

Audit Committee

23 May 2023

Annual Governance Statement for the year ended 31 March 2022: Actions Update



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 (AGS) for the year ended 31 March 2022, building on the update that was provided to Audit Committee on 28 November 2022.

Executive summary

- 2 The Accounts and Audit (England) Regulations 2015 require the Council to prepare an 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 2021/22 concluded that seven actions, listed in appendix 2 to this report, should be included in the plan of improvements to strengthen governance arrangements during 2022/23.
- 4 Attached at appendix 2 is an update on the progress being made in relation to the actions arising from the Council's AGS for the year ended 31 March 2022.

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

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 2021 to March 2022 – 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	Brought forward 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 2023	<p>The action is complete.</p> <p>We have clarified the response required and reported this to Ofsted as part of our Action Plan. All actions identified in the improvement plan have been completed or incorporated into the new Improvement Plan being developed by Children and Young Peoples Services in response to the most recent ILACS Inspection in May 2022, when the Council was judged to be 'good' for overall effectiveness with 'outstanding' leadership.</p> <p>The actions are being progressed by CYPS and Commissioning Teams with regular updates on progress, which show improvements have been and continue to be made.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
2	<p>Brought forward</p> <p>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.</p>	<p>Optimise the achievement of outcomes (4.34)</p>	<p>Head of Integrated Commissioning</p>	<p>March 2023</p>	<p>This action has been carried forward to 2023/24 with a revised timescale of March 2025.</p> <p>The Government announced a far-reaching reform of social care funding in Spring 2022. Following the update provided on this action in May 2022, full details were received by local authorities (LAs). The reforms set out changes to the way individuals pay for care, i.e., the 'care cap', and linked initiatives to move towards a Fair Cost of Care (FCOC) for older persons care homes. LAs were required to carry out cost exercises with their local markets using set national parameters and provide both these and a detailed Market Sustainability Plan (MSP) to the Department of Health & Social Care (DHSC). However, the 2022 Autumn Statement both delayed the charging reforms to late 2025 and reprofiled national funding allocated to LAs for those markets in scope for FCOC and wider adult and children's social care services. DCC completed and submitted FCOC market exercises in Autumn 2022 and a comprehensive MSP in March 2023, as required by DHSC. In terms of sustainability issues, these national requirements effectively cover the same areas of the planned review we had already anticipated carrying out; therefore, a decision was made to avoid duplication and concentrate fully on the FCOC exercise and MSP. These are now complete. Integrated Commissioning have also completed modelling on care home activity and housing stock as part of the above work.</p> <p>Commissioners have also recently successfully negotiated a two-year fee uplift agreement with local older persons care homes, following an extended period where contracts had not been signed. As part of this agreement, it has been agreed</p>

					with the market that the Council will build on the successful FCOC and MSP work locally to take forward further market shaping during 2023-24 and 2024-25.
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No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
3	<p>Brought forward</p> <p>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.</p>	<p>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 (4.38)</p>	<p>Head of Children's Social Care and Head of Integrated Commissioning</p>	<p>March 2023</p>	<p>The action plan is substantially complete and four remaining actions of the original 26 have been incorporated into a new strategy.</p> <p>The Looked After Children Placement Sufficiency Strategy action plan has been superseded by the new Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers 2022-2024, which was approved by Cabinet in January 2023.</p> <p>The original plan contained 26 actions over a three-year period (2020-2023), each aligned to one of four objectives relating to in-house foster carers (9), adopters (2), residential homes (11) and care leavers (4). As of 31 March 2023, 18 actions were complete, six were incorporated into the new strategy, and two have been removed as they are no longer considered fit for purpose. The new strategy includes two new objectives, Unaccompanied Asylum-Seeking Children and Short breaks.</p> <p>During 2022/23, the Fostering Service recruited 11 new foster carer households, against a target of 35. When taking into account the number of foster carer de-registrations (30) there has been a loss of 19 foster carer households during the year, in comparison with 29 households (net) recruited during 2021/22. The reduction in the number of foster carers recruited is due to a number of aspects, including operating in a highly competitive market with Independent Fostering Agencies, the cost-of-living crisis and the loss of a Marketing Officer that worked within the Fostering Team who directly managed advertising campaigns and provided additional capacity. The marketing and recruitment campaign continues to focus on sibling groups, children with a disability, teenagers and</p>

				<p>unaccompanied asylum-seeking children. Work is ongoing to develop a new website which provides a 'one-stop-shop' for prospective foster carers and it is anticipated that this will be live later in the year. The Mockingbird Model has launched its first set of hub carers during the year, which has enhanced support to foster carers and improved the stability of children's foster homes. A second hub is due to be rolled out over the next 3 months. The Payment for Skills Review has been concluded, which seeks to improve our sufficiency of foster carers through the review of payments and incentives to carers. This will be launched in April 2023. Durham continues to work regionally as part of Tyne Tees Independent Fostering Agency Solution, with the contract opened on a monthly basis, to enable new IFAs to join.</p> <p>The Adopt Coast to Coast Regional Adoption Agency (RAA) continues to operate across the Durham, Sunderland and Cumbria area, however from April 2023 Cumbria will move away from the arrangement. The practice around early linking and matching continues to be monitored to ensure children do not wait longer than necessary. There is evidence that Link Maker is enabling matches across the spokes. The number of prospective adoptive households approved by the Durham spoke remains good. Adoption approvals in 2022/23 are 38 in comparison with 40 in 2021/22.</p> <p>During 2022/23 we have continued to make good progress in the development of new smaller children's residential homes. A home for one child / young person has been established (Hudson House - Coxhoe) which is currently going through a registration process with Ofsted. We are in the process of opening another children's home which will accommodate up to two children / young people (Elderhurst – Meadowfield). This home has been subject to an extensive refurbishment programme which has now been completed and is due to open over the next two months. We continue to progress with the</p>
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				<p>development of an Edge of Care home in Seaham. The purchase price has been agreed and the fire service have agreed the sale of the building. Following a change of planning use, it is anticipated that the new home will open later in 2023. DfE funding of £256,020 has also been secured to support the development costs of this new home. A number of different properties had been previously identified for the re-provided home (Tow Law), but unfortunately offers had to be withdrawn due to complications encountered i.e. issues identified in the survey, challenge from members or the police. A property has since been identified which we will purchase over the coming weeks. This property will provide a home for up to two children / young people (Lincoln House – Castleside), which we aim to open later in the financial year. We are working in partnership with the registered social landlord, Livin Homes, to develop a short-term / emergency home for one young person. A property has been identified and a lease is being developed. It is anticipated that the home will open later in 2023.</p> <p>Recommendations from the Children’s Home LEAN Review (which considered the end-to-end process of setting up homes) were approved at CMT and Cabinet. This resulted in the delegated limit for children’s home property purchases being increased to £500K, enabling the Council to purchase properties without a change of planning use in place (subject to due diligence) and sets out a clear process for developing children’s homes with all supporting teams/services clear about the importance of the new homes and the need to prioritise this area of work (where possible).</p> <p>The Staying Close Pilot Programme was rolled out during 2022/23 using funding secured from the DfE and to date has supported four young people. The Staying Close Programme focuses on our young people in children’s home provision, providing ongoing, consistent, familiar support from their residential staff, when they leave their children’s home as care leavers. The programme aims to deliver a series of improved</p>
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				<p>outcomes for young people, including, accommodation stability, reduction in eviction, improved emotional wellbeing and mental health. Young people who will be supported through year 2 are being considered.</p> <p>In relation to care leavers, the Supported Living Preferred Provider Panel has been recommissioned for a further 12 months, until September 2023, when we will then consider the new regulatory framework for supported accommodation providers prior to recommissioning. We will work closely with providers to prepare them and to understand any emerging gaps within the provider marketplace. We meet frequently with supported accommodation providers as part of a provider engagement forum. One action, <i>review the marketing and recruitment strategy for supported lodging provision</i>, has been re-profiled to June 2023. Additional capacity is now in place to drive this work forward.</p>
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No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
4	Change our social care model and ensure that people have access to robust advice and information to enable them to live healthy and independent lives in their community and to prevent delaying the need for formal service provision (Our People)	Engaging with individual citizens and service users effectively: effective communication methods to collect and evaluate the views, experiences and future needs (4.23)	Head of Adult Care	2022	<p>This action is complete.</p> <p>Our 'front of house' service remains highly effective at signposting and re-directing people to available support in their community. 35% of all calls are resolved without the need for a formal referral for full assessment.</p> <p>Following completion of baseline review, a project is now being developed to take forward the recommendations to consolidate our Locate and FIS directories and review the supporting governance to ensure we have vibrant and community focused assets.</p> <p>Our locality social work teams have strengthened links with the Wellbeing for Life service and Health Facilitators work as part of a network of Community Connectors to advise and signpost people to use the assets available in their local communities.</p> <p>Integrated Commissioning Service have also developed an Integrated Involvement Strategy which includes our shared vision for integration, involvement, and co-production. Working with the North East regional ADASS People with Lived Experience Group, we are developing more effective methods of engaging with users of our services and our citizens to ensure that their experiences shape our service improvement work.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
5	Review of the Council's community engagement functions, including the work of area action partnerships (Our Communities)	Engaging with institutional stakeholders: engage & develop formal/informal partnerships to ensure that the purpose, objectives & intended relationship outcomes are clear (4.21)	Head of Partnerships and Community Engagement	2023	<p>The action is complete.</p> <p>Independent consultants ERS have completed a review of the Council's community engagement functions including engagement and consultation with staff, elected members and key partners. The final report, including findings and recommendations, was reported to Community Engagement Review Steering Group on 10th January 2023.</p> <p>A consultation period will now take place, followed by a report to Cabinet in June 2023 to propose a way forward, including any potential changes to the organisational structure and service delivery model.</p>
6	Implement a new performance management framework for Adult and Health Services, to enable more timely analysis of data, improved business intelligence and real time presentation of data (Our Council)	Managing performance: service delivery is effectively monitored (4.52)	Head of Adult Care	2022	<p>This action is complete.</p> <p>The new Adult and Health Services performance management framework has been in place since Spring 2022. This involves bi-monthly cycles of performance clinics with operational teams and strategic managers, Head of Adult and Social Care, the Corporate Director of Adult and Health Services and Corporate Management Team. Throughout these cycles, performance is discussed within the context of demand, complexity and other pressures and significant issues are escalated for oversight, assurance and support. The rollout is complete and will be reviewed and refreshed regularly as the Care Quality Commission inspection framework emerges and wider health and social care integration takes place.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
7	Undertake a corporate peer challenge with the Local Government Association to help us identify strengths and areas for improvement within the Council (Our Council)	Assurance and effective accountability: welcome peer challenge, reviews & inspections from regulatory bodies and ensure that recommendations are implemented (4.67)	Head of Corporate Affairs	December 2023	<p>This action is postponed.</p> <p>A corporate peer challenge working group had been established and some work undertaken to prepare for a Peer Review, with meetings having been held with the lead officer from the Local Government Association. The corporate peer challenge was scheduled to take place in February 2023 but has now been postponed due to the work underway to plan for savings should the Councils current MTFP projections prove correct, given the uncertainty surrounding local government funding and the implications for the Council. It is intended to defer undertaking the peer challenge at this stage and discussions are underway to find a mutually convenient time for the Council and the LGA to undertake the review.</p>