

## **Audit Committee**

**25 February 2021**

### **Annual Governance Statement for the year April 2019 – March 2020: Actions Update**

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## **Report of Paul Darby, Corporate Director of Resources (Interim)**

### **Councillor Alan Napier, Deputy Leader and Portfolio Holder for Finance**

#### **Purpose of the Report**

- 1 This report provides the Audit Committee with an update on the progress being made in relation to the actions arising from the Council's Annual Governance Statements for the year April 2019 to March 2020.

#### **Executive summary**

- 2 The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement (AGS), which must accompany the Statement of Accounts.
- 3 The AGS demonstrates how far the Council complies with the principles of good governance. The review of effectiveness for 2019/20 concluded that six actions, listed in appendix 2, should be included in the plan of improvements to strengthen governance arrangements during 2020/21.
- 4 Attached at Appendix 2 is an update on the progress being made in relation to the actions arising from the Council's Annual Governance Statements for the year April 2019 to March 2020.

#### **Recommendation**

- 5 Audit Committee is requested to note the progress that has been made against each action, as set out in appendix 2.

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## **Appendix 1: Implications**

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### **Legal Implications**

The governance review process ensures that the Council discharges its statutory duties under the Local Government Act 1999 and the Accounts and Audit Regulations 2015 as set out at paragraphs 2 and 4 of the report. The Code of Corporate Governance enables the Council to demonstrate how it complies with the Delivering Good Governance in Local Government Framework 2016.

### **Finance**

There are no financial implications associated with this report. However, financial planning and management is a key component of effective corporate governance.

### **Consultation**

Engaging local communities meets a core principle of the CIPFA/ SOLACE guidance.

### **Equality and Diversity / Public Sector Equality Duty**

Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.

### **Climate Change**

There are no direct climate change implications, but good governance helps to avoid or minimise adverse impacts.

### **Human Rights**

None

### **Crime and Disorder**

None

### **Staffing**

There are no impacts on staffing but ensuring the adequate capability of staff meets a core principle of the CIPFA/ SOLACE guidance.

### **Accommodation**

There are no accommodation implications, but asset management is a key component of effective corporate governance.

**Risk**

There are no reportable risks associated with the report, but the assessment of corporate risk is a key component of the Council's governance arrangements.

**Procurement**

None

## Appendix 2: Annual Governance Statement for the year April 2019 to March 2020 – Actions Update

Progress against each action is shown in the table below.

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
1	MTEP and Financial Strategy Group for Education will monitor progress on the implementation of the strategic review of educational provision to ensure that the intended outcomes are achieved.	Optimising the achievement of intended outcomes with robust mechanisms for making decisions, which are reviewed continually (4.34).	Corporate Director, Children and Young People Services	March 2021	<b>This action is on target.</b> The Education Review Board was established in May 2020 and meets approximately monthly to monitor progress as intended.
2	Implement and embed the new Corporate Property and Land Service, as approved by CMT and members, adopting the corporate landlord model.	Developing the Council's capacity through effective use of assets and improving the use of resources (4.37 – 4.38).	Head of Corporate Property and Land	March 2021	<b>This action is in progress.</b> The recent establishment of the corporate property board is helping develop a more strategic approach to managing the estate along with the development of strategic policies for land and buildings. The response to COVID has impacted on the delivery of full implementation. It is anticipated that the new arrangements will be effectively embedded by December 2021.
3	Undertake a review of governance arrangements of the County Durham Partnership.	Engaging effectively with institutional stakeholders and developing formal and informal partnerships (4.21).	Head of Partnerships and Community Engagement	May 2020	<b>This action is complete.</b> In September 2020, the County Durham Partnership agreed a revised governance framework focussed on delivering the County Durham Vision 2035. This followed widespread consultation including the Thematic Partnership Boards, the Integrated Care Board, the Better Together Forum and members of each partnership.

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
4	Review High Needs Special Educational Needs Provision (HN SEND), including development of a HN SEND Sustainability Plan, to bring this expenditure within Dedicated Schools Grant funding levels.	Improving the use of its resources to ensure that they are allocated in a way that realises outcomes effectively and efficiently (4.38)	Head of Education and Skills	March 2021	<p><b>This action is complete.</b></p> <p>The HNB five-year financial plan, which aims to recover the deficit and ensure that spending is kept to within available resources, was approved by Cabinet in July 2020. The SEND and Inclusion Resources Board meets monthly to oversee HNB spend and the Sustainability Plan, including consideration of any impacts from the coronavirus pandemic and the subsequent recovery period. A further report on progress is due to be presented to Cabinet in April 2021.</p>
5	The governance surrounding the Council's companies require refinement and efforts have begun to ensure all necessary documentation is in place and that key officers are aware of their roles and responsibilities with regards to the companies they are involved with.	Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements (3.14)	Head of Legal and Democratic Services	March 2021	<p><b>This action is complete.</b></p> <p>The Company Governance Group oversees the Council's Companies Governance arrangements on behalf of the Council. An update on the Group's work will be presented to CMT in March 2021. Training in March 2021 will ensure that those officers who work with, or who are appointed as, Directors understand roles and responsibilities, can identify and manage conflicts of interests and will provide resilience in the Council's resourcing of the Companies. The Group is also considering the Council's strategic approach to, and structure of, its' Companies and joint venture arrangements.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
6	Implement the actions identified in the Children's Social Care Services improvement plan agreed with Ofsted.	The Council welcomes peer challenge, reviews and inspections from regulatory bodies and seeks to ensure that recommendations are implemented (4.67).	Head of Children's Social Care	March 2021	<p><b>This action is ongoing and on target.</b></p> <p>There continues to be a well-established governance structure in place to support, monitor and update the improvement activity taking place within Children's Social Care following the ILACS inspection in 2019. This is led by the Social Care Quality Improvement Board, which is chaired by the Head of Children's Social Care and includes all senior managers from the Service. The programme includes the continued implementation of a new social work practice model ('Signs of Safety'), continued investment from the Council, a new sufficiency strategy for children looked after developed with the integrated commissioning unit and robust Performance and Quality Assurance Systems which help to provide insight and oversight of the progress being made and the difference we are making to the lives of children and families. The Ofsted ILACS framework continues to support regular engagement with Ofsted and the latest Annual Engagement Meeting was held in October 2020 with senior colleagues from Ofsted and the Children and Young Peoples Service Management Team to review progress against the improvement plan and also reflect on how the service has responded to the challenges of Covid-19. This was a positive meeting and also included discussion around some of our new improvement priorities such as the launch of the new leadership academy to strengthen high quality practice and an update on the new model of working for Children with a Disability, including transitions.</p>