

Audit Committee

29 November 2024

Annual Governance Statement for the year ended 31 March 2024: Actions Update



Report of Paul Darby, Corporate Director of Resources

Councillor Richard Bell, Deputy Leader and Cabinet member for Finance

Purpose of the Report

- 1 This report provides the Audit Committee with an update on the progress being made in relation to the actions arising from the Council's Annual Governance Statement (AGS) for the year ended 31 March 2024.

Executive summary

- 2 The Accounts and Audit (England) Regulations 2015 require the Council to conduct, at least annually, a review of the effectiveness of the system of internal control and to prepare an AGS.
- 3 The AGS demonstrates how the Council complies with the principles of good governance and must accompany the Statement of Accounts and be approved by the authority.
- 4 The review of effectiveness concluded that six improvement actions, listed in Appendix 2 to this report, should be included in the plan of improvements to further strengthen governance arrangements during 2024/25 and beyond. These actions were presented to the Audit Committee in June [2024](#), as part of the draft AGS.
- 5 Attached at Appendix 2 is an update on the progress being made in relation to the actions arising from the Council's AGS for the year ended 31 March 2024.

Recommendation

- 6 Audit Committee is requested to note the progress that has been made against each of the improvement actions, as set out in Appendix 2.

Background

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

Review of Effectiveness

- 8 The Accounts and Audit (England) Regulations 2015 require the Council to conduct, at least annually, a review of the effectiveness of the system of internal control and to prepare an Annual Governance Statement (AGS). The AGS demonstrates how the Council complies with the principles of good governance and must accompany the Statement of Accounts.
- 9 The Annual Internal Audit Opinion and Report 2023/24 and the draft AGS 2023/24 were presented to Audit Committee in [June 2024](#). The review of effectiveness concluded that six improvement actions were required to further strengthen governance arrangements during 2024/25 and beyond.

Progress Update on Improvement Actions

- 10 All six actions are on schedule. Appendix 2 contains detailed updates on the progress being made in relation to each improvement action.
- 11 Progress will continue to be monitored and a further update will be reported to Audit Committee in May 2025.

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Appendix 1: Implications

Legal Implications

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

Finance

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

Consultation

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

Equality and Diversity / Public Sector Equality Duty

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

Climate Change

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

Human Rights

None

Crime and Disorder

None

Staffing

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

Accommodation

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

Risk

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

Procurement

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

Appendix 2: Annual Governance Statement for the year April 2023 to March 2024 – Actions Update

The tables below contain updates on the progress being made in relation to the actions arising from the Council’s Annual Governance Statement for the year ended 31 March 2024.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Action Owner	Timescale
1	Review the approach to residential and nursing care, taking into account market reshaping required as a result of capacity in the market, the Covid-19 pandemic and changing preferences in terms of care, with the aim of ensuring a sustainable and high-quality care market.	Optimising achievement of intended outcomes (4.34)	Head of Integrated Commissioning	31/03/2025
<p>This action is on schedule.</p> <p>Market shaping commenced early 2024-25 and has progressed well; two of the three workstreams were being finalised during September 2024, and the final one is due to be completed as planned in October / November. All three Market Shaping workstreams are being chaired by AHS Commissioning leads and include representation from older persons care home providers.</p> <p>A report on outcomes of the Market Shaping process will be drafted following completion of the workstreams. Findings will be presented to DCC management teams for consideration. This will inform future planning and strategy for the commissioning of older persons care homes from April 2025.</p>				

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

This action is on schedule.

The Council recognises the impact of a major cyber-attack on its operations as a corporate risk. In response, a review of business continuity plans across service areas has been undertaken as part of an audit recommendation.

Working in collaboration with CCU and taking the opportunity of the already scheduled organisational business continuity plan reviews; Digital Services teams have engaged over 70 service areas on the risks and implications of a cyber incident on their service delivery. This work has received broad support from all service areas. With the completion of the initial engagements, an initial feedback report has been presented to Resources Management Team. The full Digital Services Cyber Recovery Plan is on schedule for completion by December 2024 in line with the audit recommendation.

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

This action is on schedule.

Poverty Action Steering Group strategy and action plan was approved by Cabinet in November 2022, with a review of the action plan and terms of reference taking place in early 2024 with findings being reported to Cabinet. Performance framework has been developed to monitor success of the action plan with a quarterly report produced and reported.

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

Objective 1 – Use intelligence and data to target support to low-income households: Completion of Durham Index of Need (DIoN), purchase of CACI data sets which provide information to a post code level, consultation on review of welfare advice and guidance services being undertaken, DWP permission to support re-use of data for benefit take up and maximisation, including Free School Meals auto-enrolment pilot.

Objective 2 – Reduce the financial pressures on people facing or in poverty: Applying for and being grant UKSPF funding for an additional ‘That Bread and Butter Thing’ van to increase the current network offering from 15 to 20 food hubs, Free School Meals auto-enrolment pilot, take up campaign for Pension Credit, continued provision of Local Council Tax Reduction scheme. Between October 2023 and March 2024, a network of 117 welcome spaces have been created. A new money management and financial inclusion practitioners’ group has been set up with local RPs to discuss the challenges faced by front line advisors and share good practice. An action plan is being developed to drive forward improvements. The ‘Cutting the Cost of the School Day’ (CCSD) programme continues to provide training to educational settings which the aim to gain a deeper insight into the scale and impact of poverty on children and young people, to challenge the stigma associated with living in poverty and support settings to develop practical steps in which to cut the cost of the school day. The council is working in partnership with NEFirst Credit Union to provide interest free loans of up to £500 to qualifying residents. Council staff working with children can refer families who they feel might meet the requirements for the loan. We have developed a webpage on the DCC website to advise families of the support available when buying school uniforms and further engagement activity planned.

Objective 3 – Increase individual, household and community resilience to poverty: Introduction of financial support initiatives to people who are homeless, leaving care or veterans. Ongoing support to ‘Looked After Children’ who are transitioning to independent living. Mental Health awareness training delivered to all front-line staff and volunteers. Cost of Living and debt advice project delivered via partners and financed through the UKSPF fund.

Objective 4 – Reduce barriers to accessing services for those experiencing financial insecurity: mobile phone and data social tariffs, digital inclusion with County Durham together programme, reviewing the language used to remove jargon and obstacles on our publicity, letters, and campaigns. A benefits calculator is now available via the DCC website to support residents to check how much Housing Benefit they could get if they rent their home, how much Council Tax Reduction they could receive if they are the person responsible for paying the Council Tax for the home they live in and to find out if they are entitled to Income Support, Pension Credit or Tax Credits. Good Things Foundation have joined forces with several mobile providers to launch the National Databank which aims to tackle data poverty by providing free mobile data, texts, and calls to people in need. The Digital Durham Team are proactively seeking hyperlocal distributors for the DataSIMs.

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

This action is on schedule.

Our Family Hub vision is: *In County Durham, Family Hubs will provide a system-wide model of providing high-quality, whole-family, joined up family support services from pregnancy, through the child's early years and later childhood, and into early adulthood until they reach the age of 19 (or up to 25 for young people with special educational needs and disabilities).*

County Durham has 15 Family Hubs, each providing services for children, young people, and families with a focus on the Start for Life period and funding is against 4 key services areas; Parenting Support for under 2's; Infant Feeding; Parent and Infant Relationships and Perinatal Mental Health; and Early Language and Home Learning Environment.

We have co-located midwifery services and health visiting services where possible within the Family Hubs. This is increasing the footfall into the Family Hubs and awareness of what the Family Hubs offer. Our data is showing, that 62% of families accessing our universal offer (Baby and Me and Toddler and Me) are from the top 30% deprived neighbourhoods.

We encourage families to register with us, so we can keep them up to date with any new programmes and developments. Our registration figures have increased with Q4(2023/24) having 1995 registrations and Q1 (2034/25) having 2808 registrations across all ages. Q2 (204/2025) increased again with 3518 registrations across all ages.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
	<p>Focussing on 0-6 months at point of registration, in Q4 (2023/24) we had 315 infants registered, in Q1 (2024/25) we had 459 registered. 59% of those registered (all ages) and 56% of those registered 0-6 months are from our top 30% deprived communities. Q2 (2024/2025) had 506 infants registered aged 0-6 months showing another increase.</p> <p>In areas of need that are not located within easy access of a Family Hub, we are utilising community buildings to develop an outreach approach, using the space to deliver Play Together sessions for parents, carers, and their preschool aged children. The Growing Healthy Team, from Harrogate District Foundation Trust are offering monthly Growing Healthy drops ins alongside this session in order to increase support for families.</p> <p>The Family Hubs are being used by services such as Occupational Therapy and Speech and Language Service to offer appointments and parenting interventions to families aiming to reduce the need for families to travel by bringing service closer to them. It is hoped that this will reduce the number of missed appointments, leading to better outcomes for children and young people.</p> <p>Voluntary and Community Sector groups such as Daisy Chain and the North East Autism Society are delivering sessions within the Family Hubs under contracts they have with the NHS. This makes the sessions and support more accessible to families but also gives them opportunities to find out about other services that can support their families, either pre or post diagnosis.</p> <p>Our Parent Carer Panel (PCP) is made up of 20 parents from across the County with a range of background and family stories. The PCP bring parents and professionals together to coproduce support services to meet the needs of local families and ensure our Family Hubs are warm, welcoming and non-stigmatising places for families to attend. They have been involved in influencing the design of published literature, website and social media content. They influenced how groups, clinics and drop-in sessions are conducted as well as participating in stakeholder workshops and recruitment panels.</p> <p>We are on track to deliver all the minimum expectations by March 2025.</p>			

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
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.	Assurance and effective accountability: continuous assurance about its arrangements for governance and internal control (4.66)	Head of Legal and Democratic Services, Head of Corporate Affairs	31/03/2025

Work in relation to the self-assessment and consequent action plan has been combined with preparation work in relation to the Corporate Peer Challenge in 2025 to avoid duplication.

Key business leads have been engaged in the self-evaluation with individual assessments made of how fully the standards are met or need further work. This has also been validated with Resources Extended Management Team and the corporate Extended Management Team. Currently the draft plan is being considered by Directorate leadership teams also. Initial indications are that about 66% of the standards are fully met with about 31% partially met, only 3% need significant focus. Feedback from leadership groups will inform actions required to strengthen arrangements over the course of the next 12 months. A similar session is to be arranged with Strategic Managers before the end of the year.

The Chief Internal Auditor now attends Statutory Officer meetings with the Chief Executive, Monitoring Officer and s.151 Officer on a quarterly basis.

EMT have received training in relation to the Officer Scheme of Delegations and the requirements for delegated decisions. This has also been offered to individual service management teams.

The Member Development Programme is being updated to ensure that governance issues are appropriately addressed. The Members Handbook is also being updated to include more detailed explanations as to how decision making works within the Council and roles and responsibilities of Members depending on any positions that they hold. The Handbook will also include information regarding frequently raised issues (e.g. highways maintenance/speed limits), which can be contentious. Members have been invited to provide feedback on the Development Programme and will be given a further opportunity in relation to the Handbook.

Council has approved a Policy for Members on the Use of Council Resources, which will be included in the Handbook. The Code of Practice on Good Governance for Statutory Officers has been circulated to all Members, CMT, EMT and will be included in the Handbook.

The Zero Tolerance to Abuse Policy was approved by Standards Committee and recommended to Council for adoption on 25 September 2024.

The Employee Code of Values and Behaviours is being updated to explicitly refer to the Nolan Principles and the Protocol on Member Officer Relations is also to be reviewed.

Audit Committee received a presentation on 30 September 2024 providing an overview of the Council's Company Governance Arrangements, which are being reviewed against the Local Partnerships Local Authority Company Review Guidance.

No.	Actions to be taken	Link to the Local Code of Corporate Governance (ref)	Lead Officer	Timescale
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, and future machine learning and Artificial Intelligence.	Managing data: effective arrangements are in place for the safe collection, storage, use and sharing of data; decision making & processes to safeguard personal data (4.57)	Head of Corporate Affairs	Multi Year Improvement Plan

This action is designated as a multi-year improvement plan with action being updated in 6 monthly intervals.

- Data and Insight Group (DIG) established in March 2024 as interim governance group, pending establishment of permanent and strengthened IG Board.
- Project manager appointed to Information Governance (IG) project in January 2024, developing an 18-month improvement plan based on January 2024 baseline ICO Accountability Framework self-assessment.
- IG governance arrangements set out in IG Framework which has been agreed at CMT. All service groupings are represented through membership on IG Board, with directors nominating a senior representative from their areas. First bi-monthly IG Board meeting was held on 10th October 2024.
- Development of IG Dashboard for performance reporting to IG Board. Dashboard approved for use in August 2024, and gives clearer insight into performance against ICO targets, and areas of improvement.
- Information Asset Register (IAR) and Record of Processing Activities (RoPA) app under development, to track information assets, how they are used, and any risks associated with them. App to go live by end of November 2024.

- Recording of information assets from first tranche of 17 systems underway, and due to be completed and added to IAR app by end of November 2024. This has been slightly delayed by the emergence of other priorities. Recording of information assets from second tranche of 22 systems to follow.
- Three business process reviews completed, into data breach, subject access request handling processes, and Freedom of Information requests with associated action plans prepared.
- Changes to teams and roles to increase resource capacity through MTFP growth investment. Full time DPO and new IG Team Manager now in post, with 4 new IG officers starting throughout August and September 2024, plus a further officer yet to be appointed. Capacity will help to deliver improvement plan, and actions that have been identified through business process reviews.