

# **Barnsley Metropolitan Borough Council**

## **Final Annual Governance Statement 2023/24**



## DRAFT ANNUAL GOVERNANCE STATEMENT 2023/24

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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.

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 2024 and up to the date of approval of the 2023/24 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 to reflect the ever-changing needs of the organisation.

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: 20<sup>th</sup> December 2024



Sarah Norman  
Chief Executive  
Date: 20<sup>th</sup> December 2024

## **2. Actions from the Annual Governance Statement**

The 2022/23 Annual Governance Statement Action Plan included 6 areas where enhancements would improve the efficiency of systems and processes across the Council. In addition, the action plan included 1 action carried forward from the 2021/22 actions plan where improvement was required and 6 actions where enhancements would improve the efficiency of systems and processes across the Council. Of these, the improvement action from 2021/22 has now been closed and also a total of 8 enhancement related actions have been closed in the year (4 from 2021/22 and 4 from 2022/23).

Regular updates of progress against the Action Plan have been considered by the Audit and Governance Committee.

The Action Plan at Appendix 1 captures the emerging governance matters to be reviewed during 2024/25 and those included in the 2022/23 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 2023/24. 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 all strategic risks twice per year, with an Executive Director(s) attending every meeting to provide a "deep dive" into 2-3 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 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 2023/24.
- 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 Corporate Assurance (Head of Internal Audit) 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 2023/24)
- 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, which are discussed and monitored by various Committees.
- 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.

Whilst the climate for local government and our communities remains challenging, I am pleased to say that it has been an excellent year for the council. Externally our performance has 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.

Nevertheless, the cost-of-living crisis and the impact of inflationary pressures remain, and we continue to live with the impacts of these on both our own costs and 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 2023/24 and

this is forecast to continue in the future. In response a Council wide transformation programme has been developed to deliver the savings required to balance the budget over the life of the Medium-Term Financial Plan.

Wherever possible we seek to make savings through positive transformation, but we will not avoid making difficult decisions about services if we need to in order to manage our budget. 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.

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 January of this year.

That said, the Council is experiencing significant financial challenges as evidenced through a material budget shortfall in 23/24 and throughout the remainder of 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 Service Director for Law and Governance and 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, good governance and high standards in public life. 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. Significant work has been undertaken drawing in expertise from within the Law & Governance directorate with a view to ensuring that good governance is embedded in day-to-day operational practice. A check and challenge approach with awareness of good governance has ensured that officers develop a more insightful working practice. 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. The role of Overview and Scrutiny has further supported this direction of travel with significant areas of review having been undertaken and there being an increased profile of scrutiny and the benefits of, amongst officers within the council.

## **7. Corporate Assurance (Internal Audit) and the Opinion on Internal Control, Risk and Governance 2023/24**

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards (PSIAS), the Head of Corporate Assurance (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 reviews, including counter fraud and investigation activity. Management actions arising from the assurance work are agreed with the aim of improving the internal control, governance, and risk management arrangements of the council.

The Annual Head of Corporate Assurance (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 Corporate Assurance (Internal Audit) has provided an overall reasonable (positive) assurance opinion. Below is an extract from the Head of Corporate Assurance's (Internal Audit) annual report submitted to the Audit and Governance Committee at their meeting on 13<sup>th</sup> November 2024. The full report is available via this link – [Annual Head of Corporate Assurance Report](#).

It should be noted that the corporate assurance planning process and in-year management of the plan involves discussions with SMT and wider senior management to ensure 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 Corporate Assurance (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.

In fulfilling this role, 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 generally compliant with the statutory timescales with the exception of a few very complex subject access requests which have proved challenging to meet the timescales. The arrangements and capacity to respond to such complex requests is currently being considered.

Significant work continues around having good cyber and IT security resilience, with regular phishing and password cracking exercises to 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 the Senior Management Team (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 the Corporate Assurance (Internal Audit) Team 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 assurance on a 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. This work has been undertaken on a timely basis for the last 6 years and, therefore, the Council is not part of the Government's 'backstop' 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 13<sup>th</sup> November 2024 and to full Council on 28<sup>th</sup> November 2024. The ISA260 report covering the results of the audit of the council's financial statements is

available via this link [ISA260](#). Of particular note is that the External Auditors have given an unqualified opinion on the Authority's statutory accounts.

## **10. Wholly Owned Companies**

The Council includes in its Annual Accounts three wholly owned companies which form part of the group accounts; Berneslai Homes (Arm's Length Management Organisation), Oakwell Community Assets Limited 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 2021-2031. Berneslai Homes' performance is monitored against an agreed suite of KPI's and wider assurance framework (dashboards for Compliance, Complaints and ASB) on a quarterly basis. The performance reports are presented to the Council's SMT and Cabinet as part of the year-end performance reporting and from 2024/25 will be presented as part of a mid-year review (Q's 1&2). 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 Berneslai Homes Strategic Plan 2021-2031 which in turn aligns with the BMBC Corporate Plan and 2030 Vision.

The Council's Clienting team commissioned Campbell Tickell to undertake a review of the current clienting and assurance frameworks and to develop a joint major incident protocol between the Council and Berneslai Homes. This work was completed in May 2024 and a major incident protocol has been shared with Berneslai Homes, the Council's emergency planning protocol will be aligned in the first instance. A workshop is to be scheduled following the housing inspection, as that may identify some additional areas of focus. The review also produced a risk-based assurance document template that will be collectively reviewed.

These arrangements are under regular 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) Oakwell Community Assets Limited (OCAL)**

Oakwell Community Assets Limited (OCAL) is a property holding company that was established in 2003 by Barnsley Council and Mr Patrick Cryne. The company owns Oakwell Football Stadium and the land surrounding the stadium. The Council acquired Mr Cryne's shareholdings in OCAL during 2023 and is now sole owner of OCAL.

#### **c) Penistone Grammar School Foundation (Charitable Trust)**

This charitable foundation is registered with the Charities Commission (Charity Number 529458). The purpose of the Charitable Trust is to further the education outcomes of the pupils at Penistone Grammar (Foundation) School (the 'School') – they are both separate legal entities. The Council is not the corporate trustee of the Charitable Trust. The Board of Trustees have the powers to disburse the income and award grants to pupils and agreed projects at the school. The accounts and governance arrangements can be found on the Charity Commission website. The Council includes details of the Foundation Schools 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 2023/24**

During 2023-24 there were 33 contacts registered by the Customer Resolution Team from the Local Government and Social Care Ombudsman (LGSCO). At the time of reporting, the position and outcomes of these contacts was as outlined below:

##### Local Government and Social Care Ombudsman outcomes:

- 4 fault with injustice (1 resolution was agreed so investigation was discontinued)
- 3 no fault and no injustice
- 8 discontinued investigations, not enough evidence of fault, no further action, or out of time
- 8 referred back to the council to pursue.
- 5 outside the jurisdiction of the LGSCO
- 5 were pending a decision.

Contacts received from the LGSCO are managed and facilitated by the Council's 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 Council was contacted by the Housing Ombudsman Service (HOS) on 17 occasions during 2023/24, which is a 15% decrease compared to the previous year. Of these, 8 of the contacts did not escalate to a full investigation and were handled in line with the complaints policy. The Council received 9 requests for evidence for cases that the HOS had accepted for full investigation and all enquiry contacts and evidence requests were compiled within the timescales provided by the HOS.

The Council received determination outcomes for 10 cases following HOS investigation, some of which relate to cases provided to them during 2022/23, with a total of 22 determinations (multiple determinations can be received for each case). The HOS determination outcomes were as follows:

Severe Maladministration	0
Maladministration	6
Partial Maladministration	0
Service Failure	1
Reasonable Redress	2
No Maladministration	10
Out of Jurisdiction	3
Withdrawn by the resident	0

The HOS made orders on 4 of the cases and the Council has complied with all orders and responded to the HOS with evidence of compliance within timescales given.

During 2023/24, the Council positively received House mark accreditation for its complaint handling service and remains compliant with the HOS Complaint Handling Code and scheme.

The Housing Ombudsman Landlord report 2023/2024 provided a summary of our performance compared to national performance. The overall finding was that we performed well, when compared to similar landlords by size and type.

The Council continues to see an increase in the volume of complaints from social housing tenants nationally, both at landlord and HOS level. This is expected to continue due to the governments on-going national advertising campaign 'Make Things Right' and the significant focus for regulatory compliance with 3 of the 22 Tenant Satisfaction Measures relating to complaint handling. The HOS Complaint Handling Code became statutory on 1st April 2024, meaning landlords are obliged by law to follow its requirements.

#### **b) Local Government and Social Care Ombudsman – Annual Review Letter 2023/24**

This letter issued in July 2024 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 2024. 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 – [LGSCO Letter](#).

Performance in relation to customer feedback for the period April 2023 – March 2024, is published in the Council's Annual Customer Complaints and Compliments Report – [Annual Customer Complaints and Compliments Report](#).

#### **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. There were a number of school inspections covering the period of this AGS. 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.

Details of all inspection reports can be found on the Ofsted website – [www.ofsted.gov.uk](http://www.ofsted.gov.uk).

#### **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. There have been no further inspections during 2023-24 to date. Full inspection reports 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 have met with the DfE throughout 2023-24 and also provided monthly data submissions, narrative accounts and RAG rating in relation to the progress made in implementing actions included in the Written Statement of Action (WSOA) following the SEND Inspection in 2021.

The SEND Oversight Board, ICB Place Based Partnership and Cabinet receive quarterly performance and finance reports. The Council was 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.

The DfE and NHS England conducted a formal monitoring visit to Barnsley on the 1st May 2024 regarding progress against the Written Statement of Action (WSOA). The DfE and NHS England assessed that sufficient progress had been made in relation to the actions taken by the Local Area to address the two areas of weakness included in the WSOA. Significant improvement was reported for area 1 (the engagement with parents/carers) and effective improvement in area 2 (identification of need and outcomes of children with SEND that does not require a EHCP). The DfE advisor noted significant changes in collegiate working, leaders providing collaborative strategic direction with the development of an impressive multi professional team. This concludes the formal monitoring of the WSOA. The Local Area is due a full SEND inspection which will consider performance in these areas as part of the inspection framework.

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

During 2023/24, there were 7 cases referred to the Information Commissioners Office (3 relating to data breaches and 4 relating to information requests). The 3 information Governance issues were all categories as process failure, with the ICO suggesting no further actions beyond those already undertaken by the Council, and these were closed without action or further recommendations. Of the 4 information request referrals, 3 related to freedom of information requests, 1 related to a data protection request. In relation to these 4 information requests, 1 decision was upheld and 1 involved a change of exemption applied, the remaining 2 resulted in the Council releasing additional information as directed by the ICO.

Any areas where improvements in internal processes are identified arising from ICO feedback or recommendations are acted upon. These are overseen by the 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 2023/24. 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 2024/25. The annual report can be found via this link [Annual Health and Safety Report](#).

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

The annual governance review process was carried out through self-assessments undertaken by each Business Unit. This ensured that the entire organisation considered its understanding and compliance with governance processes, it also provided scope for Business Units to raise any concerns about wider corporate governance arrangements. The Self-Assessment Questionnaires have been analysed and 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.
- Ethical Standards and Conduct Management - high levels of understanding and compliance.
- Equalities and Inclusion – increased levels of understanding and awareness from previous year.
- Health & Safety – good levels of understanding, audits undertaken in 2023/24 to measure compliance.
- Risk Management – greater ownership and accountability of risks by Management. Embedded QA process.
- Legislative Compliance – good understanding of how and when to access legal advice.
- Decision Making - good compliance with decision making and reporting processes.
- Partnership, Relationship and Collaborative Governance – effective arrangements in place, positive reporting from external inspections.

### Areas of continuing improvement and focus

- Business Continuity and Emergency Resilience – revised templates implemented following Operation Norbert to test response to a cyber-attack. BUs to populate, and test effectiveness etc.
- 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.
- Procurement and Contract Management – need to continue to embed revised frameworks/ toolkits and raise awareness of compliance requirements / how to achieve VfM (incl. Procurement Cards).

- Performance Management and Data Quality – continue the development of CSFs/ KPI's, and improve the awareness, capacity, and use of performance management data (Power BI)
- Project and Programme Management – best practice being developed through the Transformation Programme and also in the delivery of Capital Programmes. Need to develop a project management framework and guidance.

#### Efficiency / Effectiveness improvements and Future Enhancements (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 and enhancements 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 and enhance 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:

- Finance – to implement and embed a BV (Enabling Barnsley) Strategy and Accountability and Competency Framework (Finance) in 2024/25.
- HR recruitment processes and HR processes generally – compliance is very good, but there continues to be a concern in relation to recruiting to vacancies in certain specialist areas. The anticipated new HR system has been delayed; revised approaches are being considered.
- Compliance and Accountability Framework – development of Enabling Barnsley CSFs to measure the health across the Council, incl. in PDRs, 1:1s, during 2024/25.

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.

Corporate Assurance have undertaken a further independent review of the annual governance review process and preparation of the AGS. The outcome of this independent review provided for a reasonable (positive) assurance opinion.

### **13. Governance Action Plan**

The Governance Action Plan (Appendix 1) comprises the actions carried forward from the 2021/22 and 2022/23 AGS Action Plans and the issues arising from the 2023/24 process. The Audit and Governance Committee will receive regular update reports on the action plan and assurances that actions are being progressed.



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

### Improvement Enhancements

- a. Personal Development Reviews – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**
  - PDR processes to be reviewed as part of wider H&OD service review. (from 2019/20).
- b. 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).
- c. Procurement and Contract Management – CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. (from 2021/22).**
  - A strategic service review has been undertaken during 2023/24 and a programme of improvements to procurement systems and processes (to improve efficiencies and promote better awareness of the procurement and contract management processes) is in implementation.
  - A new version of the CPRs was implemented in February 2024 to streamline the processes and better define roles and responsibilities.
  - A Contract Management toolkit is to be rolled out/ implemented during 2024/25.
  - The use of SAP Concur for procurement card expenditure in 2024/25 will better support reporting and visibility of spend (i.e. Compliance).
- d. 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)
- e. Best Value (Enabling Barnsley) Strategy – CIPFA/SOLACE - Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**
  - Implement and embed the Strategy throughout the Council

- f. Accountability and Competency Framework (Finance)** - CIPFA/SOLACE - Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - Implement and embed the Strategy throughout the Council
- g. Accountability and Compliance Framework** - CIPFA/SOLACE - Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - Develop corporate and local CSFs to measure the Council's health and integrate into golden thread of meetings, PDRs and 1:1s.
- h. Project and Programme Management** - CIPFA/SOLACE – Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.
  - Develop and implement a corporate project and programme management framework / approach.
- i. Business Continuity and Emergency Resilience** - CIPFA/SOLACE – Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.
  - Embed and test the revised BCP templates completed by BUs (including Cyber-attacks following Operation Norbert).
- j. Review of Council's Constitution** - CIPFA/SOLACE – Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - To undertake a review and update the Council's Constitution, in consultation with Elected Members. Plan developed and briefing Audit and Governance Committee throughout 2024/25.

## 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 cyber-attack* – increased threats of 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 for a 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.
- *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. 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 continue to be reported to SMT and the Audit and Governance Committee.

The national and indeed international landscape continues to provide further challenges to the Council in terms of exceptional inflationary pressures, significant increase in demand for services (particularly Social Care), 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. The Council faces a current financial gap of some £19M in 2025-26 which is predominately as a result of the increases in funding not keeping pace with the significant rise in pressure and yet there will inevitably be many more uncertainties that we will need to work with over the coming year and beyond, non-more than the impact of a general election and potential new government. Whilst the Council has a plan to address this gap via the ongoing transformation programme, it is possible that this will not be enough and as such an alternative plan is currently being compiled, which may mean more difficult decisions need to be made. 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 and to support the decisions required and taken in relation to the funding gap, how we manage the budget constraints alongside increasing demands for services and how we meet our long-term environmental obligations. A BV (Enabling Barnsley) Strategy, Accountability and Competency Framework (Finance) and a Compliance and Accountability Framework have been developed for implementation and embedment during 2024/25 to further enhance our governance arrangements.

## 16. 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 2023/24 and into 2024/25.

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 (January 2024), 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.

## Appendix 1

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

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
<b>2019/20</b> c/f from 2021/22 Action Plan	<b>Personal Development Reviews – Efficiency Improvement</b> <ul style="list-style-type: none"> <li>PDR process to be reviewed as part of wider HR&amp;OD service review.</li> </ul>	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	31 <sup>st</sup> March 2025
<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> <p>No new system is being procured. In house low-cost existing system efficiencies are being considered.</p>	SD Business Improvement, HR & Communications / Head of HR and Organisational Development	31 <sup>st</sup> March 2025
<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>A strategic service review has been undertaken during 2023/24 and a programme of improvements to procurement systems and processes (to improve efficiencies and promote better awareness of the procurement and contract management processes) is in implementation.</li> </ul> <p>A new version of the CPRs was implemented in February 2024 to streamline the processes and better define roles and responsibilities.</p> <p>A Contract management toolkit is to be rolled out during 2024/25.</p> <p>The use of SAP Concur for procurement card expenditure in 2024/25 will better support reporting and visibility of spend (i.e. Compliance).</p>	Director of Finance / Head of Strategic Purchasing, Procurement and Contract Management	31 <sup>st</sup> March 2025

AGS	Area Identified / Action	Lead Officer / Action Officer	Timescales
2022/23	<p><b>Performance management / data quality</b></p> <p><b>Data quality</b></p> <ul style="list-style-type: none"> <li>• Embed Data Quality as a measurable performance metric across the organisation, using the data quality framework to enable directorate views of data quality.</li> </ul> <p>The framework and supporting architecture have been developed. As each new or existing data source is developed in our central managed data store, measures of data quality will be developed alongside, operational measure.</p> <p>BI plan to have the first iterations of KPIs that demonstrate data quality for the organisation included in the Enabling Barnsley framework by April 2025, in line with our best value strategy outcomes. This work will continue developing more indicators of data quality in conjunction with data owners across the organisation.</p> <p><b>Performance Management</b></p> <ul style="list-style-type: none"> <li>• Embed a culture of data led decision making by supporting and challenging all directorates in a consistent way to use data to drive continuous improvement.</li> <li>• Performance (Including data quality) becomes a regular conversation at DMTs and provides meaningful narrative that shows stories of difference evidenced by relevant performance measures. enable directorate views of data quality.</li> </ul> <p>Senior Performance officers in BI regularly attend DMT's to present and challenge directorates performance, understand challenges and support continuous improvement. We will continue to strength this role of being a critical friend throughout 2024/25 with a view to formalising this role through our service review which is currently paused.</p>	SD Business Improvement, HR & Communications	31 <sup>st</sup> March 2025

<b>AGS</b>	<b>Area Identified / Action</b>	<b>Lead Officer / Action Officer</b>	<b>Timescales</b>
	A review of Business planning process in 2024 by BI will suggest the need to greater align business plans with ways in which we measure success and ensure that targets for the following year are considered in enough detail to be ambitious, meaningful and achievable.		
<b>2023/24</b>	<b>BV (Enabling Barnsley) Strategy</b> <ul style="list-style-type: none"> <li>Implement and embed the Strategy throughout the Council.</li> </ul>	Director of Finance / Head of Operational Finance & Schools Catering	31 <sup>st</sup> March 2025
<b>2023/24</b>	<b>Accountability and Competency Framework (Finance)</b> <ul style="list-style-type: none"> <li>Implement and embed the Strategy throughout the Council.</li> </ul>	Director of Finance / Head of Corporate Finance and Business Partnering	31 <sup>st</sup> March 2025
<b>2023/24</b>	<b>Accountability and Compliance Framework</b> <ul style="list-style-type: none"> <li>Develop corporate and local CSFs to measure the Council's health and integrate into golden thread of meetings, PDRs and 1:1s.</li> </ul>	Director of Finance / Head of Corporate Assurance	31 <sup>st</sup> March 2025
<b>2023/24</b>	<b>Project and Programme Management</b> <ul style="list-style-type: none"> <li>Develop and implement a corporate project and programme management framework / approach.</li> </ul>	Executive Director Core Services (Project Management Framework Committee)	31 <sup>st</sup> March 2025
<b>2023/24</b>	<b>Business Continuity and Emergency Resilience</b> <ul style="list-style-type: none"> <li>Embed and test the revised BCP templates completed by BUs (including Cyber-attacks following Operation Norbert).</li> </ul>	Head of Corporate Health, Safety and Emergency Resilience	31 <sup>st</sup> December 2024
<b>2023/24</b>	<b>Review of Council's Constitution</b> <ul style="list-style-type: none"> <li>To undertake a review and update the Council's Constitution, in consultation with Elected Members. Plan developed and briefing Audit and Governance Committee throughout 2024/25.</li> </ul>	Head of Registration and Elections	31 <sup>st</sup> March 2025