

## ANNUAL GOVERNANCE STATEMENT (AGS) 2023/24 (AUDITED)

### Scope of Responsibility

1. Darlington Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
3. The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government, the 2016 Edition. A copy of the Code is on our [website](#) at or can be obtained from:

Democratic Services  
Operations Group  
Town Hall  
Feethams  
Darlington  
DL1 5QT  
Tel (01325) 405995

4. This Statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit (Amendment) Regulations 2024, in relation to the publication of an AGS.

### The Purpose of the Governance Framework

5. The governance framework comprises the systems and processes and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate leads the community. The governance framework is intended to help the Council plan and deliver sustainable economic, environmental and social outcomes while living within its resource limits and enable the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate services and value for money.
6. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and

objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

7. The governance framework has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts.

### **The Governance Framework**

8. The key elements of the Council's governance framework are tabulated in Appendix A to this statement which also indicates their relevance to the following seven core principles that underpin good governance: -
  - (a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  - (b) Ensuring openness and comprehensive stakeholder engagement.
  - (c) Defining outcomes in terms of sustainable economic, social and environmental benefits.
  - (d) Determining the interventions necessary to optimise the achievement of the intended outcomes.
  - (e) Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  - (f) Managing risks and performance through robust internal control and strong public financial management.
  - (g) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.
9. Each key element, as detailed in the Council's Local Code, has a nominated lead officer, outlines the duty to which it relates and includes three discrete types of action:
  - (a) Awareness - making sure that everyone who needs to know about the element does know.
  - (b) Monitoring - ensuring that the duty is carried out.
  - (c) Review - actions to ensure that the element is reviewed in the light of effectiveness and emerging good practice.
10. The governance framework continually evolves to embrace new areas of service and the associated controls, and also to encompass regulatory reviews/recommendations and the Council's financial management arrangements that conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The governance arrangements also conform to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public service organisations.

## Review of Effectiveness

### Background

11. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by an Assurance Framework, documented in Appendix B, that includes the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Internal Audit Report, and also comments made by the external auditors and other review agencies and inspectorates.
12. This Statement has been prepared by a management group that has responsibility for evaluating assurances and the supporting evidence. The group comprises the:
  - (a) Chief Executive (Head of Paid Service)
  - (b) Group Director of Operations (S151 Officer)
  - (c) Assistant Director Law and Governance (Monitoring Officer)
  - (d) Head of Strategy, Performance and Communications
  - (e) Complaints and Information Governance Manager
13. The Audit Committee is responsible for the independent review and approval of the AGS following examination of the supporting evidence.
14. Assurance on adequacy and effectiveness is outlined under the following categories identified in the Council's Assurance Framework.

### External Regulatory Reviews

#### Children's Services

15. Darlington Children's Services are judged as Good overall with Outstanding Services for Children in Care and Care Leavers. Ofsted Inspectors carried out a full inspection of the Local Authority Children's Services (ILACS) in October 2022 whereby this judgement was reached. A further focused visit on Children in Need and Children in need of Protection was completed in October 2023 and identified that further progress had been made since the last ILACS. Ofsted held an Annual Engagement Meeting on the 30 November 2023 to receive an update on our journey of progress and our priorities for the coming year.
16. Children's Services continue to be a trailblazer for the National Strengthening Families Programme. Whilst formal oversight and input from the Department for Education (DfE) and Leeds City Council ended in 2022 we have continued to develop the programme which informs the key strategic aims for the service for 2024/25. The key focus of the Programme has been on implementing and developing a relational and restorative practice culture, which was recognised and praised by OFSTED during their ILACS in 2022.
17. Despite our OFSTED rating of Good, the service remains focused on further development and are continuing to develop a quality assurance framework that focuses on the impact on children and families of the services they receive. There has been investment and development of the quality assurance team which aims to increase the levels of input from

families in assessing the quality of services delivered, and increasing co-production of services with families.

18. Despite the positive progress of the service over the past year, there are nationally experienced challenges to the workforce, led by significant increases in demand for services post pandemic, and workforce challenges due to decreased recruitment and retention of children's services workers. The service is working hard to mitigate these issues, and also seeking to influence regional and national policy discussions to address these widespread challenges.
19. Children and families receive services at the earliest stage and at the right level to support their needs through our targeted and multi-agency Early Help offer. Young children develop well, are ready for education and where necessary are supported with targeted speech and language input. Children report their mental health, anxiety and maintaining healthy eating habits as the major impacts of lockdown and supportive services have been put in place to provide advice, guidance and interventions to children and young people.
20. Darlington continues to be an active member of the Local Family Justice Board (LFJB) and ensure that we advocate strongly for positive outcomes for children and families within Court Proceedings. The service continues to engage regularly with the Judiciary as well as with CAFCASS, which is the Court appointed advisory service who are involved in Care Proceedings. These relationships are strong and provide critical feedback in relation to the service.
21. Children in need of help and protection are safeguarded through Children's services, which has now realised an effective agile working policy. Whilst many aspects of Children's Services work fully returned to face to face working where this is deemed most appropriate, the service has sought to adapt, develop and modernise as we have learned lessons from the pandemic. This has led to some services being delivered remotely and other aspects of the services (meetings, training) being delivered in an agile way. The focus has been working with staff to understand how they best deliver their services to children and families and then supporting them to do this.
22. Senior leaders recognise there is more to do to ensure that the help and support provided to all children in need of help and protection results in sustained improvements in their lives. The impact of the pandemic in relation to trauma and loss is significant and training for practitioners in trauma informed work has begun, enabling them to provide effective support and interventions that will help maintain family resilience, security and stability.
23. The Local Authority operates five children's residential provisions, having opened a new home over the past year. All homes are subject to annual OFSTED Graded Inspections and monitoring visits in between. All five of our homes are judged as Good, which is significantly improved from the previous year when only one home was rated as Good and the others were rated as Requiring Improvement. The teams have worked to respond to Inspection findings and brought about improved outcomes for the Young People being cared for.. We work collaboratively with OFSTED to learn from inspection findings and provide the highest quality care. Monthly independent monitoring, under Regulation 44 of the Children's Homes (England) Regulations 2015 has taken place, which evidences the high-level quality care given to our children and young people from the staff.

## **Special Educational Needs**

24. The joint Ofsted and Care Quality Commission (CQC) inspection was carried out over five days in January. It looked at how providers across Darlington – including the Council, NHS and schools – have implemented SEND reforms since 2014 to the present day.
25. Inspectors have published a report on the services provided to children and young people with special educational needs and/or disabilities (SEND) in Darlington – highlighting strengths and areas for improvement.
26. Inspectors spoke to children and young people with SEND as well as their parents and carers, visiting a range of settings.
27. They noted that there had been signs of improvement in SEND provision in Darlington recently, but said there was a lack of effective working across education, health and care services to ensure consistently positive outcomes.
28. The local area was required to produce a Written Statement of Action (WSOA) in response to the inspection. The WSOA was approved as being fit for purpose by Ofsted on 9 September 2022. The delivery of the WSOA will be subject to quarterly monitoring by DfE/NHS England. The first monitoring visit was undertaken in January 2023 and positive feedback on progress was received. Ofsted and the CQC have introduced a new local Area SEND inspection framework in January 2023. Darlington will receive a full inspection under this new framework within 3 years of the previous inspection.
29. Monitoring visits have continued to be undertaken and have acknowledged the impact of actions undertaken to address the issues identified in the Written Statement of Action (WSOA).

## **Safety Valve Agreement**

30. The Department for Education (DfE) as part of its wider SEND reforms, has initiated the 'safety valve' intervention programme. The DfE recognises that over recent years, pressures on high needs budgets have contributed to many local authorities accruing deficits on their Dedicated Schools Grant (DSG). The DfE states that the right response to tackling this is a multi-faceted approach, which looks to the heart of the issues, taking in the significant increases in high needs funding that have been provided nationally; reform from the upcoming cross government SEND review; and targeted intervention.
31. The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the department's expert team, to rapidly place them on a sustainable footing. If a local authority can demonstrate sufficiently that their DSG management plan creates lasting sustainability, including reaching an in-year balance as quickly as possible, then the department will enter into an agreement with the authority (subject to Ministerial approval). Darlington entered into an agreement in March 2023.
32. The Assistant Director Education and Inclusion, the Assistant Director Resources, the Head of SEND and the Finance Manager meet on a monthly basis to manage our safety valve progress. The Head of SEND and Finance Manager also meet frequently to look at day to day budget management. COE are updated regularly on progress.

## **Darlington Borough Council Peer Review**

33. The Council embarked on a Peer Review in May 2022. The Council wrote a position statement and over 120 people from the Council, private and the third sector were interviewed by the team from the Local Government Association (LGA). At the end of the review week, the LGA team reported it was very impressed with the borough, referencing it a number of times as a jewel in the region with a bright future ahead of it and a great story to tell. They made particular references to the fantastic partnerships the Council has, the incredible and passionate workforce who resonated positivity, the great economic growth achievements made to date, and the opportunities emerging for Darlington. The LGA team's report was presented to Cabinet on 11 October 2022 along with an associated action plan. The Peer Review team made a return visit to the Council on 24 March 2023 to receive an update on progress against the action plan. The team reported back that they were pleased with the progress made and a follow up report is available here: [Darlington BC - LGA Corporate Peer Challenge](#).

## **Corporate Planning and Performance Management Framework**

34. The focus of the Council Plan is to provide a strategic vision for the Council and in doing so identify the priority actions required to achieve the vision. Service plans are reviewed annually and are aligned with the Council Plan.
35. A new administration was formed in May 2023, and subsequently the Council Plan has been under review. The draft Council Plan 2024-27 has been subject to consultation which ended in April 2024. The updated version of the plan will go to the Cabinet in June 2024, with the aim of achieving approval by full Council before Summer 2024. The six monthly Council Plan performance report (based on the substantive plan) will continue to be taken to Cabinet until the new plan is fully adopted.
36. Many performance measures reported to scrutiny committees are already aligned with the Council Plan performance measures, and in most cases this is done on a 6 monthly basis, with the exception of Children and Young People committee being quarterly. Scrutiny committees can request more or different measures, and such requests are responded to as and when they arise.

## **Transformation Programme**

### **Children's Transformation**

37. Our Strengthening Families Plan sets out the activities we identified and agreed to develop to improve Children's Services during 2023/24. The plan focused on key strategic priorities, which include continuing to embed a restorative culture so that the way we work in Darlington reflects the principles and values of restorative and relational practice; to continue developing staff training so we have the right offer in place to sustain and grow practice in Darlington; to support more families to find their own solutions; and to increase in house placement capability.

38. Reporting was through an agreed Strengthening Families Dashboard, highlighting progress to plan, achievements, challenges, risks, and exceptions by strategic priority area. Expected benefits were monitored through a combination of locally identified benefits (performance data and agreed quality measures) and those agreed as part of the Strengthening Families, Protecting Children Programme (monitored via a programme tool developed by Mutual Ventures).
39. Governance arrangements are through Children's Senior Leadership Team, monthly for operational oversight and bi-monthly reporting into Strengthening Families Board, whose role it is to review overall progress against the plan, exceptions/barriers to delivery and progress with expected benefits realisation. The Board is chaired by the Director of People Services and membership includes, the Assistant Director of Children's Services, Heads of Service for Children's Front Door, Assessment and Safeguarding and Looked After and Resources, the Head of Practice Quality, Head of Performance and Transformation, the Head of Workforce Development, Finance Manager, and the Programme Manager for Children's Services.
40. The Strengthening Families Board continues to effectively monitor progress and manage risk. Our Strengthening Families Plan has been reviewed for 2024/25.

### **Adults Transformation**

41. The Adults transformation programme has been reviewed to reflect the recent changes as indicated in the Health and Care Act 2022. Therefore the programme has updated the four key themes: strengthening practice; market shaping, developing and commissioning; ensuring safety; and strategic leadership/workforce development. These key aims will underpin the preparation for inspection within the CQC assurance framework. This framework was implemented in April 2023 with cohorts of up to 20 local authorities being inspected by December 2023, and all Local Authorities to have an inspection/baseline assessment by April 2025.
42. The previous themes of managing demand, maximising independence, self- directed support and a cost effective and sustainable market continue to be embedded within the revised programme and are integral to managing safety and risk.
43. Governance arrangements are through Adult Social Care Senior Leadership Team with fortnightly meetings for operational oversight, and monthly with wider Commissioning and Finance input. Monitoring and strategic oversight is shared by Assistant Director for Adult Social Care with Assistant Director for Commissioning, Performance and Transformation and the wider Directorate leadership Team.
44. A quality assurance and improvement framework has been developed to support the governance arrangements and will be overseen by the Head of Practice and Quality with support from Workforce Development and Performance teams to ensure clear deliverables, and identified measures are implemented.

### **Education Transformation**

45. The transformation programme has enable the Council to develop high standard educational opportunities for all and ensure the needs of vulnerable pupils are met. A key element of the programme is developing a modern approach to the local authority role in education by driving change through strategic influence, highly effective partnership arrangements and collaborative networks.
46. Delivery of the transformation programme has been monitored through the People Groups Departmental Management Team on a quarterly basis.
47. The Education Strategy Group (ESG) provides overall strategic direction to educational partnership activity across Darlington, working with the Primary Headteachers Forum, the 11-19 Partnership, Vulnerable Pupil Panel and other partnership groups. It provides overall strategic direction for identified partnership work programmes and funded projects and promotes high standards and inclusive practice to support educational progress and outcomes for all, including the most vulnerable children, children with special educational needs and disabilities and children for whom the partnership has a corporate parenting role.
48. A refreshed transformation programme for 2024-25 has been developed to continue to develop high standard educational opportunities for all and ensure the needs of vulnerable pupils are met. The transformation programme has been refreshed to focus on transition for pupils, implementation of the SEND strategy and the importance of inclusion in schools.

### **Better Care Fund (BCF)**

49. The Better Care Fund (BCF) is a programme spanning both the NHS and Local Government which seeks to join-up health and care services, so that people can manage their own health and well-being and live independently in their communities for as long as possible. The BCF is pooled under a Section 75 agreement under the National Health Service Act (2006).
50. The Darlington BCF Plan is subject to a number of levels of scrutiny to ensure performance against the aims and objectives. These included regional and national scrutiny of quarterly submissions, assurance from the Pooled Budget Partnership, with overall strategic ownership with the Health and Wellbeing Board (HWBB).
51. The BCF national team published their end of year report requirements for local authorities for 2023/24 along with the planning requirements for 2024/25 on 2 April 2024. The Council submitted its end of year report by 23 May 2024 as required by the BCF national team. This confirmed Darlington's compliance with national conditions. The report will also be considered by the Council's Health and Wellbeing Board on 20 June 2024.
52. Operationally, the BCF is overseen by a joint Pooled Budget Partnership Board comprised of the Council and Integrated Care Board (ICB) and Discharge Management and Intermediate Care Delivery Groups, whose membership also includes County Durham and Darlington Foundation Trust (CDDFT), Darlington's Pimary Care Network, Tees, Esk and Wear Valley NHS Trust (TEWV). A joint Commissioning Group has also been established to explore areas for closer alignment between the Council and Darlington ICB.



53. Each BCF Plan is required to meet four national conditions in order for the grant to be agreed.

- (a) Jointly agreed plan between the Local Authority and ICB;
- (b) Level of social care spend in line with minimum CCG contribution;
- (c) NHS commissioned out of hospital services (has the area committed to spend at equal or above the minimum allocation for NHS commissioned out of hospital services); and
- (d) A Plan for improving outcomes for people being discharged from hospital.

54. In addition to the national conditions, there are four metrics against which performance is measured:

<b>Avoidable admissions</b>	Unplanned hospitalisation for chronic ambulatory care sensitive conditions (NHS Outcome Framework indicator 2.3i)
<b>Discharge to normal place of residence</b>	Percentage of people who are discharged from acute hospital to their normal place of residence
<b>Residential Admissions</b>	Rate of permanent admissions to residential care per 100,000 population (65+)
<b>Falls</b>	Emergency hospital admissions due to falls in people aged over 65 per 100,000

#### **Additional Improved BCF Grant**

55. The grant is subject to conditions which, in summary, are that the grant may only be used for the purposes of meeting adult social care needs, reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready and ensuring that the local social care provider market is supported.

#### **Health and Safety Policy**

56. The council continued to promote a positive health and safety culture and embed health and safety systems to manage risks during 2023/24.

57. The General Statement of Intent received its annual review in June 23, signed by the Leader of the Council, Resources Portfolio lead and the Chief Executive. The statement details the councils ongoing commitment to health and safety and the plan for achieving high health and safety standards and good wellbeing outcomes.
58. Measuring and review of performance are vital for an effective management system and 23/24 a programme of health and safety audits was completed, ensuring all services areas have received an audit in the last 2 years. These audits provide a level of assurance that systems to manage risk are in place and operating well or identify areas for improvement where standards fall short. In 23/24 a total of 45 audits were completed. The Health & Safety team have monitored the actions and prompted service areas when necessary to close actions, work is being carried out with services to remind managers of the importance of taking appropriate action with the set timescales.
59. Active monitoring of work areas and tasks are carried out routinely by management, to monitor the effectiveness of control measures. In addition, the health and safety team carry out monitoring visits to premises and sites to check on performance, in 23/24 over 70 visits were completed, no major non-conformances were identified, however where practices fell below standard these were reported to management for action.
60. Investigating and reporting incidents are an important part of health and safety management system, to help to prevent a recurrence and to comply with reporting requirements to the HSE. In 23/24 10 work related accidents were reported under RIDDOR, compared to 13 in 22/23. RIDDOR also requires the reporting of cases of certain diagnosed diseases, that are linked to exposure to specified hazards at work. In 23/24 one case of carpal tunnel syndrome was reported, 2 cases of occupational disease were reported in the previous year.

### **Equalities Policy**

61. A revised Equalities Policy and objective (2023-27) was approved by Cabinet on 7 March 2023, and covers a 4 year period. Responsibility for corporate equalities sits within the Stronger Communities portfolio. The policy has been subjected to a small number of amendments since it was approved to align with changes to Government guidance, and definitions associated with protected characteristics.
62. The revised equality objective 'To provide ongoing training and support for staff and members to help them meet their duties under the Equality Act of 2010 and continue to report on progress' continues to be delivered, although face to face training has been paused for 9 months due to the trainer going on maternity leave. As a temporary arrangement, a suite of online materials have been published which are available to staff and members.
63. Performance against the delivery of the Equality Policy Objective (the number of staff and members who have received equality and diversity training) is reporting to cabinet on a 6 monthly basis as part of the Council Plan performance reports.

### **Darlington Borough Local Plan 2016-36**

64. The Local Plan received a favourable report from the Government Inspector and was adopted at the Council Meeting of the 17 February 2022. Ongoing monitoring of the objectives in the

Local Plan is undertaken by officers and any changes or required modifications are referred to Cabinet/Council.

### **Managers' Assurance Statements**

65. Annual Managers' Assurance Statements (MAS) are an integral part of the framework that supports production of the AGS.
66. The Statements cover key aspects of the internal control environment on which assurance is required and were completed by all Assistant Directors and endorsed by the appropriate Director. The output from the current exercise will be reported to the Audit Committee in July 2024.
67. The 2022/23 MAS demonstrate a thorough review has been undertaken and generally an overall positive position was identified. While there were no common improvement themes highlighted in the 2022/23 MAS a number of improvements to process/controls and proposed actions were identified. These matters are to be progressed by Assistant Directors during 2023/24.

### **Financial Management**

68. The Council's Medium Term Financial Plan (MTFP) incorporates a four-year financial plan. The Council sets its annual revenue budget, capital programme and council tax and treasury management strategy within this wider planning framework. The MTFP, annual budgets and council tax are developed in consultation with partner organisations, residents, businesses and employees and are approved by full Council.
69. The Council has faced significant financial challenges over the last decade following the economic downturn and reduction in grant funding but to date has been successful in responding to these challenges. However, this has been further compounded by the after effects of the pandemic, the Russia/Ukraine conflict, inflation, raising interest rates and a growing demand for services, particularly in relation to social care, both adults and children. The Council has a balanced budget up until 2025/26, however reserves will be fully utilised during 2026/27 financial year which will require a full review of service provision to reduce expenditure or increase income unless further government funding is received.
70. The MTFP is continually monitored and reviewed by officers and Members and is revised at least annually when an updated rolling four-year plan is produced.
71. Responsibility for controlling and managing budgets is delegated to directors and devolved to service managers. Financial management is closely integrated with service management and a quarterly update is taken to Cabinet and Economy and Resources Scrutiny Committee to enable them to monitor and scrutinise financial performance and service delivery.
72. The Council must comply with external financial reporting requirements, including publishing an annual Statement of Accounts ('the Accounts') and reporting to Central Government and other funding providers. The Accounts, which are prepared in accordance with relevant legislation and codes of practice, are approved by the Council's Audit Committee and are

independently audited.

73. The Council's cash-flow, borrowing to finance capital expenditure and investments are managed through the Treasury Management Strategy, approved by full Council, and in accordance with legislation and codes of practice. The strategy and associated policies and procedures were reviewed and last approved in February 2024. The Council manages its investments to minimise risk of losses, ensure funds are available when needed and achieve interest income.
74. Governing Bodies have formal responsibility for financial management within maintained schools. A Schools Financial Value Standard (SFVS) has been designed by the Department for Education (DfE) to assist schools in managing their finances and to give assurance that they have secure financial management in place. The Governing Bodies of each local authority maintained school are required to undertake a self- assessment annually against the SFVS and send a copy, signed by the Chair of Governors, to the Local Authority Finance Division. All returns for 2023/24 have been received and overall, they reflect a positive position. Any remedial actions considered necessary are detailed together with an appropriate implementation date. The SFVS returns are used by the Local Authority to inform their programme of financial assessment and audit.

### **Counter Fraud**

75. The Council's Anti-Fraud and Corruption Strategy reflects a zero tolerance approach and is based on a series of comprehensive and inter-related policies and procedures designed to deter, frustrate, or take effective action against any attempted fraudulent or corrupt acts.
76. The counter fraud arrangements are subject to annual review and the revised strategy was reported to the Audit Committee in September 2023. The review included self-assessments against the 'CIPFA Code of Practice on Managing the Risk of Fraud and Corruption' and the 'Local Government Counter Fraud and Corruption Strategy 2016-19' checklists; a summary of reported suspected frauds and whistle blowing cases; and an update on the National Fraud Initiative.
77. The review concluded that the Council's arrangements remain appropriate and fit for purpose when compared to national good practice guidance and that overall the number of reported frauds and whistle blowing cases remains low. However, the Council is not complacent and the position will be kept under review.

### **Risk Management**

78. Risk is one of the elements of information incorporated into the Council's service planning process. Risk management is, therefore an essential element in establishing policy, developing plans and enhancing operational management.
79. The risk management process involves identifying, analysing, managing and monitoring risks. The identification of risks is derived from a 'top down' and a 'bottom up' process of risk assessment and analysis resulting in coverage of the whole Council. The process prioritises the risks resulting in a focus upon the key risks and priorities. The risks are managed through the

development of appropriate action plans, allocated to responsible officers.

80. The approach to, and the outcomes from, the Council's annual risk management processes for 2023/24 will be reported to the Audit Committee in July 2024. Based on the assessment of risk as of 20 May 2024, the report will likely detail a number of risks as being above the 'risk appetite line' and generally positive progress upon delivery of action plans to mitigate key risks and outlined advances in the management of operational risks.

## ICT

81. The Council's ICT Strategy focuses on three strategic priorities, namely ICT Governance and Service Development, ICT Strategic Architecture, and Council Service Development and Transformation.
82. Implementation of the Strategy is led by the Chief Officers Board acting as the Systems and Information Governance Group (SIGG). SIGG is tasked to produce six-monthly reports on implementation progress to the Audit Committee.
83. Progress reports were considered by the September 2023 and April 2024 Audit Committees and these documented positive progress across each of the three key programmes.
84. In terms of governance and service development, ICT service successfully achieved a full 3-year external recertification in both Information Security Management and Quality Management Systems. The service also achieved its annual recertification to the PSN (Public Services Network). During the year, twenty seven control inspections undertaken by the Council's Internal Audit team were classified as "green" on a red/amber/green rating.
85. Strategic architecture related projects have included:
  - (a) MS Teams voice was deployed to the whole authority and replaced the Cisco telephony system. This now consolidates our collaboration platforms making it easier for officers and their teams to communicate and work together.
  - (b) MS Defender installed as our new endpoint laptop replacement security system and compliments other security systems we have in place across the Council. It comes with improved facilities to manage and isolate risks.
  - (c) ICT procured and managed a Microsoft licensing migration to the E5 model, Microsoft's flagship product. This license model provides us with a greater overall security posture and earlier future access to additional services and features.
  - (d) ICT renewed the contract which allows us to connect to the national Health network (HSCN).
  - (e) ICT completed the procurement of a new Wide Area Network (WAN), which is the network links between Council buildings and this project is expected to deliver savings over the life of the contract.
  - (f) ICT replaced key technology platforms such as the Darlington Firewall and the virtual server infrastructure which deliver key line of business applications such as Social Care, Finance and Revenues and benefits. As well as improving security and performance this work underpins the aim of maintaining high levels of application availability and resilience.
  - (g) To ensure that the Internet can meet the strategic demands of the Council such as Blended Working and the continued adoption of cloud applications, ICT has procured and installed

new Internet Connections, ten times faster than current connections whilst supporting the MTFP with savings when compared to the operating costs of the existing contract.

86. As regards Council Service Development and Transformation, the Council's Systems and Information Strategy complements the ICT Strategy by ensuring that investment in service-based ICT systems is correctly targeted, whilst the ICT Strategy is concerned with corporate systems and underpinning ICT architecture. Development and delivery of the Systems and Information Strategy is by SIGG who approve the work programme requested of the ICT Service, thereby ensuring that this finite resource is correctly targeted to meet the objectives of the Council as a whole. During the year, seven service based ICT projects have been successfully completed.
87. Xentrall ICT have also continued to support the Council's Blended Working programme.

### **Information Governance**

88. The Council has an Information Governance Work Programme shaped by a number of external information assurance requirements that represent good practice and have common objectives, namely compliance with information related legislation, approval to use essential external party systems and services and improvement in service delivery.
89. Implementation of the Programme is led by the Systems and Information Governance Group (SIGG) which is tasked to produce six-monthly reports on implementation progress to the Audit Committee.
90. Update reports considered by Audit Committee in September 2023 and April 2024 noted the ongoing delivery of our information governance programme continues to provide the assurance required to reduce our information risks to an acceptable level. While that is the case it must be recognised that the data processing activities of the Council continually evolve and must be kept under review and that the processes implemented by the Council include review mechanisms to ensure this takes place.
91. Ongoing work includes:
  - (a) The Microsoft Office 365 Programme.
  - (b) Cyber Security Phishing Simulations.
  - (c) ICT work plan.
  - (d) We Team work plan.
  - (e) Information Governance Team work plan.
  - (f) Work to achieve our target for the completion of on-line mandatory information governance training courses.
92. The area of highest priority in the information governance programme is:
  - a) The Microsoft Office 365 Programme.

## Capital Project Management

93. The Council has an established dedicated Capital Projects Team that operates to a consistent capital project management methodology. This methodology has been developed and is used across the Council on significant projects. Projects can be assigned to the Capital Projects Team for delivery or delivered under the principles and methodology.
94. The Asset Management and Capital Programme Review Board (AMCPRB) perform a strategic gate-keeping role on capital projects and considers their governance arrangements. The Board is chaired by the Group Director of Services with membership from chief officers with responsibility for capital projects, Council assets and those with specific technical, financial and legal expertise to add value to challenge and monitor the programme.
95. The Capital Projects Team has responsibility for the coordination of a Project Position Statement (PPS). The PPS provides a single source of key information relating to the Council's commitments on capital projects and programmes monitoring projects that deviate from agreed tolerances in relation to time, cost or quality to enable proactive management. The PPS is reported to the AMCPRB at every meeting and quarterly to Economy & Resources Scrutiny Committee and Cabinet.
96. Further enhancement to the project management systems are underway and a proprietary system (ProBox) is being delivered within Xentrall's ICT Work Programme. ProBox is currently being tested by the Capital Projects Team. Once the testing phase is complete a roll-out will be scheduled with a refresh of the methodology and training on use of the electronic system.

## Internal Audit

97. The Council's Internal Audit Division operates to the UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note. The Annual Internal Audit Plan is a rolling programme that is risk based and sets the foundation for an objective review of key controls and procedures operating within the Council. The Audit Committee approves the Audit Plan and receives progress reports during the year, including any significant matters arising or other issues of concern, and Internal Audit's Annual Report.
98. Internal Audit concluded in their Annual Report for 2023/24, reported to the July 2024 Audit Committee, that in the opinion of the Assurance Manager the Council continues to have an appropriate, and overall, an effective system of internal control, upon which it can place reasonable reliance to deliver the Council's objectives, and detect fraud and other malpractice within a reasonable period of time.
99. A Shared Internal Audit Service with Stockton Borough Council commenced on 1 April 2017, following the agreement of both Councils. The intention was to future proof the important functions that the service provides while enabling a saving to be achieved, not least in management costs. In particular, the arrangement will enhance the resilience of the service.
100. The Audit Charter 2023/24 for the Internal Audit Shared Service was approved and its Quality Assurance and Improvement Process noted at the April 2023 Audit Committee.

## **Annual Review of the Effectiveness of the System of Internal Audit**

101. The internal review was concluded on a self-assessment basis and concluded that the service complies with the Public Sector Internal Audit Standards.
102. This was confirmed via an external peer review conducted by the Chartered Institute of Public Finance and Accountancy (CIPFA) and reported to Audit Committee in April 2023 which concluded that the Council has an effective system of internal audit.

## **Xentrall-Shared Service Partnership**

103. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008. The Xentrall services are:
  - (a) ICT (strategy and operations)
  - (b) Transactional HR (payroll, recruitment, sickness absence)
  - (c) Transactional Finance (creditors, debtors, banking, schools finance)
  - (d) Design & Print (professional buyer, in-house design and print)
104. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten-year period of the partnership. The successful partnership has delivered all these plus additional efficiencies and benefits and significant additional savings. At the same time the quality and performance of services have improved, with both customer and staff satisfaction increasing over the life of the partnership.
105. This significant achievement for a public/public partnership and it compares very well to other private sector partnerships many of which have failed over the same period or been brought back in-house for a variety of reasons. Both Councils have benefited both financially and through a continued programme of service improvements brought throughout the lifetime of the partnership.
106. In recognition the on-going success of this public/public partnership, in 2015 Members agreed to amend the original ten-year period into an on-going rolling agreement, which continues to this day.

## **Partnership Working**

107. In March 2007, Cabinet adopted a partnership working toolkit to provide a means to ensure that the Council's resources were effectively employed, the performance of each partnership was monitored and adequate governance arrangements were in place. As part of the toolkit, a clear definition of a partnership and those classed as significant was documented and this included whether the arrangement was a major contributor towards achieving the Community Strategy objectives. The toolkit that comprises a questionnaire is completed by the Council Lead Officer for each partnership.
108. In July 2021 Council considered a report on changes made to partnership working in Darlington. It detailed that it had been agreed by partners that the Partnership Board cease and be



replaced by a Public Sector Executive Group (PSEG), with other partnership arrangements to be developed. Also, the report recommended as a result of the change in circumstances that the Sustainable Community Strategy (SCS) cease to be used as a strategic lead for the Borough and that the lead is provided to partners by the Council Plan. PSEG constitutes a significant partnership and will be subject to the governance arrangements set out in the Partnership Toolkit.

109. There are annual reviews of significant partnerships led by the Darlington Partnerships Director based upon the completion of an annual review form and the provision of evidence demonstrating the governance arrangements have been adhered to. The outcomes from the 2022/23 review were reported to the Audit Committee in July 2023. The outcomes from the 2023/24 review will be reported to Audit Committee in July 2024.
110. The July 2023 report summarised the range of partnership working undertaken by the Council and all significant partnerships in Darlington have provided evidence that they are performing well and that they are adhering to the governance arrangements are in place.
111. Partnership Lead Officers recognise and accept that ensuring governance arrangements remain relevant is an ongoing process. For example, Terms of Reference are reviewed periodically to ensure that they remain fit for purpose and risk registers are regularly updated to reflect emerging risks and changes in circumstances.
112. The toolkit has been effective in identifying high level concerns of the significant partnerships. Reduction in funding and the consequent effect on capacity are the predominant issues raised by Lead Officers that have potential implications for the effective operation of the partnerships. Each partnership which has indicated this as an issue is monitoring closely.

### **Commissioning**

113. The Council has refreshed its key commissioning strategies namely the Adults Social Care Market Position Statement and Commissioning Strategy 2024-2027 (MPS) and the Looked After Children and Care Leavers Commissioning and Sufficiency Strategy Refresh 2024- 2025. The latter reflects changes at national level, namely the Independent Review of Children's Social Care, the Competition and Markets Authority review of placements, and the new Ofsted Supported Accommodation Regulations.
114. The Adults MPS, sets out the key pressures facing Adult Social Care and our vision for the future. It sets out how Darlington will meet its statutory obligations under the Care Act 2014, which places a duty on Local Authorities to facilitate and shape the local market for care and support: to ensure sustainability, diversity, and to be continuously improving and innovating services. The MPS also acknowledges pressures within the health and social care sector across the Integrated Care System (ICS). It is our ambition that the MPS will evolve over time to become a system-wide, place-based document.
115. The Commissioning and Contracts Team within the People Group supports the delivery of the strategies outlined above, supporting the delivery of a sustainable and diverse care market across Adults Social Care and Childrens Services (social care and education), and ensuring services safe, affordable and sufficient to meet the needs of the most vulnerable people in the community.

116. Providers continue to be well supported during another challenging year. We work in partnership with providers through regular contract and coordination meetings and service specific provider forums. We have also supported the market through the timely allocation of additional national financial support including the Adult Social Care Discharge Fund, the BCF (Better Care Fund), and the Market Sustainability and Improvement Fund.
117. As well as operating our own quality assurance arrangements across People Group commissioned services, officers have also continued to work with safeguarding and CQC (Care Quality Commission) and Ofsted (Office for Standards in Education, Children Services and Skills) regulators to ensure services are safe and provide good outcomes for people.
118. Children's commissioned provision continues to be resilient, notwithstanding significant market challenges. Again, at a strategic level these arrangements are supported by the multi- agency Joint Children and Young People Commissioning Group. This group mirrors adults arrangements and oversees commissioning projects in Children Social care and SEND.
119. The Council has recently reviewed the Joint Commissioning Board for Adults, establishing the Darlington Locality Oversight Group (DLOG) with key partners including CDDFT (County Durham and Darlington NHS Foundation Trust), NHS TEWV (Tees, Esk and Wear Valleys NHS Foundation Trust, NENC (North East and North Cumbria Integrated Care Board) and the Darlington Primary Care Network. DLOG provides strategic oversight of the key delivery groups/ funding streams supporting joint commissioning, the prevention agenda and hospital discharge arrangements.
120. These arrangements continue to be supported by the robust integrated governance arrangements in place, which include: the weekly Multi-Agency Local Accident and Emergency Delivery Board (LADB); weekly Darlington's Social Care and Health Systems Pressures Meeting. Hospital discharges are also well supported with relatively low level of delayed transfers of care being experienced in Darlington.

### **Joint Ventures**

121. The Council is investor and shareholder of a number of joint venture companies delivering small housing developments within Darlington and the wider North East region.
122. The Council has entered into eight joint venture companies approved by Cabinet (on the dates shown) at Eastbourne (November 2016), Stag House Farm (April 2018), Heighington (June 2018), Middleton St George (January 2019), ESH/DBC (December 2019), Neasham Road (September 2020), Hurworth Gardens (July 2023) and Blackwell Grange (January 2024).
123. Three of the joint ventures being Eastbourne, Heighington and Middleton St George have now been completed with the loans fully repaid and profits realised. In regard to Stag House Farm, Neasham Road, Springwell (the first development via the ESH/DBC company) and Hurworth Gardens, all sales are on target. Blackwell Grange has started on site with infrastructure works.
124. The risks and governance safeguards in place with respect to joint venture working include internal and company audits, restriction on banking facilities, monthly progress reports and quarterly board meetings. Further details are contained in the Assurance Framework at

## **Appendix B** of this report.

### **Member Standards**

125. In 2023/24 we received 20 complaints about the conduct of Members of the Council (no complaints were about parish councillors).
126. The total number of complaints does show an increase from previous years, which has averaged about 9.5 per year. In part the explanation is due to some issues faced by new members who came into office following the May 2023 local government elections. It is still the case that the volume of complains remains a relatively low number given the number of councillors, the range of matters that Members are involved with and the impact that their decisions can have on the public.
127. All of the complaints were resolved without the need for a formal investigation or hearing.
128. The assessment of complaints has continued to function well with effective liaison between the Monitoring Officer and the two Independent Persons in considering the initial assessment of complaints.
129. A training and induction programme was devised for all members to follow on from the 2023 local government elections. This included sessions on the Members Code of Conduct which were delivered by the monitoring officer for borough council members and also sessions for parish council members
130. In 2022 the representation of parish councillor co-opted members who can be called upon to sit to determine complaints about parish councillors was refreshed (2 borough council members sit with 1 parish council member on the Members Standards Hearing Committee). The positions were advertised in all 10 parish councils and 2 parish councillors were recruited with their appointments confirmed at the May 2022 and the May 2023 Annual Council meeting
131. The Audit Committee has responsibility for ethical values as part of its remit. This includes reviewing Ethical Health Indicators across a range of activities in order to identify any peaks in activity that could indicate areas of possible concern. Update reports about member standards issues and also ethical indicators were presented to the Audit Committee in April and September 2023. No particular issues of concern arose from variations in the indicators. General information was also presented on the work of the Committee on Standards in Public Life and the Local Government Association.
132. The Monitoring Officer continues to provide advice to Members on interests on an ongoing basis and Members do self-identify their concerns. The Monitoring Officer also raises issues with individual Members ahead of meetings as required. Compliance with the advice given by the Monitoring Officer is good.

### **Economy and Resources Scrutiny Committee**

133. Scrutiny forms an important part of the Council's governance arrangements by providing independent examination of executive roles. The Economy and Resources Scrutiny Committee

has responsibilities for examining the Council's arrangements for financial planning, performance and service delivery, project and asset management and procurement and contracts. The Committee develops and implements an annual work programme to manage its continuing oversight role and undertake specific pieces of work.

134. During 2023/24 the Committee was involved in scrutinising the annual review of the MTFP and held a number of special meetings to consider the proposals made, both for its own areas of responsibility and also responses and detailed work from all other scrutiny committees, from which it made recommendations to Cabinet in February 2024 to inform their deliberations. Economy and Resources Scrutiny will continue to lead on monitoring and scrutinising the budget and MTFP and assist with the implementation and development of the required savings.

### **Public Health**

135. The Local Authority, through the Director of Public Health, advocates for the health of the population and provides the local leadership for its improvement and protection. This supports and complements the statutory duty in planning for, and responding to, emergencies that present a risk to the public's health.
136. The DPH leads and oversees the statutory public health responsibilities of the local authority and has a duty to write an independent annual report on the health and health needs of the population, which the Local Authority must publish.
137. The Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) was provided to local authorities to enhance the delivery of treatment and recovery systems as part of the implementation of the Government's 10-year Drug and Alcohol Strategy.
138. The SSMTRG funding is time limited to develop the short-term plans to accelerate progress toward delivering the longer-term ambitions of the national strategy and enables the pump priming of interventions and services. The current allocation of funding ends in March 2025, with no announcement from government regarding continued funding from April 2025.

### **Business Continuity**

139. The Council's Business Continuity Management System ensures that the Council can manage the response to a business interruption. Examples of this include the loss of buildings, loss of IT function, loss of utilities, loss of communication and loss of staff. The Business Continuity Management System is aligned to the international standard ISO 22301 and uses a series of Business Impact Analysis, to identify essential Council functions. Business Continuity Plans are developed and maintained to ensure the Council's essential services are prepared for a business interruption. Business continuity has been strengthened during the pandemic and has worked successfully with the Council still being able to deliver services to the public despite the restrictions in place.
140. The Business Continuity Management System is now embedded into the Council. Business Continuity Plans are monitored as part of the Local Code of Corporate Governance and are a regular agenda item at Chief Officers Board (COB) Meetings. Individual Business Continuity Plans are regularly updated to take into account business changes and the response to actual

business interruptions and are available to view on the Council's intranet. A regime of testing was underway in which all plans were to be tested to improve their effectiveness when the global pandemic hit. The testing regime continues, with all plans being regularly tested.

### **Home working**

141. Through the pandemic the Council like most employers increased the number of staff working from home. The Council has always worked on an outcome/output basis and productivity is not measured on where the employee is based but on what they deliver and during the pandemic in some areas productivity increased with reduced travel time to and from work and to and from meetings. Following the relaxation of restrictions, the Council continued with the practice of working from home but commenced a pilot to review agile working in terms of efficiency and benefits to employees. Provision was made for staff who wished to return to an office base and regular supervisor and team meetings continued to be held to ensure work kept on track and to support employee wellbeing both in person and remotely through Microsoft Teams. Support mechanisms have been put in place for employees for wellbeing, ensuring regular communications and supervision. The outcome of the pilot has been a success both from service provision and with employees and is a useful tool in our recruitment and retention policy.

### **External Audit**

142. The Council's external auditors Forvis Mazars are expected to give a disclaimed opinion on the Council's 2023/24 accounts by the target date of 28 February 2025.
143. With regards to auditing the Council's arrangements for ensuring economy, efficiency and effectiveness in its use of resources, Forvis Mazars are expected to provide a summary of the work they have undertaken and the judgements they have reached against each of the specified reporting criteria, reporting any issues on an exception basis.
144. Forvis Mazars review the AGS to consider whether it complies with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to them. They are expected to confirm that they found no areas of concern in this context.
145. The auditors are also required to report to management and the Audit Committee any significant deficiencies in internal control identified during their audit. Forvis Mazars are the Council's new external auditors and therefore have undertaken limited audit work to date, however they have not raised or are expected to raise any significant matters in this regard.

## Action Plan 2024/25

146. The following core principles, set out in the draft Council Plan, are to be considered in all aspects of the Council's work and in delivering the below actions. The core principles are efficient and effective use of resources, addressing inequalities and tackling climate change. Chief Officers Executive (COE) has overall responsibility for delivering the actions.

No.	Action
1	A strong sustainable economy and highly skilled workforce with opportunities for all.
2	Affordable and secure homes that meet the current and future needs of residents.
3	A healthier and better quality of life for longer, supporting those who need it most.
4	Best start in life, realising potential and raising aspirations.
5	Healthier, safer and more engaged communities.
6	A well-connected, clean and sustainable borough.

147. An update on the 2023/24 action plan is contained in Appendix C.

### Conclusion

148. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee. In conclusion, we are satisfied the Council has robust governance arrangements in place and while there are currently no governance issues we are committed to the continuous improvement of the system.

Signed

Date: 10<sup>th</sup> February 2025

A handwritten signature in black ink that reads "Stephen J. Williams". The signature is written in a cursive style with a large initial 'S'.

**Leader of the Council**

Signed

Date: 7 February 2025

A handwritten signature in blue ink that reads "P. Williams". The signature is written in a cursive style with a large initial 'P'.

**Chief Executive**

## APPENDIX A

<b>Document/Function</b>	<b>Core Principles of Corporate Governance</b>						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Council Plan		X	X	X			X
Constitution	X	X					X
Corporate/Service Planning and Performance Management Framework		X	X	X	X	X	X
Communications and Engagement Strategy	X	X	X	X			X
ICT Strategy			X		X		
Workforce Strategy	X				X		
Schedule of Council Meetings		X					X
Council Procedure Rules	X	X					X
Record of Decisions	X	X	X	X			X
Partnership Working Toolkit	X	X	X	X	X	X	X
Code of Conduct for Members	X	X					X



<b>Document/Function</b>	<b>Core Principles of Corporate Governance</b>						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Members Induction and Training Programme	X	X			X	X	X
Code of Conduct for Employees	X	X					
Officer and Member Protocols	X				X		
Confidential Reporting Policy	X					X	X
Code of Corporate Governance	X	X	X	X	X	X	X
Risk Management Approach				X		X	X
Anti-fraud and Corruption Policies	X					X	X
Capital Projects Methodology		X	X			X	
Information Governance Policies	X	X				X	X
Procurement Strategy	X	X	X			X	

<b>Document/Function</b>	<b>Core Principles of Corporate Governance</b>						
	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of the intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability
Contract and Property Procedure Rules	X	X	X			X	
Medium Term Financial Plan/Budgets		X	X	X		X	X
Treasury Management Framework						X	
Annual Statement of Accounts		X				X	X
Financial Procedure Rules	X	X				X	X
Scheme of Delegation		X			X		X
Complaints Process	X	X					X
Equalities Policy		X	X	X			
Business Continuity Plans		X				X	
Health and Safety Policy		X				X	X

## Assurance Framework

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Corporate Planning and Performance Management Framework inadequate/ineffective	Chief Officers Executive	<p>Performance clinics held between the Chief Executive, Director and Assistant Directors are arranged at regular intervals.</p> <p>Performance data is gathered from various sources and reviewed by the Assistant Director and relevant Director in advance of the clinics.</p> <p>Clear definitions for indicators are in the process of being established.</p>	Performance indicators are reviewed by Internal Audit when individual service areas are audited.	Baskets of performance indicators reported to Cabinet and scrutiny groups twice a year (Q2 and Q4)
Equalities Policy inadequate/ineffective	Chief Officers Board	<p>Indicators relating to equalities are regularly reported to Chief Officers Board.</p> <p>Corporate Equalities Group consisting of equalities advisors (appointed by Assistant Directors) and chaired by Head of Strategy, Performance and Communications meet quarterly</p>	Where appropriate, equalities related performance indicators are reviewed by Internal Audit when individual service areas are audited.	<p>Equalities report to be produced quarterly and presented to Chief Officers Board.</p> <p>Equalities updates discussed with the portfolio holder for Stronger Communities on a regular basis.</p>

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		to monitor and report on equalities related performance indicators.		
Internal Control environment inadequate/ineffective.	Internal Audit	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Annual Internal Audit Plan. Internal Audit Reports/opinions and outcomes from consultancy work undertaken.	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Annual Internal Audit Plan. Internal Audit reports/opinions and outcomes from consultancy work undertaken.	Internal Audit's Strategy, Role and Terms of reference and Annual Audit Plan approved by the Audit Committee. Quarterly/Annual Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan. Annual Report includes an overall opinion on the Council's control environment.
The financial position of the Council not presented fairly in the Financial Statements; the Annual Governance Statement not presented in accordance with relevant requirements; and proper arrangements are not	External Audit	Risk based External Audit Plan. External Audit Reports/opinions.	Internal Audit's Annual Audit Plan discussed with External Audit to facilitate External audit planning and minimise the duplication of audit effort wherever possible.	External Audit Plan and External Audit Reports, including the Annual Audit Letter, considered by the Audit Committee. Annual Audit Letter considered by Cabinet.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
in place to secure economy, efficiency and effectiveness in the use of resources.				
Inadequate provision of services to the people of Darlington.	External Inspection Agencies	External Inspection Agencies' reports.	External Inspection reports reflected upon in the Internal Audit planning process.	External Inspection reports and progress on improvement action plans considered by relevant Scrutiny Committee/Audit Committee/Cabinet/Council.
Business risk processes inadequate/ineffective	Law and Governance	Risk Management Approach Corporate/Group Risk Registers.	Annual Audit Plan developed with reference to Corporate/Group Risk Registers. Risk Management function subject to periodic Internal Audit review as part of the cyclical audit process.	Risk Management Approach endorsed by the Audit Committee and approved by Cabinet. Six-monthly/Annual Reports to the Audit Committee on the outcomes from the Council's risk management processes.
Fraud and corruption arrangements inadequate/ineffective.	Internal Audit and DWP.	Anti-Fraud and Corruption Strategy, Policy, Fraud Response Plan, Anti-Money Laundering Policy and Anti-Bribery Policy and Procedures. Confidential Reporting Policy. Internal Audit reviews of arrangements.	Anti-Fraud and Corruption arrangements, including National Fraud Initiative exercises, administered by Internal Audit. The potential for a service to be susceptible to fraud reflected within Internal Audit's risk assessment model	Fraud related Policies and Strategies approved by the Audit Committee/Council Confidential Reporting Policy approved by Council. Annual Reports to the Audit Committee on the outcomes from the Council's anti-

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		<p>Outcomes from bi-annual National Fraud Initiative exercises.</p> <p>Internal Audit/Housing Benefits case files.</p>	<p>that underpins the annual audit planning process.</p> <p>Internal Audit review of Housing Benefits conducted on an annual basis.</p>	<p>fraud and corruption arrangements.</p>
<p>Information governance arrangements inadequate/ineffective.</p>	<p>Systems and Information Governance Group (SIGG), Senior Information Risk Owner (SIRO), Caldicott Guardian, Data Protection Officer (DPO), Complaints and Information Governance Team, Xentrall and External Audit.</p>	<p>Corporate policies, processes, procedures and guidance in place.</p> <p>SIGG Minutes.</p> <p>Officer/Member Training.</p> <p>Data Quality reflected upon by External Audit in their VFM assessment.</p>	<p>Information Governance/Sensitivity of data is reflected within Internal Audit's risk assessment that underpins the annual audit planning process.</p> <p>Information Governance subject to periodic Internal Audit review as part of the cyclical audit process.</p>	<p>Six-monthly reports to the Audit Committee on progress with implementation of the information governance work programme.</p> <p>External Audit VFM assessment considered by the Audit Committee and Cabinet.</p>
<p>Internal control environment of relevant areas of Xentrall inadequate/ineffective.</p>	<p>Stockton BC Internal Audit</p>	<p>Risk based Annual Internal Audit Plan.</p> <p>Internal Audit reports/opinions and outcomes from consultancy work undertaken.</p>	<p>Joint working protocol agreed between the Internal Audit Services of Stockton and Darlington to cover Xentrall audits.</p> <p>Copies of all relevant Stockton BC Internal Audit Reports on Xentrall forwarded to Darlington Internal Audit for information.</p>	<p>Stockton BC's Annual Audit Plan related to Xentrall considered by the Audit Committee.</p> <p>Quarterly Reports to the Audit Committee on progress/outcomes against the Plan.</p>

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Local Code of Corporate Governance not implemented.	Corporate Group with responsibility for overseeing the drafting of the Annual Governance Statement.	Local Code of Corporate Governance Local Code individual key documents/functions matrices updated quarterly by relevant Lead Officers, covering awareness, monitoring and review actions.	Internal Audit direct effort annually to validate a sample of evidence to support delivery of awareness, monitoring and review actions detailed on the Local Code individual key documents/functions matrices.	Local Code endorsed by the Audit Committee and approved by Council. Annual Governance Statement considered by the Audit Committee prior to approval.
Grant processes inadequate.	External Audit Internal Audit	External Audit Report on audited Grant Claims. Internal Audit sign-off of relevant Grant Claims.	Grant process arrangements subject to annual review by Internal audit.	External Audit Report on Grant Claims considered by the Audit Committee. Internal Audit Grant Claims work referenced in Quarterly Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan.
Health and Safety practices and processes inadequate/ineffective	Health and Safety Unit	Corporate Health and Safety Policy. Heads of Service Health and Safety Management self-assessments and action plans. Risk Assessments Reportable Accident Statistics Outcomes from audits undertaken by the Health and Safety Unit. Officer/Member Training.	Health and Safety function subject to periodic Internal Audit review as part of the cyclical audit process.	Corporate Health and Safety Policy approved by Cabinet. Council's performance on health and safety reported annually to the Economy and Resources Scrutiny Committee.

<b>Risk</b>	<b>Assurance Provider</b>	<b>Sources of Assurance</b>	<b>Links to Internal Audit Work Plan</b>	<b>Reporting to Members</b>
Property management arrangements inadequate	Corporate Landlord Function	Corporate Premises Database System and supporting documentation.	Corporate Landlord Function subject to periodic Internal Audit review as part of the cyclical audit process.	Property management arrangements included in Council Risk Registers and, as such, included within member reporting arrangements for business risk processes.
Management control in respect of operational aspects of the business inadequate.	Chief Officers Board	Annual signed Assurance Statements from Assistant Directors.	Arrangements administered and outputs scrutinised by Internal Audit.	Annual report to the Audit Committee on the outcomes from the Assurance Statement process.
Capital Project management arrangements inadequate/ineffective.	Asset Management and Capital Programme Review Board	Asset Management and Capital Programme Review Board Agendas/Minutes and supporting documentation.	Project Office function subject to periodic Internal Audit review as part of the cyclical audit process.	Project Position Statement reported regularly to Cabinet.
Partnership governance arrangements inadequate.	Partnership Lead Officers	Annual Partnership Toolkit questionnaires completed by relevant Council Partnership Lead Officers and supporting documentation provided.	Partnership Governance Arrangements subject to periodic Internal Audit review as part of the cyclical audit process.	Partnership Toolkit approved by Cabinet. Annual report to the Audit Committee on the operations of significant partnerships.
Joint Venture Housing Investment	Internal Audit DBC Directors Legal Services advice as required	Copies of Company Audit reports Access to Banking facilities Restriction on Banking Facilities without approval of 2 Directors Weekly Sales Report Monthly Progress Report	Joint Venture Arrangements subject to periodic internal audit review and reviewed as part of cyclical audit process	Joint Venture Arrangements included in the Council's risk register and as such included within member reporting arrangements for business risk processes.



Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
		<p>Quarterly Board meeting attended by DBC Directors with Legal, Finance and Housing expertise.</p> <p>Shareholders Reserved Matters</p>		
<p>Treasury management arrangements inadequate.</p>	<p>Financial Services</p>	<p>Treasury Management Policy Statement, Strategy, Prudential Indicators and Procedures.</p>	<p>Treasury Management function subject to periodic Internal Audit review as part of the cyclical audit process.</p>	<p>Treasury Management Policy Statement, Strategy and Prudential Indicators considered by the Audit Committee and approved by Council.</p> <p>Treasury Management Procedures approved by the Audit Committee.</p> <p>Regular/Annual Reports to the Audit Committee and Cabinet on the performance of the Treasury Management function.</p>
<p>Financial management arrangements inadequate/ineffective.</p>	<p>Financial Services</p>	<p>Medium Term Financial Plan. Corporate Budget Setting/Monitoring processes and supporting documentation. Officer/Member Training.</p>	<p>Financial management arrangements subject to periodic Internal Audit review as part of the cyclical audit process.</p>	<p>Medium Term Financial Plan approved by Council. Quarterly Reports to Cabinet on Financial Performance.</p>
<p>Financial management arrangements in local authority maintained schools inadequate/ineffective.</p>	<p>School Governing Bodies</p>	<p>Schools annual self-assessment returns against the Schools Financial Value Standard (SFVS).</p>	<p>Financial arrangements in schools subject to periodic Internal Audit review as part of the cyclic audit process.</p>	<p>School balances reported to Cabinet quarterly.</p>

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Ineffective management of the transformation agenda.	Chief Officers Executive	Chief Officer Executive Agendas/Minutes and supporting documentation.	Internal Audit support/contribute to delivery of the Transformation Programme as relevant.	Reports to Cabinet and Scrutiny as appropriate.
Ineffective challenge to the procurement process.	Procurement Board	Procurement Board Agendas/Minutes and supporting documentation.	Procurement process subject to periodic Internal Audit review as part of the cyclical audit process.	Annual Procurement Plan approved by Cabinet.
Ethical health arrangements inadequate.	Law and Governance	Member Code of Conduct. Officer Code of Conduct. Member/Officer Training.	Audit Committee reports on ethical indicators reflected upon in the audit planning process.	Members and Officers Codes of Conduct approved by Council. Audit Committee receives reports on ethical indicators.
Lessons not learned from complaints received.	Complaints and Information Governance Team	Corporate, Adult Social Care, Children’s Social Care, Housing and Public Health Complaints, Compliments and Comments Procedures. Complaints Records. Local Government and Social Care Ombudsman Housing Ombudsman Annual reports to COB. Regular reporting to senior management. Quarterly reporting via PMF. External Inspection Agencies’ reports.	Complaints and Ombudsman reports reflected upon in the audit planning process.	Complaints Procedures approved by Cabinet. Annual report to Cabinet on complaints received and the resultant organisational learning. Regular reports to Cabinet on Ombudsman complaints and outcomes.

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Inadequate arrangements for the delivery of the Public Health function and responsibilities.	Director of Public Health	Public Health Work Plan. Health and Wellbeing Strategy. Director of Public Health's Annual Report.	Public Health function subject to periodic Internal Audit review as part of the cyclical audit process.	Regular reports to Health and Wellbeing Board and Health and Partnerships Scrutiny Committee.
Ineffective system of internal audit	Senior Group of Officers	Annual Review of the system of internal audit and supporting documentation.	Internal Audit direct effort annually to support the review process.	Annual Review of the system of internal audit considered by the Audit Committee.

## APPENDIX C

No.	Action	Responsible Officers	Update
1	Growing Darlington's Economy.	Chief Executive Assistant Director, Economic Growth Group Director of Services	<p>The Government Property Agency has now submitted a planning application for the construction of 85,000 sq.ft of grade A office space as the permanent location for Darlington Economic Campus.</p> <p>The Town Fund deal continues to deliver its projects with the redevelopment of the Northern Echo as a focal point of this programme. The Council has identified a partner who will redesign, redevelop and manage this iconic building with an Adult Skills Hub on the ground floor and 35000 sq. ft, of high quality office space. In early 2024 development of circa 600,000 sq.ft of logistics warehouse space commenced with anticipated completion by December 2024.</p>
2	Maximise the potential of our young people.	Group Director of People Assistant Director, Children's Services Assistant Director, Education and Inclusion	<p>Children's Services continue to be rated as Good with Outstanding Services for Children in Care and Care Leavers. Children's Services have five Registered Children's Homes, who care for Looked After Children and all five have been rated as Good by OFSTED over the past year.</p> <p>Children's Services continue to be highly committed to promoting the opportunities of Children in Care and Care Leavers. The number of Care Leavers not in Educational, Employment or Training and in suitable accommodation continues to significantly exceed both regional and national comparator outcomes, with 18.6% of Care Leavers NEET and 98% in suitable accommodation.</p> <p>Our current Ofsted profile for all schools (primary and secondary) is as follows: 89.2% of Darlington schools are judged good or outstanding and 88% of Darlington pupils attend a good or outstanding school. This is a continued improved performance for Darlington.</p>

3	Supporting the most vulnerable in the borough.	Group Director of People Assistant Director, Children's Services Assistant Director, Adult Services Darlington Partnership Director	<p>Children's Services has a well established Front Door, which continues to provide access to advice and support for members of the public and partner agencies, which helps ensure that families receive the right support at the right time. Feedback from users continues to be overwhelmingly positive about the Front Door service and the most recent OFSTED Inspection praised the outcomes for families from the Front Door Service.</p> <p>As part of our ongoing commitment to increasing capacity for SEND in Darlington the Council submitted a bid to open a new Special Free School in 2023 which was successful. We therefore move forward in the process of opening a new school that fits within our strategies for children and young people with special educational needs and disabilities.</p> <p>To complement our existing provision, we have identified the need for a secondary provision for those pupils with a primary need of autism/ASD. The new Special Free School will provide 48 full time places for pupils aged 11-19 with autism, who would benefit from a specific environment and staff dedicated to a holistic approach. The capital funding for the new school will be provided from the Government's Free School Programme.</p> <p>Adult Services continues to provide care and support needs assessments, information, advice and guidance to the most vulnerable in the borough. The teams continue to engage with local providers, voluntary organisations and local groups such as carers and the Learning Impairment Network. The service have refreshed the adult social care vision for Darlington which reinforces the aims of the Care Act 2014, to prevent, reduce and delay where possible the care and support needs of the population. There is a high focus on wellbeing</p>
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			<p>and ensuring connectivity within the community. There is an emphasis through the Darlington Safeguarding Partnership to develop increased awareness of the issues related to hoarding and self-neglect. Through the BCF and Adult Social Care Discharge Funding the service increased short term capacity through the system pressures to support timely and positive hospital discharges.</p> <p>Adult Services has developed a quality assurance framework to ensure that practice, performance is reflective of statutory and legislative requirements and works within the strength based practice approach. In addition, all teams systematically capture the feedback of the person and their carer to record their experiences and ensure continuous quality standards and improvements.</p> <p>Working with voluntary sector organisations the Council has focused the DWPs Household Support Fund to support the most financially vulnerable households. Whilst demand for support has outstripped resources available through the fund, the Low Income Family Tracker has been used to target those most in need providing a range of assistance and advice. Groups helped include families with children, people with disabilities and the elderly.</p>
4	Working with communities to maximise their potential.	Chief Executive Darlington Partnership Director Group Director of Services	<p>Darlington Cares continues to deliver a range of programmes alongside Darlington’s communities under three themes: environment, education and social justice. In total 8,000 hours of volunteering were delivered by the employees of Darlington Cares’ members. Five new employers joined Darlington Cares during the year taking the total to 29.</p> <p>Significant progress has been made working with the third sector through the Voluntary and Community Sector Engagement Group. The sector has been supported in securing resources to open a town</p>

centre facility, Darlington Connect which acts as a gateway to support via the voluntary sector. In addition, the group is working to develop a plan around transition points where people can potentially become vulnerable.

Darlington BEAT is a service funded by Darlington Borough Council and delivered by Citizens Advice Darlington, Redcar & Cleveland. The annual cost for this service is £30k. The 2023 annual report which covers January – December 2023, shows the service supported 249 cases of people residing in Darlington to apply for £1.38m worth of benefits. The service also supported a small number of cases beyond the borough, raising this amount to £1.47m. Wide ranging benefit advice was provided, with the most notable being Pension Credits (£81.9k), Disability Living Allowance (£83.7k), Attendance Allowance (£103.8k), Personal Independence Payment (£870.1k), and Universal Credit (£225.6k).

The Health in Haughton Matters project, in Haughton and Springfield is a community led physical activity delivery programme. The Darlington Move More Team work with Haughton Residents Association on a bottom-up community led approach in engaging and empowering local people to plan and deliver health improvement in their own communities.

The project focuses on the following outcomes:

- Improve Health and Physical activity levels within the area.
- Improve Antisocial behaviour.
- Bring the community closer together.
- Create opportunities to combat loneliness with social interactions.

			<ul style="list-style-type: none"> <li>- Allow the opportunity to grow grass roots football within the area.</li> <li>- Sustainable community led programme.</li> </ul> <p>Since securing £6,690 from Sport England’s Small Grants the Health in Haughton Project has continued to grow. The project currently consists of Tai Chi, Yoga, Pilates, Dance Fit, Walking, Archery and Low Impact Fitness. Each session has a strong group of participates who are committed to attending weekly and it is becoming financially sustainable.</p>
5	<p>Ensure we have an engaged motivated workforce who are proud to serve the borough and an accessible, effective and engaged Council.</p>	<p>Chief Executive Group Director of Operations Assistant Director Resources Assistant Director Housing and Revenues</p>	<p>The Council's workforce is committed to delivering success for Darlington. We have a proud and dedicated workforce of over 2,000 people, the majority who live in the borough and want Darlington to flourish and grow. The Council provides a vast range of services with approximately 800 roles, therefore it is essential that all staff are motivated, have the right skills and are customer focused to ensure service provision meets the needs of the Council, our businesses and our residents.</p> <p>Our workforce strategy "Working Together to Deliver Success" outlines how we will develop, support and motivate our staff, to meet the priorities of all stakeholders. Priorities within the plan have already been delivered to align to our core values, including flexible/agile working, the wellbeing programme to promote and maintain a healthy and safe workforce, the creation of the Employee Ambassador Group and changing how we undertake staff surveys to capture the staff voice.</p> <p>We have launched the new My Journey process to promote staff development and succession planning. Our workforce strategy runs until 2026, but we are planning ahead to the next strategy to ensure</p>



			our staff are supported and equipped to deliver in an every changing environment.
6	Work towards delivering the Council's commitment to becoming Carbon neutral by 2050.	Chief Executive Assistant Director, Economic Growth	The new administration has set a target for the Council to be carbon neutral by 2040. A revised action plan has been adopted to reflect this challenging target. A cross party working group meet on a quarterly basis starting in 2023/24, to monitor the delivery of the action plan and detail and changes or proposals.