



Doncaster
Council

ANNUAL GOVERNANCE STATEMENT 2019/20



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.

Doncaster Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government*'. 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 Strategy & Performance Unit, 01302 862533.

This statement explains how we have complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 4(3), 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 delivery 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 2019 to 31st March 2020, 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 are signed off which will not be until October 2020. The COVID-19 situation is clearly a significant event for this Council and a challenge on its governance arrangements. However our governance arrangements appear to have held strong during the response period.

Our Governance Framework

The Council's executive arrangements and the oversight of the council's functions ensures strong political and strategic leadership. We have a clearly visible golden thread linking our Borough Strategy priorities into our corporate and services plan as well as our performance development review process. Where necessary induction arrangements include tailored introductions to the council's structure, decision making arrangements for officers 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;
- Supporting improvement in the Council's control arrangements by ensuring appropriate action is taken to implement 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 accurate 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;
- Ensuring the Council's surveillance policies are kept up to date and reviewing surveillance carried out by the Council;
- Recognising the further improvements in Adults Services

The Audit Committee produces an Annual Report which is available [doncaster.gov.uk](https://www.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 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 make recommendations 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 first annual report, presented to Audit Committee in July 2019 they gave an "unqualified audit opinion" on the Council's financial statements for 2018/19 and an unqualified Value for Money (VFM) conclusion for 2018/19. This is consistent with the opinions provided by the Council's previous external auditors, KPMG. Internal Audit were able to provide a positive opinion in their annual report for 2019/20, which alongside the good VFM conclusion, indicates there are sound risk, governance and control arrangements in place.

Overall, the Grant Thornton annual report was an extremely positive one as it has been in previous years and with the "unqualified audit opinion", recognised 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 and responses to audit queries were provided in a timely manner. Audit trail provided and responses to audit queries were provided in a timely manner.

The 2019/20 audit commenced in July 2020 and Grant Thornton will present their annual report to Audit Committee in October 2020.

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 Strategy and Performance Unit 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 key governance position within the authority including the Head of Internal Audit, the Caldicott Guardian, Senior information Risk Owner, Section 151 Officer and the

Monitoring Officer. The current strategic risk register and complaints received are also reviewed. The service area perspective is provided by each Head of Service via a series of governance statements in the form of a self-assessment.

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.

Significant governance issues identified in 2019-20

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 2019-20 Annual Governance Statement process:

ISSUE: Assurance over Financial Resilience and Service Sustainability in response to COVID 19

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.

Actions:

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.

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.

Responsible Officer:

Debbie Hogg – Director of Corporate Resources

Completion

Date:

March 2021

ISSUE: Governance Functions

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.

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

Responsible Officer:

Scott Fawcus - Assistant Director Legal & Democratic Services

Completion**Date:****March 2021****ISSUE: Data Quality Arrangements within the Assistive Technology Service**

- 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

Actions:

- 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.

Responsible Officer:

Carolyn Nice - Assistant Director Adult Social Care

Completion**Date:****November 2020**

An update on Key Improvement Areas that were previously identified and remain an issue in 2019-20

ISSUE: Adult Social Care Market Sustainability

The potential impacts of this fragile market includes:

- 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.

Actions:

- 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. This will be primarily delivered through updating and reviewing the impact of published (April 2020) 'Market Position Statement'
- Implement year two of the 2019-2021 Joint Health and Social Care Commissioning
- Progress The establishment of a Voluntary Community and Faith (VCF) Sector Cooperative to provide strong voice and representation, infrastructure support and a point of access for commissioning/partnership working.
- Develop a locality approach to commissioning of services as part of the 'One Council' Locality Working Programme
- 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

Responsible Officers:

Phil Holmes – Director of Adults, Health & Wellbeing

Rupert Suckling – Director of Public Health

Completion

Date:

March 2021

ISSUE: Organisational Workforce

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; 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.

Actions:

To be monitored and addressed through priority actions included in this year's workforce strategy 2020/21, specifically:

- 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

Completion

Date:

March 2021

<ul style="list-style-type: none"> · 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>Responsible Officer: Jill Parker – Assistant Director - HR, Communications & Executive Office</p>	
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ISSUE: Data Quality Arrangements
 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>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> <p>Responsible Officer: Lee Tillman – Assistant Director of Strategy & Performance</p>	<p>Completion Date: Ongoing</p>
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ISSUE: Doncaster Integrated People Solution (DIP's)
 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>Actions: Due to the Covid situation and some data issues, some of the timescales have had to be delayed or changed again. The current situation is that Children's Social Care, Early Help, Financials and integration is due to go live in October/November 2020 used by the Council, Doncaster Children's Services Trust and other key partners. Adult Social Care Management, financial solution, portals and integrations are due to go live in March 2021 used by the Council and key partners. Education Management deliverables are being achieved on a phased basis through to December 2020. Citizen, Professional & Provider Portals also to go live by March 2021.</p> <p>Responsible Officer: Julie Grant – Assistant Director of Customers, Digital & ICT</p>	<p>Completion Date: March 2021</p>
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Statement of Commitment

We have been advised of the implications of the result of the 2019-20 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 2019-20. These are:

- ❖ **Alarm Receiving Centre** - Following the implementation of a new system and previous remediation work, there was an ongoing practice and service standard issues, which highlight areas of risk and where being addressed through the implementation of a Rapid Improvement Plan. The Improvement plan remains in place, together with daily reassurance meetings.
- ❖ **Financial Challenges within Adults Health and Wellbeing** - Adult's services are facing increasing demographic and service financial pressures. This is currently underpinned & funded by short term funding sources such as Better Care Fund. Doncaster is not alone in experiencing these challenges and like many other council's we needed to find effective solutions to support individuals live as well and independent life as they possibly can. While we are still facing increasing demographic and service financial pressures, Strong progress has been made in recent years across the service that have included; embedding strength-based practice and evidence that this has improved experience both for Doncaster people and front-line staff; the introduction of a new case management system that will reduce bureaucracy, increase productivity and give staff more time to focus on prevention; Effective performance, finance and management information is produced regularly and is presented and discussed at a range of senior management meetings and the new Joint commissioning arrangements with health partners are being progressed and a new commissioning structure is being implemented.
- ❖ **Major Technology upgrade requirements** - Major Technology upgrade requirements - Most of our technology both council wide and across the key partners we provide technology to, had to be upgraded by January 20 to ensure they all continue to be compliant, supported and secure. Also a significant cost increase of licensing from 2019-20 meant we needed to revisit to achieve value for money. Both these issues initiated an extensive programme of work to move significant technology used into the Cloud so it is more cost efficient and implement the extensive upgrade of all servers, systems and desktops as required. This extensive programme of work has now been completed.
- ❖ **Doncaster Children's Services Trust** - Doncaster Children's Services Trust governance model changed on the 1st April moving from a wholly owned independent company to an ALMO (Arm's Length Management Organisation). This model was supported by the Secretary of State for Education as the preferred approach which allows operational independence whilst at the same time providing financial security. As we move into Phase 2 of the organisational maturity it'll be important to maintain focus on its core activities to deliver better outcomes for children, young people families and ensure that the Trust remains

efficient and sustainable in the medium and longer term. The new governance and Board arrangements to support the ALMO structure was established 1 April 2019. Performance metrics have been reviewed and updated and a revised performance monitoring and reporting contact has been established and continues to work well.

- ❖ **The Local Plan – I** The Council needs to have updated policies and allocations in line with national planning policy and legislation to ensure central government do not intervene to prepare a plan on our behalf. Following the Publication of the Local Plan in August 2019, the representations received have been summarised, evaluated and discussed and no significant new issues were identified. The Local Plan was submitted to the Planning Inspectorate in March 2020 and the Secretary of State has appointed an independent examiner. The dates of the examination hearings are yet to be agreed but are likely to commence in the spring with the aim of adopting the Plan by winter 2020.

- ❖ **General Significant Financial Challenges - Issue:** The Council faced a number of significant financial challenges which if not managed carefully in 2019/20 could potentially lead to an overspend position and a reduction in the level of general reserves, the Council also needed to produce a balanced budget plan for 2020/21, to meet the forecast budget gap estimated. At quarter 3, the Council is forecasted a year-end underspend of £1.3m. This is a positive position and demonstrates the continued effort to manage the significant cost reductions in 2019/20. Planned savings for 2019/20 are largely on track with £17.5m expected to be delivered, leaving a projected shortfall of £1.4m. Given the ongoing funding uncertainty facing local government we will need to be ever more diligent to ensure managers form value for money decisions when making spending decisions and delivering or commissioning services. In addition the leadership will continue to exercise effective stewardship of the council resources this will continued to be monitored throughout the year.