

DRAFT - ANNUAL GOVERNANCE STATEMENT 2022/23

Surrey County Council has a responsibility for ensuring that its business is conducted in accordance with the law and proper standards, that there is a sound system of governance, appropriate controls are in place and that public money is safeguarded and properly accounted for. This Annual Governance Statement describes significant organisational and service activities during 2022/23, progress against key issues raised in last year's governance review and identifies key areas of focus for 2023/24 and provides assurance the Council is complying with its Code of Governance and the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government" (2016).

Organisational Governance

Organisation Strategy 2023 - 2028

The Council's Organisation Strategy has been refreshed to reflect the ongoing significant challenges including the cost-of-living crisis, high inflation, global financial uncertainty and government policy changes. It also enhances the clarity and centrality of 'No One Left Behind' as the guiding mission in tackling inequality and the existing four priority objectives.



Financial Management

The Council has worked hard over recent years to build a stronger financial base from which to deliver services. This has enabled us to be more resilient, having emerged strong and sustainable in a post pandemic era. Our focus will be on continuing to ensure that no one is left behind by continually transforming our services whilst protecting front-line delivery and planning for an increasingly uncertain medium-term to achieve a balanced budget year on year.

The Council's Transformation Programme continues to be strong, targeting areas of continuous improvement and being continually refreshed to maximise every opportunity to drive service quality and maximum benefits for our residents. Moving forward this will evolve further as a cross-cutting transformation agenda, governed through well-established arrangements including the Transformation Assurance Board which is chaired by the Leader of the Council and includes several Cabinet members. A Strategic Design Authority has also been established as the governance for design and change across the organisation.

The Financial Regulations provide the framework of control, responsibility, and accountability for the proper administration of the Council's financial affairs. There has been a thorough review during the year to ensure that the Financial Regulations remain current and reflect the Council's processes and procedures. The updated Financial Regulations were approved by full Council in March 2023 for inclusion in the Constitution.

Workforce

A key focus in 2022/23 has been to support employees through the increased cost of living situation and to implement initiatives that can help people mitigate the pressure that rising costs can have. In addition, a pay agreement for all staff on Surrey pay was reached in June 2022, backdated to 1 April 2022.

A new SharePoint internal communications system was implemented in the latter part of 2022, making staff engagement easier and the intranet a two-way communication tool, where staff can post key initiatives and raise awareness of events that impact the organisation.

The move to agile working after two years of Covid lockdowns and response activity progressed throughout 2022/23. Key activities included making the Council's estate more efficient and using space more effectively. Other moves continue to be planned and support for staff to work in a more agile manner has been promoted on the intranet and through leaflets to those employees who may not have access to the internal system. Work has been carried out in the workforce data arena, with pulse surveys and exit survey data providing qualitative data to the organisation, to run alongside the quantitative data with regards to turnover, staff representation and wellbeing. This provides the organisation, directorates and services with better evidence of where there may be specific issues with regards to staff.

This year has seen an increased focus on our employee reference groups (ERG's) and sponsorship from the Corporate Leadership Team has provided improved focus around some of the challenges that are faced by our diverse workforce. The organisation's Equality, Diversity and Inclusion Action Plan was refreshed for 22/23 (and 23/24) and whilst there has been progress, there is still much to do to support all residents, Members, staff and partners to feel respected, safe to speak up on issues of concern, valued and included.

The past year has seen a plateauing of the voluntary turnover rates of staff, which is crucial to maintaining continuity of service across the Council. The voluntary turnover has dropped to under the public sector average of 15%, which is encouraging, as the rates had risen from historically very low voluntary turnover rates up to above the sector average throughout 2022 as the post-Covid lockdown easing saw a large increase in people changing jobs nationally.

The Council still has too many roles which are vacant and relies too heavily on interim and temporary appointments. This creates control and performance issues and needs to be addressed moving forward.

A new People Strategy has been developed which aligns the key organisational outcomes to a workforce culture with the aim of ensuring that 'No one is left behind'. The Strategy outlines the key people outcomes that we expect to deliver to make our organisation the best possible place to work and thrive, in order to deliver outstanding services to our residents. A Delivery Plan of key programs and projects is being rolled out throughout 2023 to ensure we meet the required outcomes above.

Digital Business and Insights (DB&I) Programme and MySurrey

A reset the DB&I Programme was completed to ensure successful implementation of the new Enterprise Resource Planning (ERP) system in June 23 including a refresh of programme leadership. A "path to green" was developed to incorporate all work and testing completed, the identification of remaining programme challenges and solutions and a plan with phasing, gateways and testing up to go live.

The Deputy Chief Executive and Executive Director of Resources is the Senior Responsible Officer for the Programme and chairs the Strategic Programme Board which oversees the project and makes strategic decisions, allocates resources and manages risks. Where appropriate, strategic risks for the programme are escalated to the Council's Corporate Risk Register.

An Intelligent Client Function (ICF) has been developed, reporting into the Finance Directorate to manage MySurrey post go live and to ensure appropriate governance for the programme.

Health Integration

During 2022/23 Surrey County Council has been working closely with the NHS Integrated Care Boards (statutory NHS organisations) and the Integrated Care Partnership (a statutory committee jointly formed between the NHS Integrated Care Boards and Surrey County Council) to support the development of new governance arrangements, relating to existing partnership arrangements, such as the relationship between the new Integrated Care Partnership and Surrey-wide statutory bodies such as the Health and Wellbeing Board.

The Integrated Care Partnership has focused on agreeing its membership, priorities, and purpose this year to ensure it is fulfilling its statutory responsibilities. It has also developed and delivered the Surrey Heartlands Integrated Care Strategy, approved in December 2022. The Integrated Care Strategy sets out Surrey Heartland's ambitions as a health and care partnership, building on existing strategies to improve the quality of life, health and wellbeing of local residents and Surrey as a place to live. With the refresh of the Health and Wellbeing Strategy, the Health and Wellbeing Board has agreed on a number of priority populations for which particular focus will be made to address health inequalities.

Resilience

As part of the learning from Covid 19, previous incidents and from the current public enquiries into recent UK incidents (Grenfell and Manchester Arena), there is a focus on the organisation's readiness to respond to emergencies and major incidents. The council has several on call arrangements which are used to support a partnership response in coordination with the Local Resilience Forum. New arrangements are being implemented to ensure record keeping and decision logging is provided through a rota of admin support.

Work is continuing to support the UK Covid19 Public Inquiry led by The Right Honourable Baroness Heather Hallett DBE. This work is expected to continue for at least the remainder of this financial year.

Service-specific governance considerations

Children's Services

Improvement work across children's services has continued at pace following the Ofsted inspection in early 2022, which found that services for children and families in Surrey had improved in all areas and is now on a trajectory towards 'good'. Work is ongoing to address Ofsted's recommendations. Frontline practice has continued to improve in many areas as demonstrated through regular quality assurance activity; supervision and consistency of practice across the county requiring ongoing attention. Overall turnover of social workers has reduced, although retention and increasing the number of permanent staff in these roles remains a challenge in line with national trends. The Family Safeguarding Practice model is more strongly embedded within children's services, and there

is evidence of skilled and sensitive work with children and families that is helping to prevent needs from escalating.

In March 2023, the service was subject to a joint targeted area inspection, which found that early help services for children and families in Surrey are continuing to improve. Inspectors found that there were key strengths in the early help system in relation to partnership vision, the workforce and responding to the needs of children and families in a meaningful and proportionate way. The inspectors also recommended some learning and development opportunities for the local authority, alongside health and police colleagues. This feedback focussed on improving coordination and information sharing between partners to support closer working and service delivery.

Special Educational Needs (SEN)

The Council has seen a sharp drop in the timeliness of completing Education, Health, and Care needs assessments (EHCPs) within the statutory timescale of 20 weeks. Historically performance has been around 65% comparing well nationally although lower than the expected standard overall. Requests for assessment have seen an uplift of 64% since 2020, and the effects are compounded by a national shortage of availability of Education Psychologists (EPs). Overall cumulative timeliness for the 2022 calendar year was at 26% compared with a national figure for 2022 of 51%.

A multi-agency recovery plan has been in place for more than 12 months which has included improved processes across the system, an additional 20 SEN posts and increased capacity for EP assessments through an external contract.

To ensure that no child is put at risk as a result of the delays to the assessment process, a risk management approach is in place which ensures that children where there may be potential safeguarding concerns are assessed quickly.

The requests for assessment continue to outstrip capacity. There is a significant backlog of assessments and the rate of improving timeliness is slower than anticipated.

The strategy to meet the statutory deadline and improve the outcomes and experiences for children and families is to:

- 1) strengthen early identification and support further.
- 2) increase capacity to complete the assessments and plan required within the statutory timeframe.
- 3) improve the system operation through an end-to-end review supported by external advisors.

Communication and customer care needs to be significantly improved through support from the Customer Relations Team and a significant recruitment campaign to increase the overall workforce relative to the current levels of caseload needs to be successfully completed.

Subject Access Requests (SARs)

During 22/23 the performance of the Council to respond to subject access requests in the statutory time scale deteriorated to an unsatisfactory level of 72% of requests responded to within target. This was caused by an increase in the number of requests made and a greater number of complex cases. An action plan has been put in place to provide more time for Case Officers to focus on SAR responses and introduce redaction software to improve the efficiency of work. In addition, a number of significantly complex cases have been outsourced to third party experts. The Council's performance will be kept under close review.

Home to School Travel Assistance

In line with many other authorities across the country, Surrey saw a sharp increase in expenditure on Home to School Travel Assistance (H2STA) services during 2022/23. This was mostly caused by increased prices in the provider market impacted by driver shortages and rates of inflation. This put additional pressure on staff to process and route plan effectively. At the same time, the service was unable to maintain performance and its statutory obligations at the start of the academic year due to high volumes of applications over the summer period of 2022. A mix of demand pressures and delays within Mainstream and SEND Admissions and Key Stage Transfer place offers coincided with a H2STA service that was not resourced or structured to deal with the volumes within the system. This led to a number of transport arrangements not being in place at the start of term and children and young people subsequently unable to travel to their place of education. In turn this caused excessive pressure on our customer service contacts and complaints team.

Following a detailed learning review the service has put in place a detailed improvement plan to strengthen governance with the forming of the Home to School Transport Oversight Board and develop a critical path for the service and the new academic year with regular steering group meetings and end-to-end working groups to improve communications and accessibility for customers with a focus on early resolution.

Robust KPIs and performance measures have been introduced to monitor service performance and to identify the demand that will impact the service in the future. The team has been restructured with increased investment and a full digital discovery and process review has been undertaken to inform future IT&D solutions.

Adult Social Care

Reviews during the latter half of 22/23 have pointed to some governance, system and control weaknesses in areas of adult social care which need to be further explored and corrective action taken. This work will need to be treated as a priority especially given the demand pressures the service is currently facing.

Surrey Fire and Rescue Service

Surrey Fire and Rescue Service (SFRS) has continued to deliver against key targets to respond to 999 calls and keep our communities and firefighters safe. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspected SFRS from the end of March through to the end of April 2023. This is their third full inspection. SFRS will develop an improvement plan based on the outcomes from the inspection which are expected in August. The feedback will also inform the development of the next Community Risk Management Plan, another key area of focus over the coming summer months and beyond. The service continues its cultural improvement journey, including the reviewing of outcomes from recent national cultural reviews.

Planning and Regulatory Committee Improvement

A review of the Planning and Regulatory Committee practice was commenced following the identification of issues including member training needs and the Code of Best Practice Planning which has not been reviewed since 2013. The Planning Advisory Service (PAS) has delivered refresher training for the members of the committee and has been invited to review the Planning and Regulatory Committee processes and conduct and make recommendations for improvement in

the operation of the committee based on national best practice. This review was completed in June 23 and concluded that “generally Surrey County Council’s Planning and Regulatory Committee is well run and functions effectively with experienced and knowledgeable Councillors”. A number of recommendations were made directed at sharpening up processes, improving performance, developing and enhancing awareness of planning roles and functions and strengthening training to be implemented in 23/24.

Governance Systems Assurance

Data governance

The Cabinet agreed a Data Strategy in February 2022 aimed at improving how the council governs, manages, and uses data. The first year of the programme focused on building a team of experts, implementing an effective governance structure, and implementing new data tools. The new tools will enable the organisation to understand the quality of its data and to catalogue the data it holds to make it easier to find and manage. Work in year one has analysed 950,000 records in Land and Property, Surrey Fire and Rescue and MySurrey to understand and improve its data quality.

As the programme moves into its second year, it will expand its impact and activities by working with prioritised services and datasets, and it will explore new areas like data standards. Communication and learning initiatives will also be developed and made available, via the new data academy and data hub to provide information on policies and best practices, to help improve data literacy across the organization. The success of the programme longer term will be characterised by a fundamental shift in the organisation's mindset and capabilities regarding the management and use of data. This will ensure that the council sees an increase in evidenced based decision making supported by accurate data which enables improved services, innovation and efficiency, in support of the council's overarching ambition of ‘no one left behind’.

Corporate governance systems

The annual review of corporate governance policies and process was carried out by the Council’s Governance Panel, and Internal Audit completed a review of corporate governance. Both reviews concluded that governance systems are in place with many being updated and communicated throughout the year. The reviews recommended that further work could improve awareness and signposting of key governance systems to give more confidence these were understood and embedded across the organisation.

The Council’s Risk Management Strategy has been reviewed during the year and was approved by the Audit and Governance Committee in September 2022. The Corporate Risk Register and Heat Map is reviewed monthly by the Corporate Leadership Team and quarterly by Cabinet. There is also a 6-monthly review of the risk management arrangements by the Audit and Governance Committee. The Council’s Risk Management arrangements were recently reviewed by Internal Audit and received a rating of ‘substantial assurance’ in 2022/23.

The Audit and Governance Committee agreed actions further to the external governance review of the Council’s behaviours and culture by the Centre for Governance and Scrutiny. This included development sessions to sustain good working relationships between members and officers for all members and senior officers and a mid-term scrutiny review which included training and development for all those leading and taking part in select committee work together with increased stakeholder involvement in work planning.

A cross party members constitutional review group was established and agreed recommendations to Council to improve the Council’s Standing Orders to give a more balanced approach to debates in

the chamber, recognise accessibility needs of members and clarify arrangements for the public to hold the executive to account through public questions.

The council’s External Auditor’s report on value for money published in January 2023, which looked at the year 2021/22, reported improvements have been made in the areas of Pensions Administration and risk management. Further recommendations were made to help embed the risk management arrangements and continue to monitor progress in Children’s Services and Pensions Administration.

The Council’s financial management arrangements during 2022/23 fully complied with CIPFA’s Statement on “The Role of the Chief Finance Officer” (CIPFA, 2010). The Deputy Chief Executive and Executive Director of Resources (s151) met his financial responsibilities during the year and ensured financial management arrangements were in place. He reports directly to the Chief Executive and had regular contact with the Leader and key Members, Monitoring Officer, Chief Internal Auditor and other Executive Directors.

An assessment of compliance with the CIPFA Financial Management Code was undertaken during the year. The review concluded that the Council could demonstrate overall compliance with the standards, but evidence could be strengthened in some areas including capital training and guidance, and financial and performance reporting.

The Chief Internal Auditor has provided reasonable assurance that the council has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2022 to 31 March 2023. Overall, whilst the majority of audit opinions issued in the year were generally positive, internal audit activities identified a number of areas where the operation of internal controls has not been fully effective, as reflected by the seven partial assurance opinions issues in the year. All seven areas will be subject to follow-up audits in 2023/24 to ensure the expected improvements have occurred.

The Council’s governance arrangements for 2022/23 are regarded as fit for purpose and are in accordance with the governance framework shown in Annex A. The Council is committed to maintaining these arrangements and ensuring that the improvements required are prioritised and sufficiently resourced. The action plans below show progress on the improvement areas identified last year and the areas for improvement this year.

2021/22 Annual Governance Statement Action Plan – Follow Up

Issue identified during 2021/22	Action taken during 2022/23
<p>Pensions Administration</p> <p>To continue improvements in the Pensions Administration service and integrate with the Pension Fund team.</p>	<p>Pensions Helpdesk transition completed and administration of banking activities and training.</p> <p>Roll out of new induction approach for all staff and “about us” video used for promotion and recruitment.</p> <p>Mapped out the transfer out and retirement processes with Heywood (systems provider).</p> <p>Regular progress updates are provided to the Local Pensions Board.</p>
<p>DB&I programme - MySurrey</p> <p>To ensure the DB&I programme is implemented successfully.</p>	<p>Reset of the DB&I programme, completion of testing and go live in June 2023.</p>

Issue identified during 2021/22	Action taken during 2022/23
<p>Governance</p> <p>To promote good governance not only through systems and process but emphasise behavioural characteristics and values.</p>	<p>The Audit and Governance Committee agreed the following actions further to a report received from the Centre for Governance and Scrutiny to be implemented throughout 23/24:</p> <ul style="list-style-type: none"> -six-monthly update on the Risk Management Strategy to incorporate on going monitoring of risk management effectiveness and member roles in oversight of operational risks -Provide development session for CLT, Cabinet Members, all Directorate Management Teams, and political groups on member/officer protocol and working together. - to introduce practical changes to existing work systems and processes (including the constitution and decision-making systems) with specific reference to the clarity of roles and ownership and the scheme of delegation. -Incorporate and emphasise in whistleblowing communications to all staff on a regular basis with monitoring through an annual whistleblowing report to the Audit and Governance Committee. - Implement a mid-term scrutiny improvement program in consultation with Scrutiny Chairs and Vice Chairs
<p>Children’s Services Improvement</p> <p>To continue to make improvements in our Children’s Services.</p>	<p>The Improvement Plan arising from the Ofsted inspection in 2022 was submitted to Ofsted in June 2022 in accordance with post inspection timescales. Ofsted confirmed that the plan met their requirements, and its effectiveness will be tested under their future inspection activity. This Ofsted improvement plan has been implemented within a broader programme of work to improve practice, transform services and achieve efficiencies in children’s social care. Given the range of activity under way, a new Assurance Board, chaired by the Cabinet Member was established with effect from November 22 to oversee the work in this plan and the other work in progress in the service.</p>
<p>Surrey Fire and Rescue Service</p> <p>To continue to make improvements in SFRS.</p>	<p>The Inspection Improvement Plan (IIP) was created further to the 2021 HMICFRS inspection report. The IIP details actions and deliverables against each area of improvement under the pillars of Effectiveness, Efficiency and People. It is updated on a quarterly basis and shared with the Service Leadership Team (SLT), the Portfolio Holder and the HMICFRS Service Liaison Lead. Progress against the IIP is reported via the Intelligence and Assurance Programme Board. The IIP is also scrutinised by the Communities, Highways and Environment Select Committee. A further inspection will take place in 2023.</p>

2022/23 Annual Governance Statement Action Plan



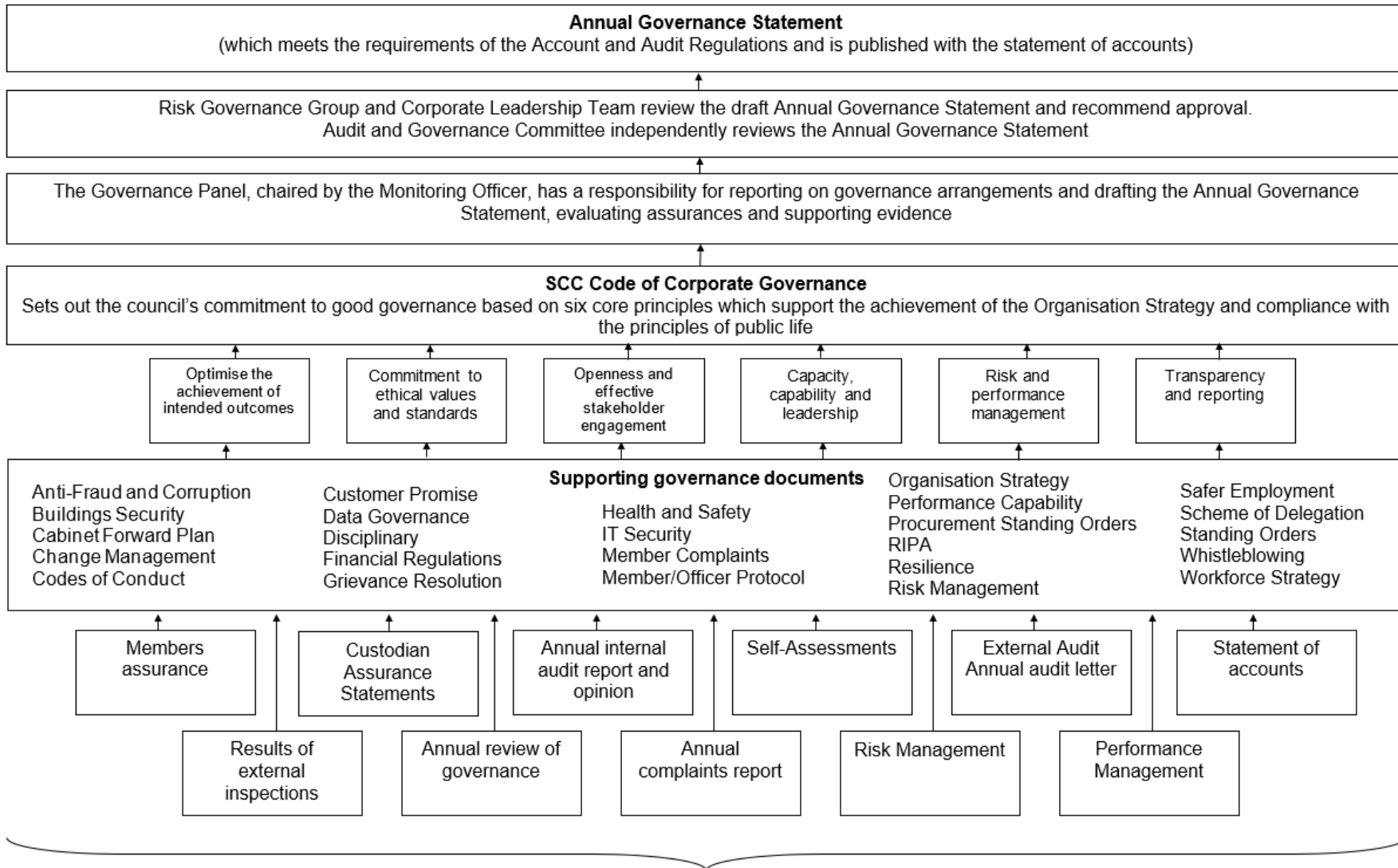
Issue identified during 2022/23	Action to be taken during 2023/24
<p>DB&I programme - MySurrey</p> <p>To ensure MySurrey is implemented effectively and embedded during 2023/24</p>	<p>Transition towards Business As Usual (BAU) following the end of the Hypercare period in August 2023.</p> <p>Close down the DB&I programme following the agreement of exit and hand over criteria.</p> <p>Build and transition MySurrey ownership to the ICF.</p>
<p>Special Educational needs</p>	<ul style="list-style-type: none"> - conduct an end-to-end review of the Council’s systems, add insight and analytics capacity and make recommendations for a phase 3 implementation. - complete the annual review work for vulnerable children including looked after children, those electively home educated, those on a child protection plan, those on a child in need plan and those who are missing education. - Strengthen communication plans including with families, key stakeholders, councillors, schools, health partners and care. - Continue to work with health and social care colleagues to support needs assessment demand management strategies - Ensure IT and data systems secure accurate performance management information - Establish revised governance arrangements
<p>Home to School Travel Assistance</p>	<ul style="list-style-type: none"> -Implement end-to-end improvements across the CFLL system and customer experience to ensure improvements are made in our ways of working and culture. -Support initiatives and opportunities being developed within the cross-cutting Freedom to Travel programme. -Complete the remaining recommendations and actions from the Learning Review and Internal Audit which include: <ul style="list-style-type: none"> • Integrating IT&D and data across the system wherever appropriate (e.g., Single View of a Child) • A full review of current purchasing and route planning systems to increase competition and a full market testing for alternative market leading solutions. • Implement digital discovery findings to expedite processes using Digital Design Team support. • Review and implement a long-term Customer Relationship Management (CRM) solution to improve the customer experience, case tracking and audit trail. • Developing a full supplier and engagement strategy across the travel system.
<p>Subject Access Requests</p>	<p>-Increase capacity in team by 2 FTEs</p>

Issue identified during 2022/23	Action to be taken during 2023/24
Improved SARs performance against statutory targets	<ul style="list-style-type: none"> -Increase capacity through outsourced expert resource to complete complex cases -introduce new redaction software -report on performance on weekly basis by corporate information governance team.
<p>Planning Committee procedures To implement improvements recommended by the Planning Advisory Service.</p>	<p>The Planning Advisory Service recommended actions set out in their June 23 report to cover:</p> <ul style="list-style-type: none"> -reporting performance -annual Planning Committee monitoring visit -Publication of Planning Committee decisions -on regulation 3 Planning Applications -to review delegation definitions -the speaking at Committee process -the running order at Planning Committee -Site visit conduct and reporting -Officer reports -Officer presentations -Training
Adult Social Care	<ul style="list-style-type: none"> -Identify specific governance, system and control weaknesses in areas of adult social care. -develop and implement action plan to take corrective action.

Tim Oliver
Leader of the Council
July 2023

Joanna Killian
Chief Executive
July 2023

11



All these sources and others provide assurance on the adequacy and effectiveness of our controls over key risks



This page is intentionally left blank