

## **Audit Committee**

**29 November 2021**

### **Annual Governance Statement for the year ended 31 March 2021: Actions Update**



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## **Report of Paul Darby, Corporate Director of Resources**

**Councillor Richard Bell, Deputy Leader and Cabinet member 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 Statement for the year ended 31 March 2021.

### **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 the Council complies with the principles of good governance. The review of effectiveness of the Council's arrangements for 2020/21 concluded that eight actions, listed in appendix 2 to this report, should be included in the plan of improvements to strengthen governance arrangements during 2021/22.
- 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 Statement for the year ended 31 March 2021.

### **Recommendation**

- 5 Audit Committee is requested to note the progress that has been made against each of the improvement actions, 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 2020 to March 2021 – 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	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 (3.37 – 3.38).	Head of Corporate Property and Land	December 2021	<p><b>This action is on schedule.</b></p> <p>The new service is now embedded across the Council. The principles of the Corporate Landlord Model have been adopted across service groupings. Cabinet have recently agreed, subject to approval from Council, additional funding to support implementation of the final phases of the model over the next 12 months.</p>
2	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 (3.67).	Head of Children's Social Care	September 2021	<p><b>The delivery of key actions is on schedule.</b></p> <p>The Ofsted Action Plan is monitored monthly to track progress made and to address barriers identified.</p> <p>Actions completed include work by an external moderator relating to quality-of-care planning and quality of management oversight and supervision, resulting in further improvement actions; and work with MHCLG (now DLUHC) to focus improvement work on youth homelessness, resulting in positive feedback.</p> <p>Actions planned for 2021/22 include a peer review of the fostering service; a review of the children's commissioning service and interface with</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
					operational colleagues; and a peer review of quality assurance processes and the independent reviewing officer function within children's social care.
3	Review the approach to residential and nursing care, taking into account market reshaping required as a result of capacity in the market, the Covid-19 pandemic and changing preferences in terms of care, with the aim of ensuring a sustainable and high-quality care market (2023).	D3.1 Optimising achievement of intended outcomes (3.34)  Rationale: significant governance improvement to optimise the achievement of Council objectives (better integration of health and social care services).	Head of Integrated Commissioning	March 2022	<b>This action is on schedule.</b>  A consultant was commissioned in early 2021 and has been working on predictive modelling aspects of the Needs Led Accommodation Review with an initial focus on Older Persons (OP) Residential and Nursing Care. Some governance issues relating to DCC and NHS data delayed progress, but these have now been resolved. A workshop was held with stakeholders, including a provider representative, in September 2021 which refined the proposed approach and the OP aspect of the work on modelling future demand is due to be completed in early 2022. This will allow for the required market reshaping, based on robust data and which will also cover alternative models of care for older people, to be taken forward during the 2022-23 financial year.
4	Development and embedding of the County Durham Together model to promote joined up service delivery and enable easier access to preventative services available in local communities.	Sustainable economic, social and environmental benefits: ensure fair access to services (3.29)  Rationale: significant governance improvement to optimise the achievement of a	Deputy Director of Public Health	March 2023	<b>This action is on schedule.</b>  Work around developing County Durham Together continues to progress. Several workstreams have been established to take the work forward and a presentation will be going to Transformation Cabinet on 3 November 2021.

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
		Council objective (better integration of health and social care services).			
5	Undertake a review of Home to School Transport policy and commissioning arrangements to better understand and address escalating budget pressures.	Developing the Council's capacity: improve the use of resources to ensure that they are allocated in a way that realises outcomes effectively and efficiently (3.38)	Head of Education and Skills	March 2022	<p><b>This action is on schedule.</b></p> <p>The Home to School Transport Review Board is in place with terms of reference to lead the programme. A review of Durham's Home to School Transport Policies and Provision has been completed. Findings from the work are being developed into recommendations for consideration within the Council later this year.</p>
6	Deliver the actions set out within the Looked After Children Placement Sufficiency Strategy to ensure best outcomes and cost-effective placement costs to address escalating budget pressures within Children's Social Care.	Developing the Council's capacity: improve the use of resources to ensure that they are allocated in a way that realises outcomes effectively and efficiently (3.38)	Head of Children's Social Care and Head of Integrated Commissioning	March 2022	<p><b>Delivery of the strategy is progressing, but some actions have been rescheduled.</b></p> <p>The Sufficiency Strategy sets out a range of actions over a three-year period (2020-2023).</p> <p>Fostering recruitment for 2021/22 is on track to mirror volumes seen in 2020/21 but is likely to fall short of the target of an additional 35 households. A revised marketing and recruitment campaign is in place. The regional framework for independent fostering agencies has been reviewed and will be ready to go live in April 2022. Measures to support foster carer retention include the foster carers' support group, 'Launch Pad', which is now accessible, and a strengthening care training programme is being rolled out.</p> <p>The regional adoption agency, Adopt Coast to Coast, involving Durham, Sunderland and Cumbria went live in April 2021, with successful</p>

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					<p>rebranding and a revised marketing and recruitment campaign.</p> <p>Children's homes capacity was increased in 2021 and additional capacity will be developed in 2021/22 but plans for a new Edge of Care Home and the re-provision of a home for three children have been put back to 2023. Our ability to establish new services has also been restricted by national staffing shortages across the care sector. A set of alternative options for delivery and the associated timescales is being developed.</p> <p>In relation to supported accommodation for care leavers, the marketing and recruitment strategy is due to be completed later in the year.</p>
7	Development of a post Covid Economic Development / Recovery Plan for the County, factoring in opportunities and issues presented through the Levelling Up, ensuring a robust and ambitious economic plan that is co-developed with the community, focused on inclusive growth and prosperity.	Planning interventions: arrangements for planning the interventions for the achievement of its intended outcomes (3.33)	Corporate Director of Regeneration, Economy and Growth	October 2022	<p><b>This action is on schedule.</b></p> <p>A report is due to go to Cabinet in December 2021, which will set out an Economic Statement for the County and will seek agreement to the process through which the new Economic Strategy will be developed. This will be a major piece of work engaging with a wide range of stakeholders in the County.</p>
8	Assess ongoing medium financial impacts of Covid in terms of additional	Strong public financial management: FM supports long-term outcomes/short-term	Corporate Director of Resources	March 2022	<p><b>This action is on schedule.</b></p> <p>The risk assessment of the MTFP is continual, which is especially important during this time of</p>

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	recurring costs and reduced income to inform future MTFP planning.	financial and operational performance. FM is integrated at all levels of planning and control (3.58)			<p>significant uncertainty. MTFP (12) update reports have been presented to Cabinet in July and October. These reports have highlighted the risk of ongoing temporary or permanent MTFP pressures linked to Covid. A detailed review is currently underway to inform the next report in December 2021 / January 2022.</p> <p>Plans are being developed to balance the 2022/23 budget with the MTFP (12) forecasts highlighting a risk of significant savings for 2023/24 and beyond.</p> <p>It is expected that the October 2021 Comprehensive Spending Review and the following three-year local government financial settlement will provide some certainty for local government funding across the medium term. The output will influence the February 2022 Council budget report and determine the size and scope of the financial challenges facing the council across the medium term.</p>