

Audit Committee

27 November 2023

Annual Governance Statement for the year ended 31 March 2023: 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 draft Annual Governance Statement (AGS) for the year ended 31 March 2023.

Executive summary

- 2 The Accounts and Audit (England) Regulations 2015 require the Council to conduct, at least annually, a review of the effectiveness of the system of internal control and to prepare an AGS. The AGS demonstrates how the Council complies with the principles of good governance and must accompany the Statement of Accounts.
- 3 The review of effectiveness concluded that eleven improvement actions, listed in appendix 2 to this report, should be included in the plan of improvements to strengthen governance arrangements during 2023/24 and beyond. These actions were presented to the Audit Committee in [June 2023](#), as part of the draft AGS.
- 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 2023. Action 2 (Develop a new corporate cyber recovery plan for key digital services with prioritised recovery targets and business continuity plans to further strengthen the Council's resilience to a successful cyber-attack) has a revised completion date of 31 December 2024.

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.

Background

- 6 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this responsibility, the Council must put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk and performance.

Review of Effectiveness

- 7 The Accounts and Audit (England) Regulations 2015 require the Council to conduct, at least annually, a review of the effectiveness of the system of internal control and to prepare an Annual Governance Statement (AGS). The AGS demonstrates how the Council complies with the principles of good governance and must accompany the Statement of Accounts.
- 8 The Annual Internal Audit Opinion and Report 2022/23 and the draft AGS 2022/23 were presented to Audit Committee in [June 2023](#). The review of effectiveness concluded that eleven improvement actions were required to further strengthen governance arrangements during 2023/24 and beyond.

Progress Update on Improvement Actions

- 9 All eleven actions are on schedule. Appendix 2 contains detailed updates on the progress being made in relation to each improvement action.
- 10 One of the improvement actions, Action 2 (Develop a new corporate cyber recovery plan for key digital services with prioritised recovery targets and business continuity plans to further strengthen the Council's resilience to a successful cyber-attack) has a revised completion date of 31 December 2024.
- 11 Progress will continue to be monitored and a further update will be reported to Audit Committee in May 2024.

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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

There are no procurement implications, but the procurement function helps meet several core principles of the CIPFA/ SOLACE guidance by, for example, minimising fraud, corruption and non-compliance with legislation and good practice, thereby helping to secure value for money and effective service delivery.

Appendix 2: Annual Governance Statement for the year April 2022 to March 2023 – Actions Update

The tables below contain updates on the progress being made in relation to the actions arising from the Council’s Annual Governance Statement for the year ended 31 March 2023.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Action Owner	Timescale
1	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.	Optimising achievement of intended outcomes (4.34)	Head of Integrated Commissioning	31/03/2025
<p>This action is on schedule.</p> <p>This work has now commenced with an initial provider consultation meeting being held in late August 2023. A plan has been developed for several workstreams covering market shaping elements to commence in Autumn 2023.</p> <p>Provider representatives have agreed to join the workstreams. Governance will be through the Senior Commissioning Management Team and Adult and Health Services Management Team (AHSMT) as required.</p>				

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
2	Develop a new corporate cyber recovery plan for key digital services with prioritised recovery targets and business continuity plans to further strengthen the Council's resilience to a successful cyber-attack.	Developing the Council's capacity: ensures the continuing effectiveness of its operations, performance, and use of assets (4.37)	Head of Digital Services	31/12/2024 (As revised)

This action is on schedule.

Work is ongoing with awareness raising through presentation to the Cross Service Digital Group and Business Continuity Management Board in Q2 2023.

There are close links with the corporate programme to review business continuity plans for all council services that is being undertaken by the Civil Contingencies Unit (CCU) in response to national planning for potential power outages. As the impact of power outages would be very similar to that of a cyber-attack (loss of digital services for an extended period), the Digital Services team and CCU are working together to meet with each service lead in one session to review each service plan for both business continuity (CCU led) and disaster recovery (Digital Services led).

This joint programme of service meetings will begin in December 2023, and will result in a revised corporate business continuity plan, a revised Digital Disaster Recovery Plan, and revised plans for each service, including prioritised recovery based on Business Impact Assessment.

Governance will be through Digital Services Management Team and the Business Continuity Management Board.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
3	Implement our Poverty Strategy and Action Plan to help protect residents most at risk of poverty and exclusion, increase equality of opportunity and ensure fewer people are affected by poverty and deprivation.	Sustainable economic, social, and environmental benefits: ensure fair treatment and fair access to services and opportunities (4.29)	Head of Transactional and Customer Services	31/03/2026

This action is on schedule.

Poverty Action Steering Group strategy and action plan was approved by Cabinet in November 2022, with a review of the action plan and terms of reference due to take place early 2024 with findings being reported to Cabinet. The performance framework is being developed to monitor success of the action plan.

Progress has been made towards all four objectives. Below are some examples of the progress made so far: -

Objective 1 – Use intelligence and data to target support to low-income households: Completion of Durham Index of Need (DIoN), baseline review of welfare advice and guidance services being undertaken, DWP permission to support re-use of data for benefit take up and maximisation.

Objective 2 – Reduce the financial pressures on people facing or in poverty: Funding an additional ‘That Bread and Butter Thing’ van to increase to 15 food hubs, pilot of ‘cutting the cost of the school day’ underway, continued provision of Local Council Tax Reduction scheme.

Objective 3 – Increase individual, household and community resilience to poverty: Introduction of financial support initiatives to people who are homeless, leaving care or veterans. Ongoing support to ‘Looked After Children’ who are transitioning to independent living. Mental Health awareness training delivered to all front-line staff and volunteers.

Objective 4 – Reduce barriers to accessing services for those experiencing financial insecurity: mobile phone and data social tariffs, digital inclusion with County Durham together programme, reviewing the language used to remove jargon and obstacles on our publicity, letters, and campaigns.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
4	Deliver Actions from the Growing up in County Durham Strategy 2023-25, including working with the strengths and opportunities in local communities to develop a network of family hubs which can support the delivery of a range of local community support and services to children, young people and families.	Planning interventions: arrangements for planning the interventions for the achievement of intended outcomes (4.33)	Head of Early Help, Inclusion and Vulnerable Children	31/03/2025

This action is on schedule.

Durham is one of 75 local authorities (LAs) receiving government funding (£4.6m) over 2022-25 to support the development and implementation of Family Hubs across County Durham. County Durham is also one of fifteen LAs who were successful in receiving an additional funding (£183k) to be a Family Hub Trailblazer in three priority areas, breastfeeding, perinatal mental health/parent child relationships and parenting support. It must be noted that the focus of the funding is directed the Start for Life period (ante-natal and first 2 years of a baby's life), with the Home Learning Environment element focussed on 3- and 4-year-olds. There are small elements of funding which can be used for broader transformation and capital expenditure to ensure our Family Hubs are warm and welcoming spaces for our children and their parents and carers. Funding did not include any new build Family Hubs.

All 15 Family Hubs (previously known as Family Centres) are fully operational and working towards the delivery of all minimum and some 'go further' expectations. New branding and signage is completed and 14 of the 15 Family Hubs has had an official 'launch'. Seaham Hub was launched in October half term, due to delays with roof repairs. The branding and logo for Family Hubs has been co-produced with parents and carers from County Durham. For more information about the locations of our Family Hubs visit www.durham.gov.uk/FamilyHubs

A multi-agency Family Hub and SfL Implementation Group has been established. Governance is provided through the Prevention and Early Help Partnership - responsible for broader early help work and Department for Levelling Up Housing and Communities (DLUHC) Supporting Families programme – with reporting up to the Starting Well Partnership, with clear lines of communication with the Best Start in Life Working Group, which has a number of key priority actions linked to the Start for Life offer.

A comprehensive Family Hub and Start for Life Delivery Plan has been developed, utilising local data and intelligence, theory of change and logic model approaches to ensure our developments are rooted in evidence and research as well as co-produced with Durham's Parent and Carer Panel. Our Parent and Carer Panel consists of both parents and professionals working together to coproduce support services to meet the needs of families and ensure our Family Hubs are warm, welcoming and non-stigmatising places for families to attend.

We have developed a comprehensive Start for Life offer which specifically refers to the antenatal period and up to a child reaching 2 years of age. All expectant and new parents will be provided with this offer in both paper form and digitally. For more information on the Start for Life offer visit www.durham.gov.uk/helpforfamilies

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
5	Through the Health, Safety and Wellbeing (HSW) Strategy, deliver the HSW programme to support the development of a positive culture and to ensure that our employees and those who may be affected by what we do, go home safe and well every day.	Developing the capability of the Council's leadership and others: maintain effective arrangements to meet employees' needs of training, development, health, and wellbeing (4.46)	Head of Corporate Property and Land	31/03/2024

This action is on schedule.

The Health, Safety and Wellbeing (HSW) Strategy is developed around six key pillars to developing positive HSW outcomes for our employees and to support the Council by developing safe systems of work that help protect and maintain the health, safety, and wellbeing of our colleagues and those affected by what we do. The six key pillars are Leadership and Culture, Engagement and Co-operation, Communication and Consultation, Training and Competence, Compliance and Control, and Wellbeing and Support. Across the six pillars, 15 actions have been scheduled between December 2022 and December 2023. Another 26 actions are being embedded as business-as-usual activities between 2022 and 2025.

The HSW Strategy and associated action plan will be monitored and reviewed on quarterly basis to ensure that key milestones and progress in other aspects of the action plan is maintained. As of October 2023, all actions are either implemented or on target.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
6	Develop a digital skills programme and invest in smarter working.	Developing the Council's capacity: improve the management of resources to ensure that they are allocated and utilised in a way that realises outcomes effectively and efficiently (4.38)	Head of Digital Services, Head of Human Resources and Employee Services	31/03/2024

This action is on schedule.

The Council's Digital Strategy 2023 to 2028 was adopted by Cabinet on 12 July 2023 and one of the delivery themes is Digital Council which details how we will make sure our staff have the right digital skills and technology.

The Head of Digital Services presented an updated to Corporate Overview and Scrutiny Management Board (COSMB) on 11 July 2023 on Digital Solutions – supporting new ways of working Microsoft PowerPoint - Agenda Item 5 - 23 07 11 COSMB Presentation - Digital Solutions - New ways of working.pptx (durham.gov.uk). The Council's New Ways of Working Policy is also being refreshed in Quarter 3 which outlines our approach to new working practices which will continue to be more flexible, dynamic, agile, and efficient, utilising technology in our work wherever possible.

A digital skills staff survey was undertaken in 2022 to inform the council's digital skills training offer. A Learning Resources Portal has been developed on Sharepoint which includes a range of digital learning resources to support digital skills development e.g., Microsoft Office (Teams, Excel, Word, Powerpoint, PowerBI), GIS, mobile phones. The site is under further development and will split the learning into a number of categories e.g., Self-Serve, E-learning, Virtual, Classroom and digital skills drop-in sessions. The portal links to formal training opportunities via the Durham Learning and Development System where following attendance/completion the employee's training record is updated. Courses including Cyber Security, Oracle, Teams are currently available and additional courses are being developed for delivery e.g., Microsoft Forms.

Work is also on-going to support individual teams/services across the council to deliver digital skills training/capacity.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
7	Develop and implement the Workforce Development Offer and programmes for 2023/24, including utilising opportunities to upskill the workforce.	Developing the Council's capacity: maintain an effective workforce plan, through the Workforce Strategy, to enhance the strategic allocation of resources (4.39)	Head of Human Resources and Employee Services	31/03/2024

This action is on schedule.

The council's corporate learning and development offer for 2023/24 supports the delivery of corporate ambitions/objectives, workforce planning and current/future skills requirements and was agreed by CMT on 2 March 2022. The offer includes a wide range of courses e.g. soft skills development, equalities and diversity, digital skills, health and wellbeing, management development and includes a number of mandatory courses for all employees in-line with corporate priorities e.g. code of our values behaviours and conduct, GDPR, Information Security with additional mandatory courses for managers e.g. Mental Health Awareness, Attendance Management, Financial Management, Procurement which are monitored to ensure compliance.

The Council's Employee Learning and Development Offer Learning and development (sharepoint.com) details the learning and development available to support employees to develop and grow in the organisation including Post Entry Training and an 'apprenticeship first approach' to qualifications to maximise the use of the council's apprenticeship levy. The Offer also sets out the range of learning and development available e.g. corporate and service based learning and development programmes, apprenticeships, coaching, mentoring etc. and makes it clear that development can take many different forms in addition to formal qualifications and training e.g. experiential learning.

Employees can access training and development opportunities through the council's Durham Learning and Development System and work continues to digitise courses to support a blended learning approach and wider access to learning opportunities. All employees have a Personal Development Plan incorporated into their Performance and Development Review.

The on-going management, development and evaluation of the offer including identification and development of new and emerging requirements is managed through a robust action plan and a workforce development governance group which has representation from all service areas.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
8	Increase self-service of management and performance data by developing a range of business intelligence products.	Developing the Council's capacity: improve the management of resources to ensure that they are allocated and utilised in a way that realises outcomes effectively and efficiently (4.38)	Head of Corporate Affairs	31/03/2024

This action is on schedule.

In line the plans, technical development of the platform is on schedule, including master data loads; a range of dashboards is being developed; and a review of the organisational structure to support the new infrastructure is underway.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
9	Implement the Council's response to the Community Engagement and Funding processes review.	Engaging with institutional stakeholders: engage and develop formal/informal partnerships to ensure that the purpose, objectives and intended relationship outcomes are clear (4.21)	Head of Partnerships and Community Engagement	31/03/2024

This action is on schedule.

In July 2023, Cabinet received an update on the findings from the countywide public consultation on ERS consultant's proposals for the council's community engagement function and agreed the recommendations for a revised function.

The phased implementation delivery plan (section 95) provides a timeline of milestones that detail the progress that will be made towards the implementation of the new Local Network model, which will be fully operational in April 2025.

All milestones are currently on track to be achieved in line with the delivery target dates outlined.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
10	Further strengthen the alignment of the processes for service planning, financial planning, performance management and service development to deliver increased value for money.	Planning interventions: arrangements for planning the interventions for the achievement of its intended outcomes (4.33)	Head of Corporate Affairs	31/03/2024
<p>This action is on schedule.</p> <p>A Value for Money IT tool has been procured to assist with understanding relative spend, performance and unit cost data. The quarterly performance report to cabinet has been revised with a much clearer focus on performance through a range of new dashboards setting out trend analysis, comparator analysis etc. The service planning approach is being revised to incorporate closer alignment to the budget process, focus on VFM and performance.</p> <p>A paper setting out the revised approach is scheduled for CMT discussion in October 2023 with the intention of the new process being utilised for 2024 plans onwards.</p>				

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
11	Review and refresh the DCC Workforce Strategy	Developing the Council's capacity: maintain an effective workforce plan, through the Workforce Strategy, to enhance the strategic allocation of resources (4.39)	Head of Human Resources and Employee Services	31/03/2024

This action is on schedule.

Engagement has taken place with key stakeholders including Strategic Planning Group, EMT, Strategic Managers, Service Management Team, employees, staff networks and health advocates to inform the new Workforce Strategy for the next 3 years.

A draft strategy has been developed which is aligned to the council's vision, ambitions and values, and to other council priorities and strategies e.g., Medium Term Financial Plan, Inclusive Economic Strategy, Digital Strategy. A range of data has been used to inform the strategy e.g., research and best practice, working well survey results, LGA workforce survey, workforce profile and demographics and LGA Diverse by Design self-diagnostic tool to embed EDI.

Action plans and project management methodology will ensure the successful delivery of the programme of work associated with the strategy.

The strategy is due to go to Cabinet in February 2024 for approval.