



# Doncaster Council

## Report

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**Date: 29<sup>th</sup> July 2021**

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

### **2020-21 DRAFT 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 2020-21 DRAFT Annual Governance Statement was presented to the Audit Committee on 29<sup>th</sup> April 2021. 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 within the current DRAFT AGS.
3. Attached to this report is an update on progress made against the improvement issues identified in the 2020-21 Annual Governance Statement (Shown in Appendix A).
4. Members are asked to note that the Final AGS is due to be presented to Audit Committee in November 2021, along with the 2020/21 Statement of Accounts. Therefore the issues identified within the Draft AGS will be reviewed and updated once again to reflect current position.

#### **EXEMPT REPORT**

5. N/A

#### **RECOMMENDATIONS**

6. Audit Committee are asked to note and comment on the content of this report and Appendix A

#### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

7. 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**

8. 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 must ensure that there is good governance and a sound system of internal controls in place.
9. Our simplified process amalgamates a top down and bottom up approach, whilst still maintaining confidence in the process. This process was followed again this year and has helped sustain our continued commitment to embedding good governance and processes

across the Council. Issues identified that make it onto the AGS are reviewed and updated as part of the quarterly resource management cycle and any items that start to be a concern are elevated to the Governance Group. This allows the Council to react to emerging issues and possibly prevent entry onto a future AGS.

10. 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.

**OPTIONS CONSIDERED**

11. Not Applicable

**REASONS FOR RECOMMENDED OPTION**

12. Not Applicable

**IMPACT ON THE COUNCIL’S KEY OUTCOMES**

- 13.

	<b>Outcomes</b>	<b>Implications</b>
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<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**

14. 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 SRF Date 12/07/21]**

15. The production and publication of an Annual Governance Statement is a statutory requirement by virtue of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, following a review of the Council’s effectiveness of internal controls in terms of the exercise of its functions, financial and operational management and management of risk. The 2015 Regulations and the Council’s Constitution also require the findings of that review to be considered by the Audit Committee

**FINANCIAL IMPLICATIONS [Officer Initials MS Date 12/07/21]**

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

**HUMAN RESOURCES IMPLICATIONS [Officer Initials SH Date 16/07/21]**

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

### **TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 13/07/21]**

18. There are no specific technology implications arising from this report. Progress updates on 'Cyber Attack Business Continuity' and 'Doncaster Integrated People Solution (DIP's)' are included in Appendix A. The procurement of building safety compliance software (outlined in Appendix A section 5) has been agreed by the Technology Governance Board (TGB)

### **HEALTH IMPLICATIONS [Officer Initials RS Date 11/07/2021]**

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

### **EQUALITY IMPLICATIONS [Officer Initials SWr Date 12/07/2021]**

20. 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 may require a due regard statement to be completed and reported as and when appropriate.

### **CONSULTATION**

21. Throughout this process consultation is undertaken with Heads of service, Directors, as well as assurance from key areas of governance and our Key partners, which supports the production of the final Annual Governance Statement.

### **BACKGROUND PAPERS**

22. CIPFA/ SOLACE delivering good governance in Local Government Framework  
Accounts and Audit Regulations (England) 2015.  
Local Code of Corporate Governance 2020-21  
2019-20 Annual Governance Statement  
Annual Report of the Head of Internal Audit 2019-20

### **REPORT AUTHORS AND CONTRIBUTIORS**

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# 2020-21 DRAFT Annual Governance Statement - Progress Update

## SECTION 1: Significant Governance Issues arising from the 2020-21 review

1. FOOD SAFETY AND TRADING STANDARDS INSPECTION ARRANGEMENTS (PRINCIPLE D)	Completion Date	Responsible Officer(s)
<p>There is continued reduction of capacity to complete some areas of statutory work, especially around food safety. This is due to the high level of Covid compliance work being undertaken by Environmental Health Officers, risk around Covid control while undertaking inspections and the issue is further complicated by a national shortage of qualified officers.</p> <p>We have reported this to The Food Standards Agency (national regulator) so they are aware and supportive of our revised approach, which is similar to that of other local authorities at this time.</p> <p>The Covid pandemic and reprioritisation of the services' resources has resulted in a significant number of management actions agreed, following an Internal Audit review during 2019 being unable to be implemented during the 2020/21 year.</p> <p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• Undertake another recruitment exercise in the near future.</li> <li>• In the meantime we will continue with our prioritisation of services and keep all our relevant bodies informed of further progress.</li> <li>• Management actions from the internal audit have been regularly reviewed and addressed when possible alongside any mitigating factors and actions. The majority of these have now been addressed and the remainder have revised dates agreed for their implementation.</li> </ul>	<p>March 2022</p>	<p>Assistant Director Environment</p> <p>Dan Swaine Director of Economy and Environment</p>
<b>Progress update</b>		
<ul style="list-style-type: none"> <li>• Risks in this area remains</li> <li>• Recruitment exercise had zero suitable applicants. Currently working with recruitment agencies to get contractors in.</li> <li>• Nationally, Food Standards Agency have provided additional guidance which will help support a return to normal over a 3 year period. Consequently the completion date may have been ambitious.</li> </ul>		
2. PARTNERSHIP RECOVERY & RESILIENCE – DONCASTER CHILDREN SERVICES TRUST (DCST) (PRINCIPLE F)	Completion Date	Responsible Officer(s)
<p>The effects of the last twelve months (due to floods and Covid) has resulted in a volatility in relation to demand for services and complex presenting issues, in a context of reduced workforce capacity across the partnership. This has impacted on the performance and quality of services, including social care practice quality, capacity and oversight. Safeguarding issues have emerged in relation to an independent provider of residential care in Doncaster.</p>	<p>March 2022</p>	<p>Leanne Hornsby Assistant Director, Education, Skills, Culture and Heritage</p>

<p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• A Children’s Recovery and Resilience programme has been established and a Board co-commissioned by DMBC and DCST to oversee developments.</li> <li>• Additional investment has been provided to support for the programme including DCST capacity for fostering, care proceedings and quality and improvement. Details of the full programme can be found here: <a href="https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&amp;MId=3485">https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&amp;MId=3485</a>.</li> <li>• Further actions have been identified to address areas around social care practice, capacity and oversight.</li> <li>• A Safeguarding partner enquiry is underway in relation to Independent provision.</li> </ul>		<p>Riana Nelson Director of Learning, Opportunities and Skills</p>
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<p><b>Progress update</b></p>		
<ul style="list-style-type: none"> <li>• Partnership Self Assessment complete and due to refresh this quarter. Partnership plan in place and reviewed at each Board covering 5 priorities: Front Door, Early Help, Multi-agency Frontline Practice, Performance and Quality Assurance Framework and Governance and Leadership.</li> <li>• Resources in place to support DCST programme plan and resources in place; oversee and managed through the Contract Management process.</li> <li>• Safeguarding partners are overseeing progress in relation to independent provision.</li> </ul>		

3. CYBER ATTACK BUSINESS CONTINUITY (PRINCIPLE F)	Completion Date	Responsible Officer(s)
<p>Due to the heightened risk globally and successful cyber-attacks on some other authorities despite the technical security measures taken and in place, the Council, Doncaster Children’s Services Trust and St Leger Homes Doncaster business preparedness in response to a cyber-attack should be reviewed further to ensure that every service area across the Council and Partners have considered the critical impact this would have on their ability to deliver services and how they would operate without technology.</p> <p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• Review all existing business continuity plans to ensure how all services would operate successfully without technology is covered.</li> <li>• Prepare a ready-made Communication Plan that could be initiated immediately.</li> <li>• Have a ready-made organisation/s action plan.</li> <li>• Pre-agree what the organisation/s would need to look like as a minimum.</li> <li>• Review the prioritised list of business systems by the order the organisation would need them restored.</li> <li>• Run a major cyber-attack response and recovery test scenario across the Council and partners to test the service business continuity plans and for the ICT team to practice their response.</li> </ul> <p>Complete service business continuity test scenarios such as ‘How would we run our services without technology</p>	<p>October 2021</p>	<p>Damian Allen Chief Executive, Doncaster Council</p> <p>Gill Gillies Strategic Lead EP, Resilience &amp; Enforcement</p> <p>Julie Grant Assistant Director of Customers, Digital &amp; ICT</p>

**Progress update**

All Council services, St Leger Homes and Doncaster Children's Services Trust are in the process of reviewing their business continuity plans to ensure they are suitable in case of a severe cyber-attack. This is almost complete and the next step will be to analyse them for any gaps and any required mitigating solutions to ensure critical service delivery in the event of not having access to any technology. Once this has been achieved, all 3 organisations will rehearse their readiness.

4. ASSURANCE OVER FUTURE FINANCIAL SUSTAINABILITY AND SUPPORTING THE RECOVERY PROCESS FROM THE COVID 19 PANDEMIC (PRINCIPLE F)	Completion Date	Responsible Officer(s)
<p>Whilst we have an approved robust balanced budget for the next three years, we recognise the significant challenges and uncertainties facing the Council at this time. These potentially could have a sizeable impact on the future financial sustainability and ensuring a smooth transition from the COVID 19 Pandemic.</p> <p><b>ACTIONS:</b></p> <p>Short horizon We will continue to monitor the impact of COVID closely ensuring the pressures are separately identified from core baseline spend/income. Maintaining specific focus on the key areas of risk identified in the 2021/22 budget e.g. income from council tax and business rates. We are holding specific contingencies/reserves approved in the 2021/22 budget, which will be allocated as required through the quarterly finance and performance report, to respond to pressures identified during the financial year.</p> <p>Medium Term Horizon We will continue to provide the monthly MHCLG returns which provide the evidence base for additional resources to be provided by central government. We will undertake regular reviews to ascertain the impact of any significant in-year changes on the medium-term financial strategy and take corrective action where required. Continuing to maintain the focus on the future financial sustainability. We will prepare an updated Medium-term Financial Strategy in preparation for the 2022/23 budget during Autumn of 21/22. Be aware of wider service and financial implications arising from the economy and society moving from a response to recovery phase of the pandemic.</p>	<p>March 2022</p>	<p>Faye Tyas Assistant Director of Finance Debbie Hogg Director of Corporate Resources</p>
<b>Progress update</b>		
The Council set a balanced budget in March 2021 covering 21/22-23/24. Council Tax and Business Rates income is being closely monitored on a monthly basis. The Quarter		

1 monitoring position will be reported to Cabinet on the 8<sup>th</sup> September, which will include the allocation of specific COVID funding in-year. A timetable has been drafted for the budget setting process for 22/23, including the consideration of an updated MTFs in autumn. Any in-year budget pressures will be reviewed to understand the extent to which they impact on the longer term, maintaining the focus on future financial sustainability and the baseline budgeted position.

5. ENSURING BUILDING SAFETY COMPLIANCE	Completion Date	Responsible Officer(s)
<p>The Grenfell disaster galvanised national action to ensure that all buildings area safe. Doncaster was quick off the mark to address fire safety in its high rise properties. But the legacy of the disaster is the enhanced scrutiny and regulatory enforcement on all elements of building safety compliance. In this context St Leger Homes Doncaster (SLHD) needs to ensure it understand the inherent risks relating to the stock it manages, has accurate data, robust systems for managing that data and takes swift action to remedy defects when they arise.</p> <p><b>ACTIONS:</b> St Leger Homes Doncaster will invite external scrutiny of its compliance arrangements, putting in place a ‘health check’ of all compliance functions. We will put in place a new dedicated compliance database to modernise our record keeping and make the management of our data and the activity required to manage it more efficiently. We will ensure that we have the right staff to manage these functions and that all relevant staff have the required training and competencies to undertake their roles. We will also put in place new governance and oversight arrangements to ensure that our Board and the council have confidence in our management of these issues.</p>	<p>March 2022</p>	<p>Dave Richmond Chief Executive, St Leger Homes of Doncaster</p> <p>Dan Swaine Director of Economy and Environment</p>
<b>Progress update</b>		
<p>St Leger Homes Doncaster (SLHD) also commissioned a wider health check review of all six areas of compliance. This health checks have been undertaken throughout April 2021 and involved a desktop review of data, review of key documents and interviews with key members of staff. The health check review was undertaken by Pennington Choices Ltd.</p> <p>The outcomes of the review and any recommendation resulting from the health checks are fed into a roadmap. This will help priorities any actions required and can be monitored through the newly formed Building safety Group.</p> <p>The procurement of bespoke compliance software has been undertaken, currently in the implementation phase with a dedicated implementation team to configure and tailor this software to our individual needs.</p> <p>The newly appointed Head of Building Safety will continue with the roll out of the approved realignment in SLHD. The building safety team will have the competencies and training to be the Subject Matter experts for the organisation.</p> <p>Additional governance arrangement have also been put in place, the formation of the Building Safety Group Chaired by the Director of Economy and Environment will oversee all activities relating to Building Safety.</p>		

## SECTION 2: An update on key improvement areas that were previously identified and remain an issue in 2020-21

6. GOVERNANCE FUNCTIONS (PRINCIPLE E)	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><b>ACTIONS:</b> A training event will be held as part of the Senior Management Meetings for all senior staff (down to Head of service) to attend to improve awareness of key governance policies, procedures and arrangements that are in place to support senior managers</p>	September 2021	<p>Scott Fawcus Assistant Director Legal &amp; Democratic Services</p> <p>Debbie Hogg Director of Corporate Resources</p>
<b>Progress update</b>		
The completion date has been revised to End of September 2021		
7. ADULT SOCIAL CARE MARKET SUSTAINABILITY (PRINCIPLE D)	Completion Date	Responsible Officer(s)
<p>The potential impacts include:</p> <ul style="list-style-type: none"> <li>• Provider failure and associated disruption of care for people of Doncaster</li> <li>• Lack of investment from providers to develop services and innovate together with potential contraction of existing offer</li> <li>• Restricted choice of services and the providers of services for people of Doncaster.</li> <li>• Longer term impact of Covid on Market in terms of reduced occupancy levels</li> </ul> <p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Develop and maintain an ongoing awareness of local business environment for providers, providers business models and other intelligence to inform commissioning actions</li> <li>• Ongoing engagement with providers through partnership arrangements, contract management and contract monitoring activity to maintain oversight of the social care market in Doncaster</li> <li>• Market Position Statement is being drafted with key elements relating to Adult Social Care Markets e.g Care</li> </ul>	Key actions are ongoing with timescales in place for Market Position Statement. Review end of Quarter 1 (June 2021).	Phil Holmes Director of Adults, Health & Wellbeing



<p>Homes and Dom Care etc</p> <ul style="list-style-type: none"> <li>• Throughout Covid all providers have been RAG rated against risk factors including financial sustainability. This is overseen via the Market Oversight Group which meets monthly to review all high risk provision.</li> <li>• Strategic Care Provision Group which is chaired by DASS and attended by commissioning partners.</li> <li>• Financial Support and additional investment has been delivered to help providers navigate the demands and meet costs throughout the pandemic.</li> </ul>		
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**Progress update**

<ul style="list-style-type: none"> <li>• Support to the market remains in place as part of the Covid response. Meetings have been held with Care Home Providers identified in key areas where financial viability may become an issue due to lower occupancy levels directly linked to the Covid pandemic.</li> <li>• The development of the Market Position Statement is ongoing with Strategic Commissioning.</li> <li>• The Monitoring and Oversight Group continues to meet with a wide range of partners to identify risks and put in place mitigations where issues have been identified.</li> <li>• Engagement within the market is ongoing with further meetings being held with Care Homes and Domiciliary Care Providers in August 2021.</li> <li>• Contract Management meetings have been stepped back up following the Covid response and monitoring visits are being undertaken to all providers within the first 2 quarters of the year.</li> </ul>
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8. ORGANISATIONAL WORKFORCE (PRINCIPLE E)	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; retain, develop and deploy resources to ensure services can be delivered to a high standard and are value for money. Specifically focussing on current and emerging recruitment and retention difficulties and skill shortages for appropriately qualified staff in certain occupational groups of social workers, occupational therapists and environmental health officers, which need to be addressed.</p> <p><b>ACTIONS:</b> To be monitored and addressed through priority actions included in this year’s workforce strategy 2021/22, specifically:</p> <ul style="list-style-type: none"> <li>• Development and implementation of a Recruitment and Resourcing Policy, focusing on effective ways of recruiting people with the right skills and behaviours including career pathways and succession planning options</li> </ul>	<p>March 2022</p>	<p>Jill Parker Assistant Director - HR, Communications &amp; Executive Office</p> <p>Debbie Hogg Director of Corporate Resources</p>

<ul style="list-style-type: none"> <li>• Attracting and engaging a talented workforce including apprenticeship and graduate talent, as well as considering specific recruitment campaign where gaps in workforce arise</li> <li>• Ensuring leadership development, learning and training programmes meet current and future needs</li> </ul>		
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**Progress update**

<ul style="list-style-type: none"> <li>• Workforce strategy in place</li> <li>• Leadership aware of where skills and recruitment difficulties exist.</li> <li>• Different recruitment approaches being considered/deployed which is yielding positive results</li> <li>• Agency and temporary staff are employed to support gaps in the workforce and deliver organisational objectives.</li> <li>• Graduate trainee scheme in place and recruitment underway for this year’s cohort; and the apprenticeship programme is on-going which brings in fresh ideas and energises the workforce</li> <li>• Annual PDR Scheme launched for this year to identify individual training requirements</li> </ul>
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9. DONCASTER INTEGRATED PEOPLE SOLUTION (DIP’S) (PRINCIPLE D)	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.</p> <p>The programme is progressing well after delays due to the Covid situation and it is hoped further delays are not required. 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><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• Review and redesign of all business processes.</li> <li>• Implement new Children’s Social Care Management solution for use by the Council, Doncaster Children’s Services Trust and other key partners.</li> <li>• Implement new Adult Social Care Management solution to be used by the Council and key partners.</li> <li>• Implement new Education Management Solution to be used by the Council and key partners.</li> <li>• Implement new associated financial solutions.</li> <li>• Implement all key integrations with other key systems including joining up with health, financials etc.</li> <li>• Implement Citizen, Professional &amp; Provider Portals</li> <li>• Migration of all required data from many solutions.</li> <li>• Train all users of these solutions across partners and providers.</li> </ul>	<p>November 2021</p>	<p>Julie Grant Assistant Director of Customers, Digital &amp; ICT</p> <p>Debbie Hogg Director of Corporate Resources</p>

- Decommission all the legacy solutions.
- Education Transport module (Go Live November 2021)

Most of Education Management is now successfully implemented and being used daily across partners and providers to deliver services. Adult Social Care, Residential Financials & Mosaic Portal are due to go live 22nd March 2021, with the Adult non Residential finances and provider portal due late spring / early summer. Children Social Care & Financials are planned to go live in Summer 2021. An additional Education Transport module is hoped to go live in November 2021.

**Progress update**

The programme is still progressing well now all back on track and Children's Social Care is still due to go live in the Mosaic system in August 2021. After this, the only deliverable left to achieve is the Adult Social Care Provider Portal which will be implemented using a phased approach. Support and continuing development of the whole solution serving Adult and Children Social Care, Education Management and associated financials and partnership working will then move into full business as usual mode