



Doncaster Council

Report

Date: 27th January 2021

To the Chair and Members of the **AUDIT COMMITTEE**

2019-20 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 final 2019-20 Annual Governance Statement was presented to the Audit Committee in October 2020. It identified issues and outlined actions that needed to be dealt with.
2. As in previous years Audit Committee members are provided with a brief update that outlines what progress has been made against the issues identified in the current Annual Governance Statement.
3. Attached to this report is an update on progress made against the improvement issues identified in the 2019-20 Annual Governance Statement (Shown in Appendix A). Since the publication of the final Annual Governance Statement in October 2020, there has been a slight change to the completion date for the issue Doncaster Integrated People Solution (DIP's), which has moved from March 2021 to July 2021 and Governance Functions, which has moved from March 2021 to June 2021, these changes have been reflected within the attached progress report.

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. The Council is required to prepare, approve and publish an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations and

professional accounting practice. The Council's governance arrangements in place during 2019-20 have been reviewed in line with the guidance and an Annual Governance Statement has been produced.

8. The 2018-19 AGS contained 10 significant issues and due to the continued commitment to embed good governance we effectively managed 6 significant issues and removed them from the AGS. As part of the 2019-20 process we identified 3 new areas of significant risk. This gives us a total of 7 key areas of focus on our current AGS, a reduction of 3 compared with the 2018-19 AGS.
9. The Annual Governance Statement document is a valuable means of communication. It enables the Council to explain its governance arrangements and how the controls it has in place manages risks of failure in delivering its outcomes. The COVID-19 situation is clearly a significant challenge, however our governance arrangements appear to have held strong during this period.

OPTIONS CONSIDERED

10. 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

11. 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

12.

	Outcomes	Implications
	<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

13. 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 [Officer Initials NC Date 15/01/21]

14. Regulation 6 of the Accounts and Audit Regulations (England) 2015 requires Local authorities to produce and publish an Annual Governance Statement. The individual elements of the Annual Governance Statement have been the subject of legal advice where required.

FINANCIAL IMPLICATIONS [Officer Initials MS Date 15/01/21]

15. There are no direct financial implications resulting from this report. The individual elements in the Annual Governance Statement will be subject to specific reporting as required.

HUMAN RESOURCES IMPLICATIONS [Officer Initials KM Date 15/01/21]

16. There are no specific human resources implications resulting from this report. The organisational workforce requirements are addressed through work with directorates in relation to the workforce strategy.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 14/01/21]

17. There are no specific technology implications arising from this report. As outlined in the progress update, the implementation of the Doncaster Integrated People Solution (DIPS) is progressing well after delays due to the Covid situation. Adult Social Care is due to go live 1st March 21 and Children Social Care in July 21 and the current legacy systems used will be decommissioned.

HEALTH IMPLICATIONS [Officer Initials RS Date 14/01/2021]

18. Whilst there are no immediate health implications from the Annual Governance Statement effective governance of civil institutions is a key prerequisite for Health and Wellbeing. Decision makers should consider the extent to which the Annual Governance Statement provides this assurance.

EQUALITY IMPLICATIONS [Officer Initials SWr Date 14/01/21]

19. In line with the corporate approach for compliance against the equality act 2011 due regard must be shown across all activity within the council. As the Annual Governance Statement draws together a diverse range of activities at a strategic level a due regard statement is not required. All the individual components that make-up the Annual Governance Statement will require a due regard statement to be completed and reported as and when appropriate.

CONSULTATION

20. N/A

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

21. N/A

BACKGROUND PAPERS

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

Corporate Governance Framework – reviewed and approved October 2020
2019-20 Annual Governance Statement

REPORT AUTHOR & CONTRIBUTORS

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SECTION 1: Significant Governance Issues arising from the 2019-20 review

1. ASSURANCE OVER FINANCIAL RESILIENCE AND SERVICE SUSTAINABILITY IN RESPONSE TO COVID 19	Completion Date	Responsible Officer(s)
<p>Whilst the Council’s governance arrangements currently appear to have held strong during the COVID-19 response period, our financial position is exposed and dependent upon central government fully reimbursing it for the cost.</p> <p>ACTIONS:</p> <p>Short horizon We are monitoring COVID related cost pressures separately from routine council business. This approach will provide will provide a degree of separation and additional attention being applied to these unique circumstances. Operational managers have been provided with instructions on the reporting arrangements and budgetary control. Quarter 1 finance and performance report approves the transfer of additional resources to operational managers to manage these in year pressures. We are currently reporting a balanced budget in 2020/21.</p> <p>Medium Term Horizon Monthly MHCLG returns are being completed and this providing the evidence base for additional resources to be provided. The long term financial implications arising from business failure and increased numbers of redundancies is of concern. We are using nationally available data to model these scenarios and feed into our Medium Term Financial Plan refresh in September 2020. Additional savings are anticipated to achieve a balanced budget over the next 3 years and operational manager are currently engaged in developing strategies and formulating plans in readiness for Budget Council in March 21.</p>	<p>March 2021</p>	<p>Debbie Hogg - Director of Corporate Resources</p>
<p>Progress update</p>		
<p>We continue to monitor COVID related cost pressures and income losses alongside our normal monthly monitoring processes. We are using the Collaborative Planning (CP) module of our ERP system to ensure the information gathered is consistent and complete. Service managers are engaged in this process and understand the importance of the information. Additional monitoring information is being provided in the quarterly Finance & Performance monitoring reports – included allocations received and expenditure to date. The information from CP is also used to complete returns to MHCLG on a monthly basis and claims for sales, fees and charges losses. The quarter 1 Finance and Performance monitoring report approved budget transfers that ensured services had sufficient budget to meet cost pressures and to reduce income targets. The quarter 2 report approved further transfers and more changes are likely to be approved in the quarter 3 report. We continue to report a balanced budget in 2020/21 due to careful management of budgets and the £28.7m of emergency COVID-19 grants received.</p> <p>The Medium Term Financial Strategy (MTFS) was refreshed and reported to Cabinet in September 2020. That report outlined assumptions around changes in funding, cost pressures and inflation across 2021/22-2023/24. It also identified a budget gap. Since then, we have received the November Spending Review and the provisional local government finance settlement in December. We are reviewing the assumptions and updating the budget proposals in preparation for the Cabinet meeting on the 16th</p>		

February, 2021 and Budget Council on 1st March, 2021. COVID-19 continues to have an impact throughout in the assumptions, as it has created cost pressures across services and has impacted on reduced forecasts for council tax and business rates into the medium-term, but £9.8m of further emergency COVID-19 grants will be received

2. GOVERNANCE FUNCTIONS	Completion Date	Responsible Officer(s)
<p>An improvement area has been identified around knowledge and understanding of various key governance policies and procedures that are in place to help support senior managers with their roles and responsibilities E.g. Financial Procedures Rules and Corporate Procurement Strategy.</p> <p>ACTIONS: A series of training sessions will be developed and rolled out for all senior staff (down to Head of service) to attend / complete via e-learning to improve awareness of key governance policies, procedures and arrangements that are in place to support senior managers</p>	June 2021	Scott Fawcus - Assistant Director Legal & Democratic Services
Progress update		
The series of training sessions that were planned to be developed and rolled out for all senior staff has been delayed, this has been timetabled before end of June 2021.		

3. DATA QUALITY ARRANGEMENTS WITHIN THE ASSISTIVE TECHNOLOGY SERVICE	Completion Date	Responsible Officer(s)
<ul style="list-style-type: none"> Continue to maintain daily assurance arrangements to ensure that each call has been dealt with and responded correctly, according to established procedures. New charging protocols rollout, planned to commence in April 20 Data cleansing exercise to be completed as part of the rollout of the new charging protocols Managing new contract arrangements to be issued to new service users from April 20 Ensure vulnerable service users are taking correct decisions relating to their new contract arrangements from April 20 <p>ACTIONS:</p> <ul style="list-style-type: none"> Maintain current daily assurance arrangements during implementation and post implementation phase of ARC/ HEART review Introduce phased approach to implementation from April 20 to November 20, including a data cleansing exercise and issuing new contracts with a dedicated resource team. Ensure the cohort of vulnerable service users are identified and a strengths based conversation takes place to ensure their best interests are maintained prior to variation or cancellation of the service. 	November 2020	Carolyn Nice - Assistant Director Adult Social Care
Progress update		

- Assurance arrangements are considered business as usual so completed daily.
- 97% complete in issuing new contracts, data cleansing is ongoing to maintain accurate records
- Appropriate measures in are place to ensure customer safety when querying the service options and potentially cancelling the service.

SECTION 2: An update on key improvement areas that were previously identified and remain an issue in 2019-20

4. ADULT SOCIAL CARE MARKET SUSTAINABILITY	Completion Date	Responsible Officer(s)
<p>The potential impacts of this fragile market includes:</p> <ul style="list-style-type: none"> • Provider failure and associated disruption of care for people of Doncaster • Lack of investment from providers to develop services and innovate together with potential contraction of existing offer • Restricted choice of services and the providers of services for people of Doncaster. <p>ACTIONS:</p> <ul style="list-style-type: none"> • Continue to support the market to make informed commercial and service planning decisions in order to stimulate a sustainable, diverse social care market to meet the current and future needs of the people of Doncaster. • Develop and maintain an ongoing awareness of local business environment for providers, providers business models and other intelligence to inform commissioning actions • Ongoing engagement with providers through partnership arrangements, contract management and contract monitoring activity to maintain oversight of the social care market in Doncaster 	<p>March 2021</p>	<p>Phil Holmes – Director of Adults, Health & Wellbeing</p>
Progress update		
<ul style="list-style-type: none"> • Market sustainability has been primarily supported through the provision of advice, guidance and a range of financial support throughout the COVID response actions to mitigate the impact of the pandemic on services and citizens accessing services since March 2020, informed by guidance issued by ADASS/LGA in March 2020. This has included funding specifically targeted at the Adult Social Care market to cover voids costs, Infection Control Fund monies, access to PPE, together with recompensing appropriate extraordinary costs incurred by providers under the Council’s Supplier Relief Scheme. In addition the Council’s business support grant has provided support for organisations and businesses that did not fall within the remit of such targeted funding. • In September 2020 the Contracts and Commissioning Service was realigned into two distinct but linked functions – Operational Commissioning (with responsibility for Procurement, Contract Management and Quality monitoring) sited within Adult Social Care and Strategic Commissioning (with responsibility for Populations and systems commissioning) sited within Public Health. The Strategic Commissioning function will develop further to include Children’s and Health commissioning. This will implement Doncaster’s ambition to deliver all age integrated commissioning in line with the aims and objectives of Doncaster’s Joint Commissioning Strategy. 		

- COVID has impacted on the speed of progress of a number of ‘business and usual’ actions, however work has continued to develop a Market Position Statement (MPS) which will support the market to make informed commercial and service planning decisions to stimulate a sustainable, diverse social care market to meet the current and future needs of the people of Doncaster. The MPS is on track to be published in April 2021.
- An Integrated Locality Commissioning Group has been convened to deliver a locality approach to commissioning of services anchored to the recently established Locality Management groups to deliver outcomes led and informed by engagement with local communities.
- Operational Commissioning continue to develop and maintain ongoing awareness of local business environment for providers (crucial during COVID), providers business models and other intelligence to inform commissioning actions. Engagement with providers through partnership arrangements, contract management and contract monitoring activity to maintain oversight of the social care market in Doncaster has continued where appropriate throughout the pandemic although this has been hindered by the demands of responding to COVID.

5. ORGANISATIONAL WORKFORCE	Completion Date	Responsible Officer(s)
<p>Within this context the council needs to ensure it has the right people, with the right skills, working in the right way, within effective roles, programmes and flexible structures. This brings a series of core behaviours and key competencies that are needed to address both capacity and capability issues within the organisation to successfully drive through performance.</p> <p>As an organisation we need to systematically identify and address critical skills gaps now and for the future; develop and deploy resources to ensure services can be delivered to a high standard and are value for money. There are already a number of current and emerging recruitment difficulties and skill shortages for certain occupational groups, in particular IT, adult social workers and occupational therapists, which need to be addressed.</p> <p>ACTIONS: To be monitored and addressed through priority actions included in this year’s workforce strategy 2020/21, specifically:</p> <ul style="list-style-type: none"> · Development and implementation of a Recruitment and Resourcing Policy, focusing on effective ways of recruiting people with the right attitude and behaviours and a more flexible model for the types of skill needed · Attracting and engaging a talented workforce including apprenticeship and graduate talent · Ensuring leadership development and learning programmes meet current needs including increased horizon scanning of future skills requirements 	<p>March 2021</p>	<p>Jill Parker – Assistant Director - HR, Communications & Executive Office</p>
Progress update		
<ul style="list-style-type: none"> • Flexible and different approaches to recruitment have been utilised, including agency and temporary staff to support skills gaps and build additional capacity in the workforce and deliver organisational objectives. This is on-going and will continue into 2021 as part of the overall Recruitment and Resourcing Policy development. 		

- This year's cohort of graduates have been recruited through the National Graduate Development Programme and recruitment to the apprenticeship programme are ongoing covering various roles across the organisation, which continue to bring in fresh ideas and energises the workforce.
- Annual PDR's have been undertaken which identify training requirements and appropriate leadership development and learning programmes are in place.

6. DATA QUALITY ARRANGEMENTS	Completion Date	Responsible Officer(s)
<p>An improvement area has been identified around the quality of historic data, as well as resilience of current plans to embed a good data quality culture. It is important to ensure that historic data being migrated between information systems is of good quality. Proposals were approved to make resources available to address these areas.</p> <p>ACTIONS: Following the successful introduction of a new approach to data quality, and major steps taken to remedy errors existing within legacy datasets, the data quality project will be mainstreamed into the wider service improvement work areas. The products introduced by the project, including data quality e-learning and self-assessment toolkits, will drive further data quality improvements across the organisation in order for the work to be sustainable in the medium and long term.</p>	Ongoing	Lee Tillman – Assistant Director of Strategy & Performance
Progress update		
<p>The data quality project was mainstreamed into normal service. Data quality standards have been applied to new system implementations in adult social care, helping to support wider practice standards in this area. The work conducted into amending historic issues has significantly reduced the risk of future problems, and new practice standards should sustain this improvement.</p> <p>The rollout of the e-learning has been impacted by COVID-19 resource issues, but is scheduled to be completed within quarter 4 2020-21.</p>		

7. DONCASTER INTEGRATED PEOPLE SOLUTION (DIPS)	Completion Date	Responsible Officer(s)
<p>The full implementation of an integrated technology solution for Adult and Children Social Care case management, Early Help, Financial Management, Education Management, integration between key systems and joining up with health and partners is progressing. Due to its importance and how it will change these services and ways of working, it is remaining as a key issue to monitor.</p> <p>ACTIONS:</p> <ul style="list-style-type: none"> • Review and redesign of all business processes. • Implement new Children's Social Care Management solution for use by the Council, Doncaster Children's Services Trust and other key partners. • Implement new Adult Social Care Management solution to be used by the Council and key partners. 	July 2021	Julie Grant – Assistant Director of Customers, Digital & ICT

<ul style="list-style-type: none"> • Implement new Education Management Solution to be used by the Council and key partners. • Implement new associated financial solutions. • Implement all key integrations with other key systems including joining up with health, financials etc. • Implement Citizen, Professional & Provider Portals • Migration of all required data from many solutions. • Train all users of these solutions across partners and providers. • Decommission all the legacy solutions. 		
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Progress update

The programme is progressing well after delays due to the Covid situation and it is hoped further delays are not required. Most of Education Management is now successfully implemented and being used daily across partners and providers to deliver services. Adult Social Care, Financials & Portals are due to go live 1st March 2021. Children Social Care & Financials are planned to go live in July 2021.