- Progress reporting to Developing and Decarbonising the Environment Board, Homes and Environment Scrutiny and Executive Board.
- Instigation of the Cross Party Working Group
- Consideration of resources in budget setting and action planning

Significant Issue 5 - Improve Recruitment and Retention

Risk (including risk register reference)

- C05 - There is a risk that the Council lacks the knowledge, skills, capacity, culture and ability to modernise in order to continue to meet its priorities and responsibilities

Mitigation actions

- Organisation & Workforce Development Strategy – includes workstreams to mitigate against recruitment and retention issues being experienced in some services.
- Social Care Recruitment & Retention Strategy.
- Council-wide Job Fair to promote council opportunities (June 2023)

Significant Issue 6 - Improve Elected Member take up of core training and key governance e-learning modules

Risk (including risk register reference)

- C05 - There is a risk that the Council lacks the knowledge, skills, capacity, culture and ability to modernise in order to continue to meet its priorities and responsibilities

Mitigation actions

- Legal, Democratic & Registration Services and Workforce Development will work with elected members to improve take up and accountability.
- Quarterly monitoring by Democratic Services Committee

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

Significant Issue 7 - Financial resilience due to increased pressure on service budgets due to high levels of expectation and increasing demands and costs, particularly in social care.

Risk (including risk register reference)

- C04 - There is a risk that revenue and capital resources are insufficient to achieve stated priorities and meet obligations at a time of increasing demand for services

Mitigation actions

- Appraisal of budget planning and monitoring processes in light of continued challenging economic environment.
- Medium Term Financial Planning.
- Quarterly reporting to Executive Board.

Significant Issue 8 - Management of contracts (Health & Safety Governance Framework)

Risk (including risk register reference)

- C07 - There is a risk that the Council fails to comply with its statutory and governance requirements.

Mitigation actions

- Internal Audit follow up