

# Barnsley Metropolitan Borough Council

## Annual Governance Statement 2022/23



## ANNUAL GOVERNANCE STATEMENT 2022/23

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## 1. Executive Summary

Barnsley Metropolitan Borough Council is committed to improving the lives of all residents and creating opportunity and prosperity for local people and businesses. This commitment is set out in the council's Corporate Plan and describes how the council will meet the challenges ahead and make the most of opportunities. This commitment was recognised nationally in June 2023 with the Council being the first to win the two most prestigious awards in local government – the Local Government Chronicle Council of the Year and the Municipal Journal Local Authority of the Year.

To be successful the council has a solid foundation of good governance and sound financial management. Barnsley's Local Code of Corporate Governance sets out how we aspire to and ensure that we are doing the right things, in the right way and in line with our values.

Each year the Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements set out in the Local Code have been working. This statement gives assurances on compliance for the year ending 31 March 2023 and up to the date of approval of the 2022/23 statement of accounts. The AGS shows that in many areas the Council has very effective arrangements in place. We will continue to review, streamline, and improve our processes to ensure these arrangements remain effective, now and into the future.

As Leader and Chief Executive, we have been advised of the implications of the review of our governance arrangements by Senior Management and the Audit and Governance Committee and are satisfied that the steps outlined in this document will address the areas identified for improvement.

Signed on behalf of Barnsley Metropolitan Borough Council

Sir Stephen Houghton CBE  
Leader of the Council  
Date:

Sarah Norman  
Chief Executive  
Date:

## **2. Actions from the Annual Governance Statement 2021/22**

The 2021/22 Annual Governance Statement Action Plan included 4 governance issues where improvements were required with 6 actions, 4 of these actions have been completed and the remaining 2 actions will be carried forward in the 2022/23 AGS Action Plan. The 2021/22 Action Plan also included a further 6 areas where enhancements would improve the efficiency of systems and processes across the Council with 6 actions which are carried forward into this year's Action Plan.

The Action Plan at Appendix 1 captures the emerging governance matters to be reviewed during 2023/24 and those included in the 2021/22 AGS that remain in progress. The Action Plan is a dynamic document and progress against the actions will continue to be reviewed by the Audit and Governance Committee throughout the year.

## **3. Introduction and Scope of Responsibility**

Barnsley 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 and used economically, efficiently, and effectively.

The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

The Accounts and Audit Regulations 2015 require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and prepare an Annual Governance Statement that reports on that review alongside the Statement of Accounts.

## **4. The Principles of Good Governance**

The Council regularly reviews its governance arrangements and has adopted a Local Code of Corporate Governance, which is consistent with the seven principles of Corporate Governance as set out in the CIPFA/SOLACE (2016) Framework Delivering Good Governance in Local Government. The Council's Local Code is available here: [Local Code of Corporate Governance](#)

The seven principles within the CIPFA/SOLACE (2016) Framework Delivering Good Governance in Local Government are:

- Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B - Ensuring openness and comprehensive stakeholder engagement
- Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F - Managing risks and performance through robust internal control and strong public financial management
- Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

## **5. The Purpose of the Annual Governance Statement**

The Annual Governance Statement considers the effectiveness of our governance arrangements throughout 2022/23. It is an objective and honest appraisal of the effectiveness of our governance framework. It highlights where we have identified any governance weaknesses but also where we want to further develop and improve them to ensure that we have as effective governance arrangements as possible that enable the organisation to deliver on its commitment to improving the lives of all residents and creating opportunity and prosperity for local people and businesses.

## **6. Reviewing our Effectiveness and the Governance Framework**

The governance framework comprises the systems and processes, culture, and values by which the Council is enabled, directed, and controlled and through which it accounts to, engages with, and leads the community. Part of that framework involves the management of risk. No risk management process can eliminate all risks and can therefore only provide reasonable and not absolute assurance of effectiveness. The Council's risk management approach, which is now embedded across the organisation, is subject to constant review by the Senior Management Team (SMT), at directorate management teams (DMTs) and individual Business Units (BUs) throughout the year. The Audit and Governance Committee review strategic risks at each of their meetings, with Executive Directors attending to provide a "deep dive" into the risks they own to give assurance that strategic risks are being reviewed and managed on a regular basis. Cabinet also reviews strategic risks on a 6 monthly basis.

To support the development of the AGS the following sections reflect the activity undertaken to review the effectiveness of governance across the Council:

- An annual facilitated self-assessment assurance process with all Business Units linked to areas of the governance framework to prompt consideration of the existence and adequacy of governance arrangements during 2022/23 – this approach ensures the engagement of all Executive Directors (ED's), Service Directors (SD's) and Heads of Service (HoS) in the process of assessing governance assurance across the organisation.
- The Strategic Risk Register which sets the culture and tone for the management of threats, concerns, and issues across the Council.

- The Annual Report of the Head of Internal Audit, Anti-Fraud and Assurance which provides an opinion on the adequacy and effectiveness of the Council's risk management, control, and governance processes.
- The work of the designated Data Protection Officer (DPO)
- The work of the Audit and Governance Committee which includes responsibility for monitoring the development and operation of corporate governance in the Council (the Audit and Governance Committee Annual Report provides further detail of the work of the committee during 2022/23) [Audit and Governance Committee Annual Report 2022/23](#)
- The Council's internal management processes, such as performance monitoring and reporting; the staff performance and development framework; employee awareness of corporate policies; monitoring of policies such as the corporate complaints and health and safety policies and budget management systems.
- The report of the Council's External Auditor
- The consideration of any significant matters arising in the year.
- Recommendations from external review agencies and inspectorates

Specific governance assurance statements are provided from the following statutory officers.

#### **a) Head of Paid Service**

As Chief Executive and the Head of Paid Service, I am responsible for the overall corporate and operational management of the council. In yet another challenging year for the council, borough, and country, I am proud of the organisation and how it has risen to the challenge of dealing with the significant economic pressures placed on it and supporting the people of the borough in the face of the cost-of-living crisis.

Although COVID is now largely behind us, we continue to live with the impact it has had and see this reflected in the increasing demand for our services, especially in Children's Services where significant investment was made during the year. As a consequence of this and the impact of inflation, the Council has experienced significant pressures on its budget during 2022/23 and this is forecast to continue in the future. A Council wide transformation programme is being developed to deliver the savings required to balance the budget over the life of the Medium-Term Financial Plan.

This includes challenging ourselves in the way we deliver services across the Council, ensuring that all our services are effective and efficient, delivering digital solutions where we can which are joined up and easier for our customers to access, and ensuring that we optimise the use of our physical assets including our significant property portfolio where that is still required.

I am satisfied that whilst our governance arrangements remain strong, we are never complacent and regularly revisit our processes to reflect the ever-changing needs of the organisation. More specifically the Strategic Risk Register continues to provide a focused and strategic approach which further supports our focus on maintaining efficient and effective corporate governance.

As a council we are outward looking and we have continued to make excellent progress with our partners in our shared vision for 2030 to make Barnsley The Place of Possibilities, a framework which is also reflected in our Corporate Plan.

Externally our performance has also been recognised by our peers and we have made history by becoming the first Council to win the two most prestigious awards in local government, the Local Government Chronicle Council of the Year and Municipal Journal Authority of the Year. These highlight Barnsley's excellent reputation nationally and puts our borough on the map as a brilliant place to live, work, visit and invest in. Above all our awards recognise all the hard work from all staff in making Barnsley the "Place of Possibilities." I am so proud of these achievements not just for the Council but also for our partners and communities.

I support the areas for improvement presented in this Annual Governance Statement and look forward to another successful but inevitably challenging year ahead.

#### **b) Section 151 Officer**

As the Council's designated S151 Officer, I am responsible for the Council's financial governance, risk and control frameworks which ensure that the Council's financial decision making is both lawful and prudent. I am also responsible, in accordance with the statutory requirements set out in the Local Government Act 1972, for the proper administration of the Council's financial affairs.

I am satisfied that the Council's arrangements are robust in all regards and more than meet the minimum thresholds set out under statute. My view is corroborated from several independent sources including the AGS review process which has again identified financial management as an area of strength across the organisation, a positive self-assessment outcome against CIPFA's statutory Financial Management Code and the External Auditor's continued positive feedback on the Authority's arrangements for securing Value for Money received in November of this year.

That said, the Council is experiencing significant financial challenges as evidenced through material budget shortfalls in 2022/23, 2023/24 and throughout the planning period of the latest Medium Term Financial Strategy (MTFS). The Council will need to maintain its robust financial management and strong track record in both setting and delivering strategic plans and transformational efficiency programmes aligned to its MTFS to ensure its ongoing financial sustainability.

### c) Monitoring Officer

As the Monitoring Officer, I am responsible for ensuring both elected Members and Officers uphold high standards of behaviour and conduct in adherence of the law.

The demands placed on the Council's decision-making processes and the arrangements needed to support virtual meetings proved to be very successful with public engagement increasing during that time. The need to maintain absolute transparency and confidence in our governance arrangements was and remains critical to maintaining public support and confidence.

The areas of improvement set out in this Annual Governance Statement are noted and elected Members and Officers of the Council will work together to ensure we build on the progress made to date. I would like to take the opportunity to thank members of our Audit and Governance Committee in the way they have again carried out their role in such demanding circumstances and continued to provide the rigour expected when seeking assurances on how the Council conducts its governance and control systems and processes.

## 7. Internal Audit and the Opinion on Internal Control, Risk and Governance 2022/23

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards (PSIAS), the Head of Internal Audit is required to provide independent assurance and an annual opinion on the adequacy and effectiveness of the council's internal control, governance, and risk management arrangements. This is achieved through the delivery of an annual programme of risk-based audits, including counter fraud and investigation activity. Management actions arising from the audit work are agreed with the aim of improving the internal control, governance, and risk management arrangements of the council.

The Annual Internal Audit Opinion Report has been considered by the Council's Audit and Governance Committee. Based on the work completed to date and taking into account other sources of assurance, The Head of Internal Audit has provided an overall positive assurance opinion. Below is an extract from the Head of Internal Audit's annual report submitted to the Audit and Governance Committee at their meeting on 15<sup>th</sup> November 2023. The full report is available via this link – [Head of Internal Audit Annual Report 2022/23](#)

*The Audit and Governance Committee has received Internal Audit progress reports throughout the audit year. In each of these reports a **reasonable** (positive) assurance opinion had been given reflecting an overall satisfactory level of internal controls and their application. Taking the whole year into account and the audits completed in relation to the 2022-23 plan, it is appropriate to give an overall **reasonable** (positive) assurance opinion for the year.*

*The engagement of senior managers and services across the Authority has once again been excellent and reflects a positive culture to embrace internal audit and look to identify opportunities to improve the effectiveness and efficiency of governance, risk*



*management and internal controls. However, the challenges that Services face remain of course and to maintain positive assurance in the future that positive culture needs to continue. The key issues arising from Internal Audit work in the year, in general terms, continue to relate to the significant pressures in most areas of the Council, relentless demand and the drive for greater efficiency and changed ways of working. There is nothing new in these challenges and so the embedded awareness of governance and internal control issues should stand the Authority in good stead to manage the risks, concerns and issues that will inevitably occur.*

*The audit work undertaken, and planned for the current year, has sought to support management to embrace and meet these challenges. To highlight this issue, a number of senior managers have continued to request Internal Audit input during the year to provide support and assurances that the internal control framework in certain areas was effective. This Internal Audit support was requested to highlight key control, governance and risk issues and assist management in how best to deal with them. Of key importance of course is the consideration and management of the identified and accepted risks moving forward.*

It should be noted that the internal audit planning process and in-year management of the audit plan involves discussions with SMT and wider senior management to ensure audit coverage is focussed on managing the key risks and priorities of the Council. Of particular relevance is the approach to risk management and broader governance assurance. There remains a clear culture of openness and engagement with Internal Audit across the Authority that facilitates the work necessary to prepare an overall assurance opinion.

## **8. Data Protection Officer (DPO)**

The Council is required to appoint a DPO under the UK General Data Protection Regulations and Data Protection Act 2018. The key aspect of this role is to provide the Council with independent assurance regarding compliance with the data protection law. The DPO has regular meetings with officers from the Information Governance Team and the Senior Information Risk Officer (SIRO) and reports to the Information Governance Board. The DPO also undertakes specific assurance reviews to support that independent assurance.

Independent assurance activity and general oversight continue to present a positive picture overall. The remit of the Information Governance Board provides a clear focus on compliance and awareness. Responses to Freedom of Information Requests and Subject Access Requests remain compliant with the statutory timescales. Significant work continues around having good cyber and IT security resilience, with regular phishing and password testing exercises to constantly ensure high levels of awareness and security. Any actions identified in relation to information governance / data protection improvements are monitored by the Information Governance Board and Audit and Governance Committee, and discussed specifically in SMT. One of the key areas of strategic focus for SMT is to be continuously assured that we have all reasonable and practical arrangements in place to protect against cyber threats and IT security weaknesses.

Having effective data protection and information governance arrangements in place is a key priority for the Council. As such, the DPO and Internal Audit will continue to devote time and resource to provide assurances to senior management and monitor management's response to any

improvements identified through further independent reviews and audits on a continuous rolling basis. These will be reported to the Information Governance Board and the Audit and Governance Committee.

## **9. External Audit**

The Council's appointed external auditor is Grant Thornton LLP. They are required each year to carry out a statutory audit of the Council's financial statements and give a narrative commentary on the Council's value for money arrangements. As well as having regular meetings with the Director of Finance and Chief Executive, Grant Thornton attend each Audit and Governance Committee to provide updates on the progress of their work, to answer questions from the Committee and importantly witness the operation of the Committee.

The Auditor's ISA260 Report providing their opinion on the accounts was presented to the Audit and Governance Committee on 15 November and to full Council on 23 November. The ISA260 report covering the results of the audit of the council's financial statements is available via this link [\[to be added for publication\]](#).

Of particular note is that once again the External Auditors plan to give an unqualified opinion on the Authority's statutory accounts.

## **10. Wholly Owned Companies**

The Council includes in its Annual Accounts two wholly owned companies which form part of the group accounts; Bernelsai Homes (Arm's Length Management Organisation) and Penistone Grammar School Foundation (Charitable Trust).

### **a) Berneslai Homes**

Berneslai Homes was established as an Arm's Length Management Organisation (ALMO) in 2002, responsible for managing around 18,000 homes on behalf of Barnsley Council. It is a Company Limited by Guarantee, overseen by a Board of Directors. The implementation of policies and the day to day running of the organisation is delegated to the Company's Chief Executive and Executive Management Team.

The Council currently receives assurance from Berneslai Homes in several ways as part of the Service Agreement between BMBC. Berneslai Homes' performance information against an agreed suite of KPI's is reported on a quarterly basis to the Council's SMT and Cabinet. At the end of the year the Council receives an Annual Report and review of progress against the Berneslai Homes Business Action Plan. These documents align to the Bernelsai Homes Strategic Plan 2021-2031 which in turn aligns with the BMBC Corporate Plan and 2030 Vision.

The Council's Audit and Governance Committee received an introductory presentation to describe the assurance arrangements in place that ensure the Council is effectively discharging its responsibilities as landlord. These arrangements are under constant review and form part of the council's assurance processes for the effective management of major boards and partnerships. The Audit and Governance Committee will receive regular assurance reports regarding the council's role as landlord.

**b) Penistone Grammar School Foundation (Charitable Trust)**

This charitable foundation is registered with the Charities Commission (Charity Number 529458). The purpose of the Trust is to further the education outcomes of the pupils at the school through the award of grants to the pupils or to the school. The Council is the corporate trustee of the charity, although the Board of Trustees have the powers to disburse the income and award grants to pupils and agreed projects. The accounts and governance arrangements can be found on the Charity Commission website. The Council includes details of the Foundations finances in its group accounts.

**11. External Inspection and other Assurance Reports**

The Council is subject to various external inspections and proactively invites support and challenge from regulators and peer reviews. The reports from these bodies provide valuable information and assurance to enable and ensure the maintenance of effective governance arrangements. The bodies that have provided reports and information are listed below.

**a) Local Government and Social Care Ombudsman and Housing Ombudsman – Referrals Made in 2022/23**

During 2022-23 there were 25 contacts received from the Local Government and Social Care Ombudsman (LGSCO) and 20 received from the Housing Ombudsman Service (HOS). At the time of the annual report, the position and outcomes of these contacts was as outlined below:

Local Government and Social Care Ombudsman outcomes:

- 1 fault with injustice
- 1 no fault but injustice caused
- 1 no fault and no injustice
- 9 discontinued investigations, not enough evidence of fault, no further action, or out of time
- 2 referred back to the council to pursue

- 7 outside the jurisdiction of the LGSCO
- 4 were pending a decision

Contacts received from the LGSCO are managed and facilitated by the councils Customer Resolution Team. Where the council is found to be at fault actions are taken to address any issues highlighted by the services they relate to.

#### Housing Ombudsman Outcomes (HOS):

The Housing Ombudsman Service outcomes were as follows (note that multiple outcomes can be received for each case):

- 1 reasonable redress
- 7 no maladministration
- 2 out of jurisdiction
- 10 did not progress to investigation.
- 1 withdrawn

The 20 contacts received from the Housing Ombudsman Service (HOS), are a significant increase on the number of contacts in previous years. A change in the law during 2022 means that residents no longer have to refer their complaint to a designated person or wait eight weeks before contacting the Housing Ombudsman who can consider their complaint. This has made it easier for residents to access the Housing Ombudsman. Part of the HOS Complaint Handling Code is that landlords must promote the HOS and this along with the governments advertising campaign 'Make Things Right', which aims to empower social housing tenants to make complaints has seen the volume of complaints increase nationally.

#### **b) Local Government and Social Care Ombudsman – Annual Review Letter 2022**

This letter issued in July 2023 provides details of annual performance statistics on the decisions made by the Local Government and Social Care Ombudsman (LGSCO) for Barnsley Metropolitan Borough Council for the year ending 31 March 2023. The letter focuses on the outcomes of complaints and what can be learnt from them in relation to complaints upheld, the compliance with recommendations and satisfactory remedy provided by the authority - [LGSO Annual Letter - July 2023.pdf](#)

Performance in relation to customer feedback for the period April 2022 – March 2023, is published in the Council's Annual Customer Complaints and Compliments Report - [Annual Customer Complaints and Compliments Report.pdf](#)

### **c) Children's Services – Ofsted Inspections**

A full Ofsted Inspection of Children's Services was undertaken in September 2023. The Council's Children's Services have been officially rated Good by Ofsted. Ofsted acknowledged that the appointment of the new Executive Director (14 months ago) combined with a significant review across all service areas has resulted in a self-evaluation which is an accurate assessment of practice and child experience. The full Ofsted report is available through the following link: <https://files.ofsted.gov.uk/v1/file/50231520>

There were a number of school inspections covering the period of this AGS. Details of individual school inspections can be found on the Ofsted website – [www.ofsted.gov.uk](http://www.ofsted.gov.uk) The issues raised in the individual Ofsted reports relate to school specific matters and any actions identified in inspection reports are taken forward by the schools concerned.

### **d) Care Quality Commission (CQC)**

Barnsley Metropolitan Borough Council's Night Service was inspected in December 2022 and received an overall Good Rating for the service. It was rated good in each of the five areas reviewed by the CQC inspection. The service is a domiciliary care services providing personal care to people living in their own homes. This was the first inspection of the service following its registration with CQC in July 2021. Details of the full inspection report can be found on the CQC website - [www.cqc.org.uk](http://www.cqc.org.uk)

### **e) Joint Area SEND Inspection (Ofsted and CQC)**

The Council along with the Integrated Care Board, education settings and schools are in the implementation and evidencing phase of the Written Statement of Action (WSOA) following the SEND Inspection in 2021. Four formal monitoring visits have been undertaken by the DfE who have reported good progress against the WSOA. There was one further review scheduled for the 11<sup>th</sup> October 2023, but this was postponed by the DfE as there has been a change of DfE SEND Advisor. Confirmation of the DfE SEND Advisor and the date of the meeting is awaited.

Progress is reported to the DfE through a combination of a monthly data submission, narrative account, and RAG rating. Where there has been slippage on specific actions, detailed rectification actions have been shared to provide assurance that progress will be accelerated. The SEND Oversight Board, ICB Place Based Partnership and Cabinet receive quarterly performance and finance reports. The Council has been accepted on to the DfE's Safety Valve programme following a rigorous process. The DfE will address the cumulative deficit in the Dedicated Schools Grant in 2026/27 on the condition that the Council delivers its DSG Management Action Plan and annual savings targets.

Successful achievement of the WSOA and wider SEND Improvement work to improve the system in Barnsley is the foundation for the DSG Management Action Plan to ensure a sustainable system in Barnsley in the coming years. A new inspection framework for SEND was launched in January 2023 and Barnsley will be subject to this inspection with indications that this could be in the second half of 2023.

**f) Information Commissioner's Office (ICO)**

During 2022/23 there were 8 cases referred to the Information Commissioners Office (2 relating to data breaches and 6 relating to information requests). One data breach was ruled to be due to another organisation and the other resulted in self-correcting actions being taken by the Council, which the ICO agreed with, suggested no further actions, and closed the case without action. Of the 6 information request referrals, 3 related to freedom of information requests, 1 related to a data protection request and 2 were environmental information requests. In relation to these 6 information requests, 5 decisions were upheld and 1 was partially upheld as the ICO agreed with the Council.

Any areas where improvements in internal processes are identified arising from ICO feedback or recommendations are acted upon. These are overseen by the Information Governance Board and Data Protection Officer.

**g) Health and Safety Executive**

There have been no formal enforcement actions by the Health and Safety Executive or South Yorkshire Fire and Rescue during 2022/23. The Council has achieved the Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction for Occupational Safety and Health and the British Safety Council International Safety Award.

The Council prepares an Annual Health and Safety Report which is considered by both Cabinet and the Audit & Governance Committee. The Annual Report identifies a number of priorities for improvements and an action plan to take these forwards in 2023/24. The annual report can be found via this link - [Annual Health and Safety Report 2022/23](#)

**h) Public Health Peer Challenge – Alcohol Use**

The LGA undertook a Public Health Peer Challenge in June 2022 to seek an external view on how effectively people with problematic alcohol use are identified and supported by the Council and key stakeholders.

The review team identified many examples of quality provision across the borough and provided a set of recommendations for the Council and its Partners. The main recommendation was to *“Create a shared coherent narrative for Barnsley of alcohol use and its consequences for all your communities. This needs to be framed as an issue for Barnsley and owned by everyone.”*

The Public Health Team have developed an action plan and strategy and will work through the Barnsley Alcohol Alliance to take forward these recommendations.

The Team is currently in the process of finalising the first draft of the narrative and vision for Barnsley. Collaboration with Recovery Steps (Barnsley's alcohol and drug provider) has seen the development of alcohol awareness and identification tools and Brief Advice training for BMBC managers – to enable management to have the confidence to identify and have discussions with their teams around alcohol consumption and related harms. Once training with management is completed a digital alcohol awareness course will be included on the Council's training system (POD) for all staff to participate in. Further developments include the identification of alcohol champions in each service area where staff can go for support. A range of alcohol resources have been purchased and tools to signpost staff to wider support and free coaching session with an alcohol specialist practitioner have been established.

Further developments include the piloting of "Alcohol Ambassadors" in a high prevalence area of Barnsley, these will undertake public education on alcohol harms and the effectiveness of this will be reviewed to determine if alcohol prevalence reduces in the area.

#### **i) HMIP Inspection of Youth Justice Services**

The Council received notification of a HMIP Inspection of Youth Justice Services on 17<sup>th</sup> March 2023. The inspection report was published in July 2023 with an overall 'good' outcome. The inspection provided a number of recommendations and HMIP approved Barnsley's submitted action plan in August 2023. The inspection involved statutory partners in police, probation, health, and education as well as wider partners who form part of the multi-agency response for youth justice services for Barnsley young people which is governed through the Youth Crime and Anti-Social Behaviour Board.

### **12. Governance Issues Identified from the Annual Governance Review**

The annual governance review process comprises a facilitated self-assessment with each Business Unit. This ensures that the entire organisation has considered its understanding and compliance with governance processes and the opportunity to raise any concerns about wider corporate governance arrangements.

A meeting was held with each Business Unit, led by the Service Director, and involved their Heads of Service. The meetings were thorough and robust producing an honest assessment of understanding and compliance across the various areas of governance. The areas identified from the review process were:

### Areas of Particular Strength

- Financial Management – high levels of understanding and compliance
- HR recruitment processes and HR processes generally – high levels of understanding and full compliance across Business Units
- Legislative Compliance – good understanding of how and when to access legal advice
- Decision Making - good compliance with decision making and reporting processes
- Health and Safety

### Areas of continuing improvement and focus

- Information Governance – continue to work to further reduce the number and risk of data breaches, continually ensure high levels of staff awareness of cyber risks, overall data security across the Council and records management
- Risk Management – support services to ensure consistent use of the risk management approach and system
- Equalities and Inclusion – scope to further improve equalities and inclusion awareness
- Performance Management and Data Quality – continue the development of KPI's, and improve the awareness and use of performance management data (Power BI)

### Efficiency / Effectiveness improvements (Actions)

In addition to the identification of areas of the Council's governance arrangements where a specific improvement is identified, the annual review process also seeks to identify where efficiencies can be made to make the governance framework even more effective. The sessions with Business Units sought to highlight where there may be scope to further review a corporate process, regardless of any compliance issues but to improve the engagement of Business Units in the general drive to continuously strengthen our governance arrangements whilst ensuring they are efficient and as easy to comply with as possible. The following areas were highlighted:

- HR recruitment processes and HR processes generally – compliance is very good, but the possible of a new HR system will help to improve the ease of compliance and make these important processes more efficient.
- Compliance with corporate procurement processes is also good but again there are opportunities to review these to improve efficiency.

The actions necessary to address the areas for continuing development and improvement have been captured in a high-level action plan (Appendix 1) which will be monitored during the year by the Audit and Governance Committee.



Internal Audit have undertaken a further independent review of the annual governance review process and preparation of the AGS. The outcome of this independent review provided a positive assurance opinion. The audit confirmed the AGR process is well embedded and therefore all statutory timescales are met.

We are constantly reviewing the annual governance review process to ensure it remains robust, and embedded with Business Units, and that we therefore prepare an open and transparent Annual Governance Statement. A review of the process will be undertaken over the Autumn to influence the 2023/24 process through the Governance and Ethics Board and SMT.

### 13. Governance Action Plan

The Governance Action Plan (Appendix 1) comprises the actions carried forward from the 2021/22 AGS Action Plan and the issues arising from the 2022/23 process. The action plan has two parts:

- Part One identifies governance issues where improvements are required
- Part Two identifies areas where enhancements would improve the efficiency of systems and processes across the Council.

The Audit and Governance Committee will receive regular update reports on the action plan and assurances that actions are being progressed.

Each identified action or area for further improvement is linked to one of the principles within the CIPFA guidance (see Section 4)

#### Part One – Governance Issues

- a. **SEND** – CIPFA/SOLACE – Principle B - Ensuring openness and comprehensive stakeholder engagement
  - The engagement of and communication with parents and carers. Local statutory partners need to ensure that the lived experience of families is influencing their strategic plans for services and provision (from 2021/22)
  - Improving the identification of and provision for, children and young people with SEND but without an Education, Health, and Care Plan (EHCP) (from 2021/22)

#### Part Two – Improvement Enhancements

- b. **Information Governance** - CIPFA/SOLACE – Principle F - Managing risks and performance through robust internal control and strong public financial management

- Migration to and the implementation of a potential new HR system remains a work in progress. HR, Finance, IT and Business Intelligence teams are working together to ensure implementation of the project in 2024/25 (from 2019/20).
- c. Personal Development Reviews – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**
- PDR processes will be reviewed in line with the relevant performance modules in the new HR system (from 2019/20).
- d. Risk Management - CIPFA/SOLACE – Principle F - Managing risks and performance through robust internal control and strong public financial management**
- Development of the wider governance assurance process across the Council to integrate with the new risk management approach – to be considered by the Governance and Ethics Board (from 2020/21)
- e. Anti-Fraud Awareness – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**
- Continued work to improve staff awareness and the assessment of fraud risks. Develop specific training to promote better general awareness of the Councils policies on fraud and corruption (from 2020/21)
- f. Workforce/HR Management – CIPFA/SOLACE – Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it**
- Migration to and the implementation of a potential new HR system remains work in progress. Teams from HR, Finance, IT and Business Intelligence are working together to ensure implementation of the project in 2024/25 (from 2020/21).
- g. Procurement and Contract Management – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**
- Through a strategic service review (over 18 - 24 months) explore improvements to procurement systems and processes to improve efficiencies and promote better awareness of the Commercial Toolkit and Strategy (process improvements will be identified during the strategic review) (from 2021/22).
- h. Equality and Inclusion Action Plan – CIPFA/SOLACE - Principle B - Ensuring openness and comprehensive stakeholder engagement**
- Development of a revised EDI Action Plan for 2023/24 and a broader 3 Year Plan for 2023/26.
- i. Equality and Inclusion E-Learning – CIPFA/SOLACE – Principle B – Ensuring openness and comprehensive stakeholder engagement**

- Review of current EDI learning packages available on POD
  - Shift to mandatory completion for all employees, including new starters as part of the review of mandatory learning
- j. Inclusivity as part of the People Strategy** – CIPFA/SOLACE – Principle B – Ensuring openness and comprehensive stakeholder engagement
- Improve employee awareness of inclusivity as part of our People Strategy and how inclusivity is central to our ambitions for the Council, linking our inclusivity agenda into key organisational activities e.g., communications, attraction, recruitment
- k. Staff Network Groups Development** – CIPFA/SOLACE – Principle B – Ensuring openness and comprehensive stakeholder engagement
- A series of employee network groups will be established, in line with the EDI Action Plan implementation
- l. Performance Management and Data Quality** – CIPFA/SOLACE – Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes
- Continue the development of KPI's, and improve the awareness and use of performance management data (Power BI)

#### 14. Strategic Risk Register

A robust and dynamic Strategic Risk Register sets the culture and tone for the management of threats, concerns and the assurances required across the Council. The engagement of the Senior Management Team (SMT) in the risk management process through their ownership and review of strategic risks on a quarterly basis demonstrates a strong commitment to lead and champion risk management “from the top,” and further reinforces the continuing development of a risk management culture across the Council.

The risks below are owned by SMT, with the management of individual risks being allocated to a member of SMT as the ‘risk manager,’ and any necessary actions to provide assurances allocated to Action Owners, being those senior managers best placed to take responsibility to drive the implementation of the identified actions. The current strategic risks are:

- *Threat of fraud and/or cyber-attack* – increased threats of fraud and cyber-attacks against the Council
- *Financial sustainability* – there are several significant emerging risks facing the Council (some of which are fluid and yet to be quantified) that if unchecked could pose a major threat to the Councils’ ongoing financial sustainability
- *Zero carbon and environmental commitments* – there are significant financial, reputational, business and community risks associated with work to ensure the Council achieves its ambition to be zero carbon by 2045.

- *Potential death of a child/safeguarding failure in children's services* – maintain a focus to ensure all reasonable measures are in place and are effective
- *Meeting Care Act 2014 responsibilities* – the combined impact of the pandemic, reform programme requirements and the cost-of-living crisis could cause challenges for the Council in meeting the statutory requirements of the Care Act.
- *Health protection emergency* – e.g., Covid 19 Pandemic – ensuring robust well understood arrangements are in place to deal with any health protection emergency
- *Inclusive economy* – impact of Covid, accelerated downturn on the local economy, increasing inflation and impact of cost-of-living crisis adding to pressures on the local economy
- *Potential for a safeguarding failure in Adult Social Care* – maintain a focus to ensure all reasonable measures are in place and are effective
- *Partnership and collaboration governance* – need to have robust, well governed but flexible and responsive arrangements for partnership working
- *Organisational resilience* – need to understand issues around leadership, general workforce capacity and welfare and recognise that organisational resilience is not as high as it was pre pandemic – need to find ways to recover post pandemic
- *Emergency resilience* – need to ensure the Council has robust mechanisms to prepare for, respond to and recover from civil emergencies and business interruptions
- *SEND* – new controls in place and an Oversight Board established, continue to monitor delivery, cost effectiveness and satisfaction rates
- *Educational outcomes progress* – continue to monitor with particular focus on improving outcomes for vulnerable groups and boys

SMT is responsible for ensuring that the Strategic Risk Register continues to express those high-level concerns, issues and areas of strategic focus which have a significant bearing upon the overall achievement of corporate objectives and that they are being appropriately managed.

To provide assurances that the Strategic Risk Register is being appropriately managed, the Audit and Governance Committee receive regular updates including presentations from the relevant Executive Director. These presentations provide the Committee with a deep dive review into the strategic risk and an opportunity to obtain an assurance from the Executive Director about the effectiveness of the mitigations and that the action plans in place to address the risk are being implemented. Cabinet also receives six-monthly updates.

## **15. Recovery from COVID-19**

The COVID-19 pandemic was a major disruptor to normal life with services stopping, demand for health and care services severely tested and the outlook for the economy uncertain. The response called for a huge and concentrated effort and council and partner services rose to the challenges presented to them. Colleagues across the health and care system alongside our communities worked incredibly hard throughout the

pandemic to minimise the impact of COVID-19 locally. Our robust response to the pandemic added assurance to the effectiveness of the Council's Business Continuity Plans, communications strategy, and governance arrangements.

Throughout 2022/23 we continued to deal with the legacy of the COVID-19 pandemic, responding accordingly via our public health and Barnsley 2030 partnerships and priority work programmes, with the related governance in place. The pandemic has shone a light on the extent of our existing inequalities within our borough and our Barnsley Health and Wellbeing Strategy focusses on tackling these issues. As we now recover from the COVID-19 pandemic we must do so in a fair and equitable way, ensuring that none of our communities are left behind.

We continue our health protection work effectively in collaboration with council colleagues and partners locally, regionally, and nationally. Our risk and governance structures and approaches are well established with UK Health Security Agency now leading local outbreak arrangements supported by our local Barnsley Council Health Protection Team. The Health Protection Board and Director of Public Health receive regular updates, assurances and reports on the evolving health protection issues including COVID -19 recovery and actions are taken where appropriate. Alongside this, Barnsley Council is participating in the UK COVID-19 Inquiry to examine the UK's response to and impact of the COVID-19 pandemic and learn lessons for the future.

## **16. A Forward Look**

Although an annual governance statement is intended to provide a reflection of the financial year just gone, it is also important to highlight and acknowledge that where the Council has challenges, or is implementing major changes, assurance can be provided that due regard is given to maintaining and using effective governance to ensure the achievement of objectives.

The Council continues to work with other organisations in many ways. The need to ensure all such relationships, whether they are formal contracts, collaborations or partnerships are effectively governed is ever more important and particularly pertinent in relation to the new integrated care system, across the local NHS organisations and Council. A process is now in place to obtain assurance from the major Boards and Partnerships about their governance arrangements. Such assurances will be reported to SMT and the Audit and Governance Committee.

The national and indeed international landscape will continue to provide further challenges to the Council in terms of exceptional inflationary pressures, supply chain problems and the continuing difficulty in the recruitment and retention of staff, all of which present further pressure on the council's ability to deliver our ambitious investment and transformation programmes. There will inevitably be many more uncertainties that we will need to work with over the coming year and beyond. What is important therefore is the maintenance and continual review of our governance arrangements that will ensure we are in the best possible position to respond positively and responsibly to these pressures and challenges. To that end the Governance and Ethics Board is working to review aspects of the council's governance arrangements to ensure they are as efficient as possible.

Of particular focus is to ensure our governance arrangements support and facilitate our transformation programme, to realise efficiencies in how we provide services, how we manage the budget constraints alongside increasing demands for services and how we meet our long-term environmental obligations.

## **17. Conclusion**

This AGS demonstrates that the systems and processes the Council employs provide a comprehensive framework upon which to give assurance to the Council and residents of the Borough that its governance arrangements were in place and effective overall during 2022/23 and into 2023/24.

The governance arrangements outlined in the AGS have been applied throughout the year and up to the date of the approval of the Annual Accounts. The annual review has provided an effective process to identify any governance issues and to put in place the necessary improvement actions. The annual review process and action plan demonstrates the culture of the Council to robustly challenge itself and constantly seek out and demonstrate opportunities to improve.

Along with every organisation in the country, the Council continues to respond to the considerable inflationary and general economic challenges. It is recognised that the Council will have significant issues to consider and address which will have longer-term implications for how services are delivered and the financial resources available to support that service delivery.

As highlighted in the External Auditor's Narrative VFM Report (May 2023), we remain committed to seek continuous improvement and demonstrate the best use of resources and value for money.

The annual governance review has identified, overall, that the Council continues to have an effective framework of governance. The challenging approach we take in the preparation of the AGS has identified areas where we want to improve further with the necessary actions being agreed. The implementation of AGS action plan will again be closely monitored by the Audit and Governance Committee.

## Annual Governance Statement Action Plan - Governance Issues where Improvements are Required

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
<b>2021/22</b> b/f from 2021/22 Action Plan	<b>SEND – address the 2 areas of significant weakness:</b> <ul style="list-style-type: none"> <li>• The engagement of and communication with parents and carers. Local statutory partners need to ensure that the lived experience of families is influencing their strategic plans for services and provision</li> <li>• Improving the identification of and provision for, children and young people with SEND but without an Education, Health, and Care Plan (EHCP)</li> </ul>	Barnsley MBC and Barnsley CCG Lead Officer – ED Children’s Services	December 2023

Appendix 1 - Part Two

Annual Governance Statement Action Plan - Areas where Improvement Enhancements would improve the Efficiency of Systems and Processes across the Council.

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
2019/20 c/f from 2021/22 Action Plan	<b>Information Governance – Efficiency Improvement</b> <ul style="list-style-type: none"> <li>Migration to and the implementation of a potentially new HR system remains a work in progress. HR, Finance, IT and Business Intelligence teams are working together to ensure the implementation of the project in 2024/25</li> </ul>	SD Customer Information and Digital Systems	2024/25
2019/20 c/f from 2021/22 Action Plan	<b>Personal Development Reviews – Efficiency Improvement</b> <ul style="list-style-type: none"> <li>PDR processes to be reviewed in line with relevant performance modules in the potential new HR system</li> </ul>	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	2024/25
2020/21 c/f from 2021/22 Action Plan	<b>Risk Management - Governance Improvement</b> <ul style="list-style-type: none"> <li>Development of the wider governance assurance process across the Council to integrate with the risk management approach – to be considered by the Governance and Ethics Board</li> </ul>	Head of Internal Audit, Anti-Fraud and Assurance	March 2024
2020/21 c/f from 2021/22 Action Plan	<b>Anti-Fraud Awareness – Governance Improvement</b> <ul style="list-style-type: none"> <li>Continue work to improve staff awareness and the assessment of fraud risks. Develop specific training to promote better general awareness of the Council policies on fraud and corruption</li> </ul>	Director of Finance / Head of Internal Audit, Anti-Fraud and Assurance	December 2023



AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
<b>2020/21</b> c/f from 2021/22 Action Plan	<b>Workforce / HR Management – Efficiency Improvement</b> <ul style="list-style-type: none"> <li>Migration to and the implementation of a potentially new HR system remains a work in progress. HR, Finance, IT and Business Intelligence teams are working together to ensure the implementation of the project in 2024/25</li> </ul>	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	2024/25
<b>2021/22</b> c/f from 2021/22 Action Plan	<b>Procurement &amp; Contract Management – Efficiency Improvement</b> <ul style="list-style-type: none"> <li>Through a strategic service review (over 18-24 months), explore improvements to procurement systems and processes to improve efficiencies and promote better awareness of the Commercial Toolkit and Strategy (process improvements will be identified during the strategic review)</li> </ul>	Director of Finance / Head of Strategic Commissioning, Contracts and Procurement	April 2024
<b>2022/23</b>	<b>Equality and Inclusion Action Plan</b> <ul style="list-style-type: none"> <li>Development of a revised EDI Action Plan for 2023-24, and also a broader 3 Year Plan for 2023-26</li> </ul>	SD Business Improvement, HR & Communications / Head of HR & OD / Place Policy and Equalities Manager	2023/24
<b>2022/23</b>	<b>Equality and Inclusion E-Learning</b> <ul style="list-style-type: none"> <li>Review of current EDI learning packages available on POD</li> <li>Shift to Mandatory completion for all employees, including new starters as part of the review of mandatory learning</li> </ul>	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	November 2023
<b>2022/23</b>	<b>Employee Diversity and Inclusion Data Capture</b> <ul style="list-style-type: none"> <li>Employee data to be captured to improve corporate reporting, compliance, and employee experience</li> </ul>	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	December 2023

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
2022/23	<b>Inclusivity as part of the People Strategy</b> <ul style="list-style-type: none"> <li>Improve employee awareness of inclusivity as part of our People Strategy and how inclusivity is central to our ambitions for the Council, linking our inclusivity agenda into key organisational activities e.g., communications, attraction, recruitment</li> </ul>	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	March 2024
2022/23	<b>Staff Network Groups Development</b> <ul style="list-style-type: none"> <li>A series of employee network groups will be established, in line with the EDI Action Plan implementation</li> </ul>	SD Business Improvement, HR & Communications (and People Board) / Head of HR & OD / Place Policy and Equalities Manager	March 2024
2022/23	<b>Performance management / data quality</b> <ul style="list-style-type: none"> <li>Continue the development of KPI's, and improve the awareness and use of performance management data (Power BI)</li> </ul>	SD Business Improvement, HR & Communications	March 2024