

Additional Papers – Annual Governance Statement

Audit & Governance Committee



SURREY
COUNTY COUNCIL

Date & time
Monday, 29
November 2021
at 10.30 am

Place
Surrey County
Council, Woodhatch
Place, 11 Cockshot
Hill, Reigate, Surrey,
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Chief Executive
Joanna Killian



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Members

Stephen Cooksey, Victor Lewanski (Vice-Chairman), David Lewis (Chairman), Rebecca Paul, Joanne Sexton and Richard Tear

Ex Officio:

Saj Hussain (Vice-Chair of the Council), Tim Oliver (Leader of the Council) and Helyn Clack (Chair of the Council)

Additional Papers

13 ANNUAL GOVERNANCE STATEMENT - HALF YEAR REPORT

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Report attached.

Joanna Killian
Chief Executive

Published: Tuesday, 23 November 2021

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Audit & Governance Committee
29 November 2021

Annual Governance Statement half year update

Purpose of the report:

This report provides an update on progress on the improvement areas identified in the 2020/21 Annual Governance Statement.

Recommendations

It is recommended that the committee confirm whether it is satisfied with the progress made so far.

Half year update

- 1 The 2020/21 Annual Governance Statement identified a number of governance issues which were detailed in a 2021/22 improvement plan. Updates on many different areas of governance are continuously reported to senior management and members through various groups, boards and committees. Annex A provides a summary of progress to date on the improvement plan.

Implications

- Financial**
2 There are no direct financial implications arising from this report. Continued improvements in governance will support the delivery of the council's objectives.
- Equalities**
3 There are no direct equalities implications of this report.
- Risk management**
4 Strong governance arrangements support the council in the effective delivery of services and achievement of objectives.

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Sources/background papers: 2020/21 Annual Governance Statement, Code of Corporate Governance, CIPFA/SOLACE framework *Delivering Good Governance in Local Government*.

Annual Governance Statement - 2021/22 Improvement Plan

Issue identified during 2020/21	Action to be taken during 2021/22	Update as at October 2021
<p>Children's Services</p> <p>To continue to make improvements in our Children's Services.</p>	<p>Continued focus on Children's Services improvement through oversight and scrutiny of action plans and ongoing activity.</p>	<p>Ofsted published a letter on 12 October 2021 which summarised the positive improvement findings of a monitoring visit that took place on 7 and 8 September 2021.</p> <p>All planned transformation work as part of the Family Resilience programme is expected to be fully implemented, with particular focus given to Neglect and Children with Disabilities (CWD) as these areas have been highlighted as requiring further improvement.</p> <p>Oversight and scrutiny of the improvements to children's services are continuing to take place at the Surrey Safeguarding Children's Partnership (Executive group), the Surrey Corporate Parenting Board and the Children, Families, Lifelong Learning & Culture Select Committee. Detailed action plans are in place which will take the service through to the next full inspection.</p>

Issue identified during 2020/21	Action to be taken during 2021/22	Update as at October 2021
<p>Pensions Administration</p> <p>To continue improvements in the Pensions Administration service and integrate with the Pension Fund team.</p>	<p>The Pensions Transformation Programme will address planned improvements in people, process and technology. The new organisational structure will deliver a single team encompassing, investments, accounting, governance and administration for a sovereign Surrey Fund.</p>	<p>Phase 1 programme update</p> <ol style="list-style-type: none"> 1. Completed the successful migration of Surrey Fire and Rescue pensions admin and London Borough of Hillingdon pensions admin. 2. Ongoing activity with the exits of Westminster City Council and the London Borough of Hammersmith and Fulham. <p>Phase 2 programme update</p> <ol style="list-style-type: none"> 1. Consultation period with staff closed. 2. Response to consultation including final structure issued to all staff and Tus 3. Bespoke workshops to support staff with expressions of interest and interview planning underway. 4. Recruitment for Heads of Service planned, and interview dates known. 5. Recruitment approach for all other roles agreed. 6. Commencement of marketing campaign starting with AON consultants webinar and “teaser” video.
<p>Governance</p> <p>To promote good governance not only through systems and process but emphasise behavioural characteristics and values.</p>	<p>A governance performance framework will be developed based on the organisational characteristics, behaviours and values which evidence good governance in all its elements, to promote high standards across the organisation.</p>	<p>The Centre for Governance and Scrutiny (CfGS) has been asked to work with the Council to gather evidence to inform an analysis of its governance culture using a Governance Risk and Resilience Framework, which is based on seven governance characteristics. Phase one is being conducted throughout November 21 and will consider:</p> <ul style="list-style-type: none"> - The extent of recognition of individual and collective responsibility for good governance - How the Council looks to the future to set its decision making - Officer and Councillor roles - The state of member oversight through scrutiny and audit - How the Council’s real situation compares to its sense of self - Quality of local (external) relationship

Issue identified during 2020/21	Action to be taken during 2021/22	Update as at October 2021
<p>Land and Assets</p> <p>Improving the effectiveness, efficiency and commercialisation of the Land and Property function to ensure it supports service delivery to residents and organisational objectives for the council.</p>	<p>A Land and Property “purpose and Strategy” program focused on the Council’s vision will be delivered, including:</p> <ul style="list-style-type: none"> -implementing Planon – an integrated property work management system, -a new project planning and risk framework for all capital projects, -a culture, values and skills project for all staff, -a new operating model for facilities management, -a review of finance, risk, audit recommendations, performance and stakeholder engagement 	<p>- Awareness of political dynamics</p> <p>The improvement plan was fully reviewed in August 2021 to ensure ongoing alignment to SCCs strategic objectives:</p> <ul style="list-style-type: none"> - Planon Phase 1 (Facilities Management) was implemented 1/4/21. Phase 2 (Capital, Commercial and Estates) is on track to be implemented by 31/3/22 when the old system (PAMs) becomes unsupported. - The Capital projects risk and reporting tools will be fully implemented by 31/12/21 providing project visibility. - The new operating model review for Facilities Management is completed and the proposals will be presented to Cabinet in December 2021. - All 2021/22 Audit recommendations have been implemented supported by process and governance improvements and improved awareness across teams. - The Finance Improvement plan in liaison with SCC Finance is ongoing – focusing on L&P’s financial acumen. (Budget Holder training) - L&P Strategic risk framework is complete and includes regular reviews. - Business performance metrics are under development prior to automated dashboard development in Planon by 31/3/22. - The ‘people plan’ is multifaceted with a focus before 31/12/21 following a skills gap assessment to produce succession and training plan, followed by a detailed assessment and creation of career pathways (graduates/apprentices) by 31/3/22 across Infrastructure, Estates & Capital Delivery teams. (follows multiple recruitment campaigns through 2020/21)

Issue identified during 2020/21	Action to be taken during 2021/22	Update as at October 2021
		<ul style="list-style-type: none"> - Due to ongoing 'change' across L&P and the impact on staff – specialist support via HR is in place and a plan will be drafted by 31/12/21. This will run parallel to the 'wellbeing' action plan which was produced in April 2022. <p>The stakeholder engagement plan is under review to improve L&P collaboration specifically with Services and more generally with wider stakeholders.</p>
<p>Risk Management</p> <p>To continue to develop the councils risk management approach and embed across the organisation.</p>	<p>An interim risk manager has been appointed to develop the risk management capabilities across the organisation with the implementation of risk assessments and a standardisation of the approach. A risk framework will also be finalised to reflect the new risk management processes.</p>	<p>The updated risk framework was approved by the Audit and Governance Committee on 20 September 2021 and communicated to the service risk coordinators across the organisation.</p> <p>The interim risk manager is continuing to develop service and directorate risk registers.</p>
<p>Company Governance</p> <p>To ensure Surrey CC companies meet best practice in oversight, planning and governance arrangements.</p>	<p>Further improvements will be made to the governance arrangements for Council companies including, business planning, oversight, training and development on the role and responsibilities of directors and conflicts of interest, risk management reporting and scrutiny.</p>	<p>The Cabinet SIB (Shareholder Investment Board) and SHIP (Shareholder Investment Panel) have agreed further improvement actions covering:</p> <ul style="list-style-type: none"> - An annual business plan approval timetable and company reporting - A collation of company documentation and details - Agreement on the appointment of officers and members as company directors by SHIP - Director development and training on role and conflicts of interest - The production of risk registers at company, SHIP and Council level - Non-Executive Oversight through a 6 monthly shareholder company report and scrutiny approach.