



Doncaster Council

Report

1 February 2018

To the Chair and Members of the AUDIT COMMITTEE

2016-17 Annual Governance Statement – Progress Update

EXECUTIVE SUMMARY

1. The Council's Annual Governance Statement (AGS) is an annual report which provides a review of governance arrangements for the authority. The 2016-17 Annual Governance Statement was presented to the Audit Committee in July 2017. It identified issues and outlined actions that needed to be dealt with.
2. As in previous years Audit Committee members requested a brief update be provided at a future meeting to outline what progress has been made against the issues identified in the current Annual Governance Statement.
3. Attached to this briefing note is an update on progress made against the improvement issues identified in the 2016-17 Annual Governance Statement (Shown in Appendix A).

EXEMPT REPORT

4. N/A

RECOMMENDATIONS

5. Audit Committee are asked to note and comment on the content of this briefing paper and Appendix A

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. By ensuring that there is good governance and a sound system of internal controls in place the Council will be able to provide the citizens of Doncaster with services that are provided in accordance with the law and proper standards. It will also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

BACKGROUND

7. An annual review of governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS) are statutory requirements by virtue of the Accounts and Audit Regulations (England) 2015.

The Annual Governance Statement must demonstrably be a corporate document, corporately owned. The Council's governance arrangements in place during 2016-17 have been reviewed in line with the revised guidance and an Annual Governance Statement has been approved.

8. To ensure that there is good governance and sound system of internal controls in place, an update on the current Annual Governance Statement has been provided to assess current progress.

OPTIONS CONSIDERED

9. Alternative options to the successful approach implemented would require potentially significant re-design in terms of both procedures to be followed and staff involvement.

REASONS FOR RECOMMENDED OPTION

10. The streamlined approach that has been adopted by directorates has worked well for the last few years and continues to meet the requirements of the new guidance.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

11.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning 	

	<p>experiences within and beyond school</p> <ul style="list-style-type: none"> • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place</p>

RISKS AND ASSUMPTIONS

12. The production of an Annual Governance Statement is a statutory requirement. The key risk is that failure to produce a statement to meet this requirement would result in an adverse audit report by the Council's external auditor and damage the Council's reputation. The original risk profile is 16 but by producing the Annual Governance Statement and addressing key corporate issues the risk profile is reduced to 8

LEGAL IMPLICATIONS

13. The production and publication of an Annual Governance Statement is a statutory requirement.

FINANCIAL IMPLICATIONS

14. There are no direct financial implications resulting from this report

HUMAN RESOURCES IMPLICATIONS

15. There are no direct human resources implications resulting from this report

TECHNOLOGY IMPLICATIONS

16. There are no direct Technology implications resulting from this report

HEALTH IMPLICATIONS

17. There are no direct Health implications resulting from this report

EQUALITY IMPLICATIONS

18. The council has a legal obligation under the Public Sector Equality Duty to consider how different people will be affected by their activity and service. Equalities and Due Regard issues will be considered as part of the individual policies and procedures that are contained within the Annual Governance Statement and as a result a Due Regard statement has not been completed for this process

CONSULTATION

19. N/A

BACKGROUND PAPERS

CIPFA guidance –Delivering Good Governance in local Government Framework - 2016 Edition
Corporate Governance Framework

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2016-17 Annual Governance Statement - Progress Update

SECTION 1: Significant Governance Issues Identified in 2016/17

1. Adult, Health and Wellbeing - Contract and Commissioning Arrangements	Action Date	Responsible Manager
<p>There has been a large number and value of ongoing contract breaches and waivers occurring within the Adults, Health and Wellbeing Directorate. Some of this is linked to the strategic and transformation plans for the future provision and commissioning of services. However, some other elements have been in breach for lengthy periods of time and now need to be progressed more quickly.</p> <p>ACTION: A four year commissioning and procurement action plan has been developed by the Adult Commissioning Team, with involvement of the Strategic Procurement Team, which sets out a structured programme of contract reviews. The outcome of these individual contract reviews will inform decision making on which contracts will be re-let, realigned or decommissioned. The action plan set out (for each contract) the timescales for this work to be undertaken and concluded. Training on the Council's Contract Procedure Rules and Democratic Processes has been provided to managers within the service and capacity for commissioning is being reviewed. This will lead to better services being offered to users in the future</p>	<p>4 YEAR PLAN IN PLACE WHICH IS SUBJECT TO REGULAR REVIEW</p>	<p>Director of Adults, Health & Wellbeing</p>
Improvement Action Progress update		
<p>Whilst further actions have been taken to increase capacity in the team, additional capacity is still required and efforts continue in this area. Nonetheless significant commissioning activity continues to be undertaken including the tender of the Learning disability Supported Living Service for which both provider engagement and service user engagement has been undertaken and continues Other significant procurement / commissioning activity includes a range of housing related support services.</p>		
2. DOLS (Deprivation of Liberty Safeguards) – Best Interest Assessments	Action Date	Responsible Manager
<p>Internal Audit identified anomalies in relation to payments made for Best Interest assessments, which had arisen due to poor financial and administrative processes.</p> <p>ACTION: The DOLS (Deprivation of Liberty Safeguards) Team is working with Internal Audit Services and the Digital Council Team to implement a new system for recording, monitoring and paying for assessments undertaken. This will include the development of full new processes and performance management information to ensure that the situation is monitored and reported on going forwards. A backlog of Best Interest Assessments that has developed will be cleared by an external party and monitored internally. A full review of any Best Interest Assessments that need to be re-done as a result of the delays in the process is already underway. Assessments will be re-done where issues are identified to ensure a full assessment is place as and where required.</p>	<p>31 DECEMBER 2017</p>	<p>Director of Adults, Health & Wellbeing</p>
Improvement Action Progress update		
<p>The assessment and outcomes part of the DoLS process is now recorded on Carefirst, however the financial/payment element of the DoLS process is still recorded on a</p>		

spreadsheet. We are waiting for Phase 2 to begin which would allow Independent Assessors to input directly on to Carefirst therefore saving time and work in the Business Support Team having to input the information.

Amended processes ensure that Best Interest Assessors (BIA) and Mental Health Assessors (MHA) work is received in a timely manner and payment is not made until the goods are received. An external organisation were contracted to undertake assessments to assist in clearing the backlog. The backlog in terms of granted cases signoff have reduced and is on a downward trajectory. The numbers of referrals awaiting allocation remains broadly consistent with numbers originally reported and further measures are being considered to further improve the situation.

There is currently an audit review taking place in this area which is highlighting some serious concerns over poor data quality, reliance on manual systems and performance management arrangements.

SECTION 2: Improvement Areas identified during 2015-16 that remain an issue in 2016-17

3. Direct Payment	Action Date	Responsible Manager
<p>In 2015/16 there was a high level of overpayments that had been made in paying personal budgets for adult social care. Issues identified included:-</p> <ul style="list-style-type: none"> •High numbers and values of overpayments not being monitored or managed •Weaknesses in the systems to pay, monitor and recover overpayments •Lack of joined up working between the various parties involved in this area. <p>Responsibility for the payments and checking of these monies was transferred to Finance and Corporate Services and since then administration processes have been streamlined and payments made in more efficient ways. All service users accounts have now had an annual audit. Overpayments amounting to £965k have been recovered in the last year out of £1.5m of overpayments identified and billed. Further work is ongoing to recover residual amounts outstanding and ensure all accounts are maintained accurately and effectively. Systems and processes have been improved to make the payments quicker and easier to access and be more efficiently administered.</p>	31 MARCH 2018	Director of Adults, Health & Wellbeing
Improvement Action Progress update		
<p>Improved arrangements set out above have proven effective; the amount of debt relating to Direct Payment overpayment being raised over 12 months has reduced from £1.35m to £998k. The amount of debt cleared over 12 months has increased from £790k to £881k. There is now more effective joined up working between all parties and the backlog of annual financial monitoring reviews has been cleared and reviews are now being conducted on a risk basis.</p> <p>Financial monitoring reviews are now being conducted on a risk basis meaning that issues with the management of Direct Payments are being identified earlier and therefore less debt is being accrued. Direct Payment Card accounts are now the preferred method of making a direct payment resulting in reductions in Financial Monitoring administration. Excess balances are being reclaimed from Pre-Payment Card Accounts before debt accrues. Financial Administrative business processes have been streamlined.</p>		

Whilst arrangements are considerably improved regarding the overpayments issue, there is an ongoing Internal Audit review highlighting serious concerns around inaccurate data held in CareFirst, inconsistent practices and procedures and a historic lack of management

4. Safeguarding Adults Personal Assets Team (SAPAT)	Action Date	Responsible Manager
<p>There was a number of governance risks associated with SAPAT highlighted in the 2015-16 statement. These included:</p> <ul style="list-style-type: none"> • a lack of robust policies and procedures; • a lack of clear performance and monitoring data; • lack of appropriate recording systems and poor data quality; • multiple paper based systems; • inadequate storage and retrieval of documents and property; <p>Strong progress has been made during the year, with clear procedures now in place for assessing clients' eligibility for support by SAPAT. Performance monitoring continues to allow SAPAT to better understand its client base, work more efficiently and continually improve data quality. An exercise to digitalise historic paper records is complete, allowing multiple workers to view the same information simultaneously. Changes to procedures have significantly reduced the amount of clients property held by the authority. Financial processes continue to be strengthened with guidance from Internal Audit and reconciliations of clients' accounts are undertaken at agreed points.</p>	<p>31 DECEMBER 2017</p>	<p>Director of Adults, Health & Wellbeing</p>
Improvement Action Progress update		
<p>Strong progress / completion has been made in all the above areas Remaining actions involve completion of all procedures, developing banking and transactional documentation and developing improved document storage arrangements</p>		

5. Learning Disability/Supported Living Reviews	Action Date	Responsible Manager
<p>An improvement area was identified relating to annual reviews within the Learning Disability Team. There was a risk that some of these reviews may relate to individuals who have not had a financial assessment, are not contributing towards their care and support and have not been considered for Continuing Health Care (CHC) funding. All of the 267 people identified in supported living had a review of their care and support needs, and where appropriate and required, are now being supported to contribute their disposable income towards their care.</p> <p>Annual reviews are now scheduled in and allocated in a timely manner to ensure reviews do not become overdue. Financial assessments are now fully embedded within the assessment process. Continuing healthcare (CHC) is now fully embed and considered during the assessment process and where someone is identified as eligible for an NHS assessment this is progressed by</p>	<p>31 MARCH 2018</p>	<p>Director of Adults, Health & Wellbeing</p>

<p>referral to the CCG. Reviews are becoming part of business as usual. There are still opportunities within this setting to take forward the personalisation agenda by decommissioning block contracts and commissioning care which more closely meets people's personal needs and ambitions. This is a key part of the transformation programme and will be delivered through a joint commissioning strategy, and action plan to ensure individuals in supported living have access to a personal budget.</p>		
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Improvement Action Progress update		
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<p>A Project Team which was initially tasked with undertaking wide-scale reviews across the service has had to be re-tasked in order to manage a forthcoming project. This work is ongoing jointly with CCG colleagues and aims to review, reassess and re-provide services to the individual's concerned and their families. The effect of this project has been that planned wide-scale reviewing activity has not progressed as initially intended thus leaving a significant deficit in relation to reviews completed. Given the volume of reviews yet to be undertaken, there is a risk that this work will not be fully completed as previously anticipated.</p>		
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<p>The Supported living contract is in the process of being re-tendered with the expectation that the new provider will be in a position to take-up the new contract by September 2018. Work is being undertaken in relation to the service specification which will include enablement support for people living in supported living to promote personal independence and reduce reliance on formal services in the future.</p>		
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<p>Prior to the implementation of the new supported living contract a contractor will be appointed with a view to undertaking holistic reviews of all residents in supported living in the first half of 2018 with a view to ensuring that support is tailored to the individual, that support promotes and maximises people's independence, to ensure best value for Doncaster Council and identify financial efficiencies. It is also intended that people living in residential or nursing care funded exclusively by Doncaster Council or jointly with Doncaster CCG will also be reviewed with a view to ensuring personalised outcomes and best value. Where identified, people will be supported to leave residential care and move to more independent accommodation within the borough.</p>		
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<p>Recruitment has now taken place to the Team Manager post and a number of the other vacancies in the team. The Audit Team has also been asked by the Service to look at the work flow of the Learning Disability Team to ensure that this is effective</p>		
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6. Doncaster Children's Services Trust Overspend	Action Date	Responsible Manager
<p>The Council has significant concerns regarding the pressures and financial sustainability of the Doncaster Children's Services Trust. £3.5m additional one-off funding has been provided to the Trust in 2016/17 to fund key pressures including the cost of children placed in care within residential, special guardianship placements and independent fostering agencies. The Council is receiving regular financial updates; the Trust will provide the latest care and modelling assumptions for 2017/18, which will then be discussed with key Council managers. Further discussions are taking place on various innovation and improvement business cases which are expected to deliver savings in the future. This will be incorporated into the sustainable medium-term financial plan for the Trust, which will also include delivering £2m savings in 2018/19 to 2020/21. The actions aim to provide the Trust with the necessary resources to meet the needs of individuals and deliver value for money services. Overview and Scrutiny Management</p>	<p>31 MARCH 2018</p>	<p>Director of Finance & Corporate Services</p>

Committee reviewed their plans in February and will be looking in-depth at the progress against them in July 2017.		
Improvement Action Progress update		
The projected overspend at Q2 was £1.6m. Officers from the council are working with officers from the Childrens Trust to assist with the understanding how demands for increased number of children in care can be managed effectively. A further meeting has been scheduled for OSMC on the 8 th February 2018.		

7. Data Quality Arrangements	Action Date	Responsible Manager
Internal Audit and the Strategy and Performance Unit highlighted an opportunity to improve the reliability of information to support performance management. A revised Data quality strategy (2016-2018) was agreed by Cabinet and the action plan is being monitored by the Business Intelligence Board. A Data Quality Working group is currently active to ensure actions are delivered including introducing Data Quality Standards and self assessments for statutory returns.	31 MARCH 2018	Director of Finance & Corporate Services
The working group continues to meet regularly to drive forward the activity in the 2017/18 plan. Annual self-assessments across the council for statutory returns are on track to be completed during Quarter 3 and policy management and sign off and e-learning training completion continues to be monitored quarterly. Other areas of focus for this progress update have been to continue the activity need to ensure we can respond effectively to the GDPR by May 2018 and the first levels of data quality standards have been agreed.		
Mitigating Actions: To further strengthen the data quality standards across our key systems and integrate plans with the DIPs project. In addition, in order to drive forward and embed the improvements in data quality a proposal has been drafted for the creation of a Data Quality Team which aims to focus on the systems authoritative to the Council and using a systems approach to improve data quality. The proposal describes a 'task and finish' project approach which will include, culture and organisational development and clearly defined expected outcomes with particular emphasis on the roles of Heads of Service as Information Asset Owners.		

8. Income management	Action Date	Responsible Manager
Internal Audit identified weaknesses regarding compliance with the Council's procedures and for monitoring and collecting debt. An Income Management project plan has been produced and is now working through opportunities to maximise income, ensuring income due to the Council is identified, charged for and collected in a cost efficient and timely manner. The Income Management	30 OCTOBER 2017	Director of Finance & Corporate Services

<p>project has delivered savings in several areas of the council. There is still, however, improvements to be made in performance monitoring information and reporting, this continues to be developed but these processes have yet to be fully embedded.</p>		
<p>Improvement Action Progress update</p>		
<p>The policies and procedures for monitoring and collecting debt have been reviewed and improvements have been implemented including,</p> <ul style="list-style-type: none"> • Improved reporting • Proactive debt chasing • Regular liaison with legal department and enforcement agency • Improvements to reconciliations e.g. debt write offs <p>There have been targeted interventions working with specific service areas e.g. Adults Direct Payments, Markets, Trade Waste, etc.</p> <p>The Income Management project has</p> <ul style="list-style-type: none"> • Identified and coordinated the invoicing of £296k unbilled income • Contributed towards the recovery/re-profile of £0.6m of doubtful debt • Re-aligned Income budgets by £280k to improve budget income monitoring controls • Implemented new business processes to become more time efficient e.g. planning application cheque processing. <p>Further work is planned to continue to provide guidance and training to staff to ensure compliance with the Council's procedures for Income Management.</p>		