

## **Audit Committee**

**28 June 2024**

## **Annual Governance Statement for the year April 2023 – March 2024**

## **Ordinary Decision**



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## **Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

**Councillor Richard Bell, Deputy Leader and Cabinet member for Finance**

### **Electoral division affected:**

None

### **Purpose of the Report**

- 1 To seek approval of the Annual Governance Statement (AGS) for 2023/24, attached in appendix 2.

### **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 the Council's compliance with the principles of good governance, and the review of effectiveness for 2023/24 concludes that the Council's corporate governance arrangements in place during the year were fit for purpose in accordance with the governance framework.
- 4 The review also concluded that six actions, listed in appendix C of the AGS, should be included in the plan of improvements to strengthen governance arrangements during 2024/25.

### **Recommendation**

- 5 Audit Committee is requested to approve the AGS as attached at appendix 2.

## Background

- 6 The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement (AGS), which must accompany the Statement of Accounts.
- 7 The Corporate Director of Resources is responsible for co-ordinating and overseeing the Council's corporate assurance arrangements and prepares the AGS to demonstrate the Council's compliance with the principles of good governance and recommending improvements, to be published in the Council's Annual Statement of Accounts. The AGS is included in appendix 2.
- 8 The AGS should also highlight any areas where governance arrangements must be further improved, for example, through enhancements to existing arrangements as part of continuous improvement or from an identified weakness. Regarding the latter, there is no formal criteria of what constitutes a significant weakness requiring action. Guidance issued by the CIPFA helps the Council to exercise judgement in deciding whether an issue should be regarded as falling into this category. Factors which may be helpful in exercising that judgement include:
  - (a) the issue has seriously prejudiced or prevented achievement of a principal objective,
  - (b) the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business,
  - (c) the issue has led to a material impact on the accounts,
  - (d) the Audit Committee, or equivalent, has advised that it should be considered significant for this purpose,
  - (e) the Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment,
  - (f) the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation,
  - (g) the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

## **Outcome of the Review**

- 9 The outcome of the review of effectiveness is set out in the AGS and concludes that the Council's corporate governance arrangements in place during 2023/24 were fit for purpose in accordance with the governance framework.
- 10 The review also concluded that six actions, listed in appendix C of the AGS, should be included in the plan of improvements to strengthen governance arrangements during 2024/25. Actions 1 to 4 are long-term actions that have been brought forward from the AGS 2022/23. The following actions have been added as part of ongoing improvements to governance arrangements required during 2024/25.
  - (a) Action 5: Through a self-assessment process, review the effectiveness of the Council's governance arrangements in relation to performance, productivity, and value for money to ensure that they reflect best value and the Local Government Association Corporate Peer Challenge requirements. The review will be delivered in conjunction with a separate review of lessons learned from governance failures in other local authorities.
  - (b) Action 6: Review the organisational approach to information governance, identifying and developing an improvement action plan, based upon the Information Commissioners Accountability framework. This will help ensure organisation is in fit for purpose position for safeguarding information and well placed to exploit Business Intelligence, machine learning and Artificial Intelligence.
- 11 Mazars, the Council's external auditor, will review the draft AGS as part of their audit of the Statement of Accounts and in considering the Councils arrangements for securing Value for Money.

## **Author**

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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. 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.

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## Appendix 2: Annual Governance Statement 2023/24

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### INTRODUCTION

1. This statement meets the requirements of Regulation 6 (1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of an Annual Governance Statement (AGS). It explains how the Council's arrangements for the governance of its affairs complied with its [Local Code of Corporate Governance](#) for the year ended 31 March 2024.

### CONTEXT

2. Summarised information relating to the [Constitution](#), structure, budget and services provided by Durham County Council, along with key statistical information about County Durham can be found on the [About Us](#) page on the Council's website.

### SCOPE OF RESPONSIBILITY

3. Durham County Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
4. The Accounts and Audit (England) Regulations 2015 require the Council to prepare an AGS, which must accompany the Statement of Accounts. The Council also 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.
5. In discharging this overall responsibility, the Council is responsible for putting 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.
6. In January 2024, the Council approved, adopted and published on its website, a revised [Local Code of Corporate Governance](#), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives (SOLACE) Framework – "Delivering Good Governance in Local Government".

## THE PURPOSE OF THE GOVERNANCE FRAMEWORK

7. The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of sustainable economic, social and environmental benefits for the people of County Durham.
8. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks occurring and the impact should they occur, and to manage them efficiently, effectively and economically.
9. The governance framework has been in place across the Council for the year ended 31 March 2023 and up to the date of approval of the Statement of Accounts.

## THE GOVERNANCE FRAMEWORK

10. The key elements of the Council's governance arrangements are detailed in the Council's [Local Code of Corporate Governance](#). This sets out the key documents and processes that determine the way the Council is directed and controlled to meet the seven core principles of the CIPFA / SOLACE Framework.
11. The Chief Executive, Chief Financial Officer and Head of Legal and Democratic Services meet as statutory officers twice a month to discuss matters relevant to their statutory functions and governance of the Council generally.
12. The Constitution Working Group, which consists of the lead members of each political group and the Chair of Corporate Overview and Scrutiny Management Board, and is chaired by the Leader of the Council, proposed amendments to the [Constitution](#) during the year which were approved by the Council. Changes following the annual review of the [Constitution](#) were approved by the Council in [May 2023](#).
13. The arrangements and rules of procedure for the Overview and Scrutiny function, including the membership, functions and scope of the Overview and Scrutiny Board and each Committee is set out in detail in the [Constitution](#). Terms of Reference for the Board and Committees are set within the context of the [Council Plan 2024 to 2028](#) and the [County Durham Vision 2035](#). The Democratic Services Manager is the designated scrutiny officer to discharge the functions required under the Localism Act 2011.

14. The following sections provide assurance that the Council has complied with each of these principles in practice, and also highlights where we have further improved our corporate governance arrangements during 2023/24.

## **REVIEW OF EFFECTIVENESS**

15. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the annual report of the Chief Internal Auditor and Corporate Fraud Manager, and by comments made by the external auditors and other review agencies and inspectorates.

16. Maintaining the effectiveness of the corporate governance framework involves the key member and officer roles outlined below, namely:

- The Executive
- Chief Financial Officer
- Monitoring Officer
- Overview and Scrutiny Committee
- Standards Committee
- Audit Committee

17. The Council's [Constitution](#) sets out the governance roles and responsibilities of these functions. In addition:

- The Corporate Director of Resources co-ordinates and oversees the Council's corporate assurance arrangements by:
  - Preparing and maintaining the Council's Code of Corporate Governance as a formal framework for the Council's governance arrangements.
  - Reviewing the systems, processes and documentation to determine whether they meet the requirements of this Code, reporting any breaches and recommending improvements.
  - Preparing an AGS to demonstrate the Council's compliance with the principles of good governance and recommending improvements.
- Internal Audit provides independent assurance on the effectiveness of the corporate governance framework.
- External Audit provides an independent opinion on whether the AGS is materially accurate.

18. The review was also informed by a statement provided by each Corporate Director commenting on the effectiveness of the Council's governance arrangements generally and how they impacted on their service areas. These included consideration of the effectiveness of internal controls.



19. The Chief Internal Auditor and Corporate Fraud Manager provides an independent opinion on the adequacy and effectiveness of the system of internal control, risk management and governance arrangements which was incorporated in the Annual Internal Audit Report to the Audit Committee in July 2024. This opinion is based on audit reviews undertaken during the year which found all systems reviewed to give substantial or moderate assurance.
20. We are satisfied that, whilst recruitment and retention challenges have had an impact in reducing the overall number of individual assurance audits delivered than would normally be expected, in prioritising audit activity to areas of key risk and when taken together with work other sources of assurance being identified from within services themselves, sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's system of internal control. Based on the work undertaken, we are able to provide a **Moderate** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Council in 2023/24. The level and nature of internal audit work undertaken has therefore not required the Chief Internal Auditor and Corporate Fraud Manager to provide a formal Limitation on the Opinion to be delivered and as such there are no qualifications to this opinion. This moderate opinion ranking provides assurance that there is a sound system of control in place, but there are some weaknesses and evidence of non-compliance with controls or ineffective controls.
21. Aligned to the seven principles of good governance, a detailed account of how the Council's governance arrangements have operated during 2023/24 is included in **appendix A**. An update on improvements identified in the 2022/23 Annual Governance Statement is included in **appendix B**.

## **CONCLUSION**

22. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee. In conclusion, we are satisfied that the Council's corporate governance arrangements in place during 2023/24 were fit for purpose in accordance with the governance framework. Through the review of governance arrangements, and the work of both internal and external audit, we have identified six actions as part of ongoing improvements to further strengthen governance arrangements in 2024/25. These are shown in **appendix C**.

## **APPROVAL OF ANNUAL GOVERNANCE STATEMENT**

Signed:

Amanda Hopgood  
Leader of Durham County Council

John Hewitt  
Chief Executive

Paul Darby  
Corporate Director of Resources

## **APPENDIX A: Governance Arrangements during 2023/24**

A full description of the Council's governance arrangements is set out in the [Local Code of Corporate Governance](#) aligned to the seven principles of good governance. The following paragraphs provide a detailed account of how the Council's governance arrangements have operated during 2023/24.

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

#### **Behaving with integrity**

1. The [Code of Our Values Behaviour and Conduct](#) explains our values, sets out the responsibilities we all have and the standards of behaviour that are expected of us. In April 2021, the process for declaring personal interests, [gifts and hospitality](#) was digitised so that heads of service receive notifications of declarations, which are recorded on the employee's personal file.
2. Our core values have been invaluable in addressing the drivers of poverty, including food and energy inflation: -
  - (a) We will work together to achieve the best for people.
  - (b) We put people and communities at the heart of everything we do and value our employees.
  - (c) We value, trust and support each other.
  - (d) We embrace change and look for better ways to deliver services.
3. The [register of gifts, interests and hospitality for members](#) is available online. Staff declarations are monitored by their Head of Service. The Monitoring Officer also maintains quarterly oversight of the Register of Officers Gifts and Hospitality and presents an annual report to the Corporate Management Team.
4. The [Contract Procedure Rules](#) set out how contracts for goods, works, services and utilities should be put in place and managed, and specify record keeping and reporting requirements related to procurement activity.
5. In June 2023, the Council agreed to a [members' allowances scheme 2023-24](#), taking into account the views of the independent remuneration panel, which the Council is required by law to establish and maintain. The Council requested a fundamental review of the Member Allowances Scheme as part of the review of arrangements in response to the Local Government Boundary Commission Review Recommendations which were published in November 2023. The Council is also required in accordance with the Local Authorities ([councillors' allowances](#)) (England) Regulations 2003 to publish the sum paid to each Member in respect of Basic Allowance, Special Responsibility Allowance, Dependants' Carers' Allowance, Travelling and Subsistence Allowance and Co-optees Allowances.

## Demonstrating strong commitment to ethical values

6. In December 2022, the [Standards Committee](#) considered a report of the Head of Legal and Democratic Services, which provided details of the Local Government Association's report, 'Debate Not Hate: The Impact of Abuse on Local Democracy'. In January 2023, the [Council](#) agreed to sign the [Debate not Hate](#) statement and the Debate Not Hate Campaign has been added to the Standards Committee [Work Programme 2023/24](#).
7. The [Annual Report of the Standards Committee 2022/23](#), which is responsible for promoting and maintaining high standards of conduct by councillors, was presented to Council in July 2023.
8. Guidance on how to [make a complaint](#) is available on the Council's website. Quarterly customer feedback reporting information is presented to the [Corporate Overview and Scrutiny Management Board](#), summarising performance in dealing with corporate and statutory complaints, and identifying actions to improve service provision.
9. The Committee receives a quarterly report on [national issues](#) relating to ethical governance relevant to the work of the Committee and considers whether to make recommendations in response so that the Council maintains best practice and learns lessons from experiences elsewhere.
10. An update on complaints against councillors, considered in accordance with the council's Local Assessment Procedure, is presented quarterly to [Standards Committee](#). The Monitoring Officer is undertaking a review of governance arrangements in light of lessons learned from governance failures within local government to ensure that the Council's arrangements are fit for purpose. It is anticipated that as part of this review, key governance documents (such as the Protocol on Member Officer Relations) will be refreshed/updated.
11. The [Slavery and human trafficking statement 2022-23](#) explains how the Council aims to understand and address all potential modern slavery and human trafficking risks related to its business. It outlines the steps in place to ensure modern slavery or human trafficking does not occur in the Council's own business, and the preventative measures to ensure this extends to any of its supply chains. This statement is subject to continual annual review and is published on the Council's website.
12. The procurement team undertake an annual [Chartered Institute of Procurement and Supply](#) Ethics accreditation and certification as a whole team to demonstrate ethical procurement practices demonstrating commitment to the Council strong ethical values.

## Respecting the rule of law

13. The Council's Corporate Enforcement Policy sets out the standards and guidance applied by officers authorised to act on behalf of the Council in its role as

regulator and enforcement agency. Officers must have regard to codes of conduct, legislation and other statutory provisions, and adhere to the 'principles of good regulation' when exercising regulatory functions to improve outcomes without imposing unnecessary burdens on individuals and businesses.

14. The Council has a [Counter Fraud & Corruption Strategy](#), through which it is committed to a zero-tolerance approach to fraud and corruption against the Council and its partners. The Corporate Fraud team examines all reports of fraud, vigorously pursuing sanctions and prosecutions and, where possible, publicising successful cases. The [Protecting the Public Purse Annual Report 2023/24](#) gives an account of the team's work between 1 April 2023 and 31 March 2024 and the [Position as at 30 September 2023](#) report gives an account of their work between 1 April 2023 and 30 September 2023.
15. [Selective licensing](#) of privately rented properties, which aims to drive up standards and thereby improve communities, came into effect in April 2022 until March 2027. The Council will have powers to regulate landlords and managing agents in areas that suffer from low housing demand or high levels of anti-social behaviour or deprivation.
16. In October 2023, Corporate Overview and Scrutiny Management Board were presented with a report on the [Annual Review of the Council's use of powers under the Regulation of Investigatory Powers Act 2000](#).
17. In September 2022, the Pension Fund Committee considered the [Procedure for Reporting Breaches](#) in relation to the Durham County Council Pension Fund, formalising the approach to managing breaches with oversight from the Local Pension Board. In line with the requirement under the Local Government Pension Scheme Regulations, requiring an Administering Authority to publish a written statement setting out its policy concerning communications; the Local Pension Board reviewed and approved the Pension Fund's [Communications Policy](#).
18. The Cabinet considered a report in [June 2023](#), which reviewed enforcement activities under the Children and Young Persons (Protection from Tobacco) Act 1991, the Anti-Social Behaviour Act 2003, and the Licensing Act 2003 for the period April 2022 to March 2023 and sought approval of a new enforcement programme for 2023/2024.

## Principle B: Ensuring openness and comprehensive stakeholder engagement.

### Openness

19. The Council seeks to make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes, with a presumption for openness and, where relevant, giving reasons for keeping any decision confidential. Clear reasoning and evidence are provided for decisions, being explicit about the criteria, rationale and considerations used, to ensure that the impact and consequences of those decisions are clear. These commitments are

demonstrated, for example, by the decisions made by [Cabinet, September 2023](#) in relation to Durham Innovation District Aykley Heads Strategic Employment Site – Outline Business Case and Procurement of a Joint Venture Partner.

20. Lists of key decisions to be considered by the Council's Executive were submitted to Corporate Overview and Scrutiny Management Board in [April 2023](#), [June 2023](#), [December 2023](#), and [January 2024](#), as required by the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

### Engaging comprehensively with institutional stakeholders

21. The Leader of the Council is the chair of the County Durham Partnership including: the board and forum, which bring together the board and local communities; five partnerships (Health and Wellbeing Board, Safe Durham Partnership, Economic Partnership, Environment and Climate Change Partnership and County Durham Together Partnership); Durham Safeguarding Children Partnership; Durham Safeguarding Adult Partnership; Better Together Voluntary and Community Sector Forum; and all Area Action Partnerships.

Examples of partnership working can be found in the following reports: -

- (a) County Durham Partnership updates to Cabinet in [June 2022](#), [November 2022](#) and [March 2023](#).
- (b) Durham Safeguarding Children Partnership Annual Report 2022/2023 [Health and Wellbeing Board](#)
- (c) Durham Safeguarding Adults Partnership (DSAP) [Health and Wellbeing Board](#)
- (d) County Durham Pound Project Update [Corporate Overview and Scrutiny Management Board](#)
- (e) Serious Violence Duty [Safer and Stronger Communities Overview and Scrutiny Committee](#)
- (f) Domestic Abuse and Sexual Violence Executive Group Annual Report [Safer and Stronger Communities Overview and Scrutiny Committee](#)
- (g) Anti-social Behaviour (ASB) Strategic Group Update [Safer and Stronger Communities Overview and Scrutiny Committee](#)
- (h) Storm Arwen improvement plan update [Safer and Stronger Communities Overview and Scrutiny Committee](#)

22. The Council continues to engage in the North East Local Enterprise Partnership and Combined Authority, taking a regional perspective and seeking to work across broader partnerships to secure investment. In May 2023, [Cabinet](#) considered a report of the Chief Executive on the outcome of public consultation which the seven councils across the North East have undertaken in relation to proposals for North East Devolution. Approval was granted to submit the consultation report to the Secretary of State as the next step in the process of establishing the new Mayoral Combined Authority and to agree in principle to consent to the Secretary of State establishing an Order to create the new Mayoral Combined Authority.

23. The Consultation Officer Group supports the Council's approach to engaging stakeholders and oversees major consultations, which help improve services and influence decision-making.
24. The [Statement of Community Involvement](#) sets out our advice on how town and parish councils and Neighbourhood Forums should seek to involve and consult on the preparation of Neighbourhood Plans.
25. The [framework for good workforce mental health in County Durham Businesses](#) supports small and medium sized businesses and voluntary and community sector organisations, which are less likely to have equitable access to good quality training and support for owners and employees. Also, the negative impact of poor mental health and wellbeing in these workplaces is likely to be bigger in terms of staff absence and reduced productivity.

### Engaging with individual citizens and service users effectively

26. Two phases of consultation on the [Medium Term Financial Plan 2024/25 to 2027/28](#) in September/October 2023 and again in October/November 2023 involved residents and partners and considered proposals to balance the council's budget for the next financial year (2024/25) that were published in the Cabinet report in February 2024. Both stages included a public survey with presentations to the 14 Area Action Partnership Boards, and officers attended meetings of the County Durham Partnership, County Durham Association of Local Councils (CDALC) and the Youth Council and met with Trade Unions representatives.
27. In March 2023, an update was given to Health and Wellbeing Board on the findings from the independent consultant on the review of the council's [community engagement function](#) and our approach to a public county wide consultation. In July 2023, [Cabinet](#) agreed the new Local Network model as the council's main community engagement function and the proposed timescales for phased implementation and transitional arrangements.
28. In September 2023, the [Health and Wellbeing Board](#) (HWB) were updated on the developments of County Durham Together, which included a new vision to work with communities, especially those most in need, and the further development of the County Durham Approach to Wellbeing as an assurance tool for the HWB and its composite organisations to use in day-to-day work.
29. Public consultation exercises were undertaken during the year on a range of issues, and the full list can be found on the [Consultations](#) pages of the website.
30. The Council uses various channels of communication and feedback mechanisms, including social media (Twitter, Facebook, Instagram and YouTube) to reach out to and meet the needs of its communities.
31. Through our Integrated Customer Service initiative and Unified Communications Strategy, we continue to drive improvements across customer services to enhance the customer experience and reduce complaints. Automatic Call Distributor technology prompts telephone callers to 'describe in a few words' why

they are calling and connects the person to the correct agent or department as well as offering a text message with a link to the appropriate information on the corporate website. The system also enables a holistic view of demand and performance statistics for all telephony contact, which is reported quarterly through [Corporate Overview and Scrutiny Management Board](#).

32. The following reports evidence the methods used by the Council to communicate with citizens and service users to provide feedback, publish information and to collect and evaluate their views, experiences and future needs: -
- (a) Questions from the public received by the County Council at its meetings in [June 2023](#), [December 2023](#), [January 2024](#), and [March 2024](#).
  - (b) Updates in relation to petitions received by the Council reported to Corporate Overview and Scrutiny Management Board (COSMB) at its meetings in [April 2023](#), [June 2023](#), [September 2023](#), and [December 2023](#).
  - (c) [Customer Feedback Report, Quarter Four, 2022/23](#) (COSMB, June 2023).
  - (d) Adults and Health Services Annual Statutory Representations Report 2022/23 ([COSMB, October 2023](#)).
  - (e) Presentation by the Director of Public Health on various public health campaigns ([Health and Wellbeing Board, January 2023](#)).
33. [Durham County News](#), the Council's magazine for residents is issued to every household in the County four times a year in line with the [recommended code of practice for local authority publicity](#).

**Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.**

### Defining outcomes

34. The [County Durham Vision 2035](#) was agreed by the County Durham Partnership and Cabinet in September 2019. This vision will be delivered through an integrated framework of partnership and organisational plans and strategies across the County Durham Partnership. The vision is structured around three externally focused results-based ambitions of *more and better jobs*, *long and independent lives* and *connected communities*.
- (a) The More and Better Jobs ambition has a wide-ranging focus which includes not only development of the economy and creating jobs, but also working with young people and adults to help them into work, through good quality education and training.
  - (b) The Long and Independent Lives ambition focuses strongly on the health and wellbeing of the local population, including ensuring that all of our children and young people get the best start in life, and services for children with special educational needs and disabilities (SEND) are improved. The ambition has a strong focus on improving mental as well as physical wellbeing.
  - (c) The Connected Communities ambition focuses on making life better in local communities across the County. On how we ensure that children and young people have safe lives in safe communities where people support each other,



and have access to high quality housing, good transport links and vibrant town and village centres. As it is a broad ambition, performance reporting is split into two areas of focus: safer communities, and sustainable communities.

35. In February 2022, Cabinet approved the updated [Tenancy Strategy 2022 - 2027](#), which sets out the Council's expectations to the registered providers of social housing operating within the County regarding the types of tenancy they should offer to their tenants.
36. Despite this very challenging financial period and the significant base budget pressures faced by the Council, the [Medium Term Financial Plan 2024/25 to 2027/28 and Revenue and Capital Budget 2024/25](#) report includes some very positive outcomes for the people of County Durham including: -
  - (a) Continued support to protect the over 53,600 households in receipt of low incomes through the continuation of the existing Council Tax Reduction Scheme, where over 81% of eligible households will continue to be awarded 100% relief against their Council Tax payments;
  - (b) Ongoing work with health partners to ensure health and social care funds are maximised for the benefit of vulnerable people through the services we provide; and
  - (c) Significant further investment in capital expenditure including investment in school provision, in our leisure transformation programme, in our town centres and infrastructure, including new transport schemes and maintenance of our highways and pavements. In total new additional MTFP(14) schemes for the period 2024/25 to 2025/26 are included totalling £90.003 million. These proposals also produce a pre commitment of £2.880 million for 2026/27 taking total additional capital schemes to £92.883 million.
37. In May 2023, the Health and Wellbeing Board endorsed the [Final Joint Local Health and Wellbeing Strategy 2023-2028](#), which is a legal requirement under the Health and Social Care Act 2012, to ensure health and social care agencies work together to agree services and initiatives which should be prioritised.
38. There are clear links between the Financial Management Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. In February 2024, [Audit Committee](#) was presented with an update on the outcome of the CIPFA Finance Review, which was carried out during September and October 2023, and covered the councils financial management arrangements and the council finance function. Although CIPFA identified a number of areas for improvement the council scored a strong 3.25 out of 4 with CIPFA having the view that a top score of 4 could be achieved within 12 months.
39. In April 2022, Cabinet adopted the [Special Educational Needs and Disability \(SEND\) Strategy](#) for the period 2022-24. At the heart of our approach to the strategy, which was developed through extensive stakeholder engagement and public consultation, is a vision for children and young people with special educational needs and disabilities that is the same as for all children and young people in County Durham: that they are safe and part of their community, have

the best start in life, have good physical and mental health, and gain the education, skills, and experiences to prepare them for adulthood.

40. Other strategies and plans setting out the Council's intended outcomes include: -

- (a) [Anti-Social Behaviour Strategy 2022-2025](#)
- (b) Annual Report on the Adoption Service 2022/2023 [Corporate Parenting Panel, June 2023](#)
- (c) [Care Leavers Strategy and Action Plan January 2022 – December 2024](#)
- (d) [Climate Emergency Response Plan 2022-24](#)
- (e) County Durham Housing Strategy Principles and Priorities Paper [Cabinet, June 2023](#)
- (f) [Growing Up in County Durham Strategy 2023-25](#)
- (g) Homelessness and Rough Sleeping Strategy 2024 – 2029 [Cabinet, October 2023](#)
- (h) [Inclusive Economic Strategy](#)
- (i) [Joint Local Health and Wellbeing Strategy 2023-2028](#)
- (j) [Poverty Strategy and Action Plan 2022-2026](#)
- (k) [Road Safety Strategy 2022-2032](#)
- (l) Single Homeless Accommodation Programme [Cabinet, November 2023](#)
- (m) Strategic Leisure Framework [Environment and Sustainable Communities Overview and Scrutiny Committee, December 2023](#)
- (n) [Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers 2022-2024](#)
- (o) 'Think Autism in County Durham' Strategy – Update Report [Cabinet, December 2023](#)

### Sustainable economic, social and environmental benefits

41. In [April 2022](#), Cabinet declared an ecological emergency for County Durham. Accordingly, actions to address the ecological emergency will be reflected in future MTFP planning cycles and other projects and programmes. In December 2022, the Cabinet considered a report which outlined an initial strategy and action plan for Council activities in response to the declaration of an ecological emergency made in April 2022. [Environment and Sustainable Communities Overview and Scrutiny Committee](#) received a progress update on the action plan in November 2023.
42. Through its [Accessibility Statement](#), the Council endeavours to make the full range of services available on our website accessible to everyone, regardless of their skill or technology. Also included is an account of the Council's level of the compliance with the Web Content Accessibility Guidelines and plans to remedy non-accessible content. There is also a link to the enforcement procedure.
43. The [Gender Pay Gap Report](#) and [Public Sector Equality Duty Report](#) set out Durham County Council's data, analysis and plans for long term improvements.
44. In October 2021, Cabinet endorsed the [Armed Forces Covenant](#), which is a promise by the nation, ensuring that serving and former armed forces personnel

and their families are treated fairly and will not be disadvantaged in accessing public services by their military service.

45. In December 2023, the [Pension Fund Committee](#) considered a report that provided an update on the approach to Responsible Investment at Border to Coast Pension Partnership. As required by law, the Fund's Investment Strategy Statement includes details of how environmental, social and governance issues are incorporated into the investment decision-making process and a policy on investment stewardships - the exercise of rights (including voting rights) attaching to investments. Oversight on compliance with this requirement was provided by the [Local Pension Board](#).

## Principle D: Determining and planning the interventions necessary to optimise the achievement of the intended outcomes

### Determining interventions

46. The Council continues to ensure that decision makers receive an objective and rigorous analysis of options, highlighting risks and considering feedback from service users and relevant stakeholders. For example, the report to [Cabinet, July 2023](#) on the future delivery of Council Employment Services.
47. The [County Durham Commissioning and Delivery Plan 2020-2025](#) update report was presented to Health and Wellbeing Board on 24 November 2021. The Plan is administered by the County Durham Care Partnership Executive (of which the council is a partner) and helps shape commissioning decisions through understanding the needs of communities and individuals, so that collective resources and staff can be used to meet those needs. The Council submitted its Cost of Care and final Market Sustainability Plan (MSP) to Department of Health and Social Care (DHSC) in March 2023, as required by national guidance. Work is continuing with the markets in scope (older persons care homes and domiciliary home care) to maintain capacity and value for money in this sector. The Integrated Commissioning service has continued to strengthen its approach to governance in terms of provider support, including formal recruitment and training approaches through the Durham Care Academy; the establishment of a care home provider panel with a range of provider representatives; and widened scope of provider forums to include system issues relevant to local markets.
48. In late 2022, the Health and Wellbeing Board received a report on the Better Care Fund Plan 2022-23 (BCF). The BCF is one of the government's national initiatives for driving health and social care integration and requires Integrated Care Boards (ICB's) and local government to agree a joint plan for using pooled budgets to support integration.

### Planning interventions

49. Following a change in administration in May 2021, a new Council Plan was considered by Cabinet in April 2022 and approved by Council in June 2022. A [refreshed version of the plan](#) covering the four-year period 2023 – 2027 was

approved by Council in February 2023. The Council Plan is the primary corporate planning document for the county council and details the Council's contribution towards achieving the objectives set out in the [Vision for County Durham 2035](#) together with its own objectives and change agenda. The Council Plan aligns to both the council's Medium-Term Financial Plan and the County Durham Plan, which is a spatial representation of our ambitions contained within the Council Plan around housing, jobs and the environment until 2035, as well as the transport, schools and infrastructure to support it. The Council Plan is underpinned by a series of corporate strategies and service planning arrangements providing more detailed information on the actions being undertaken to deliver on our priorities and to avoid duplication.

50. In May 2023, Audit Committee was provided with a presentation from the Head of Corporate Affairs that detailed the council's approach to planning, performance, delivering major projects and change to help secure Value for Money. In the 2024/25 planning cycle, the aim is to deliver increased value for money by further strengthening the alignment of the processes for service planning, financial planning, performance management and service development. To ensure that the Council's governance arrangements for performance, productivity, and value for money reflect best practice, they will be reviewed against the soon to be published Best Value Performance Standards for Local Government from DLUHC. These will include characteristics expected of well-functioning authorities, taking account of lessons learned from governance failures in other local authorities (see improvement action 5 in appendix C).
51. In November 2023, [Economy and Enterprise Overview and Scrutiny Committee](#) received a report setting out the approach to the management of major capital programmes and projects. Key features of the approach include: -
- (a) A standard business process and guidance from concept to closure of each project, which seek to provide assurance on business case development, investment decisions, project delivery, and benefits realisation.
  - (b) A CMT Major Projects and Initiatives Group (MPIG), which is responsible for strategic direction and has oversight of significant programme and project activity informed by accurate data on cost, quality, reputation, and risk.
  - (c) The Portfolio Office collates project status reports from services for consideration by MPIG. This ensures it has oversight of significant programme and project activity, as reported by services, and informed by accurate data covering programme, cost, quality, reputation, and risk.

The approach provides assurance that appropriate controls, including challenge and intervention where necessary, ensure successful programme delivery.

52. The [Medium Term Financial Plan 2024/25 to 2027/28](#), which was approved by the Council in February 2024, provides a financial framework associated with the [Council Plan](#) that enables members and officers to ensure policy initiatives can be planned for delivery within available resources and can be aligned to priority outcomes. It also enables the continued provision of value for money. Prior to being approved by Council, the MTFP14 underwent scrutiny and challenge by [Corporate Overview and Scrutiny Management Board](#). In addition, the [Adults](#)

[Wellbeing and Health OSC](#) and [Children and Young Peoples OSC](#) established working groups to identify potential efficiencies and income generation initiatives as part of the process.

53. Assurance over the delivery of the [Council Plan](#) and the [MTFP](#) is gained by detailed and frequent monitoring undertaken by Corporate Management Team (CMT). The drivers for the council's financial strategy, which were agreed by Cabinet on 28 June 2010 for MTFP1, and still underpin the strategy in MTFP13: -
- (a) set a balanced budget over the life of the MTFP whilst maintaining modest and sustainable increases in council tax;
  - (b) fund agreed priorities, ensuring that service and financial planning are fully aligned with council plans;
  - (c) deliver a programme of planned service reviews designed to keep reductions to front line service to a minimum;
  - (d) strengthen the council's financial position so that it has sufficient reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery outcomes; and
  - (e) ensure the council can continue to demonstrate value for money in the delivery of its priorities.
54. [Quarterly performance reports](#), which answer key performance questions rather than rely on performance indicators, have been aligned to the new [Council Plan](#) and [County Durham Vision 2035](#).
55. In [July 2022](#), Cabinet considered a report, which provided an update on the approach and progress made so far in the development of an Investment Plan for the UK Shared Prosperity Fund, and sought approval for the submission of the UKSPF Investment Plan for Durham. In [November 2023](#), Economy and Enterprise Overview and Scrutiny Committee received an update on the UK Shared Prosperity Fund Programme and the Rural England Prosperity Fund for County Durham, including governance and performance management arrangements and an update on programme implementation.
56. The Youth Justice Plan 2023/24 was presented to the [Council](#) in July 2023, as required by the Crime & Disorder Act 1998, and included areas for improvement which the service will focus on during the next year. The report highlighted some areas of uncertainty, including changes in service demand, concerns from partners about resources and capacity, which may impact on the ability to deliver the plan.
57. A report to [Environment and Sustainable Communities Overview and Scrutiny Committee](#) in December 2023 provided an overview of the development of the library service and an update on library transformation. Nine key actions for change, identified through feedback from the public and staff, are informing the development of an innovative, modern and sustainable service that meets the needs of communities.

## Optimising achievement of intended outcomes

58. The Council has established a Shareholder Working Group comprising the Leader, Deputy Leader and relevant portfolio holders, the Chief Financial Officer and Monitoring Officer and Head of Finance to oversee performance and proposals in relation to the Council's companies. Shareholder decisions rest with Cabinet or the relevant Corporate Director in accordance with the Officer Scheme of Delegation within the [Constitution](#). The Company Governance Group supports the work of the Shareholder Working Group with the oversight of the Council's companies' governance arrangements, including consideration of the strategic approach to, and structure of, its' companies and joint venture arrangements. The Group seeks to ensure that officers who work with, or who are appointed as, directors of Council companies understand their roles and responsibilities, identify and manage conflicts of interests, and provide resilience in the Council's resourcing of companies. Company governance training is included in the Council's Workforce Learning and Development Plan. Updates on the Group's work are periodically presented to the Corporate Management Team and Shareholder Working Group.
59. The following reports outline measures taken by the Council to optimise the achievement of outcomes included in the Council Plan: -
- (a) Business Start Up Support [Economy and Enterprise Overview and Scrutiny Committee, July 2023](#) (OUR ECONOMY)
  - (b) Climate Emergency Response Plan 2 – 2022/23 Update [Cabinet](#) (OUR ENVIRONMENT)
  - (c) Creation of a County Durham Culture Trust [Cabinet, October 2023](#) (OUR COUNCIL)
  - (d) Durham Destination Management Plan 2023-2030 [Economy and Enterprise Overview and Scrutiny Committee, November 2023](#) (OUR ECONOMY)
  - (e) Strategic Sites Update [Economy and Enterprise Overview and Scrutiny Committee, September 2023](#) (OUR ECONOMY)
  - (f) UK Shared Prosperity Fund Update [Economy and Enterprise Overview and Scrutiny Committee, November 2023](#) (OUR ECONOMY)

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

### Developing the Council's capacity

60. In April 2023, [Cabinet](#) approved the Corporate Asset Management Plan 2023-2025 (CAMP), which is a strategic plan setting out how the property portfolio will support the Council's corporate priorities and objectives and which provides the direction for the ongoing management of the portfolio over the following two years. The CAMP has three elements, the Asset Management Strategy, the Asset Management Policy, and the Asset Management Action Plan. A programme of activities is underway to implement the Corporate Property Partnership (CPP) approach to asset management, which ensures that our property portfolio is managed and maintained consistently and corporately,

allowing services to concentrate on their operational delivery.

61. The Council's Digital Strategy seeks to enable flexible working through digital and mobile technology, make our workspaces more cost effective and productive, and support collaboration between teams across the organisation. Projects supporting these aims that have been completed during the last year include: -

- (a) The council's device replacement programme which ensures staff are equipped with the necessary technology to allow them to work virtually and in office, including access collaboration and communication applications, and the implementation of telephony software.
- (b) Mobile working projects to support employees in a range of front line and roles.

62. The [Digital Strategy](#) sets out the Council's digital ambitions for the County. It provides a framework within which these ambitions can be delivered and aligns to the interlocking objectives of the revised Council Vision. The strategy is set out under three main themes: Digital Customer; Digital Organisation; Digital Communities. Projects supporting delivery of Digital Strategy outcomes that have been completed in the last year include: -

(a) Digital Customer

- i. Website improvements: Accessibility, digital channel shift / Customer Relationship Management
- ii. Contact Centre: conversational AI (artificial intelligence), chatbots
- iii. Digital Durham: Better broadband programmes

(b) Digital Organisation

- i. Hybrid Working: Technology support, remote access projects
- ii. Service Desk: Incident management, self-service/self-help
- iii. Office 365: Expanded suite of productivity applications
- iv. MTFP Financial review to set budgets and achieve efficiencies
- v. Capital Schemes totalling over £4million to ensure that digital infrastructures remain fit for purpose
- vi. Cyber Security Framework to provide a blueprint and associated policies for the secure provision of ICT services.

(c) Digital Communities

- i. Digital Inclusion Strategy development
- ii. Support to Poverty Action Steering Group
- iii. Support to develop digital themes with the Inclusive Economic Strategy

63. In July 2023, [Cabinet](#) approved a proposal to adjust the face-to-face service offer in four of our least used customer access points (CAPs) in response to changes in working practices and customer preference for alternative contact channels, resulting in reduced demand for face-to-face service. The proposal was informed

by public consultation with 396 respondents and an equality impact assessment, which recognised that older age groups and people with disabilities are more likely to access face-to-face provision. Accordingly, the four CAPs will remain open on the days most used by these groups.

64. The Community Assets Steering Group oversees new and existing asset transfers.

65. Following a cyber self-assessment and analysis of our current position and market conditions, options for appropriate cyber insurance cover continue to be explored. Market conditions are currently unfavourable due to several recent global hacks and continued uncertainty following Russia's invasion of Ukraine. Local authorities are regarded as high-risk with only a limited number of companies willing to provide insurance on a case-by-case basis, subject to a detailed assessment of our risks and mitigations. Costs have increased significantly, cover is limited if available, and insurance brokers have advised to invest the money that was earmarked for premiums in to improving defences. During the year, resilience was enhanced through a review of our current programme, the development of the Council's corporate [Cyber Security Strategy](#) and framework in addition to the delivery of a mandatory programme of cyber-security training and awareness for relevant employees. To further reduce the risk of a cyber-attack, our remote access policy was changed recently to reduce the number of countries from which staff can connect to DCC systems, applications and electronic resources. We continue to monitor and respond to the changing cyber-security landscape and emerging threats.

### Developing the capability of the Council's leadership and other individuals

66. The Corporate Overview and Scrutiny Management Board, supported by its five committees, makes decision-making processes transparent, accountable and inclusive and seeks to improve services for people by being responsive to their needs. Where appropriate, members have scrutinised the decisions of the Council, demonstrated by a number of key reviews and consultation responses both within the Council and with key partners, which are outlined in the [Overview and Scrutiny Annual Report](#) and the [Overview and Scrutiny Six-Monthly Update](#). Examples include: -

- (a) Development of the Inclusive Economic Strategy and commenting on the proposals for the IES Delivery Plan, [Economy and Enterprise Overview and Scrutiny Committee, April 2023](#)
- (b) Call-in and responding to consultations in respect of the Council's Home To School Transport arrangements, [Corporate Overview and Scrutiny Management Board, June 2023](#)
- (c) Towns and Villages Programme [Economy and Enterprise Overview and Scrutiny Committee, July 2023](#)
- (d) Input into the Council's review of Community Engagement including the future of Area Action Partnerships, [Corporate Overview and Scrutiny Management Board, September 2023](#)
- (e) Scrutiny of CQC Inspection Improvement Plans in respect of County Durham and Darlington NHS Foundation Trust Maternity Services and Tees Esk and



Wear Valleys NHS Foundation Trust Core Inspection, [Adults, Wellbeing and Health Overview and Scrutiny Committee, October 2023](#)

- (f) Delivery against the agreed actions of the Council's declared Ecological Emergency Action Plan, [Environment and Sustainable Communities Overview and Scrutiny Committee, November 2023](#)
- (g) Family Hubs and Start for Life programme in County Durham [Children and Young People's Overview and Scrutiny Committee, November 2023](#)

67. A refresh of the Corporate Overview and Scrutiny Management Board [work programme 2023/24](#) was agreed in June 2023.
68. The Durham Learning and Development system hosts our Performance and Development Review scheme, which was launched for leaders, managers and core employees in 2019. For 2022/23 PDR scheme, Leaders PDRs were launched in October 2022, followed by Managers in January 2023 and Core employees from April 2023. The Durham Leadership Way programme outlines the expectations of leaders and managers together with a development and support offer. The Durham Leadership and Management Development Programme includes several mandatory courses, including coaching as a management style and mental health awareness for managers. Other courses are linked to corporate priorities, management skills and personal development. During 2022/23, managers attended mandatory training throughout the year to develop their skills as part of the corporate learning programme. Senior leadership development programmes were relaunched for Corporate Management Team, Extended Management Team and strategic managers.
69. Employees' needs, in terms of training, development, health and wellbeing, are delivered through our Workforce Strategy and the Health, Safety and Wellbeing Strategy. Workforce Plans are being developed for all service areas to support current and future workforce challenges. In addition, the feedback and high-level results from the 2022 Working Well Survey will help inform key corporate actions and themes for the Council to address as well as service specific actions.
70. A revised Health, Safety and Wellbeing Strategy for 2022-2025 was introduced following consultation and agreement by Corporate Management Team in August 2022. The revised strategy now focuses on six key areas which are control, compliance, culture, cooperation, competence, and communication. A series of key milestones for each of the indicators has been attributed and will be implemented and monitored through the Corporate Health and Safety Group on a quarterly basis. The second employee working well survey was undertaken to collect information about the views of employees on workplace wellbeing issues. The Council also achieved white ribbon accreditation which is aimed at reducing the risks and raising awareness of domestic abuse. The council achieved the maintaining excellence better health at work award and signed up to the workplace menopause pledge which supports the Menopause Workplace Pledge campaign.
71. The Council continues to support employees through the change process with, for example, confidential counselling services through the Employee Assistance Programme. A Wellbeing Portal has been specifically created for employees in

relation to mental health and wellbeing and provides support and guidance for managers and non-management employees.

72. We have a growing number of staff network groups which are administered by the Equality and Diversity and Human Resources Teams. The chairs and co-chairs of the networks are staff who have volunteered to undertake the role. The networks provide an opportunity for people across the council to meet with others, share and discuss experiences, help shape the working environment, arrange events and offer support to other staff.
73. In October 2023, an overview of the Council's survey results from the Working Well Survey 2022, including key priority areas, proposed actions and initiatives, was provided to [Corporate Overview and Scrutiny Management Board](#).
74. The Council's [Apprenticeship Strategy 2022 - 2025](#) was approved by Cabinet in April 2022. Apprenticeship recruitment continues to support and grow our own approach to meet future skills requirements.
75. The Council has a Member Development Programme, which provides training on specific roles (e.g., Chair, Vice-Chair, Committee positions) and responsibilities, and the opportunity to have an annual development conversation, which identifies personal learning and development needs and opportunities. Members also have access to well-being support through the Employee Assistance Scheme. Where appropriate, risk assessments are completed for individual Members to reflect health and wellbeing needs or risks to their personal safety.
76. A portal on the Durham Learning and Development system brings together valuable resources and information for managers. Induction for new managers includes, mandatory training, links to policies, useful documentation and guidance, briefings and useful contacts.
77. A hybrid working model continues to operate, which minimises the potential number of employees in the workplace at any one time, whilst also supporting our future direction of travel to work more flexibly and smarter as an organisation.
78. Following incidents in other parts of the UK involving the known risk of Reinforced Autoclaved Aerated Concrete (RAAC) in buildings, the Local Government Association and the Department for Education issued further alerts and changes to previous guidance. The Council's Corporate Property and Land service have since concluded surveys of a total of 1,271 buildings where the council is the responsible body. No RAAC risks were identified in council buildings.
79. To support the effective governance of the Durham County Council Pension Fund, both the [Pension Fund Committee](#) and [Local Pension Board](#) adopted a Training Policy, formalising the approach to learning and development for members of those Committees.

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

### Managing risk

80. Risk management continues to be embedded in decision making and key business processes and the [Risk Management Policy and Strategy](#), which defines key roles and responsibilities and is reviewed annually, underpins this. The Audit Committee has gained assurance that the Council's strategic risks are being effectively managed through reports issued in [September 2023](#), [November 2023](#) and [February 2024](#). In September 2022, the Council received a report from the [Report of the Audit Committee](#) on its work between September 2022 and August 2023, and how the Committee continues to provide for good governance across the Council.
81. The Council is jointly responsible for responding to civil emergencies (such as severe weather events, network power losses and the Covid-19 pandemic) through the County Durham and Darlington Local Resilience Forum. The Council has a Corporate Emergency Plan which sets out how it would respond to and manage emergency incidents and how it would work with other organisations as part of a multi-agency response. The [strategic risk management progress report](#) to Audit Committee in February 2023 gave an account of work by the Council and its' partners to scale up preparedness for, and protection from, a potential terrorist attack and to ensure that the council will be able to meet the new requirements of Martyn's Law, which follows campaigning after the Manchester Arena terror attack in May 2017 and is expected to come into force in 2024. In November 2023, an update of the Safe Durham Partnership's progress in meeting the statutory duties contained within the Counter Terrorism and Security Act 2015 was presented to [Safer and Stronger Communities Overview and Scrutiny Committee](#).
82. The following reports set out measures taken by the Council to develop the capabilities of members and senior management to enable a successful response to change and risks: -
- (a) Elected Member training: Emergency Preparedness, 18 October 2023
  - (b) Extended Management Team training: Corporate Emergency Plan, 27 November 2023
83. The Pension Fund Committee has gained assurance that pension fund risks are being effectively managed through a report issued in [June 2023](#). The report [mapped](#) the Fund's risks, identifying and recording the key sources of assurance which inform the Committee of the effectiveness of how risks are managed or mitigated, and of the key controls and processes that are relied on to manage risks.
84. The Audit Committee received a [presentation in February 2024](#) providing an overview of the approach to taken in completing the Durham County Council

Pension Fund triennial valuation; and the assessment of LGPS liabilities under IAS19.

85. The Council's insurance policy provides cover for third party computer fraud and network security.
86. Several challenges and uncertainties lie ahead, and these are being monitored through the Council's strategic risk management reporting arrangements: -
  - (a) The financial outlook for the council and the whole of local government remains extremely challenging.
  - (b) Capacity issues caused by nationwide labour shortages.
  - (c) Funding pressures in adult social care and children's social care.
  - (d) The Council's role as a community leader, to help partners, local businesses and communities make the necessary adaptations and mitigations in pursuit of the target of being a carbon-neutral County by 2050 (climate change).
  - (e) Inability to recruit and retain children's social workers and social work managers may seriously inhibit the delivery of services.

### Managing performance

87. The [County Durham Partnership](#), which is the strategic partnership for the County, is made up of key public, private and voluntary sector partners. Its' role includes monitoring performance towards implementing [County Durham Vision 2035](#), and considering strategically how plans align and where efficiencies and value can be maximised through integration, shared services and joint commissioning.
88. The Council's Cabinet is responsible for monitoring performance and ensures that effective arrangements are put in place to deal with any failures in service delivery. Assurance is gained through [quarterly performance reporting](#) and through performance clinics between the Chief Executive and Corporate Directors during the year.
89. To manage and measure service improvement, the Council has a locally led planning and performance management framework that links to the [County Durham Vision 2035](#) and the [Council Plan](#). The format of performance reports has been realigned to the ambitions in the new Council vision.
90. The Quality Improvement Board is chaired by the Corporate Director of Children and Young People's Services and meets monthly to provide strategic oversight and lead improvements in quality.
91. The Police and Crime Panel, which includes councillors from Durham County Council and from Darlington Borough Council, scrutinises the [annual report](#), decisions and actions of the Police and Crime Commissioner.
92. Risk management and internal control are acknowledged as integral parts of the Council's performance management framework and crucial to the achievement of

objectives. To reflect this, internal audit continuously reviews risks with reference to strategic objectives, and a register of strategic risks is compiled linking each item to the relevant strategic objective. Internal audit progress updates were provided to Audit Committee in [May 2023](#), [September 2023](#), [November 2023](#) and [February 2024](#).

### Robust internal control

93. The Internal Audit service has continued to face ongoing recruitment and retention challenges during 2023/24 year which impacted on the delivery of the overall plan. As such, the service regularly reviewed the content of the plan to ensure that the work carried out was prioritised on a risk basis and to ensure that the relevant key financial systems and high-risk areas of activity are reviewed on an annual basis.
94. Revised versions of the [Internal Audit Strategy, Charter and Plan 2023/24](#) were approved by Audit Committee in May 2023.
95. The Council's [Counter Fraud & Corruption Strategy](#) and companion documents, the Fraud Response Plan, Sanctions Policy, Confidential Reporting Code (Whistleblowing) and the [Anti-Money Laundering Policy](#) were all reviewed and presented to Audit Committee in 2022/23 and a comprehensive communications and awareness plan was compiled and delivered during 2023.
96. The Corporate Fraud Team received Cabinet Office approval to progress a Northeast Fraud Hub Pilot with Gateshead and Newcastle Councils. The Hub uses Part 5 of the Digital Economy Act to share data and fraud intelligence to increase our capability to uncover potential and actual fraud across the region. The Cabinet Office have acknowledged that it would be beneficial for as many local authorities to be part of the Hub and have suggested that if the pilot is successful then the concept could be used nationally as a model of best practice.

### Managing data

97. The designated Senior Information Risk Officer is the Corporate Director of Resources, and the designated Data Protection Officer is the Strategic Manager, Executive Support.
98. A mandatory data protection e-learning training module was issued in 2021/22 for completion by all relevant employees. A mandatory freedom of information awareness e-learning training module is available for completion by all relevant employees.
99. As referenced in appendix C, action 6, there is a plan to review the organisational approach to information governance, including identifying and developing an improvement action plan, based upon the Information Commissioners Accountability framework. This will help ensure organisation is in fit for purpose position for safeguarding information and well placed to exploit Business Intelligence, machine learning and Artificial Intelligence programs.

## Strong public financial management

100. The Council has appointed the Corporate Director of Resources as Chief Financial Officer and Section 151 Officer (Local Government Act 1972) to fulfil the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). The Chief Financial Officer, who is a member of the Corporate Management Team (CMT) and reports directly to the Chief Executive, has been involved in all CMT discussions, and has reviewed all reports to Cabinet which have financial implications.
101. The Government's responses to the recommendations made in the [Redmond review](#) into the oversight of local audit and the transparency of local authority financial reporting are reported regularly to Members of the Audit Committee.
102. The following reports provide assurance that the Council's financial management supports both long-term achievement of outcomes and short-term financial and operational performance: -
- (a) [Update on Progress towards achieving MTFP \(13\) savings](#)
  - (b) [Mid-Year Review Report on Treasury Management for the period to 30 September 2023](#)
  - (c) [Forecast of Revenue and Capital Outturn 2023/24 - Period to 31 Dec 2023 and update on progress towards achieving MTFP \(13\) Savings](#)
  - (d) [Medium Term financial Plan 2024/25 - 2027/28 and Revenue Budget 2024/25](#)
103. Following the Government's publication in May 2022 of [statutory guidance](#) in relation to special severance payments, the Council's decision-making process for authorising such payments was reviewed and updated to ensure that the Council complies with the statutory guidance. The changes were reflected in the annual review of the [Constitution](#) being considered by the Council in May 2023.
104. In February 2024, [Audit Committee](#) was presented with an update on the outcome of the CIPFA Finance Review, which was carried out during September and October 2023, and covered the councils financial management arrangements and the council finance function. Although CIPFA identified a number of areas for improvement the council scored a strong 3.25 out of 4 with CIPFA having the view that a top score of 4 could be achieved within 12 months.

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

### Implementing good practice in transparency

105. The Council is committed to being open and transparent about how it works and how decisions are made. In line with the Local Government Transparency Code, information is published on a [transparency and accountability web page](#) about how money is spent, how services are purchased, land and assets owned, structures and salaries, and fraud. As required by law, the sum paid to each

county councillor is also published. The Council has also been publishing open datasets through the Data Mill North website.

106. Reports about complaints against members are included in part A of the Standards Committee agenda rather than part B (consideration of exempt or confidential information). The Committee receives a quarterly report on national issues relating to ethical governance relevant to the work of the Committee and considers whether to make recommendations in response so that the Council maintains best practice and learns lessons from experiences elsewhere.

### Implementing good practices in reporting

107. The Council's commitment to regular reporting to stakeholders on performance, value for money and stewardship of resources is evidenced throughout this statement. Other examples of reports to relevant committees include: -

- (a) [Annual Performance Update \(Health and Wellbeing Board, July 2023\)](#)
- (b) [Annual Report of Durham County Council's Fostering Service](#) (Corporate Parenting Panel, July 2023)
- (c) [Annual Report on the Adoption Service 2022/2023](#) (Corporate Parenting Panel, June 2023)
- (d) [Annual Summary Report of the Children Looked After Strategic Partnership](#) (Corporate Parenting Panel, April 2023)
- (e) [Corporate Parenting Panel Annual Report](#), (County Council, July 2023)
- (f) Council House Delivery Programme Update [Economy and Enterprise Overview and Scrutiny Committee](#)
- (g) [Director of Public Health Annual Report 2023](#), (Cabinet, October 2023)
- (h) [Domestic Abuse and Sexual Violence Executive Group Annual Report](#), (Safer and Stronger Communities Overview and Scrutiny Committee, November 2023)
- (i) [Durham Safeguarding Adults Partnership Annual Report](#), (Health and Wellbeing Board, January 2024)
- (j) [Durham Safeguarding Children Partnership Annual Report 2022/23](#), (Health and Wellbeing Board, January 2024)
- (k) [Health and Wellbeing Board Annual Report 2022/23](#), (Cabinet, September 2023)
- (l) [Health Protection Assurance Annual Report](#), (Health and Wellbeing Board, May 2023)
- (m) [Virtual School Report 2022/23](#), (Corporate Parenting Panel, January 2024)
- (n) Annual Report of Durham County Council's Fostering Service [Corporate Parenting Panel](#)
- (o) Corporate Parenting Panel Annual Report 2022-23 [County Council](#)
- (p) Better Care Fund 2022-23 Year End Report [Health and Wellbeing Board](#)
- (q) Annual Performance Report 2022/2023 [Corporate Parenting Panel](#)
- (r) Poverty Issues Annual Report [Corporate Overview and Scrutiny Management Board](#)

108. The Council endeavours to publish financial statements in a timely manner and in accordance with financial reporting standards. Examples include: -
- (a) [Compliance with CIPFA Financial Management Code](#)
  - (b) [Consideration of 'Going Concern Status' for the Statement of Accounts for the year ended 31 March 2023](#)
  - (c) [Audit Completion Report 2022/23 - Pension Fund](#)
  - (d) [Treasury Management Outturn Report 2022/2023](#)
  - (e) [Final Outturn for the General Fund and Collection Fund 2022/23](#)
  - (f) [Changes to the Code of Practice for Local Authority Accounting in the UK for 2023-24](#)
  - (g) [Agreement of Accounting Policies for Application in the 2023/24 Financial Statements](#)
  - (h) [Budget 2024/25 – Report under Section 25 of Local Government Act 2003](#)
  - (i) Annual Report and Accounts [Pension Fund Committee](#)
109. Durham County Council Pension Fund (the Fund) is part of the Local Government Pension Scheme governed by regulations made under the Public Service Pensions Act 2013 and administered by Durham County Council. The [Pension Fund Annual Report and Accounts for the year ended 31 March 2023](#) were received by the Pension Fund Committee in December 2023. The Pension Fund's [Annual Report](#) includes a Governance Compliance Statement which sets out the Fund's scheme of delegation and the terms of reference, structure and operational procedures of the delegation, and the extent of its compliance with 2008 statutory guidance issued by the Secretary of State and the provisions of regulation 55 of the Local Government Pension Scheme Regulations 2013.

### Assurance and effective accountability

110. A review of the effectiveness of Internal Audit, incorporating the Internal Audit Service and the Audit Committee, has been undertaken and was reported to the Audit Committee in [June 2024](#). This review concluded that the Council's system of internal audit is considered to be effective, which in turn allows the opinion of the Chief Internal Auditor and Corporate Fraud Manager to be relied upon.
111. In February 2024, changes were made to the Terms of Reference for Audit Committee incorporating the Chartered Institute of Public Finance and Accountancy's model Terms of Reference defined in the Practical Guidance for Local Authorities 2022. The Committee also completed a core knowledge and [self-assessment](#) against the good practice for Audit Committees in Local Authorities guidance, and no significant gaps were identified. The revised Terms of Reference and the outcome of the assessment will be reported to the Audit Committee meeting in May 2024 and will then be reported to Full Council as part of the Annual Report of the Audit Committee later in the calendar year.
112. The [Local Code of Corporate Governance](#) is reviewed annually before being considered for approval by the Audit Committee and County Council.



113. The [Statement of Accounts for the year ended 31 March 2023](#), incorporating the [Annual Governance Statement for 2022/23](#), was approved by the Audit Committee in November 2023, taking account of the views of the External Auditor, in line with the Accounts and Audit Regulations 2015. External Audit also provides an independent opinion on whether the Annual Governance Statement is materially accurate.

114. In November 2023, [Audit Committee](#) received an update on the progress being made in relation to the actions arising from the Council's draft Annual Governance Statement for the year ended 31 March 2023.

115. An external quality assessment of the Internal Audit Service's conformance to the Public Sector Internal Audit Standards (PSIAS) and the CIPFA\* Local Government Application Note during 2021/22 was carried out by CIPFA. The opinion delivered concluded that the Internal Audit Service fully conforms to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. Some improvement opportunities were identified, and all have been considered and addressed as required.

\* Chartered Institute of Public and Finance and Accountancy.

116. Assurance can also be taken from the following external independent sources that, through good governance, the Council continues to maintain and improve the quality of services: -

- (a) The [Audit Completion and Annual Reports 2022/2023](#) summarises the external auditor's conclusions for the year ended 31 March 2023.
- (b) External Audit Progress reports in [September 2023](#) and an update report in [February 2024](#).
- (c) The [Audit Completion Report 2022/23 - Pension Fund](#) summarises the external auditor's conclusions for the year ended 31 March 2023.

117. In November 2023, [Cabinet](#) a report on the outcomes of a consultation on the introduction of the External Contractor Staff Suitability Policy which provides a clear process for anyone who wants to apply for, or renew, their authorisation to be deployed in the provision of transport for children and vulnerable adults through an external contractor on behalf of the council.

118. In December 2023, [Economy and Enterprise Overview and Scrutiny Committee](#) received an update on the Supported Housing Improvement Programme, the main objectives of which are to improve the standards of accommodation and support provided by non-commissioned supported housing providers across County Durham. This followed increasing reports, both regionally and nationally, of poor-quality non-commissioned supported housing, raising concerns about the detrimental impact this can have on resident wellbeing and outcomes, the neighbourhoods surrounding these schemes and the pressure this can place on public services.

119. Regulatory inspections and Feedback from Independent Visitors and Children's Homes:

- (a) Children's homes are inspected by the regulator, Ofsted (and CQC for Aycliffe Secure Centre), and the outcomes, including recommendations are reported to the [Corporate Parenting Panel](#) for each of the following categories in rotation: -
- Durham County Council community based children's homes.
  - Aycliffe Secure Centre and Maple House.
  - Private children's homes operating within the council's area.

Reports also provide Members with a summary of reports from independent visitors to children's homes which are carried out in line with children's homes regulations (regulation 44).

General updates about inspection activity for DCC homes are covered in the public part of the meeting and reports containing further detail including recommendations from Regulation 44 visits are exempt from publication by virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

- (b) The Health and Care Act 2022 empowered the Care Quality Commission (CQC) from April 2023 to assess how local authorities meet their Care Act duties. To provide assurance on the new framework, the Corporate Affairs performance team meet regularly with the service including at a Quality Assurance Board chaired by the Director of Adult and Health Services. Corporate Management Team and other senior officers also provide scrutiny at an Oversight and Assurance Board chaired by the Chief Executive. The self-assessment document which will be required by the CQC as part of the Council's assessment was presented to [Cabinet](#) in March 2024.
- (c) Children Looked After with a Disability Annual Update [Corporate Parenting Panel](#) – The report is aimed at giving the Corporate Parenting Panel confidence and assurance that the Children with Disabilities Service carries out its statutory duties. It details the work of the transition arrangements for 14-25yr olds (adult care). It also details progress made through two ILACS Ofsted Inspections 2019-2022.

## **APPENDIX B: Update on improvements identified in the 2022/23 Annual Governance Statement**

Following the production of the Annual Governance Statement for 2022/23, eleven improvement actions were identified for 2023/24. 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	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: optimise the achievement of outcomes (4.34)	Head of Integrated Commissioning	31/03/2025	<p><b>This action remains on schedule.</b></p> <p>This action remains on schedule. Three workstreams have been established, covering the main segments of the Market Shaping work. Initial meetings were held late in 2023, and full workstream meetings have commenced in early 2024.</p> <p>A range of provider representatives have joined the meetings, ensuring a spread of provider views are represented. Governance arrangements are working well and an early progress update will be made to commissioning management team in Spring 2024.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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	March 2024	<p><b>This action is progressing well, but completion has been rescheduled to 31 December 2024.</b></p> <p>In response to national planning for potential power outages, the Civil Contingencies Unit (CCU) led a corporate programme to review business continuity plans for all council services. 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 worked together to meet with each service lead to review each service plan for both business continuity (CCU led) and disaster recovery (Digital Services led). The programme was completed in April 2024, resulting in a revised corporate business continuity plan and, for each service, a revised Digital Disaster Recovery Plan, including prioritised recovery based on a Business Impact Assessment. Programme governance is through Digital Services Management Team and the Business Continuity Management Board.</p> <p>Initial findings from the work will be shared with management teams in early 2024/25 and a full plan will be developed by December 2024. This process includes capturing and implementing lessons learned as the project advances. Additionally, discussions with insurers are ongoing to confirm whether a business interruption service is included in the event of a cyber incident, ensuring that expert external support is available to assist in restoring systems.</p> <p>The business continuity plan outlines critical priority systems that must be swiftly restored following a cyber disruption to ensure the delivery of essential public services. It also specifies the minimum required internal staff to respond effectively to a cyber incident. Colleagues throughout the council have been engaging in cyber recovery awareness sessions with digital and civil contingencies staff to refine cyber security assumptions and business continuity planning requirements.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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	<p><b>This action is on schedule.</b></p> <p>Poverty Action Steering Group strategy and action plan was approved by Cabinet in November 2022. A review has taken place and presented to cabinet in February 2024. Further review of the terms of reference to take place in Q1 2024 and performance framework is being developed to monitor success of the action plan.</p> <p>Progress has been made towards all four objectives. Below are some examples of the progress made so far: -</p> <p><b>Objective 1</b> – Use intelligence and data to target support to low-income households: Purchase of paycheck data drilled down to a post code level to enhance the groups intelligence, DWP permission to support re-use of data for benefit take up and maximisation, widened the first point of contact offer to help those in financial difficulty.</p> <p><b>Objective 2</b> – Reduce the financial pressures on people facing or in poverty: Funding towards the ‘fun and food’ school holiday activities, delivery of a third The Bread and Butter Thing van to 15 hubs, supported the advice in County Durham Partnership to ensure their referral pathways are effective</p> <p><b>Objective 3</b> – Increase individual, household and community resilience to poverty: Introduction of cost of living advice and support and debt advice services through partners, delivered training programmes to front line staff for financial literacy</p> <p><b>Objective 4</b> – Reduce barriers to accessing services for those experiencing financial insecurity: refresh the first point of contact offer at customer access points to focus on digital inclusion, promote the availability of social tariffs for those in receipt of certain benefits, use data and intelligence to identify our most vulnerable communities and support them to access appropriate support.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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	<p><b>This action is on schedule.</b></p> <p>Durham has in line with DfE Family Hub and Start for Life programme 15 Family Hubs providing a 'one stop shop' to a wide range of family support for families with children aged 0-19 years and 25 years with SEND. This includes a universal and targeted Start for Life offer from pregnancy until a child reaches two years of age aimed at promoting nurturing parenting, a positive home learning environment and the health and wellbeing of the child and family. All expectant and new parents are now provided with this offer in both paper form and digitally. For more information on the Start for Life offer visit <a href="http://www.durham.gov.uk/helpforfamilies">www.durham.gov.uk/helpforfamilies</a></p> <p>A multiagency Family Hub and Start for Life Implementation group is established and responsible for the development of a comprehensive delivery plan which is driving the transformation required to meet all the expectations as set out in DfE programme guide.</p> <p>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.</p> <p>An established Parent and Carer Panel (PCP) has supported the development and design of the Family Hub offer through coproduction activities. Durham's PCP has been shared as best practice nationally.</p>

					Co-location of health visiting teams within Family Hubs is now complete, and a plan of co-location for Midwifery teams is underway, where co-location is not possible due to size and locality of the individual Family Hub, clinical rooms have been established to support service delivery of midwifery services from all Family Hubs, improving access to support to families.
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No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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	<p><b>All risk measures and mitigations remain on track against delivery dates.</b></p> <ul style="list-style-type: none"> <li>• Annual Review of Council's HSW policy last completed Feb 2024.</li> <li>• Corporate Health, Safety and Wellbeing Strategic Group continues to convene on a quarterly basis to review corporate HSW performance.</li> <li>• All service groupings continue to have quarterly HSW consultative committees.</li> <li>• Quarterly HSW performance monitoring to Corporate and Service groupings HSW committees.</li> <li>• Quarterly reporting and analysis of work related near misses, accidents, and ill health.</li> <li>• Annual 2022/23 HSW performance report</li> <li>• CMT members have taken the lead on a particular H S W topic and promoted to the workforce, such as mental health, exercise, world mental health day, carers and white ribbon accreditation.</li> <li>• Ensuring all managers have completed mandatory HSW related training detailed within the Durham learning and development system.</li> <li>• Provision of HSW related webinars, campaigns, guidance and support for employees based on organisation and public health priorities.</li> <li>• Review of HSW champions and advocates across service to ensure adequate resources and networks exist and are functioning effectively.</li> </ul>



					<ul style="list-style-type: none"><li>• Review of Corporate HSW codes of practice and procedures to ensure they reflect statutory requirements and risks</li><li>• Continuing with the Better Health Award accreditation scheme ensuring that we maintain excellence whilst working towards 'Ambassador Status'.</li><li>• Accreditation to white ribbon and menopause pledge</li><li>• Delivery of risk based proactive audit and inspection programme across service groupings and reporting quarterly on outcomes/actions.</li><li>• Undertaking joint audit and inspections of workplaces and work activities between management, H&amp;S and trade union safety representatives.</li><li>• Delivery of HSW communications plan based on local and national health and wellbeing priorities, campaigns, and interventions.</li><li>• Introduction of radon gas management policy.</li><li>• Completion of RAAC surveys of council owned buildings.</li><li>• Further commitment to undertaking further employee engagement in the form of surveys and cultural sampling, next due for the better health at work accreditation.</li><li>• Continued provision of mental health and wellbeing webinars, campaigns, guidance, and support for employees.</li><li>• Review of champions network undertaken in relation to wellbeing champions, domestic abuse champions and mental health first aiders.</li></ul> <p>Annual reviews of corporate H&amp;S policy and procedures to ensure they reflect current and any updated legislative updates.</p>
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No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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 & Employee Services	31/03/2024	<p><b>This action is on schedule.</b></p> <p>We launched our Digital skills program in January 2024 in response to a digital skills staff survey. The program covers a wide range of topics which are designed to ensure that staff have the necessary skills and knowledge to take the organisation forward and work smarter. This 12-month program highlights a key theme each month. Some of the topics are basic computer literacy, Microsoft 365 applications, cyber security, project management and Microsoft Teams. Training is available in a variety of formats such as self-serve, eLearning, virtual and classroom sessions. This is to accommodate different learning styles and fit around different working patterns and schedules. The program can be accessed <a href="#">here</a>. To date over 400 staff have participated in the programme. In addition, a specific training programme has been developed with Adult and Health Services in response to needs identified within the service. The programme is planned to run January 2024 to March 2025. Each month there will be a focus on a different theme / aspects / applications – Teams, Excel, One Note, One Drive, accessibility, etc. To date 274 staff have participated in sessions.</p> <p>The Digital Engagement team have also been holding drop-in sessions across several sites as outlined in the programme, assisting people in various areas who traditionally do not have access to devices to explore digital skills such as accessing email and documents on mobile devices. 16 sessions were held focussing on front line staff in Neighbourhoods and Adults. Requests for further training on applications such as Excel has been requested and course outlines are being developed and planned to be launched on the 12 March. The results of these front-line sessions are being analysed and will be presented to managers for consideration.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
7	Develop & 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 & Employee Services	March 2024	<p><b>This action is complete.</b></p> <p>The corporate learning and development offer for 2023/24 was successfully delivered with a range of new courses added to support corporate priorities e.g. training to support the council to become a Dementia Friendly organisation, mandatory Action Counters Terrorism training, use of social media for investigations and RIPA training.</p> <p>Each year the council has been able to offer a more cost effective and comprehensive programme, building in new council priorities by digitising as much of the corporate offer as possible through the Durham Learning and Development System (DLDS), therefore saving on expensive procurement of face-to-face courses. This approach of digitisation has given more scope to offer more with less, whilst making the courses more accessible to a wider audience.</p> <p>The impact of the corporate learning and development offer continues to be evaluated through different mechanisms. The Employee Working Well survey provided an indication of the positive impact of some of the development which has been delivered, particularly those questions which related to how our managers manage and lead teams.</p> <p>An annual review of corporate learning and development priorities for the workforce and agreement by CMT to a refreshed annual programme for each financial year, taking into account core workforce and leadership/management development priorities for the council is undertaken and a report was presented to CMT on 3 April 2024 for this purpose which included proposals to strengthen the offer for 2024/25.</p> <p>Apprenticeships also continue to be used to upskill the workforce through the council's 'apprenticeship first' approach to qualifications and an apprenticeship update report is presented to RMT every 6 months.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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	<p><b>This action is on schedule.</b></p> <p>A range of dashboards have been developed covering Childrens social care, Adult Social care Education and HR. Deployment to users is expected to begin around the start of the new 2024/25 financial year.</p> <p>A pipeline of further dashboards including revenues is planned to be developed over the summer 2024.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
9	Implement the Council's response to the Community Engagement and Funding processes review.	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	31/03/2024	<p><b>This action is on schedule.</b></p> <p>The work towards implementation of Local Networks is continuing. Workstream meetings are taking place to look at specific areas of work that need to be focussed on. The Governance Workstream has completed an initial desk top review of current Terms of Reference and the identified gaps for associated content and documents required for the new Local Network model. Initial drafting of new Terms of Reference has commenced with advice and support from Legal Services. This is continuing to be taken forward and developed further in conjunction with the Model Workstream.</p> <p>The Funding Workstream has delivered phase one of internal funding process improvements and is on track to deliver phase two. The drafting of new funding criteria and guidance documentation has commenced and will be delivered in conjunction with the Governance and Model Workstreams.</p> <p>The Model Workstream is progressing. Discussions with services currently providing additional funding streams around options for future management and how these can be built into the new Local Network Model. Design and development of the Local Network Four Year Plan, Local Network Area Profiles and Communication and Engagement functions is underway and will progress in conjunction with the Governance and Model workstreams.</p> <p>The work undertaken within the workstreams is being cascaded through to the overall Steering Group that is overseeing the Community Engagement Review.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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><b>This action is on schedule.</b></p> <p>A Value for Money IT tool has been procured to assist with understanding relative spend, performance and unit cost data. This has been embedded in the MTFP and CMT have approved a revised service planning processes for 2024/25 which will see uniform plans produced at Head of Service level across the organisation. This also includes closer alignment to the budget process, focus on VFM and performance.</p> <p>From quarter 1 2023/24 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.</p> <p>The new processes will be revised to include lessons learned before next year's planning cycle.</p>

No.	Actions to be taken	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale	Update
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 & Employee Services	31/03/2024	<p><b>This action is on schedule.</b></p> <p>The action plan of workforce initiatives continues to be developed, implemented and monitored with a view to measuring impact.</p> <p>The priorities in the existing workforce strategy are as set out below:</p> <ol style="list-style-type: none"> <li>1. Planning for the future and refocusing our workforce</li> <li>2. Building leadership capacity and culture change</li> <li>3. Developing our workforce</li> <li>4. Being a good employer</li> </ol> <p>A refresh of the workforce strategy to take the Council through the next three years is close to completion for approval by Cabinet in due course.</p>

## **APPENDIX C: Proposed Governance Improvements required during 2024/25**

As a result of the review of governance arrangements, and the work of both internal and external audit, six improvement actions have been identified to further strengthen governance arrangements in 2024/25. These are shown in the table below.

<b>No.</b>	<b>Action</b>	<b>Links to the Local Code of Corporate Governance (ref)</b>	<b>Lead Officer</b>	<b>Timescale</b>
1	Brought forward from 2022/23  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
2	Brought forward from 2022/23  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)
3	Brought forward from 2022/23  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



No.	Action	Links to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
4	<p>Brought forward from 2022/23</p> <p>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.</p>	<p>Planning interventions: arrangements for planning the interventions for the achievement of intended outcomes (4.33)</p>	<p>Head of Early Help, Inclusion and Vulnerable Children</p>	<p>31/03/2025</p>
5	<p>Through a self-assessment process, review the effectiveness of the Council's governance arrangements in relation to performance, productivity, and value for money to ensure that they reflect best value and the Local Government Association Corporate Peer Challenge requirements. The review will be delivered in conjunction with a separate review of lessons learned from governance failures in other local authorities.</p>	<p>Assurance and effective accountability: continuous assurance about its arrangements for governance and internal control (4.66)</p>	<p>Head of Legal and Democratic Services, Head of Corporate Affairs</p>	<p>31/03/2025</p>
6	<p>Review the organisational approach to information governance, identifying and developing an improvement action plan, based upon the Information Commissioners Accountability framework. This will help ensure organisation is in fit for purpose position for safeguarding information and well placed to exploit Business Intelligence, machine learning and Artificial Intelligence.</p>	<p>Managing data: effective arrangements are in place for the safe collection, storage, use and sharing of data; decision making &amp; processes to safeguard personal data (4.57)</p>	<p>Head of Corporate Affairs</p>	<p>This will be multiyear improvement plan</p>