



Doncaster
Council

ANNUAL GOVERNANCE STATEMENT 2020/21



Introduction

This statement explains how we have complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (b), which requires all relevant bodies to prepare an Annual Governance Statement.

Scope of responsibility

Doncaster Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We also have 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 overall responsibility, we are responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and demonstrating a commitment to openness and acting in the public interest at all times.

Doncaster Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. This document defines standards of behaviour for members and staff, and policies dealing with whistleblowing and conflicts of interest. A copy of the Doncaster Council's Corporate Code of Governance is on our website at www.doncaster.gov.uk or can be obtained from The Policy, Insight and Change Team, 01302 862533

Doncaster Council has considered its position in relation to the CIPFA Financial Management (FM) Code. A key goal of the FM Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Inevitably, the impact of Covid-19 has tested that financial resilience in 2020/21 and will continue to do so in coming years. Understanding the pressures on local government, CIPFA has concluded that while the first full year of compliance can remain as 2021/2022, it can do so within a more flexible framework where a proportionate approach is encouraged. In accordance with these flexibilities, during 2021/22 Doncaster Council has undertaken an assessment of compliance with the principles of the FM code. This has confirmed compliance, with some actions identified for further improvement, which have been reported and agreed with management.

This statement explains how we have complied with the code and ensures that financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) as appropriate. It also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (b), which requires all relevant bodies to prepare an annual governance statement.

The purpose of the governance framework

The governance framework comprises of systems and processes, culture and values by which we are directed and controlled and our activities through which we account to,

engage with and lead our communities. It enables us to monitor the achievements of our strategic objectives and to consider whether those objectives have led us to deliver appropriate services that are value for money.

The system of internal control is a significant part of our framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. Our system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

Whilst the AGS consider the period 1st April 2020 to 31st March 2021, it must also reflect any significant events or developments relating to the governance system that occur between the year-end and the date on which the Statement of Accounts will be signed off (November 2021)

Our Governance Framework

The Councils executive arrangements and the oversight of the council's functions ensures strong political, strategic leadership and partnership arrangements. We have a clearly visible golden thread linking our partnership wide Borough Strategy (Doncaster Delivering Together) priorities into our corporate and services plans as well as our performance development review process. Our Borough Strategy highlights the vision for the Council and its partners and intended outcomes for citizens and service users and is used as a basis for the content of our service plans. It establishes clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

We have effective arrangements are in place for the discharge of the Head of Paid Service function, The Chief Financial Officer S151 function and the Monitoring Officer function in their roles as the Council's Statutory Officers. Where necessary induction arrangements include tailored introductions to the council's structure, decision making arrangements for officers and members who are new to the council or the Senior Leadership Team as well as information on key policies and procedures.

Audit Committee

Our Audit Committee is a key component of Doncaster Council's Corporate Governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of our Audit Committee is to provide independent assurance to the Members on the adequacy of the risk management framework and the internal control environment. It provides an independent review of Doncaster Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Committee has a programme of work in place to ensure it fulfils its responsibilities. The Committee has overseen and supported positive progress in a number of areas during the year, including:

- Helping to maintain and improve the Council's system of risk, governance and control by reviewing internal and external audit work carried out during the year; This includes ensuring for Internal Audit that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and that the Internal Audit function operates to their relevant professional standards which are the United Kingdom Public Sector Internal Audit Standards;
- Supporting improvement in the Council's control arrangements by ensuring appropriate action is taken to implement management actions arising from audit recommendations and calling officers to account where explanations over any lack of progress are required;
- Critically assessing the Council's governance arrangements and supporting the production of an Annual Governance Statement;
- Supporting the maintenance of the good standards achieved in producing the Council's Statement of Accounts;
- Supporting the Council's antifraud, bribery and corruption arrangements and noting progress in this area as set out in the annual fraud report, this was especially important this year with the heightened risk of fraud due to the pandemic;
- Ensuring the Council's surveillance policies are kept up to date and reviewing surveillance carried out by the Council;
- The last year has been unprecedented due to the COVID 19 Pandemic. The committee has actively engaged with the Head of Internal Audit and other officers during this period to understand the nature and depth of challenges relevant to the committee.

The Audit Committee produces an Annual Report which is available doncaster.gov.uk

Governance Group

The Group which is chaired by the Monitoring Officer leads on the development of governance arrangements at the Council and ensures the Council complies with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful and with best practice guidance issued by CIPFA / SOLACE and any other sector-leading advice.

Role of Internal and External Audit

The council has both internal and external auditors. Internal Audit and External Audit aim to coordinate their work to get best value from the resources in use and to do this, aim to work closely together to achieve our objectives.

The role of Internal Audit is to:

- give independent assurance over the Council's risk, governance and control arrangements
- alert managers to areas of potential weakness and to agree management actions for improvements
- give unbiased professional advice on policies, procedures, practices and systems

All councils are subject to ongoing scrutiny by External Audit and their role is to:

- give an opinion on the Council and group's financial statements
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion)
- audit specified grant claims required for various Government Departments

Grant Thornton were appointed as External Auditors to the Council for the 2018-19 audit onwards and in their second annual report, presented to Audit Committee in October 2020 they gave an “unqualified audit opinion” on the Council’s financial statements for 2019-20 and an unqualified Value for Money (VFM) conclusion for 2019-20. This is consistent with the opinions provided in previous years. Internal Audit were able to provide a positive opinion in their annual report for 2020-21, which alongside the good VFM conclusion, indicates there are sound risk, governance and control arrangements in place.

These positive opinions are especially important during the current coronavirus pandemic and provide reassurance during a period where these arrangements have been subject to considerable “stress-tests”

Overall, the Grant Thornton annual report was an extremely positive one as it has been in previous years and with the “unqualified audit opinion”, recognising the further improvements that have been made by the Council in preparing the Statement of Accounts for audit. The quality of the working papers and the supporting information has improved year-on-year with the working papers, once again, meeting the standards specified in the Accounts Audit Protocol with a clear audit trail provided. Responses to audit queries were also provided in a timely manner.

Additionally, both the preparation of accounts and their audit, all had to be carried out virtually which presented its own challenges. Nevertheless, this was all completed within statutory deadlines which was not the case for many other authorities nationally and the work of all parties in achieving this is acknowledged

The 2020/21 audit commenced in August 2021 and Grant Thornton are anticipated to present their annual audit report to Audit Committee before the end of February 2022.

Our Approach to Risk Management

Doncaster Council recognises that risk management is an integral part of good governance and management practice.

Managing our risks effectively contributes to the delivery of the strategic and operational objectives of the authority. Doncaster Council manages risks via a Risk Management Framework that has been designed to provide structure and guidance to support our organisation, and the individuals within it, to take positive risks in an informed way.

Review of effectiveness

Doncaster Council has responsibility for conducting, at least annually, a review of the Effectiveness of its governance framework including the system of internal control. The Policy Insight and Change team led the Annual Governance review.

The review of effectiveness is derived from two perspective, corporate and service areas. The corporate perspective is taken from existing intelligence proved by colleagues holding a key governance position within the authority including the Head of Internal Audit, the Caldicott Guardian, Senior information Risk Owner, Section 151 Officer and Monitoring Officer. The current strategic risk register and complaints received are also reviewed. The service area perspective, including that of key partner organisations, is provided by each Head of Service via a series of governance statements in the form of a self-assessment and other information provided. The individual statements are reviewed and an overall

declaration provided by the relevant Assistant Director, which is then summarised to create a single return for the Director to review and update as required.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Executive Board and Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined on the following pages.

As stated earlier, our governance arrangements have held strong and our administration arrangements effective during these unprecedented times. The Council has maintained adherence to our Financial Procedure Rules and Contract Procedure Rules, for example, progressing variations to contracts delivering Adult Services and the procurement of Personal Protective Equipment. On behalf of the Government, the Council has also administered significant additional business rate reliefs and grants to businesses. Including the added complexities of some of the funding being channelled via the Sheffield City Region (SCR) and the discretionary nature of some of the support payments. The Council's approach has been to undertake proactive checks to verify business credentials before any payments were released. This has had the effect of minimising the Council's fraud exposure, but as with all fraud, it is impossible to stop completely. The report to Audit Committee on 27 January 2021, Preventing and Detecting fraud and error – October 2019 to September 2020, outlined the payment of 5,419 grants with a combined value of £57.9m, covering both government prescribed grants and discretionary grants available during the reporting period. During this period only 22 cases of fraud or error were detected, which represents 0.4% of grants paid out in this respect (by number), amounting to £271k. These schemes remain open and will be for some time, therefore the Council remains alert and continues to manage the associated risks.

The report to Audit Committee on 28th November 2021, Preventing and Detecting fraud and error – October 2020 to September 2021, provides further updates on Covid related Business Rates grant fraud and error. Such grants in this period were more wide-ranging to reflect the ever changing restrictions in place. 18,767 grants with a combined value of £50,310,407 were paid out with only 154 frauds or errors detected representing 0.84% of grants paid out by number and amounting to £403,482.

The Council's Constitution allows for urgent decisions to be taken and implemented immediately. Such decisions are referred to as Rule 16 Decisions and do not require 28 days advance notice publication on the Forward Plan and may not be called-in by Councillors. The Constitution requires that such decisions may only be taken if the Chair of the Council's Overview & Scrutiny Committee agrees that the decision is urgent. Traditionally such decisions are rarely taken, however the response to the Covid-19 pandemic has led to 34 such decisions being utilised in the past 12 months. Most decision making has been in relation to the acceptance and utilisation of Covid-19 response grants. In all such instances all appropriate scrutiny has been taken (including notifying all Councillors of decisions taken) and the process demonstrates that Council decision making can be agile and responsive to urgent circumstances. A report detailing the annual use of Rule 16 decisions was presented to Council on 1st March 2021

Effectiveness of arrangements and level of assurance

2020-21 was a challenging year for our services as the COVID-19 pandemic impacted across the council. Throughout this time our governance arrangements have held strong

and were effective, allowing us to be both flexible and confident in responding to emerging priorities, changes to service delivery and timely decision making. We continue to follow CIPFA guidance incorporating the recently published updates for the production of the Annual Governance Statement during the pandemic.

Despite the volatility of the 2020-21 year and the months following to the date of the signing of this statement, we believe that we can give a reasonable and soundly based level of assurance over these conclusions.

Significant governance issues identified in 2020-21

Whilst we are satisfied with the effectiveness of corporate governance arrangements and systems of internal control, as part of our continued efforts to improve governance the following new issues have been identified for improvement as part of the 2020-21 Annual Governance Statement process:

ISSUE: Food Safety and Trading standards inspection arrangements (Principle D)

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.

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.

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.

Actions:

- Undertake another recruitment exercise in the near future.
- In the meantime we will continue with our prioritisation of services and keep all our relevant bodies informed of further progress.
- 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.

Responsible Officer:

Kellie Hopkins - Assistant Director Environment
Dan Swaine – Director of Economy and Environment

Completion

Date:
March 2022

ISSUE: Partnership Recovery & Resilience in relation to DCST (Principle F)

The effects from the last twelve months, including floods and Covid, resulting in increased demand and reduced workforce capacity, impacting on quality and performance. Further areas where governance improvements are required have also been identified.

<p>Actions:</p> <ul style="list-style-type: none"> • A Children’s Recovery and Resilience programme has been established and a Board co-commissioned by DMBC and DCST to oversee developments. • 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: https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3485 • Further, an independent review has raised concerns over the operation and governance of an important safeguarding function currently delivered by DCST, which ultimately falls under the responsibility of the Director of Children’s Services role. This also raises wider concerns in relation to the current line of sight over Children’s Social Care service front-line delivery. <p>Responsible Officer: Leanne Hornsby - Assistant Director, Education, Skills, Culture and Heritage Riana Nelson – Director of Learning, Opportunities and Skills</p>	<p>Completion Date: March 2022</p>
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<p>ISSUE: Cyber Attack Business Continuity (Principle F)</p> <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, DCST and SLHD 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>Actions:</p> <ul style="list-style-type: none"> • Review all existing business continuity plans to ensure how all services would operate successfully without technology is covered. • Prepare a ready-made Communication Plan that could be initiated immediately. • Have a ready-made organisation/s action plan. • Pre-agree what the organisation/s would need to look like as a minimum. • Review the prioritised list of business systems by the order the organisation would need them restored. • 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. <p>All but a few service business continuity plans in the Council, SLHD & DCST have been reviewed by Heads of Service. A pre-prepared Communication Plan is mid development and will be followed by the pre-prepared immediate response action plan. The prioritised list of business systems is complete and being continually updated as changes occur. A joint flood and cyber-attack exercise is being held in the Council early October and the South Yorkshire Resilience Forum is</p>	<p>Completion Date: November 2021</p> <p>COMPLETE - All key delivered were achieved by the required due date</p>

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.

Actions:

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.

Responsible Officer:

Dave Richmond – Chief Executive, St Leger Homes of Doncaster
Dan Swaine – Director of Economy and Environment

Completion

Date:

March 2022

An update on Key Improvement Areas that were previously identified and remain an issue in 2020-21

<p>ISSUE: Governance Functions (Principle E)</p> <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:</p> <p>A training event was 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> <p>Responsible Officer: Scott Fawcus - Assistant Director Legal & Democratic Services Debbie Hogg – Director of Corporate Resources</p>	<p>Completion Date: September 2021</p> <p>COMPLETE - All key delivered were achieved by the required due date</p>
<p>ISSUE: Adult Social Care Market Sustainability (Principle D)</p> <p>The potential impacts include:</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. • Longer term impact of Covid on Market in terms of reduced occupancy levels 	
<p>Actions:</p> <ul style="list-style-type: none"> • Regular dialogue with all care providers has taken place throughout the Covid pandemic and will continue in terms of business as usual. • Financial support from national government via Infection Prevention & Control and Testing funding has been promptly passed through to care providers, and this will also be applied to the latest tranche which was announced on 30th September. • There has been focused dialogue with providers who appear to be facing the largest risks in areas of Doncaster that are least resilient in terms of choice of care home provision, and additional investment has been offered here. • There has also been focused dialogue with domiciliary care providers about additional investment in homecare rates in response to evidence that providers have given <p>Responsible Officers: Phil Holmes – Director of Adults, Health & Wellbeing Carolyn Nice – Assistant Directors Adults, Health & Wellbeing</p>	<p>Completion Date: October 2021</p> <p>COMPLETE - All key delivered were achieved by the required due date</p>

ISSUE: Organisational Workforce (Principle E)

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.

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.

Actions:

To be monitored and addressed through priority actions included in this year's workforce strategy 2021/22, specifically:

- 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
- Attracting and engaging a talented workforce including apprenticeship and graduate talent, as well as considering specific recruitment campaign where gaps in workforce arise
- Ensuring leadership development, learning and training programmes meet current and future needs

Responsible Officer:

Jill Parker – Assistant Director - HR, Communications & Executive Office

Debbie Hogg – Director of Corporate Resources

Completion

Date:

March 2022

ISSUE: Doncaster Integrated People Solution (DIP's) (Principle D)

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.

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.

Actions:

- 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.
- 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.

Completion

Date:

Key deliverables in scope achieved by August 2021

- 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.

This extensive and complex programme of work is now almost complete with just the Provider Portal and an extra Education transport module to go live. Adult Social Care, Residential Financials, Citizen & Professional Portals went live 22nd March 2021. Children Social Care & Financials went live 16th August 2021 and Education Management went live in 2020 using a phased approach. The highest risk deliverables have now been achieved with all social care and early help live in the same solution. The solution will continue to be enhanced as required as part of business as usual.

Responsible Officer:

Julie Grant – Assistant Director of Customers, Digital & ICT

Debbie Hogg – Director of Corporate Resources

Statement of Commitment

We have been advised of the implications of the result of the 2020-21 review of the effectiveness of the governance and internal control frameworks by the Audit Committee and of the plans to address identified weaknesses and ensure continuous improvement of the system in place. We propose over the coming year to take steps to address the above matters to enhance further the Council's governance and internal control arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and that we will monitor their implementation and operation over the next year and as part of our next annual review of effectiveness.

Signed on behalf of Doncaster Council:

Ros Jones
Mayor of Doncaster

Damian Allen
Chief Executive

Key Areas of Improvement from previous Statements that have been completed

There are a numbers of areas requiring improvement that have been identified in previous statements that have been effectively managed to the extent that they are no longer significant in 2020-21. These are:

- ❖ **Data Quality Arrangements (Principle D)** - The data quality issue has been addressed by a series of interventions aimed at correcting historic problems and improving practice standards. At the end of the data quality improvement project, these practice standards have been mainstreamed into normal service. The risk of poor data quality impacting the planned implementation of the new case management system in social care has been reduced significantly by work undertaken during this project. The expectation is that this improvement will be sustained in future practice, and this issue has been stepped down, but it will continue to be monitored as a business-as-usual activity.
- ❖ **Data Quality Arrangements within the Assistive Technology Service (Principle C)** - The issue identified has been addressed with assurance arrangements considered business as usual and completed daily. 97% complete in issuing new contracts, data cleansing is ongoing to maintain accurate records and appropriate measures are in place to ensure customer safety when querying the service options and potentially cancelling the service.
- ❖ **Assurance over Financial Resilience and Service Sustainability in response to COVID 19 (Principle F)** – Whilst the Council’s governance arrangements appear to have held strong during the COVID-19 response period, our financial position was exposed and dependent upon central government fully reimbursing us for the additional budget pressures. Over the last year we have monitored COVID related cost pressures and income losses alongside our normal monthly monitoring processes. Additional monitoring information has been provided in the quarterly Finance & Performance monitoring reports and completed returns sent to MHCLG on a monthly basis. The quarterly Finance and Performance monitoring report approved budget transfers during the financial year that ensured services had sufficient budgets to meet cost pressures and to reduce income targets. We are continuing to project a balanced budget position for 2020/21 due to careful management of budgets and specific COVID-19 grant funding received.