

# **Annual Governance Statement 2023/2024**

## Annual Governance Statement 2023/24

### 1. Introduction

Solihull Metropolitan Borough Council has a vision for a borough “where everyone has an equal chance to be healthier, happier, safer and more prosperous through growth that creates opportunities for all.” This vision is supported by the [Council Plan](#), which details how the Council will meet its key priorities and address any challenges and opportunities that arise in the process. The achievement of these priorities and delivery of the Council’s vision is supported by a robust governance framework that has been in place for many years.

Each year the Council is required to produce an Annual Governance Statement (AGS) to provide an overview of how the Council’s governance arrangements operate, including how they are reviewed annually to ensure they remain effective. This Statement gives assurances on compliance for the year ending 31 March 2024 and up to the date of approval of the Statement of Accounts and includes a clear statement of the actions taken or required to address any identified areas of concern.

The Statement covers the Council’s significant corporate systems, processes and controls, including in particular, those designed to ensure that:

- Laws and regulations are complied with;
- Council policies are implemented in practice;
- Required processes are adhered to;
- High quality services are delivered efficiently and effectively;
- The Council’s values and ethical standards are met;
- Performance and financial statements and other published information are accurate and reliable; and
- Human, financial, and other resources are managed efficiently and effectively.

### 2. Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty to put in place proper arrangements for the governance of its affairs, the effective discharge of its functions to secure continuous improvement and the management of significant risks.

To demonstrate commitment to achieving good governance, the Council has embedded good governance principles in its constitution, policies and procedures, as well as adopting a Local Code of Corporate Governance. This AGS explains how the Council has complied with the Code. The AGS also meets the requirements of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement (AGS).

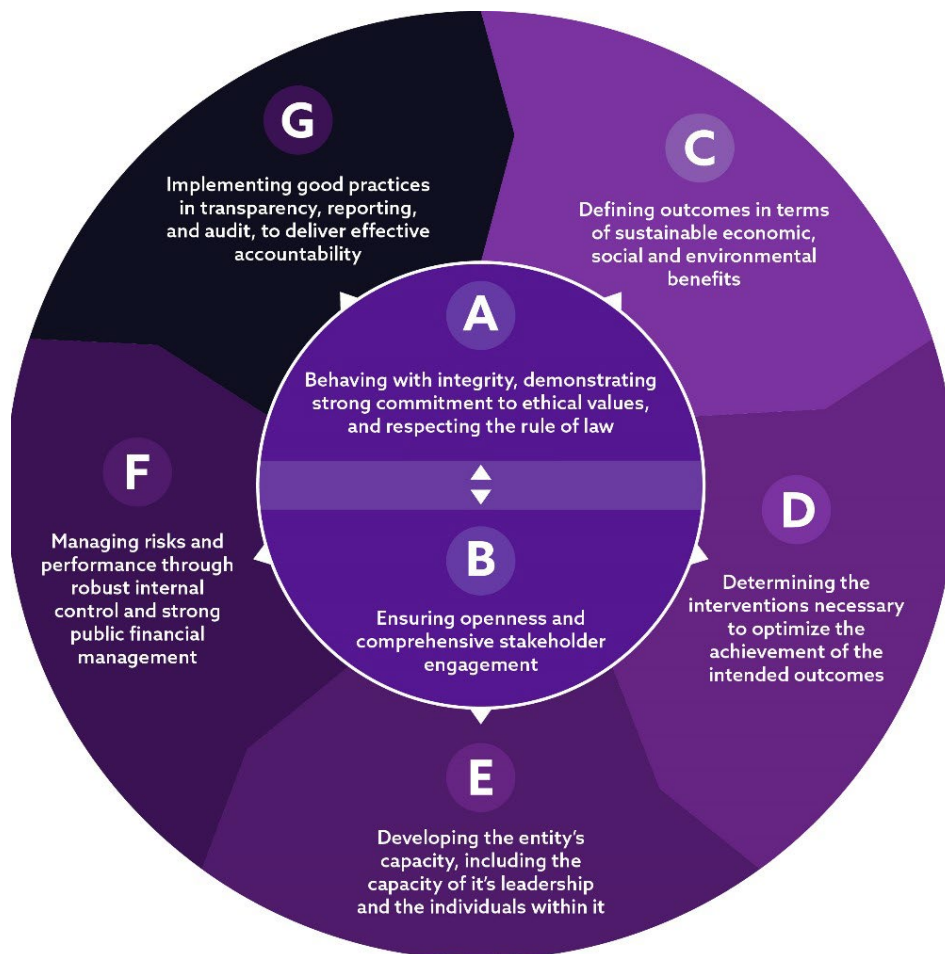
The AGS is endorsed by the Audit Committee prior to its approval by the Governance Committee. Once approved, it is signed by the Leader and the Chief Executive of the Council before being published on the Council’s website.

### 3. The Purpose of the Governance Framework

The Council operates a governance framework that brings together a set of legislative requirements, governance principles, corporate strategies and policies, systems, management processes, culture and values. The quality of these arrangements underpins the level of trust in public services and is fundamental to the Council's statutory and democratic obligations. A framework of good governance allows the Council to be clear about how it discharges its responsibilities.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a tolerable level. However, it cannot eliminate all risk and can therefore only demonstrate reasonable assurance of effectiveness. The management of risk is an ongoing process designed to identify and prioritise the risks associated with the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks materialising and to manage their impact should they happen.

A robust governance framework has been in place for a number of years and in particular for the year ended 31 March 2024. This is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government (2016),' developed jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). The Code is based on the following principles:



Based on CIPFA/SOLACE 'Delivering Good Governance in Local Government'

#### 4. The Governance Framework

Corporate governance is a phrase used to describe the systems by which organisations are directed and controlled. The Council operates to a Code of Corporate Governance (the Code) which is a statement of the Council's commitment to have an effective governance framework and describes the core principles that underpin the governance framework.

The table below includes the Code and examples of how the Council has adhered to its governance commitments set out in this during the year ending 31st March 2024 to meet these principles.

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

Rationale: 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 have achieved.

To demonstrate its commitment to achieving good governance, Solihull Council has:

- A [Constitution](#) supported by policies to guide and enable Members and Officers to demonstrate a strong commitment to the rule of the law and adhere to relevant laws and regulations, in line with the Nolan principles.
- A well-embedded culture based on shared values, known as the Council brand of being 'ambitious, open, honest, and keeping our promises'.
- An ethical framework reinforced by the Code of Conduct for Councillors, Code of Employee Conduct, Financial Regulations, Whistleblowing Policy, Resolution Policy, Fraud and Corruption Statement and Policy and Prevention of Bribery Policy, with processes in place to report, investigate and act on any breaches.
- Robust Audit and Counter Fraud procedures to ensure corruption and misuse of power are dealt with effectively.
- Decision making processes with built in checks and balances to ensure decisions are taken in line with the Council's values and social, legal and financial implications are fully considered.
- An Equal Opportunities Policy Statement, a published equality objective and annual equality information reports on services and employees describing how the Council has complied with its public sector duties under the Equality Act 2010, as well as a process for taking 'due regard' which includes Fair Treatment Assessments and an equalities consideration section within Member reports.
- A Corporate Procurement Strategy, Rules for Contracts and a Procurement Board that provides senior management oversight and direction on the Council's procurement, contract management and commercial activities.

##### **Examples of How the Council Met this Principle in 2023/24**

- All managers with financial budget responsibilities have been provided with financial management training to enable them to discharge their responsibility and ensure that all expenditure is evidenced, validated and justified.
- The Council maintained good financial control through quarterly financial reporting to Members and monthly exception reporting to the Corporate Leadership Team
- An Equality, Diversity and Inclusion (EDI) Action Plan was developed by Adult Social Care staff to set out our ambitions for working

together to ensure all staff feel the directorate is inclusive, fair, diverse and transparent. There is also a Continuous Improvement Plan to improve EDI data quality and team engagement plans to ensure engagement and involvement from seldom heard groups.

- The Council has received a low level of complaints about the conduct of Elected Members, and there has been no formal finding of a breach of the Code of Conduct in the last 5 years.
- Effective management and co-ordination of multiple grants and funding streams.
- Procurement Board agreed to 58 approvals to proceed to procurement and 15 contract extensions to be awarded above the Public Contract regulations 2015 threshold for goods, works and services, and 36 exceptions to rules for contracts approved above £100,000.
- All Budget Managers are now required to complete the Fraud Awareness e-learning training as part of the mandatory programme of training, this training is also available to all staff.

### **Core Principle B: Ensuring openness and comprehensive stakeholder engagement**

**Rationale:** 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.

To demonstrate its commitment to achieving good governance, Solihull Council has:

- Agreed role definitions for Councillors to provide accountability, transparency, and clarity.
- Scheme of Delegation to enable effective and accountable decision making.
- Arrangements are in place to ensure effective and transparent decision making by:
  - Holding meetings in public (including webcasting certain meetings) unless there are good reasons for confidentiality;
  - Providing the public with an opportunity to ask questions or make representations at Full Council, Cabinet and Regulatory Committees;
  - Publishing a forward plan of key decisions as well as agendas and minuted decisions; and
  - Maintaining an effective scrutiny function to provide constructive challenge, determine whether decisions follow the agreed process, are in accordance with the Council's policy framework and within the approved budget.
- Established processes of engaging with the community and other stakeholders on key matters affecting the Council and local communities including:
  - A Petition Scheme;
  - A Corporate Complaints and Compliments Policy and Procedure and an annual report detailing all complaint and compliment activity;
  - A Customer Strategy, which provides direction and clarity about how the Council plans to enable customers to interact with it;
  - A Customer Charter which demonstrates a commitment and culture of accessible transparent services;
  - A process for service based engagement with service users, individuals or communities where relevant to decision making;
  - A Communications Strategy which includes a forward plan of all communication activity; and
  - A Digital Strategy with a vision to improve everyone's opportunity to engage in a digital way whether in their work or business life (digital economy) or in their social life.

An Equal Opportunities Policy to recognise and value the diversity of our communities and its workforce to enable providing inclusive

services that meet the needs of all our service users and be an inclusive employer.

#### **Examples of How the Council Met this Principle in 2023/24**

- Regular messages from the Leader of the Council are published on the Council website and social media.
- A 'Stay Connected' email alert service is used, which keeps customers connected to and informed about Council services.
- The Solihull Place Survey gathers the opinions of residents every two years and provides a cross-cutting overview of our local communities. This, and historic information, are used to inform decision making.
- 'Your Voice Solihull' (the Council's digital platform for engagement activity) has generated a range of insight that is used by services for planning.
- The Engagement Network, consisting of engagement practitioners throughout the Council and from Solihull Community Housing, considers and shares information about changing communities as part of its remit.
- People who live and work in Solihull were invited to give their views on Solihull Council's draft strategies including its Air Quality Strategy, aimed to give us a strong and sustainable route to further improve air quality across Solihull over the next few years, the Natural Capital Investment Strategy (NCIS) which is the council's response to the biodiversity crisis and Homelessness and Rough Sleeping Strategy, which outlines how organisations can work together to prevent homelessness as early as possible.
- A consultation and engagement forward plan is updated and reviewed by the Council's Assistant Directors Group every 2 months.
- Multi Agency Partnership Boards have been set up to tackle substance misuse and domestic abuse to ensure all key stakeholders work together to achieve the best outcomes for the client groups.
- Two family hubs opened in the last year, these are local support centres where families with children and young people aged 0-19 can access a broad and integrated range of early help. This was achieved through extensive stakeholder engagement to shape a service that reflects the needs of our families in the borough.
- Adult Social Care has a Get Involved Strategy to engage and include people in the development of commissioned services and its delivery to ensure involvement from different cohorts, especially those seldom heard.
- Engagement with parents, carers, children and young people through a number of events including the SEND Celebration Event, providing an opportunity to discuss service users' views, experiences, and a multi-agency conference hosted by SPCV (Solihull Parent Carer Voice).
- A new approach has been launched and embraced by staff after consultation to agree a statement of vision and values for Childrens Services.

**Rationale:** The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources.

- To demonstrate its commitment to achieving good governance, Solihull Council has: A Council Plan setting out strategic priorities and an overall strategic direction to 2025 which outlines its ambitions and promises to our residents and shows how the Council will use its resources to deliver these priorities.
- A Climate Change Declaration approved by Full Council, setting out our climate change ambitions and addressing them across the three elements of sustainability; economy, society and the local and wider environment.
- A Council Climate Change Prospectus which is a roadmap to delivering greater sustainability and supports the delivery of the Council Plan priority.
- A broad range of policies and plans addressing sustainability either directly, for instance the Net Zero Action Plan, or more indirectly, for instance the Air Quality Strategy.
- A Social Value Policy with a clear process to formally embed Social Value into all procurement processes followed by the Council and to ensure that the Council uses its role as a procurer to deliver inclusive growth in line with the priorities in the Council Plan.
- A Solihull Health and Wellbeing Strategy and a Health and Wellbeing Board to provide a forum in which key leaders from the local health and care system work together to improve the health and wellbeing of the local population from pre-birth to end of life.
- A Local Plan which sets out a range of policies that are designed to promote sustainable development.

**Examples of How the Council Met this Principle in 2023/24**

- The new Economic Strategy was launched, which looks at how continued and improved economic growth within Solihull can be delivered over the next decade to ensure all Solihull communities can participate and benefit, that we achieve our net-zero aspirations for the borough and explore how we create thriving centres in our communities to support local people.
- Set up a Climate Change and Sustainability Board that oversees the delivery of the Council's Climate Change Priority.
- 25 net zero houses are currently being built as a part of the Kingshurst Village Regeneration Project. This project plays a pivotal role in revitalising communities, creating homes, jobs and commercial spaces, contributing to growing our economy.
- Solihull Council has launched a new support programme for start-up businesses in Solihull, Enterprise for Success. The programme is designed to guide new entrepreneurs through the crucial first stages of establishing a business in a supportive learning environment.
- Working in partnership with Veolia, the Strategic Environment Contract has significantly reduced its emissions through the deployment of new vehicles and working practices and the use of low carbon fuels.
- The Council has a large portfolio of sustainability projects, including the Solihull Town Centre Heat Network, development of the public vehicle charging network, the running of connected autonomous vehicles and sustainable energy generation.
- During 2023/24, the Council planted or facilitated the planting of 25,000 trees as part of its overall target to plant 250,000.
- All directorates have in place a Sustainability Strategy to take positive action to minimise the environmental impacts of their activities.



- Adult Social Care have in place a Supported Employment Programme to assist people with learning disabilities and mental health into paid employment. There were 45 people recorded as being in paid employment.
- Work continues on the Green Homes Retrofit Programme which seeks to improve the efficiency of public and private sector housing. This is now an integral part of Solihull's new Housing Strategy.
- Two projects addressing the Circular Economy and the Supply Chain have been initiated in partnership with Birmingham City Council.
- Introduction of cycle schemes to promote the benefits of cycling to residents and businesses across the borough and the active travel route into Solihull town centre to protect pedestrians, joggers and cyclists.
- Social Value Policy has been updated to formally embed social value into all procurement processes followed by the Council and to ensure that the Council uses its role as a procurer to deliver inclusive growth in line with the priorities in the Council plan.
- The Care Act 2014 places safeguarding duties on the Local Authority. Safeguarding performance information is monitored on a weekly basis through the Transformation Board, chaired by the Director of Adult Care and Support. Care quality monitoring and improvement plans are in place to monitor providers that have been rated as requiring improvement or inadequate.

#### **Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

**Rationale:** Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses 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.

To demonstrate its commitment to good governance, Solihull Council has:

- A Council Plan in place that is refreshed annually. This contains a headline analysis of our strengths, challenges, and opportunities, our priorities and how we are developing our services and ways of working to better meet the needs of residents, businesses and visitors.
- Developed high-level performance measures to track progress against the delivery of key areas of Council activity.
- Arrangements in place to ensure that progress made against the Council Plan is regularly reported.
- Developed a Medium-Term Financial Strategy which is designed to help provide a stable financial base from which to deliver the Council's priorities.
- A decision-making protocol which sets out how decisions are made to ensure that these are efficient, transparent and accountable to local people.
- Business Continuity Plans to ensure the resilience of the organisation to any eventuality and to help ensure continuity of service to key customers.
- Arrangements in place to publish the annual External Audit Report.

#### **Examples of How the Council Met this Principle in 2023/24**

- A refreshed [Council Plan](#) setting the priorities, values, and strategic direction of the Council.
- Each Directorate has plan(s) which set out its role in achieving Council Plan priorities and how it achieves its statutory duties.



- The Council's equality duty is considered when designing and delivering services and developing policies and procedures.
- The Council has a clear governance map detailing oversight arrangements by the Corporate Leadership Team (CLT) of key initiatives and processes.
- The Health Inequalities Strategy and Solihull's All Age Prevention Strategy were launched during the year. An outcomes framework sets out our priorities which reflect the needs of our residents. This resource will ensure there is an enhanced focus on interventions that have the capability to reduce health inequalities and need.
- The Council continues to deliver specific projects, initiatives and services to support inclusion, integration and better SMBC engagement with refugee, migrant and faith communities. These include commissioning and direct delivery of support services and programmes for newly arrived communities and refugees covering resettlement support, employment and skills, enterprise, English language learning, family support and mental health.
- Adult Social Care has in place a bi-weekly Continuous Improvement Board to oversee the delivery of improvement plans to achieve high performance on national and local performance indicators.
- Creating hands-on training opportunities in Kingshurst Village with practical onsite work experience and learning
- Solihull Council continues to work with Birmingham Children's Trust as its regional partner to provide support and guidance to help with Solihull's Children's Services Improvement Plan.
- Solihull Council, Birmingham & Solihull Integrated Care Board and West Midlands Police & Crime Commissioner have agreed new multi-agency safeguarding arrangements for Solihull.
- As part of an initiative developed by partners in the Birmingham and Solihull Integrated Care System and Solihull's Health and Well-being Board, Solihull has launched a new small grant scheme to boost investment and improve outcomes for those most in need and encourage innovative solutions to local issues.
- Adult Social Care has continued to ensure the on-track delivery of its Directorate Plan and Transformation programme. This has included working closely with health partners on the integration of the health and social care system, responding to national reforms and putting in place a Home First programme to ensure individuals are only admitted to hospital where necessary, and supported to return home post discharge from hospital.
- A number of service areas have been enhanced and developed to deliver Early Help at the right time and first opportunity through our Early Help Services, Family Hubs, Edge of Care Services as well as other provision FGC (Family Group Conferencing) and working in partnership with the Richmond Fellowship to develop our response to DVA (Domestic Violence and Abuse).
- Considerable preparations have been ongoing during the course of this year to open 3 children's residential homes due to open from 2024 onwards, subject to Ofsted registration. This will contribute to the MTFFS (Medium Term Financial Strategy) savings as well as deliver improved outcomes for our children and families.
- Continued development of our JAND (Joint Additional Needs and Disabilities) provision, including additional staffing within SEND (Special Educational Needs and Disabilities) services, revision of Alternative Provision and Inclusion Services.

## Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

**Rationale:** Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset to operate efficiently and effectively and achieve intended outcomes within the specified periods.

To demonstrate its commitment to good governance, Solihull Council has:

- An agreed Constitution that sets out roles and responsibilities, decision making and financial management arrangements.
- A protocol and guidance to assist both members and officers to work effectively together.
- A digital strategy to update the Council's ICT capability to support meeting its stated objectives.
- An induction programme for newly elected Members and opportunities for longer serving Members to update their training and skills.
- Robust recruitment and selection processes and induction programmes for new employees which are followed up by a programme of regular 1 to 1's and annual performance and development reviews to measure individual performance targets and identify further development opportunities, with pay progression related to performance.
- A Pay Policy that sets out the Council's approach to pay.
- A Member structure that includes a Leader of the Council and a Cabinet; Scrutiny Boards that check and monitor what the Cabinet does. Committees include a Remuneration Committee to deal with terms and conditions of staff and a Governance Committee to deal with constitutional matters and promote and maintain high standards of conduct by Members.
- A robust process for decision making and within the scrutiny arrangements, a facility for decisions to be "called in" by Members.

### **Examples of How the Council Met this Principle in 2023/24**

- Assurance that the Manager's Handbook, which forms an integral part of key managerial responsibilities and performance objectives, was followed.
- Training to develop managers to confidently address the wellbeing of their teams and wellbeing behaviours integrated into the Performance and Development Review Framework.
- A Workforce Strategy in place to work with all providers and colleagues across the health and social care sector. A new Childrens services workforce strategy is also in place with a commitment to ensure we are an employer of choice and are able to recruit a qualified and experienced workforce.
- The Adult Social Care Workforce Plan 2024 to 2027 and Brochure 2024 has been created to demonstrate the commitment by the Directorate to develop and support the workforce so that it is effective, appropriately skilled and resilient in being able to respond to the challenges social care currently faces.
- Case File audits and regular supervisions are in place for Adult Social Care at all levels and in Children's Social work to ensure a shared commitment to understanding the quality of practice and providing support to improve quality where needed.
- An apprenticeship scheme to grow and develop talent.
- Access for all employees to accredited coaches and mentors (both internal and external) to enable reflection, promote understanding and bring forward fresh insights to reach the desired outcomes.
- Refresh of the BSOL Tobacco Control Alliance to ensure it is providing strategic leadership to the tobacco control agenda.
- Established a corporate repository of data to join data sets together for more secure, deeper and replicable analysis.

- A project is underway to build a Corporate Data Lake to hold key data sets and provide analysts with greater access to information sources.
- The Council has added SEND (Special Educational Needs and Disabilities) development capacity with a new role created during this period to focus on improving outcomes for children and young people in a financially sustainable way.

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

Rationale: Local government needs to ensure that the organisation's and governance structures that it oversees have 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 and integral parts of a performance management system and are crucial to the achievement of outcomes.

To demonstrate its commitment to good governance, Solihull Council has:

- An Audit Committee which includes independent and elected Members.
- An Internal Audit function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives.
- A Risk Management Policy and established processes for identifying, managing, and mitigating key strategic and operational risks, regular reporting to the CLT and Audit Committee and publication of high-level risks online.
- A well-defined leadership and governance structure to ensure oversight, peer support and challenge and appropriate actions to support achievement of Council objectives.
- Whistle-blowing arrangements and a complaints process for dealing with complaints in an effective, transparent, and accessible way.

#### **Examples of How the Council Met this Principle in 2023/24**

- Significant risks were identified and recorded, managed and monitored at a suitable level based on risk profile.
- The Audit Committee were provided with regular updates on corporate risks, financial updates, and internal audit reports for areas with low assurance, with updates provided in areas of concern as part of the forward work plan.
- The Risk Management Policy was updated to align to the Council's current and future challenges, including risk appetite based reporting.
- Continued development and embedding of governance processes and procedures in a number of ways to develop the services we deliver to children, young people and families. Performance measures have been agreed and monitored at a strategic level and cascaded across the services and teams along with the introduction of new technology and digital solutions. These will ensure robust oversight and management of expectations and outcomes.

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

Rationale: Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner.

To demonstrate its commitment to good governance, Solihull Council has:

- An Accounting Statement which includes our external auditor's independent opinion and all the Council's financial statements.
- An Annual Governance Statement which details the Council's system of "internal control" (i.e., the policies, processes, tasks, behaviours, and other aspects of the organisation) and our commitment to achieving good governance.
- An effective Internal Audit Service with direct access to Members and all senior leaders in place, providing assurance with regard to governance arrangements and monitoring the audit recommendation tracker to ensure that they are acted upon.
- A robust decision-making process that is open and transparent.
- A Corporate Leadership Team that meets weekly and drives improvement, innovation, quality, and consistency through regular oversight of key corporate processes and performance.

### **Examples of How the Council Met this Principle in 2023/24**

- Having an effective Audit Committee that provides a source of assurance and complies with guidance.
- The Council demonstrates its commitment to openness by producing a suite of reports including an annual report covering the performance of the Council, value for money and stewardship of resources.
- Published agendas, minutes, and decisions as well as the criteria, rationale and considerations on which decisions are based.
- Overhauling quality assurance and audit processes and introducing a revised process for reviewing social work practice, a part of which is establishing processes and expectations, vision and values in the way services are delivered.
- A set of performance indicators has been agreed and is discussed on a monthly basis at both strategic and political levels, which allows support and challenge to be effective.
- Continuous review of decision making processes, with built in checks and balances to ensure decisions are taken in line with Council's values, social and legal implications. Following an inadequate Ofsted inspection finding in the autumn of 2022, over the course of the year a number of internal as well as external processes and procedures have been established. For example, internal governance has been enhanced both politically and strategically through the "Strategic Quartet" meetings. These developments have been supported by our Improvement Partner Birmingham Childrens Trust (BCT) as well as the DfE Commissioner.

## **5. Review of Effectiveness**

The Council reviews the effectiveness of its governance framework regularly to ensure the arrangements are effective now and remain fit for purpose for the future. This is driven by the Directorate Leadership Teams, the Corporate Leadership Team (CLT), Internal Audit, External Auditors and other external review agencies. Proportionate oversight and governance arrangements have been put in place for arm's length bodies.

The Council also undertakes annually a review of the effectiveness of its governance framework, including the system of internal control. The Council has developed a methodology for reviewing its governance framework and producing this Annual Governance Statement. This methodology accords with proper practice and is co-ordinated by the Governance and Risk Management Advisor. The outcomes of the review are considered by the Chief Executive with support from the relevant Statutory Officers, Audit Committee and Governance Committee (who approve the final Statement). Once approved, the Annual Governance Statement is published alongside the Statement of Accounts.

As well as providing overall assurance about the Council's governance arrangements, the methodology identifies any processes or areas where governance needs to be strengthened and this is translated into action plans for each Directorate.

The section below details some of the assurances received during the year 2023-24.

### **5.1 Assurance from Members and Boards**

Information on the agenda, minutes and decisions taken by the Full Council and the Committees detailed below are published on the [Council website](#).

#### **5.1.1 Full Council**

The Council consisted of 51 Councillors who are elected by the local community. The Full Council approved all key policies and set the strategic direction for the Council.

#### **5.1.2 Cabinet Members**

The Cabinet is an executive group responsible for the overall business of the Council. The Cabinet met collectively in public on a monthly basis, to make decisions in line with the Council's overall policies and budget.

#### **5.1.3 Scrutiny Boards**

The decisions of the Cabinet were subject to scrutiny by a different group of Councillors. The Scrutiny Board met regularly to monitor the work of Cabinet, to provide policy development support and to monitor the Council's performance against its stated objectives.

#### **5.1.4 Audit Committee**

The Audit Committee provided independent, effective assurance about the adequacy of the Council's governance environment. The Audit Committee met regularly and received reports on the adequacy of the risk management framework and the internal control environment. They also had oversight of the financial reporting and annual governance processes.

### **5.1.5 Governance Committee**

The Governance Committee is responsible for promoting and maintaining high standards of conduct by Councillors, Co-opted Members, Parish, and Town Councillors.

Compliance with the Code of Conduct for Councillors is monitored by the number of complaints received by the Monitoring Officer.

There have been 5 cases of complaints about Members of Solihull MBC during 2023/24. All of these were dealt with by the Monitoring Officer without referral for formal investigation on the basis that no evidence of a breach of the Code of Conduct was presented.

### **5.2 Assurance from the Section 151 Officer and the Monitoring Officer**

The statutory functions undertaken by these two officers ensures legality, financial prudence and transparency, providing a key source of assurance that the systems and procedures of internal control are effective, efficient and are complied with. Both officers were involved in the production of this Annual Governance Statement and provided individual assurances that it accurately describes the Council's governance environment.

### **5.3 The Role of the Chief Financial Officer**

The Chief Financial Officer is responsible for the development and maintenance of the Council's governance, risk and control framework, ensuring lawfulness and financial prudence of decision-making and the proper administration of financial affairs, in accordance with Section 151 of the Local Government Act 1972.

These responsibilities have been considered within the context of this Statement and the Chief Financial Officer can confirm that for 2023/24, the Council's arrangements satisfied his responsibilities under Section 151 of the Local Government Act 1972 and that the Council continues to comply with the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016).

During 2023/24, the Council recruited a new Chief Financial Officer who commenced employment in January 2024, prior to that, the Chief Executive retained his S151 officer responsibilities.

### **5.4 Assurance from Management**

Individual Directors, Heads of Service and Managers have provided appropriate assurance that the Council has effective governance arrangements in place but have identified that some operational actions are needed to improve the Council's overall internal control environment. As a result, an action plan has been developed and progress to implement the required improvements will be monitored.

### **5.5 Other Internal Assurance**

#### **5.5.1 Opinion of the Head of Audit Services**

The Council's Internal Audit arrangements are reviewed annually and considered to be effective for the period being reported, conforming to the requirements of the Public Sector Internal Audit Standards, which includes CIPFA's Statement on the role of the Head of Internal Audit. During 2023/24 Internal Audit received external endorsement of its arrangements through an independent peer review.

The Head of Internal Audit works closely with the Audit Committee and the CLT to provide regular updates on work performed, including the Council's counter-fraud initiatives. An annual report of all work undertaken by the Council's Audit Services is

presented to the Audit Committee each year.

In conclusion, and taking into account all available evidence, Internal Audit has independently rated the standard of internal control in operation across the Council as offering between moderate and limited assurance. This judgement is based on the control framework being generally adequate but reflects significant concerns identified in Childrens Services and Solihull Community Housing (SCH).

The 2024/25 Internal Audit Plan will focus on following up outstanding recommendations to improve internal control with an emphasis on Childrens Services and SCH.

### **5.5.2 Risk Management**

The Council's approach to risk management is outlined in its [Risk Management Policy](#). Regular risk management reports are presented to all Directorate Leadership Teams (DLTs), the CLT and Audit Committee. High-level risks and the actions being taken to mitigate them are published on the Council's website to ensure transparency.

Risks are regularly reviewed based on their risk profile and there is an escalation process for the most significant risks, which ensures that senior management and Members are aware of those risks that pose the most serious threat to the Council's objectives and how they are being managed. In addition, the Audit Committee request for additional information if required to assure themselves that risks are being managed well.

There is a visible alignment between key risks to performance objectives in the Council Plan priorities and the Assistant Directors group receives regular updates on these risks. All key decisions made by Members are informed of key risks and the Council's risk appetite.

In the year under review, risk management arrangements have been further strengthened by updating the risk management policy and procedures to ensure these meet the current and future requirements of the Council. In addition, the Council has begun to take steps to explicitly consider climate change in the risk identification and management process at service level.

### **5.5.3 Performance Management**

Performance is managed at all levels of the organisation and the Council's approach to performance management continues to evolve in response to the changing context nationally and locally. In May 2023, changes to the Council's Performance Management Framework were agreed by the CLT and have now been implemented.

The External Auditor's Annual Reports for [2021/22](#) and [2022/23](#) suggested that reporting needs to be standardised to make it easier to understand and track progress and recommended that the Council should consider a consistent format for performance reporting. Work is ongoing on a proposal to achieve this, which is to be considered by the CLT in summer 2024.

The Council's priorities are set out within the Council Plan, which is reviewed annually. Each of the Council Plan priorities has a Senior Responsible Owner and agreed governance to monitor progress in achieving milestones and agree corrective action where required. Overall, progress against milestones is then reviewed and assessed on a quarterly basis by the Assistant Directors Group and recommendations made to the CLT about any areas where a deep dive is required.



The remit of each of the Scrutiny Boards is aligned to the priorities in the Council Plan and the scrutiny work plan for 2023/24 was based around the six priorities in the Council Plan. This places the Council Plan at the heart of scrutiny, enabling the Boards to scrutinise delivery in detail and to inform strategy over the whole year. Overall progress in delivering the Council Plan is then scrutinised by the Resources and Delivering Value Scrutiny Board annually in March, and reported in the Council's Annual Report, available on the Council's website.

A quarterly Wider CLT meeting is held to look at a range of performance information. This includes progress in delivering the Council Plan and the key business scorecard that provides assurance across a whole range of key business process measures plus financial, risk management and audit recommendation monitoring.

Directorate and Senior Leadership Teams monitor service performance on a monthly basis, including aspects of compliance and quality. Heads of Service and Team Managers monitor and review team performance metrics. Both Council Plan milestones and key performance metrics are reflected in individual targets and monitored through individual Performance and Development Reviews.

At each level of the performance hierarchy, there is an expectation that appropriate action is identified and taken to improve performance where required. There are also provisions, when needed, to escalate to the next level of the hierarchy, for example, where performance is out of agreed tolerance or there is potential for performance issues to have a wider corporate impact. Directorate oversight documents (reviewed by CLT monthly) also include an assessment of performance in respect of the Directorate's key performance indicators so that CLT have sight of these.

The Council will continue to monitor developments through the Office for Local Government (Oflog) which has been established to assess local government performance across England.

#### **5.5.4 Information Governance**

The Council's approach to Information Governance is underpinned by policy, guidance and training. This includes a full suite of policies based on the information security standard BS ISO/IEC 27002:2013 and mandatory GDPR and Protecting Information training courses which all employees must complete. There are clear management and accountability structures in place, which are outlined in the Council's [Information Governance Framework](#). Employees across the Council have a good understanding of information governance matters in the workplace and where support and training can be obtained from when needed.

The Information Governance Manager, Head of Human Resources and the relevant Assistant Director have responsibility for scrutinising the cause, handling of and response to information security incidents. Each investigation will examine the containment of the incident, the risks posed, who needs to be notified about the incident and an overall evaluation and response to risks or systemic problems identified. Information security incidents are reported to the CLT on a monthly basis.

#### **5.5.5 Financial Management**

The Council has robust financial management arrangements in place, and it is important to note that the Council's latest Medium Term Financial Strategy (MTFS) for the period 2024/25 – 2026/27 was approved in February 2024. The budget shows "Savings to be Identified" in both 2025/26 and 2026/27, although 2024/25 is balanced.

The CLT has formed a new panel called the Financial Sustainability Board whose terms of reference include the delivery of the savings targets and to ensure the Council continues its track record of strong financial management.

The latest MTFs also includes commentary on how Solihull MBC compares in the Chartered Institute of Public Finance and Accountancy (CIPFA) index of financial resilience for English Councils, which assesses each Authority against a number of indicators, including levels of reserves, external debt and auditors' judgements, in order to illustrate each Council's financial position relative to that of comparator authorities. The latest version of the index (based on 2022/23 data), which only includes statistical nearest neighbours as a comparator group, shows the following for the measures considered most relevant by CIPFA:

- Reserves: Solihull falls in the average to low risk category compared to our nearest neighbours in respect of the level of reserves and the change in earmarked reserves. The index suggests our use of unallocated reserves was higher than average in 2022/23, which may reflect the temporary use of the budget strategy reserve as part of the MTFs.
- Social care ratio: the index suggests that spend on Adult Social Care as a proportion of net revenue expenditure is lower than average compared to our nearest neighbours, while spend on Children's Social Care is the highest in the group. The latter reflects the significant increase in funding allocated to support the improvement journey in Children's Services, but it should be noted that these measures are fairly crude and much more detailed benchmarking is utilised in the Council to assess relative performance in both Adults' and Children's Services.
- Debt and interest payable: the index suggests that levels of gross external debt are average for the comparator group but that interest payable as a proportion of net revenue expenditure is above average at 6.3%.

It should be noted that the medium-term funding outlook for local government and consequently this Authority remains unclear given the ongoing reviews of potential funding mechanisms and the single year financial settlement for 2023/24. The outcome of the anticipated reform of the Local Government Finance System remains delayed until after the general elections which means that there will not be any changes until late 2024/25 at the earliest.

The latest MTFs acknowledges that the combination of unprecedented economic conditions and demand on council services have meant that the Council has had to depart from some of the key principles historically seen as key to its budgeting approach. These principles have been around delivering a sustainable financial position across the MTFs period which, owing to the considerable external pressures, the Council has been unable to fully meet for the 2024/25 budget process.

As a consequence of all of the above narrative but particularly the fact that we have savings to be identified for 2025/26 and 2026/27, the S151 officer has recently raised the risk level for the corporate risk in relation to MTFs delivery from a net amber 8 to a net amber 9 to reflect the current financial environment within which Solihull is operating in.

### 5.5.6 Equalities Framework

The Council monitors and assesses its effectiveness of systems and strategies in place to advance equality and comply with its duties under the Equality Act 2010. As such:

- Equality, Diversity and Inclusion (EDI) is a key part of the Council's core business of improving the quality of life and life chances for everyone.
- EDI is championed by the Council's senior leaders.
- There are several existing EDI documents which set out what we want to achieve for people who live, work, study in or visit Solihull and our plans to do this. Some of these documents will become part of a new Equality, Diversity and Inclusion Strategy being developed in 2024.
- There have been no prosecutions or enforcement notices issued against the Council for breach of the Equality Act 2010.
- The Council has published its' [Equality Objectives](#) on the Council's external website.
- In line with the statutory deadline of the 30th March of each year, annual equality information which is proportionate and relevant, is published on the Council's internet pages. This information includes Gender Pay Gap reporting, examples of how the Council and its' services have met the obligations of the Equality Act and information on the diversity of the Council's workforce.
- The Council works in accordance with the Council's published Equal Opportunities Policy Statement.
- There is regular reporting to Senior Leadership Teams in the Council on the progress of equality work across the organisation.
- EDI work at a directorate level is covered regularly at Directorate Leadership Meetings (DLT).
- A process to assess against 'due regard' under the Act is in place for the decision-making process by way of 'Fair Treatment Assessments' (FTAs). The Council has taken additional steps to ensure that the quality and monitoring of FTA's are improved.
- Equality implications form part of the template for reports to Members on decisions.
- All new employees undertake mandatory equality and diversity training as part of their induction.
- All staff are required to complete mandatory equality and diversity training which must be refreshed every 3 years. This compliance will be reviewed in June 2024 against staff training records. The Council is working on ways to make the training more easily accessible for staff with learning disabilities.
- Briefing session(s) on equality and diversity are included in the training and development offer for new and existing Councillors.
- Equality screening is included as part of the procurement tendering process for organisations providing services to us or on our behalf.

### 5.5.7 Health and Safety

As part of the Council's Health and Safety Management System, regular performance reporting is made to the Corporate Health and Safety Board, CLT, Directorate Leadership teams and the Cabinet Portfolio Holder for Resources. The reporting provides an overview of key performance, including the number of reported work-related accidents/incidents, commentary on key aspects of health and safety including legislative updates and policy development.

The information presented confirms that occupational health and safety arrangements are in place within SMBC, but with some areas of improvement required with action being taken where required.

The introduction of the Building Safety Act, following the government review of building regulations and fire safety has raised standards relating to tenant safety within the Council's residential social housing stock. A robust action plan is in place which is monitored by the Council's Building Safety Assurance Board.

The Council has appropriate governance arrangements in place to manage and monitor work-related health and safety matters through its Corporate Health and Safety Board. The Council has nominated a Director to be its Corporate Health and Safety Champion.

A corporate level health and safety action plan is in place to help make improvements to the management of health and safety in the organisation, with directorate-level plans under-pinning these at a local level.

#### **5.5.8 Business Continuity and Resilience**

The CSW Resilience Team is a combination of Local Authority Emergency Planning Officers from Coventry City Council (CCC), Solihull Metropolitan Borough Council (SMBC) and Warwickshire County Council (WCC). The team operates a 24/7 Duty Officer system to ensure an effective response to any incident occurring across the sub-region.

The Civil Contingencies Act 2004 places a statutory duty on the authority to put in place business continuity management arrangements. This duty is satisfied via internal services owning and maintaining their own response plans and procedures to consider and plan for service disruption. Arrangements are in place for services to escalate to the activation of the council's emergency management plan should an issue be too significant to resolve.

The CLT receives regular updates on business continuity and resilience planning to prepare and deliver a robust response to key risks.

Support to critical services is maintained via targeted support to key individuals and services, and as part of wider critical service interaction, via the council's internal Business Continuity Forum.

#### **5.5.9 Electoral process**

It is vital that the public has confidence in the integrity of the electoral process.

To ensure robust and effective governance, the running of elections is overseen by an Elections Board chaired by the Returning Officer (who is the Chief Executive) and comprised of the Head of Legal and Democratic Services, the Solicitor to the Council, the Electoral Services Manager and the Elections Officer.

The Electoral Services Team have a project plan and risk register developed by the Electoral Commission based on national best practice and progress against these is monitored by the Elections Board.

The team works closely with Candidates and Election Agents and with the Police to minimise the potential for possible electoral malpractice. The team also works with the Council's Health and Safety Advisors to ensure all elements of the electoral process, including polling stations, postal vote opening and counting of the votes are safe and secure for all stakeholders.

### **5.5.10 Partnerships**

The Council has a range of statutory duties that require it to work in partnership. For example, the Council is one of three statutory partners with lead responsibilities for safeguarding children and adults and community safety and has a statutory duty to convene a Health and Wellbeing Board. More generally, partnership working is essential in working towards the Council's vision, supporting the delivery of sustainable services and maximising local assets. The Council plays a key role in convening and promoting partnership working across public, private, voluntary and community sectors in Solihull.

A partnership induction pack is in place to provide members of Solihull multi-agency boards and partnerships with the key information they need including: a description of the common purpose across all our partnerships, the responsibilities of each of the main multi-agency partnerships and an overview of the relationships between them. This pack is updated and circulated to the boards at least twice a year.

Relevant responsibilities for partnership working are included in the job descriptions of Directors, Assistant Directors and other senior Council Officers. Each of the main Partnership Boards has an identified officer whose role is to manage the work of that board and to co-ordinate with other board support officers. An annual item to review partnership arrangements to ensure that they remain fit for purpose is part of the CLT and Assistant Director Group Governance Maps.

A Partnership Co-ordination Plan is in place with the aim of achieving greater co-ordination, communication and a joined-up strategic approach across the multi-agency boards. This is overseen through a Board Chairs and Support Officers meeting. Actions in 2023/24 include implementation of a co-ordinated approach to multi-agency case audits, ongoing work to ensure appropriate oversight of risk across partnerships and the development of 'plan on a page' summaries for each of the main partnership boards with the aim of clarifying who is doing what and reducing duplication and any gaps. In addition, new multi-agency training was developed and delivered.

All members of the main partnership boards are invited to an annual boards / partnerships event. The 2023/24 event concentrated on working together to improve health and well-being, reduce inequalities and prioritise prevention as well as reviewing partnership approaches to communication and engagement.

### **5.6 Assurance from Customers**

Overall, 628 complaints were received in 2023/24 which is just 1 complaint less than 2022/23 when 629 were received. Customer comments and feedback is also shared with service areas for improvement and policy and process design. During 2023/24, 845 customer comments were captured across all channels. There were 931 compliments received, a decrease by 38 from the previous year. The complaints data will be analysed and full information and learning from complaints will be provided in the annual report.

Good Complaints Handling Training was carried out for investigating officers in January and February 2024 and briefings were carried out for all staff within the contact centre and walk in centres to ensure they were aware of the complaints and feedback process and how to assist customer wanting to log a formal complaint. A core brief article also went out to the wider council for all staff awareness at the end of 2023.

Full details of the numbers and reasons for complaints and compliments and customer comments are published in the [Annual Complaints and Compliments](#) report. The 2023/24 report is expected to be presented to the Resources & Delivering Value Scrutiny Board later in the year.

## **5.7 Assurance from External Inspections**

### **5.7.1 External Audit**

Grant Thornton are the Council's external auditors and there is a good working relationship with them. They have quarterly meetings with the S151 Officer, Deputy S151 Officer, Head of Legal and Democratic Services and Head of Audit Services to discuss any matters which the auditors may need to be aware of. There is a team of audit staff who work alongside the Financial Operations Team to audit the annual accounts. External Audit provide regular verbal and written reports through Audit and Governance Committees, mainly on the annual accounts but they also report on grant audits that they conduct and the value for money audit work that they carry out in conjunction with the final accounts audit. They also carry out a separate ICT audit, which is reported alongside the accounts. During 2023/24 (but relating to the 2022/23 financial year), the External Auditors carried out extra work due to the implementation of Oracle Cloud. This work was to satisfy themselves that the new system is working as it should and that controls are in place and operating effectively and can be relied on for the purposes of the accounts.

Previous years' external audit reports include positive statements on both the accounts and the value for money conclusion. During 2023/24, the Council received final reports on both 2021/22 and 2022/23.

The 2021/22 Annual Report contained 4 Improvement Recommendations; firstly, that Children's Services improvements are monitored by KPI's; secondly, that the Council adopts a consistent approach to performance monitoring that is also streamlined; thirdly, that the Council performs an exercise to ensure all contracts are consolidated onto the contracts register and finally, that the Council develop a procurement strategy that captures all procurement information.

The 2022/23 Annual Report contained 5 Improvement Recommendations; firstly to regularly review usable reserves in light of the ongoing economic uncertainty; secondly, to review the presentation around new savings targets and the progress against the delivery of these; thirdly, to keep an up to date cash flow forecast for at least a 12 month period; fourthly, to review the risk appraisal, identification and management process and finally, to regularly review key policies, legal documents and registers.

For 2022/23, the Council maintained the RAG rating of the 3 criteria set out in the Annual Report.

- Financial Sustainability – Amber (no significant weaknesses)
- Governance – Green (no significant weaknesses)
- Improving economy, efficiency and effectiveness – Red (one significant weakness).

## 5.7.2 Ofsted

Ofsted is the Office for Standards in Education, Children's Services and Skills, it inspects:

- Services that care for children and young people
- Services providing education and skills for learners of all ages
- Local authorities to find out how well they carry out their statutory duties in relation to schools and other providers.

Inspection reports are available on the [Ofsted website](#).

Ofsted, along with the Care Quality Commission (CQC), the Chief Inspector of Constabulary and Fire & Rescue Services (HMICFRS) and the Chief Inspector of Probation (HMIP) for England and Wales published a report in February 2022 following a joint targeted area inspection (JTAI) in Solihull.

The most recent inspection conducted by Ofsted was a full Inspection of Solihull Local Authority Children's Services in November 2022. The outcome of the inspection found Solihull inadequate across all inspection areas and inspectors highlighted nine overall areas for improvement including: leadership, timeliness and quality of decision making, quality of practice, the workforce, partnership arrangements, permanence, role of IROs, corporate parenting and private fostering. A Statutory Commissioner was also appointed by the Department for Education in 2022, named Sir Alan Wood, and in the summer of 2023 Birmingham Childrens Trust (BCT) was identified as our improvement Partner.

Over the year 2023-24 the Council continued to work with Sir Alan Wood and our improvement partner BCT who have been integral to the developments made. As part of the inadequate inspection finding, Ofsted over the year have completed 4 monitoring visits in August, October, January and April. Overall, whilst there is still much to do, the Council is pleased with the continued progress made as well as the increase in pace over the last six months, which was also noted by our DfE Commissioner.

The four monitoring visits covered the following areas:-

August 2023	Front door Services, Early Help, MASH (Multi Agency Safeguarding Hub), Assessment and Exploitation.
October 2023	Children in need of Help and Protection.
January 2024	Children subject to pre-proceedings, those on the edge of care including 16 and 17 year old children who present as homeless, children entering care.
April 2024	Planning for permanency, our corporate parenting role and the impact of our Independent Reviewing Officers (IRO's).

The Youth Justice Service was also inspected in September 2023. Overall, the service was identified as requiring improvement - with 7 out of the 12 areas identified as good, 3 requiring improvement and 2 inadequate. This inspection covered 4 domains – i) organisational delivery ii) court disposals iii) out of court disposals and iv) resettlement, albeit this was not rated at the time of the inspection due to an insufficient number of cases. There were several positives noted within the report with 5 key recommendations for which an improvement plan was developed to respond to the



areas identified. This work remains ongoing.

The Department for Levelling Up Housing and Communities (DLUHC) completed a monitoring visit early autumn 2023 to review our Supporting Families Programme. This also covered Early Help developments and how the programme continues to be a key element of that provision.

### **5.7.3 Care Quality Commission (CQC)**

The Care Quality Commission (CQC) monitors, inspects, and regulates Health and Social Care Services to make sure they meet fundamental standards of quality and safety. The CQC publishes performance ratings to help people choose care that is:

1. Safe
2. Effective
3. Caring
4. Responsive
5. Well-led.

The latest inspection reports for each home are available on the Council's website and on the [CQC website](#).

From 1 April 2023, the Care Quality Commission has new powers to assess how Local Authorities deliver their duties under the Care Act 2014. The Council is preparing for CQC assurance against the Assessment Framework for Local Authority Assurance. Preparations for the implementation of inspections of Adult Social Care by the CQC have been ongoing throughout 2023/24. The Council followed closely the national developments, including completion of 5 pilot inspections by CQC. The outcomes of these pilots were published on 17th November, with four rated 'Good' and one rated 'Requires Improvement'. The learning from these pilots as well as the outcomes from the first three local authorities that were formally inspected in December 2023 onwards are being applied as learning to the Council's preparations.

The Council continued to progress its local preparation plans in order to demonstrate the strength of its work in adult social care to be ready when an inspection is announced.

### **5.7.4 Peer Challenges**

A peer challenge is a supportive but challenging 'critical friend' approach to assist Councils and their partners to identify what is going well and where improvements can be made.

In December 2023, the Internal Audit Service had an independent peer review by Coventry City Council in line with Public Sector Internal Audit Standards, which confirmed the Council's internal audit arrangements are fully compliant with the standards.

In respect of any statutory or corporate complaints for children's social work services (CSWS), there have been no findings by the Ombudsman. However, for the Education and Inclusion Division there have been two adverse findings following complaints regarding SEND – Special Educational Needs and Disabilities Services. The first judgement related to the timeliness of processing annual reviews following a High Court Judgement regarding another Local Authority. As a consequence, further

investment was approved for the team to meet the additional requirements. The second judgement related to a school not making necessary arrangements for all of a child's provision, which had been identified within their EHCP (Education Health and Care Plan). This has been responded to and the matter remains under regular review.

A Local Government Association (LGA) Peer Review was commissioned in spring 2024 to establish an external view as to why there is an increase in Education Health and Care Plans (EHCP's) for children in the early years in Solihull. Several recommendations were made to tackle increasing needs/demands and within this to continue to focus upon the identification and support of children within early years and their transition to school, which will be key in planning services for families moving forwards.

### **5.7.5 Ombudsman Complaints**

The Local Government and Social Care Ombudsman (LGSCO) provides a complaint handling service to ensure that local public services are accountable to the people that use them and that local authorities put things right when they go wrong. The LGSCO produces an Annual Review Letter in July each year for each Council, in which it publishes statistics relating to enquiries and complaints which have been made about them to the Ombudsman for the previous financial year.

This data is uploaded to an interactive map, which gives people the chance to see how their Local Authority is performing at the click of a button. The map collates the annual letters the Ombudsman has sent to each Local Authority, along with the percentage of complaints that have been upheld following Ombudsman investigations, how often the local authority has complied with Ombudsman recommendations, and the percentage of upheld cases where they find that the Local Authority has already produced a satisfactory remedy before the complaint reached the Ombudsman for the previous financial year. This map can be found at: [Your council's performance \(lgo.org.uk\)](https://lgo.org.uk). In 2023/24, Solihull Council had already remedied 43% of its complaints before they reached the Ombudsman, compared to an average of 10% across similar Councils.

During 2023/24, in terms of overall administration and according to data held by the Council (which will be verified with the Annual Letter due to be sent to Councils in late July 2024), the number of cases referred to Solihull Council by the LGSCO increased by around 33% from 27 to 36, but was still not as high as 2021/22 (45). Out of the 36 cases referred, the Ombudsman chose to investigate 10. All of those that required a response were responded to within the timescales agreed with the Ombudsman.

All of the individual decisions made by the Ombudsman are published on their website and can be found at [lgo.org.uk](https://lgo.org.uk). Internal data shows that the number of complaint investigations where the Council have been found at fault during 2023/24 is five (one of which is an investigation which was brought forward from 2022 - 2023).

## 6. Group Activities

Our group activities are as defined in our Annual Accounting Statement. For the 2023/24 year our 'Group' relationships were as follows:

### Subsidiary Companies

**Solihull Community Housing (SCH)**, a 'not for profit' company set up and owned by the Council to manage its housing services.

**Urban Growth Company (UGC)**, a special purpose vehicle created to realise the full economic potential of the HS2 Interchange Station and related infrastructure.

**Mell Square Ltd**, which holds the ground lease interests and freeholds of a number of key commercial town centre properties to enable the Council to continue to play an active role, with partners, in shaping the future of the town centre.

**Solihull Energy Ltd**, which is a newly formed company which will aim to create sustainable energy solutions to the Borough.

The Financial Operations division provided financial support services to all of these subsidiary companies for the 2023/24 financial year.

The Joint Venture Relationships are with the Coventry and Solihull Waste Disposal Company Ltd and Sherbourne Recycling Ltd.

## 7. Update on Governance Concerns Identified in Previous Years AGS

Concern	Responsible Officer:	Progress Update:
<p>In October 2022, the Department for Education issued a statutory direction and appointed a Commissioner to oversee the improvement required in Solihull's Children's Services. In March 2023, the Commissioner's report was published, and a further statutory direction was issued. This requires Solihull Council to secure a regional partner for improvement in Children's Services and to prepare a Children's Social Care Improvement Plan and a Solihull Safeguarding Children's Partnership Improvement Plan. It is intended that a regional partner will be secured by July 2023.</p>	<p>Director of Children's Services</p>	<p>In July 2023, Birmingham Childrens Trust (BCT) was agreed as our regional improvement partner and has continued to work with Solihull Children's Services on our extensive improvement journey alongside our Commissioner. Considerable action has been implemented across the Directorate, to improve and develop our practice and services. This is in conjunction with our Improvement Partner Birmingham Childrens Trust and our DfE Commissioner.</p> <p>The significant developments include, but are not limited to:</p> <ul style="list-style-type: none"> <li>- Development of service provision</li> <li>- Early Help</li> <li>- Edge of Care (Families Together) Services</li> <li>- Family Group Conferencing</li> <li>- Strategy Development, including Sufficiency and Workforce.</li> </ul> <p>Improvement plans and key dashboards with established lines of oversight and governance are in place with monitoring both internally and externally to the Council. This focus has now moved from compliance to the quality of service delivery.</p> <p>During the course of this year, the Council has been subject to monitoring visits which have also provided additional support and scrutiny including a regional/annual conversation with Ofsted and the DfE.</p>

<p>Significant financial demands were identified for the year within the Children’s Service and with risk that further additional funding beyond what was provided in the MTFs could be required.</p>	<p>Director of Children’s Services</p>	<p>There has been robust monitoring and review of budgets at a number of levels, which has included the introduction of placement and staffing panels to provide additional levels of oversight.</p> <p>This continues moving forward in accordance with the Medium Term Financial Strategy, which has been revised.</p>
<p>A Corporate Warning Marker System Audit completed in 2022/23 was a Level 5 audit. Since the audit was conducted, the Assistant Director for Adult Social Care has taken on the responsibility for oversight of the system and a number of improvements have been made, which will be tested through a follow-up audit.</p>	<p>Assistant Director - Adult Social Care</p>	<p>Significant work has been done to implement the recommendations made in the audit, and further work continues to strengthen arrangements to increase employee usage of the system.</p>
<p>During 2022/23, Bereavement Services received a Level 5 internal audit rating which set out failings across a number of compliance areas including financial management, procurement and risk.</p>	<p>Assistant Director - Communities and Partnerships</p>	<p>All actions recommended are now complete.</p>

## 8. Significant Governance Issues Identified During 2023/24

Using the Council's established risk management approach, "significant" governance issues are those that could potentially lead to one or more of the following impacts:

- Avoidable death
- Financial implications of more than £250k
- Legal action or intervention from a statutory body, partner, or enforcement agency
- National media attention, potential Public Interest Report or Judicial Review

In addition, the Council will record details of any service areas where the level of internal control fell below the standards that the Council expects to achieve.

Following completion of the annual review of the Council's Governance Framework, the following issues have been assessed as significant and detailed actions plans developed to address the same.

Improvement(s) Required:	Responsible Officer:	Progress Update/ Target Completion Date:
The Financial Sustainability Board needs to drive work to quickly address the Council's financial savings gaps across all three years of the current MTFS to reduce the reliance on the Council's limited remaining usable reserves. This will require swift management action to control in year spending, and a review of arrangements for managing budgets and the presentation of financial information to ensure complete clarity and accountability. It will also require changes to the ways in which services are provided, so that we can match the future cost of services to the income that we are able to generate.	Chief Executive and Section 151 officer	28.02.2025
Unprecedented financial pressure continues from the costs of an increase in demand and keeping children safe. This includes the use of agency staff, children in care and home to school transport. A considerable investment is being delivered financially as well as through other support including through our Improvement Partner and DfE Commissioner. There is significant ongoing work across the Children's Directorate and the Council to deliver a balanced budget. Within SEND, the Delivering Better Value (DVB) programme is designed to help provide a stable financial base from which to deliver our priorities and services over the next three years.	Director of Children's Services	Ongoing as part of our Improvement Planning.
Children's Services Improvement journey following an inadequate ILACS (Inspecting Local Authority Children's Services) finding – Autumn 2022. There	Director of Children's Services	Ongoing as part of our Improvement Planning.

Improvement(s) Required:	Responsible Officer:	Progress Update/ Target Completion Date:
continues to be a series of monitoring visits, most recently in April 2024, which was the fourth in a series of anticipated visits. The Council continually updates and revises improvement plan working alongside and supported by our Improvement Partner, Birmingham Childrens Trust (BCT) and Sir Alan Wood, Commissioner.		
There is still a range of HR monitoring and compliance reporting that needs to be completed and provided to managers to ensure effective management of key issues like compliance with mandatory training.	Head of Human Resources	30.06.2024
As a result of increased organisational threats like Cyber Security, the Council will need to review and potentially enhance its Business Continuity Plans, taking a view on how to potentially cope with an extended loss of critical business systems.	Corporate Leadership Team	30.03.2025
Performance reviews of Solihull Community Housing (our arms-length management organisation (ALMO) that provides Social Housing) have identified improvements required in systems and processes, in particular relating to contract, project and associated financial management. Action plans are in place to address these and strengthen arrangements.	Assistant Director-Housing	30.10.2024
<p>The Internal Audit team carried out a series of audits across SMBC, Solihull Community Housing and Council Maintained schools. The following audits resulted in limited or no assurance reports being issued and recommendations, the implementation of which will be tracked and reviewed by the Audit team in 2024-25 through follow up audits.</p> <ul style="list-style-type: none"> <li>• Direct Payments – Level 4</li> <li>• Agency Staffing – Level 4</li> <li>• SCH Whistleblowing Allegations: Staff Appointments – Level 5</li> <li>• SCH Spandrel panels replacement project – Level 5</li> <li>• Children’s Services Cash Usage – Level 4</li> </ul> <p>The auditing of schools also raised some concerns which have been shared with the relevant director for action.</p>	Various directorates as applicable	Ongoing



**9. Conclusion and Evaluation**

As Leader and Chief Executive, we have been advised on the results of the review of the effectiveness of the Council's Governance Framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment, and the arrangements continue to be regarded as fit for purpose in accordance with the Council's Governance Framework.

We are also satisfied that over the coming year, the Council will take appropriate steps to address any significant governance issues and we will monitor their implementation and operation as part of our next annual review. In addition, we can confirm that the improvement recommendations made by External audit reports for 2021-22 and 2022-23 are being considered and will be acted upon.

**Paul Johnson**  
**Chief Executive**

**Councillor Ian Courts**  
**Leader of the Council**