



City of
Doncaster
Council

ANNUAL GOVERNANCE STATEMENT 2022/23

Introduction

This statement explains how City of Doncaster Council (the Council) has complied and meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6 (b), which requires all relevant bodies to prepare an Annual Governance Statement.

Scope of responsibility

City of Doncaster Council is responsible for ensuring that its business is conducted in accordance with the law, and proper standards, that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements that ensure, secure and continue 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, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk whilst demonstrating a commitment to openness and acting in the public interest at all times.

The 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, as well as including policies that deal with whistleblowing and conflicts of interest, all of which are effectively communicated to relevant colleagues. A copy of the 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

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 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 Council's 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 controls 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 considers the period 1st April 2022 to 31st March 2023, it must also reflect any significant events or developments relating to the Council's governance system that have occurred between the year-end and the date on which the Statement of Accounts will be signed off (October 2023)

Financial Management Code

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The FM Code identifies risks to financial sustainability and provides a framework of assurance, including the CIPFA Financial Resilience Index which is a comparative analytical tool that shows the council's position on a range of measures associated with financial risk.

Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the leadership team. Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

The Council undertakes an annual assessment of compliance with the principles of the FM code and picks up any actions as part of quarterly performance management. This assessment has confirmed the Council's compliance, with some actions identified for further improvement which have been reported and agreed with management.

Our Governance Framework

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

The Council has effective arrangements 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, and information on key policies and procedures.

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

The purpose of the 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 the Council's governance, risk management, and control frameworks as well as overseeing the financial reporting and annual governance processes. It oversees both 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 and 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 (2019) and that the Internal Audit function operates to their relevant professional standards which are the United Kingdom Public Sector Internal Audit Standards. The Committee received this assurance independently last year through the External Quality Assessment carried out by the Head of Internal Audit from Rotherham Council who assessed Doncaster's Internal Audit team to be operating at the highest level of conformance with these standards. For this year that assurance is provided by a self assessments by the Head of Internal Audit;
- 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 low incidents of fraud and error area as set out in the annual fraud report. This was especially important this year again with the cost of living crisis heightening fraud risk and the conclusion of the post payment assurance checks over £112M of Business Support Grant payments from the Covid-19 pandemic demonstrating strong and effective controls with only 0.6% fraud and error rates;
- Ensuring the Council's surveillance policies are kept up to date and reviewing surveillance carried out by the Council;
- The committee has continued to be 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](https://www.doncaster.gov.uk)

Governance Group

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

Role of Internal and External Audit

The City of Doncaster Council has both internal and external auditors. Internal Audit and External Audit aim to co-ordinate their work to get best value from the resources available and aim to work closely together to achieve the Council's 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 review)
- audit specified grant claims required for various Government Departments

Grant Thornton were appointed as External Auditors and issued their Auditor's Annual Report on the findings from their Value for Money arrangements review in January 2023. There were no significant weaknesses in the Council's arrangements noted from their Value for Money work. This is consistent with the opinions provided in previous years. Internal Audit were able to provide a positive opinion in their annual report for 2022-23, which alongside the good value for money findings, indicates there are sound risk, governance, and control arrangements in place.

Overall, the Grant Thornton Annual Audit Report was an extremely positive one as it has been in previous years and with the "unqualified audit opinion", recognising the ongoing strong arrangements within 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.

The 2022/23 audit starts after the unaudited accounts have been published by 31st May 2023. Grant Thornton will conclude their audit of the accounts by the 30th November 2023 and the Auditor's Annual Report on Value for Money arrangements will be provided by the 31st December 2023.

Our Approach to Risk Management

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

Managing the Council's risks effectively contributes to the delivery of the strategic and operational objectives of the authority. The 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

The City of 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 the Council's effectiveness is derived from two perspectives, corporate and service perspectives. The corporate perspective is taken from existing intelligence provided 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, financial resilience statement and complaints received are also reviewed. The service area perspective, including that of key partner organisations, is provided by each of the Council's Heads 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.

The Council has been advised on the implications of the result of the review of the effectiveness of the governance framework by its Executive Board and Audit Committee, and that these 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.

The Council's governance arrangements have continued to hold strong and its administration arrangements effective during these continued unprecedented times. The Council has maintained adherence to its Financial Procedure Rules and Contract Procedure Rules and other governance related procedures such as urgent decision making.

Effectiveness of arrangements and level of assurance

As the challenges of the Covid -19 Pandemic started to ease, the economic outlook worsened with the 'Cost of Living' crisis dominating most of the 2022-23 and we saw the impacts across the organisation with the increase in energy, fuel, material and service delivery. We also successfully transitioned the provision of children's social care services back into the Local Authority and continue to support this new service with governance and internal control arrangements. Throughout all this turmoil the Council's governance arrangements have yet again held strong and were effective, allowing it to be both flexible and confident in responding to emerging priorities and adapting to service delivery. The Council continues to follow CIPFA guidance incorporating the published updates to produce the Annual Governance Statement. Again, despite the volatility of the 2022-23 year, the Council believes that it can give a reasonable and soundly based level of assurance over these conclusions.

The draft AGS was produced in April 2023. To ensure the final draft reflects the current position, we sought additional assurance from key governance colleagues and partners, during this additional process no further significant issues identified, however we are aware of the recent concerns being raised in particular in relation to schools containing Reinforced Autoclaved Aerated Concrete (RAAC). As such we have arranged for our remaining asset portfolio to be assessed and those considered at most risk, a detailed condition survey to be complete.

Significant governance issues identified in 2022-23

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 2022-23 Annual Governance Statement process:

ISSUE: Workforce Recruitment and Retention Challenges

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. 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 provide value for money.

Specifically focussing on current and emerging recruitment and retention difficulties, skill shortages and hard to fill posts in hot spot areas across the organisation mainly Adults and Children's social care, in particular social workers, residential care officers, support workers; Digital and ICT technical analysts, Legal Officers, Highways Engineers and Street Scene Operatives St Leger Homes Doncaster trades and other construction staff, which need to be addressed.

Actions:

To be monitored and addressed through priority actions included in this year's workforce strategy 2023/24, specifically:

- Development and implementation of a Recruitment and Resourcing Policy, focusing on effective ways and resources available of recruiting people with the right skills and behaviours including the website, application forms, and access routes to ensure it is as easy as possible for all applicants.
- Career pathways and succession planning options across services to address turnover and retain experience, including the introduction of career graded posts to support attainment of qualifications and experience
- Talent management options to identify and fast track individual career progression and skills
- On-going development of existing staff with training and work experience
- Ensuring leadership development, learning and training programmes meet current and future needs
- Increasing Apprenticeships both placements for work experience and for up-skilling
- Regular benchmarking to assess comparability (pay rates and roles)
- Recruitment campaigns including careers fairs to target specific roles and increase reach
- Open ended job adverts constantly available on the SLHD website.

Responsible Officer:

Lee Tillman – Assistant Director of Policy Insight & Change
Rebecca Hardwick – Head of Service, Human Resources

Completion

Date:

March 2024

ISSUE: Social Care Data Quality

Information related mainly to social care contained within the MOSAIC case management system should be improved, in particular referencing that there have been some significant changes related to Children's Social Care linked to the forms and views within the system. This has meant a close to full rebuild of the reporting infrastructure in order to discharge our statutory duties and provide good information to the service.

To be clear this has been an extraordinary situation and does not just cover the 'usual' data quality processes and routines that surround social care performance as a feature of good performance management. This is related to ensuring the MOSAIC system can be effective in capturing and reporting information to ensure good service performance in the aftermath of major changes in the system and reporting. It is also a critical part of the inspection process linked to Children's Social Care and the information that will be needed as part of any future process. It is also worthy to note that inspections for Adult Social Care nationally are likely over the following 12 months and our data quality process will be part of that process.

In addition, the SYNERGY system that records information linked to Education and Special Education Needs, and Disabilities (SEND) will be tested to ensure that information and reporting is effective in the delivery of performance of key service areas. There is an inconsistent use of the system that needs a systematic plan to support key areas to adopt, use and report from the system effectively

Actions:

- Go Live Reporting Plan to support an April launch – This will allow the basics to be reported e.g., Annex A
- Training programme of staff to support correct use of the system – a programme is ongoing in preparation of the new forms but there is a need for mop up and support through the early implementation period
- Systems Review group set up to monitor requests and prioritise reporting/system developments in the Reporting Plan
- Reporting Plan to build out from the basics and restore the reporting infrastructure that is needed by Service Managers
- Statutory Returns delivered effectively for Adult and Children's Social Care from the Mosaic system
- After Action Review of Statutory Returns for Childrens and Adults to build upon strength and identify areas of improvement to implement

Completion Date:

April 23

April 23

July 23

July 23

August 23

March 24

Responsible Officer:

Lee Tillman – Assistant Director of Policy Insight & Change

Allan Wiltshire – Head of Service, Policy Insight & Change

ISSUE: Assurance over Future Financial Sustainability of the Council and its Key Partners

As seen nationally, the Councils budget continues to be heavily impacted by cost pressures, including the impact of inflation, both pay and contract price inflation. Service pressures are being experienced across the Council, in particular for Children’s Social Care due to an increase in the complexity of children presenting, market challenges and a range of factors which are impacting on the ability to deliver the budgeted savings. In addition, there are increasing pressures on Adults Social Care budgets during 2023/24 due to a larger number of people being supported in care homes than has been budgeted and higher increases in care home costs for adults of working age than anticipated. The current overspend forecast for 2023/24 is £4.1m.

Although the Council has sufficient reserves to fund the 2023/24 overspend, it recognises that this it is not a sustainable solution, and at the same time reduces the one-off resources available for transforming services.

Pressures identified as part of the 2022/23 budget setting process were reflected in the 2023/24 Budget and Medium-term Financial Strategy (MTFS). To achieve a balanced budget for the three-year period, there are savings targets which are challenging for delivery, especially during the cost-of-living crisis. 20% of the savings have been categorised as being the most difficult to deliver, the majority of which relate to Children’s Social Care, due to the complexity of the savings and previous non-delivery track record. The additional and increasing pressures which were identified, post the production of the budget proposals, have been incorporated into 2023/24 monitoring, including the impact of the final employers pay agreement.

As a supplementary point, whilst we do not have a direct responsibility for the financial resilience of our key partners, we are inevitably drawn into understanding the specific business risks and supporting them either financially or to identify solutions to remain a going concern.

<p>Actions:</p> <p>Short horizon: We will continue to closely monitor and manage the impact of the cost pressures in 2023/24, maintaining specific focus on the key areas of risk including Adults and Children’s Social Care and the delivery of specific budget savings.</p> <p>We have reviewed current arrangements to deliver identified savings and have taken appropriate action where needed.</p> <p>We will also continue to focus on the main sources of income e.g., income from council tax and business rates.</p> <p>Longer horizon: As part of the 2024/25 budget setting process, we will be reviewing the extent to which current pressures on budgets continue into future years and impact on the MTFS, including identifying mitigating actions, for approval by Council in February 2024.</p> <p>Responsible Officer: Debbie Hogg – Director of Corporate Resources Faye Tyas – Assistant Director of Finance</p>	<p>Completion Date: March 2024 (Overall March 2024 and ongoing)</p> <p>Review governance arrangements for high risk cost pressures and budget savings – End of April 2023 – complete</p>
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ISSUE: Doncaster Children’s placement sufficiency

Children’s placement sufficiency remains a significant financial, regulatory, and reputational challenge with children being placed in higher cost placements and complex children often placed at significant distance and at times in unregulated / unregistered settings. There has been significant financial investment across the last year spent to ensure all children have a placement, to develop local in-house provision and to uplift foster carer fees. However, this challenge is set to continue in the year ahead. Recruitment to key residential vacancies, including managers is challenging which limits the growth of Doncaster’s in-house provision. There remains a focused programme of development, change and improvement in this area.

Actions:

Continued regular engagement with the market – an eye to the impact of the Regional Care Cooperatives.

Review of the White Rose framework effectiveness.

The review of the 3 internal frameworks

- 16 plus framework including updated regulations and market engagement
- Specialist provision to include lots for residential OOA education placements
- Short breaks review to increase personal care and prevent family breakdown

Engagement is currently underway with the market including review of sufficiency via JSNA

All frameworks to be recommissioned as flexible procurement systems taking into account indexation for cost of living and to be in place September 23.

Rebrand of In-house fostering recruitment and offer – to maximise in-house foster care recruitment

Developing a step down to fostering support package for children in residential.

Contract Monitoring and support to providers on a regular basis – quality assurance of unregulated / unregistered settings

Proud to Care campaign targeting residential practitioner recruitment to increase and improve recruitment and retention.

ADCS regional engagement through commissioning, workforce, and regional provider network.

Responsible Officer:

Riana Nelson – Director of Children, Young People and Families

Rebecca Wall – Assistant Director Children’s Social Care

Completion

Date:

March 2024

ISSUE: Special Educational Needs and Disabilities (SEND) and Inclusion Inspection and Service Capacity

Doncaster is in the window for a SEND and Inclusion OfSTED inspection. There is a change in inspection framework and work is underway completing preparation and quality assurance. However, it should be noted that due to changes in governance, the partnership maturity is underdeveloped compared to previous years. It should be noted that demand for services, including Education and Health Care Plan (EHCP) assessments is higher than in previous years, resulting in increased use of Out of Area Placements.

Actions:

- Preparation is well underway and governance arrangements to review and monitor are in place, with weekly senior oversight, including escalation across the Council and Health as required to Board level.
- A quality assurance panel has been introduced to consider options to better support children and young people better in mainstream school and utilising tuition services in the interim where possible to better enable a reintegration programme.
- Social, Emotional, Mental Health (SEMH) provision has been identified to support specific needs and reduce pressure on the system
- A review of alternative provision is underway.
- Temporary additional service capacity is being requested to enable reduction and better timeliness of EHCPs.

Responsible Officer:

Riana Nelson – Director of Children, Young People and Families
Leanne Hornsby – Assistant Director Education & Skills

Completion

Date:

March 2024

An update on Key Improvement Areas previously identified that remain an issue in 2022-23

ISSUE: Doncaster Inspection of Local Authority Children’s Services (ILACS)

Following an Ofsted inspection of children safeguarding services delivered by DCST where the overall outcome judgement has been ‘Requires Improvement to be Good’ a number of recommendations have been highlighted to bring about improvement at pace around some Children’s Services and the governance over these services.

Actions:

A Post OFSTED Improvement Plan was submitted to OFSTED last year. The Improvement plan has moved forward with pace and is in the process of being reviewed and refined to show the progress made and impact delivered so far.

A Practice Improvement Board continues to oversee, track progress and reports to the Transformation and Improvement Group chaired by the Chief Executive.

Responsible Officer:

Riana Nelson – Director of Children, Young People and Families
Rebecca Wall – Assistant Director Children’s Social Care

Completion

Date:

March 2024

ISSUE: Adult Social Care Market Sustainability

The Social Care Market nationally and locally remains fragile and challenged. There has been significant financial investment agreed through the fee setting process in Doncaster for 2023/ 24. This investment is welcome by the market and will be expected to deliver an outcome of increased capacity and quality outcomes for people. There remains a focused programme of development, change and improvement in this area.

Actions:

- Continued regular engagement with the market.
- Support via Proud to Care campaign, Social Care Academy, Workforce to increase and improve recruitment and retention.
- Regional engagement and planning with NHS and System Wide colleagues.
- Performance meetings with providers where pick up is lower than expected.
- Contract Monitoring and support to providers on a regular basis.
- ADASS regional engagement through commissioning, workforce and regional provider network.

Responsible Officers:

Phil Holmes – Director of Adults Wellbeing & Culture
Kathryn Anderson Bratt – Assistant Directors Adults Wellbeing & Culture

Completion

Date:

March 2024

Statement of Commitment

We have been advised of the implications of the result of the 2022-23 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 City of Doncaster Council:

Ros Jones
Mayor of Doncaster

Damian Allen
Chief Executive

Key Areas of Improvement from previous Statements that have been completed

Areas requiring improvement that have been identified in previous statements that have been effectively managed to the extent that they are no longer significant at this point in the 2022-23 Annual Governance Statement:

- ❖ **Transfer the provision of social care services to Doncaster Council** – Following the decision at Cabinet to transfer the provision of social care services to Doncaster Council and serve notice on the contract with Doncaster Children’s Trust. We have quickly and successfully transitioned the Trust back into the Council. Aligned safeguarding services with education and early help services within the Council, implementing key governance, performance and monitoring arrangements. Steady progress is being made on the Improvement plan as we continue this next phase in the children’s services journey.