

Somerset County Council

Annual Governance Statement

for year ended 31 March 2021



SOMERSET
County Council

Foreword

“To ensure that Somerset and its people are supported and enabled to fulfil their potential, prosper and achieve a high standard of well-being”.

This is the Council’s stated purpose as contained in the Council Plan for 2018-22. The Plan sets out what we will do to achieve this, continuing to look for ways to improve services and, as far as possible, prioritising frontline services against a background of shrinking public sector finances while at the same time, planning for a sustainable future.

Effective corporate governance is essential to support the Council in meeting these challenges.

All who use our services and all who pay for them, together with our suppliers and partners, must be able to have confidence in our governance arrangements - that our ways of working enable us to provide the right services effectively and efficiently and on a consistent basis, and that we take informed, transparent and lawful decisions. They must also be assured that we properly account for the money we receive and spend.

While our corporate governance arrangements have been effective in supporting the Council through the exceptional last year globally, nationally and locally together with the significant opportunities for Somerset through Local Government Reorganisation, we will ensure our arrangements remain effective in 2021-22 and into future years as we continue to meet our challenges.

As always, there are some opportunities for improvement which have been identified as a result of our monitoring and review arrangements. We will ensure that the necessary action is taken to address these.



**Pat Flaherty,
Chief Executive**



**Councillor David Fothergill,
Leader**



What is Corporate Governance?

Corporate governance refers to the processes by which organisations are directed, controlled, led and held to account. It is also about culture and values - the way that councillors and employees think and act.

The Council's corporate governance arrangements aim to ensure that it does the right things in the right way for the right people in a way that is timely, inclusive, open, honest and accountable.

What this Statement tells you

This Statement describes the extent to which the Council has, for the year ended 31 March 2021, complied with its Governance Code and the requirements of the Accounts and Audit (England) Regulations 2015. It also describes how the effectiveness of the governance arrangements has been monitored and evaluated during the year and sets out any changes planned for the 2021-22 period.

The Statement has been prepared in accordance with guidance produced in 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) - the 'Delivering Good Governance in Local Government Framework'. It embraces the elements of internal control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.

The Council's Governance Responsibilities

The Council is responsible for ensuring it conducts its business in accordance with the law and to proper standards and that public money is properly accounted for and is used economically, efficiently and effectively. It also has a duty to continuously improve the way that it functions, having regard to effectiveness, quality, service availability, fairness, sustainability, efficiency and innovation.

To meet these responsibilities, the Council acknowledges that it has a duty to have in place sound and proper arrangements for the governance of its affairs, including a reliable system of internal control¹, and for reviewing the effectiveness of those arrangements.

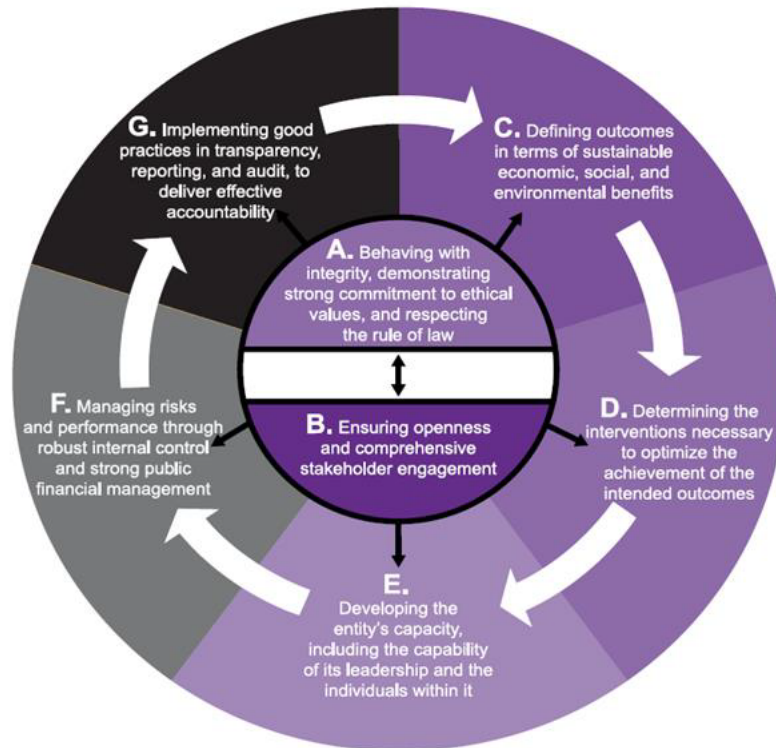
The Council's Governance Code, which was developed in accordance with the governance guidance produced by CIPFA and SOLACE, states the importance to the Council of good corporate governance and sets out its commitment to the principles involved. The Code is on our website, or can be obtained from the Monitoring Officer or Director of Finance.

Somerset County Council Governance Code (2017)

Our commitment to good governance is made across the following core principles:

- 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 intended outcomes.
- E. Developing the Council'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.

¹A process to ensure that objectives will be achieved



The Governance Framework

The governance framework consists of the systems and processes by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It also includes our values and culture.

It enables us to monitor the achievement of our objectives and to consider whether these have led to the delivery of appropriate, cost effective services. The Framework is summarised in the diagram overleaf.

As the Council improves the way it provides services, it is important that the governance arrangements remain robust but also flexible and proportionate.

In order to review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Senior Leadership Team, the Audit Committee, Constitution & Standards Committee, Scrutiny Committees, the Cabinet or Council as appropriate.

The Healthy Organisation review by our internal auditors accredited the council in 2018/19 with high assurance / low risk in terms of its Corporate Governance. Despite the exceptional year with many challenges for public services, our internal auditors have confirmed continued improvement and assurance with our governance framework and systems. The Governance Framework cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The Senior Leadership Team is the Senior Officers body which brings together Directors responsible for commissioning, resources, support and customer services and service delivery.

Some of the key elements of the governance framework are highlighted on the next pages.

Purpose: 'To ensure that Somerset and its people are supported and enabled to fulfil their potential, prosper and achieve a high standard of well-being'

Sources of Assurance

Assurance Required on:

- Delivery of Council Plan
- Communication of performance
- Financial management
- Service quality and best use of resources
- Any failures in service delivery addressed effectively
- Councillors and Officers working together effectively
- Compliance with laws and regulations, policies and procedures
- High standards of conduct and behaviour
- Informed and transparent decision making
- Management of risk and effective internal controls
- Developing the capacity and capability of members and employees
- Democratic engagement and robust public accountability

- Planning principles for services and Somerset Way of Working
- Constitution
- Strategic Leadership and Senior Management structures
- Medium Term Financial Strategy
- Financial Regs and Procedure Rules
- Contract Procedure Rules
- Commissioning Plans and Procurement Strategy
- Consultation Strategy
- Communications Plans
- Equality Plan
- Organisational Development and Workforce Policies and Plans
- Corporate Performance
- CIPFA FM Code
- Information Management policies
- ICT & Digital Strategy
- Health and Safety Policy
- Risk Management Policy
- Partnership Working
- Internal & External Audit and inspection
- Anti-Fraud and Corruption Policy and procedures
- Audit, Scrutiny and Constitution & Standards committees
- Codes of Conduct (Employees and Members)
- Whistleblowing Policy
- Performance Review and Development
- Complaints system

Assurances Received

- Statement of Accounts
- 'Focused on Our Performance' self-evaluation of progress against Council Plan
- External Audit and Inspection reporting
- Internal Audit reporting
- Risk and Control Registers and Risk Management Reporting
- Directors and Strategic Manager's internal control assurance
- Anti-fraud and corruption annual report
- Scrutiny Reviews
- Reviews commissioned by management
- Annual review of Constitution, Schemes of Delegation & Contract Procedures
- Peer Reviews
- Ongoing review by Governance Board of Corporate Governance and areas for improvement
- Governance Code and Framework review

Opportunities for Improvement

- Health & Safety
- Sustaining robust ICT infrastructure

Governance Review & Assurance

Annual Governance Statement

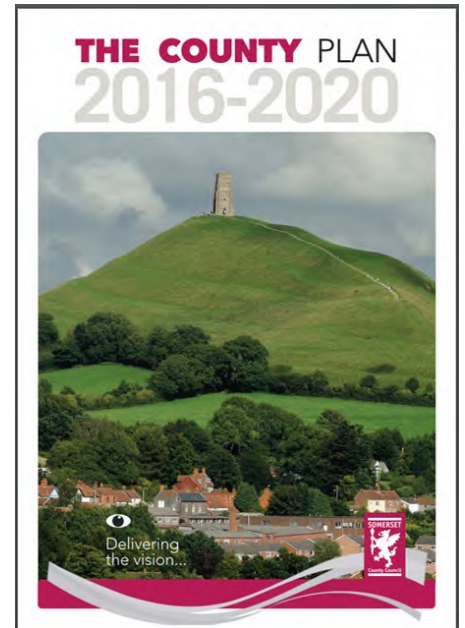
GOVERNANCE FRAMEWORK

The Council Plan

The Council Plan for 2018-22 sets out our overall purpose - 'to ensure that Somerset and its people are supported and enabled to fulfil their potential, prosper and achieve a high standard of well-being'. It helps us to focus our resources and drive improvement, and sets out where we will focus our energies and our increasingly limited resources and how we will judge our performance.

The Plan sets out seven principles which we consider in the planning and delivery of services (see next page).

The Plan is the means by which the Council sets out how objectives will contribute to the wellbeing goals for Somerset and how they will be achieved. Objectives and target outcomes are set within three strategic themes – Economy, People and Place – and the corporate theme of Organisation. Limited resources mean there is a need to be realistic about how much can be done. This means making difficult choices on where to focus resources so more can be done with less, and we can work with together with partners to do more. Key to this are robust financial, commissioning and decision-making processes, good quality data, good governance, performance management, effective technology and a willingness to do things differently.



Evaluating Performance

The Council's Business Plan was originally approved by Cabinet in June 2018 (updated at Full Council in May 2019) and is scheduled for refresh in summer 2021. The Business Plan outlines how we will work with partners and communities to deliver the County Council's 'Vision for Somerset' in the most efficient way possible for Somerset's taxpayers. The Business Plan contains the strategic outcomes that show what the Council will focus on to deliver its Vision and improve lives. Beneath each strategic outcome sits the key priorities to deliver those outcomes and a range of associated activities. By lining up these activities, priorities and strategic outcomes with the Vision the authority can plan ahead and monitor progress.

Performance is regularly reviewed by Directors and the Senior Leadership Team. Regular performance reports are presented to the Cabinet and available for review by scrutiny committees. An annual performance outturn report is reported to Cabinet.

Both our external and internal auditors assess the Council's arrangements for delivering continuous improvement and subsequent performance.

The Council's schools, education and training services are assessed by Ofsted on an ongoing schedule, and our social services are subject to ongoing review by the Care Quality Commission.

Social Media-Join The Conversation!

Join the conversation on all aspects of Somerset Council services and activities.

The Council provides its customers access to our services and information in the most appropriate Social Media channels.



Covid 19 - governance

The impact of the coronavirus pandemic has been felt by all organisations in the UK and the Council is no exception, being a significant employer, service provider and community leader in the county. This section summarises the impacts on key areas of the Council's functions. It should be noted that while the Council has experienced significant disruption to its day to day operations, the review has highlighted the effectiveness of its governance arrangements in providing a robust foundation for its response to the pandemic and this continues. The Council maintains a strong focus on business continuity and emergency planning, including learning from experience of managing major incidents and participating in national and local planning exercises. The Council reviewed its business continuity arrangements as part of the ongoing uncertainty up to and following the UK's exit from the European Union.

There has been significant impact on pre-coronavirus ways of working and service delivery. This has included a move from office-based working to home working where possible, closure of public buildings and facilities such as libraries and recycling centres, temporary closure of services such as day care and re-enablement services. The Council moved rapidly to staff working at home where possible and refocused people management activity to address the challenges of new ways of working. ICT security requirements were strengthened as staff working at home moved to VPN infrastructure. Policies and procedures have been adapted to respond to changing needs. Some planned work has not progressed, including some planned internal audit work.

In terms of democratic arrangements, our meetings began to be cancelled from late March 2020. On 28 March 2020 the Leader of the Council and the Chief Executive made a decision to put in place emergency decision making arrangements and to postpone and call no further member meetings up to mid May 2020 to protect the health of members, officers and the public. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations were laid before Parliament in early April, following which the Council held its first virtual committee meetings from 13 May 2020. 'Virtual' internet-based meetings were established for all committees and school admission appeals and these continued throughout 2020/21.

The Council is a Category 1 responder under the Civil Contingencies Act 2004 and has been an active and standing participant in the county's multi-agency response partnership (chaired by Avon & Somerset Police). A Multi-Agency tactical group chaired by the Council and with members drawn from all district councils, CCG and NHS, Fire, Police, Waste Board and specific services including representatives from Children's services was held throughout the pandemic to coordinate the response across Somerset. Various "cells" were set up to ensure appropriate response was in place with the Council chairing a number of these including the Vulnerable People and Communities Cell that coordinated food, medical support and other help was on hand for those who needed it. The Council's contact centre took a role in pulling together a single point of contact for Somerset resident's with the Coronavirus helpline that has taken a total of 13,000 calls. The Council was also represented on the Somerset Foundation Trust operated Somerset Vaccination Board. More than 1000 council staff volunteered to be part of the redeployment effort to support our communities and strategic partners. Around 500 staff were used in the end, running contact track and tracing operations, setting up vaccination hubs, running test sites, and working alongside community volunteers to ensure those shielding were fully supported.

Throughout the majority of 2020/21, the Senior Leadership Team met twice weekly to manage the council's emergency response, maintain delivery of core services and prioritise resources accordingly. Regular position statements and updates were provided to elected members and reported to Cabinet meetings and other committees, including the formation of a new Member Engagement Board with partner representatives.

The Council reviewed and improved arrangements for officer decision making in 2019 and these have stood the Council in good stead in the response and early recovery periods of the coronavirus major incident. There is provision in the Constitution for the Chief Executive to take urgent decisions and for the Leader of the Council to take decisions that would otherwise have been taken by Cabinet or Cabinet Members.

Assessment of financial impacts of coronavirus Coronavirus related costs have been regularly undertaken by the Section 151 Officer and reported to SLT and Cabinet meetings. Arrangements have been put in place to identify increased costs and lost income as a result of the coronavirus. The Council has received over £75 million through 15 different funding streams from various Government Departments to help fund the Council's coronavirus response and new responsibilities. There is robust monitoring arrangements in place with monthly reporting to MHCLG on the financial impact of the coronavirus. The Finance team has been working closely with Senior Managers in preparing the forecasts for MHCLG. The Director of Finance continues to closely monitor the impact of the pandemic on the Council's budget both in the current year and upon the Medium Term Financial Plan. There is recognition that the impact of the coronavirus can mean an ever changing situation and the monthly financial reporting to Scrutiny and Cabinet have been effective in supporting the council through an exceptional year.

Assessment of the longer term disruption and consequences arising from the coronavirus pandemic have been assessed as part of the Council's response and this will inform planning during the recovery phase. The Council established a Recovery Board during 2020 to drive it's recovery response. This has included consideration of impacts relating to:

- Service delivery
- Finances
- Staff resourcing and capacity
- Staff well being
- Relationships with other bodies and partnerships

A Somerset Economic Recovery plan was developed with partners and agreed by all five local councils. Multi agency arrangements to manage the recovery phase are in progress. A new coronavirus Corporate Risk has been added to the Corporate Risk Register and it is anticipated that this risk will remain on the corporate register for sometime, in the context of the prolonged nature of this incident and anticipated longer term disruption. Directors are updating service risk assessments as part of recovery work whilst also recognising that some services are still in the response phase. There were additional health and safety and ICT requirements which required ongoing reflection and review to ensure appropriate controls and measures were in place. Our focus as part of the recovery work is to ensure commissioned services remain fit for purpose; that markets are developed and procurement is refocused in alignment with the Council's future needs. This includes the likelihood of a long term need for significant procurement activity in relation to PPE in order the safeguard the Council's social care services and workforce.

Supporting Somerset's economy

Covid 19 and the associated public health restrictions placed upon social and economic activities have had a significant impact on the Somerset economy in the last year. Overall, Somerset's economy is likely to have shrunk by more than 10% during 2020 and is unlikely to return to pre-Covid levels until at least 2022. The number of individuals claiming out of work benefits has risen by over 100% in the last year, and more than 100,000 people in Somerset have had to rely on support from either the coronavirus job retention scheme (commonly known as the furlough programme) or the self-employment income support scheme. Correspondingly, businesses have been hit hard, especially those in the most vulnerable sectors such as retail, hospitality, wholesale and manufacturing. Covid 19 has accelerated economic changes, including precipitating company closures with impacts on particular localities and widened existing inequalities. In April of 2021, early results from 2021 Somerset Business Survey revealed that 72.4% of businesses achieved 50% or less of their normal turnover in the last 12 months, whilst 80.2% achieved 50% or less of their normal profitability.

Somerset County Council has played a leadership role in addressing these unprecedented challenges, while also working closely with a wide range of partners to support businesses, individuals and communities. As an anchor institution in the local economy, SCC has recognised the importance of acting responsively with our many contractors and suppliers. During the past year we have adopted a flexible approach to their contractual requirements, supporting their resilience in the face of operating restrictions and financial difficulties. Working with the Somerset Chamber and the Federation of Small Businesses (FSB) SCC has also taken steps to maximise opportunities for local contractors to compete for minor work schemes in our capital programme and thereby mitigate the impacts of the construction downturn resulting from Covid 19. As we emerge from the pandemic we are building on these relationships, including through a recent webinar hosted by the Chamber and FSB about doing business with SCC which attracted 100+ attendees. Similarly, as an anchor employer, to support young people whose employment prospects have been hard hit in the past year we are providing a significant range of work placements under the Government's Youth Kickstart programme and extending our own graduate recruitment programme.

From the first Covid 19 lockdown in March 2020 we convened, as part of our multi agency response mechanisms, a business response cell comprising senior representatives from all five Somerset local authorities, the Heart of the South West Local Enterprise Partnership and Growth Hub and business representative organisations. The cell's work has included ensuring joined up communications to businesses about support available, including during the roll-out of the Government's financial support packages, building and sharing intelligence about local economic impacts, including conducting a business survey in Autumn 2020 and refreshed in Spring 2021 (1,000+ businesses in both stages), ensuring that Covid responsible operating messages are widely accessible to local businesses and collaborative planning for high streets reopening and receiving visitors as restrictions have been lifted. In addition the cell has overseen decisions about repurposing of funds from the Somerset local authorities business rates retention pilots to resource support for response measures in the Somerset visitor economy and labour market.

In the past year there has been a sequence of significant redundancy announcements by Somerset businesses, with the economic consequences of Covid 19 a factor in a number of cases. Somerset County Council co-ordinated the development of a multi-agency response protocol ensuring that an effective response to major redundancies, with clearly defined roles across organisations so that we can best work with and support the business undergoing change and the consequent impacts for its workforce and the wider community. Examples have included the response to the closure of Oscar Meyer (with the loss of circa 800 jobs and of the two main employers in the Somerset market town of Chard) and the response to the impacts for Taunton of the demise of Debenhams (where in addition to the store this includes the closure of its national financial administration centre).

In addition to responding to the immediate economic impacts of Covid 19 we have recognised the imperative of developing a plan for ultimate recovery in the county post Covid 19. The Somerset recovery and growth plan was adopted by Somerset County Council (and Somerset's District Councils) in January 2021 and has been highlighted by the Local Government Association as a case study of good practice. [Local economic recovery planning in Somerset County Council | Local Government Association](#). The County Council has successfully secured resources in the past year to progress actions identified in the plan from a range of sources including the Government's Getting Building Fund, European Structural Funds, DWP and from private sector sources including EDF Energy.

Alongside recovery from the impacts of Covid 19 on Somerset's economy Somerset County Council has continued to focus in the past year on the longer term issues and opportunities for the Somerset economy that pre-dated the pandemic. These include raising the productivity of the local economy, transition to a zero carbon economy and changing workforce and skills requirements. We have completed the construction of the Somerset Energy Innovation Centre campus in Bridgwater and the iAero Centre in Yeovil – developments funded by the County Council and Growth Deal funds. We have also secured Getting Building Fund investment in a Digital Innovation Centre in Taunton and for light industrial units at Bruton Enterprise Centre. Working with the LEP, Bristol University, Nuclear South West and Somerset District Councils we jointly prepared and submitted an expression of interest in March 2021 to the UKAEA for the UK's fusion demonstrator plant to be located at the Hinkley Point site in Somerset. If we succeed in securing the site for this national demonstrator this will further strengthen our long term positioning as a leading area in the UK's clean energy sector.

Safeguarding vulnerable adults and children

Safeguarding Adults

Safeguarding means protecting an adult's right to live in safety, free from abuse and neglect. It is about people and organisations working together to prevent and stop both the risks and experience of abuse or neglect, whilst at the same time making sure that the adult's wellbeing is promoted.

The aims of adult safeguarding are to:

- Prevent harm and reduce the risk of abuse or neglect to adults with care and support needs
- Stop abuse or neglect wherever possible
- Safeguard adults in a way that supports them in making choices and having control about how they want to live

The Somerset Safeguarding Adults Board (SSAB) is a multi-agency partnership, independently chaired, which became statutory under the Care Act 2014 from 1st April 2015. The role of the Board is to assure itself that local safeguarding arrangements and partner organisations act to help and protect adults in its area.

The Boards' main objective is to assure itself that local safeguarding arrangements and partner organisations act to help and protect people aged 18 and over in the area who:

- have needs for care and support; and
- are experiencing, or at risk of, abuse or neglect; and
- as a result of their care and support needs) are unable to protect themselves from either the risk of, or experience of, abuse or neglect.

The Board has a strategic role that is greater than the sum of the operational duties of the core partners, overseeing and leading adult safeguarding across the county and interested in a range of matters contributing to the prevention of abuse and neglect. The Board does not work in isolation, nor is it solely responsible for all safeguarding arrangements. The Board's website promotes local adult safeguarding policy, practice and resources: <https://ssab.safeguardingsomerset.org.uk/>

Somerset County Council has the lead role for adult safeguarding in Somerset, which it primarily discharges through its dedicated Adult Safeguarding Service. The number of safeguarding concerns raised with SCC in 2020/21 was 2,776. Of these concerns, 878 progressed to a Statutory Section 42 Safeguarding Enquiry whilst the remaining contacts would have received a different outcome - this could have been a quality assurance response, an assessment of needs or a review, for example. In 2020/21, where a risk was identified, in 97% of cases the risk was reduced or removed. When an individual was asked and expressed a desired outcome from the safeguarding intervention, 99.6% of outcomes were either fully or partially achieved and 0.4% were not achieved, this being an improvement in practice and recording compared to 2019/20. Each year, the Local Authority submits an statutory return as part of the Safeguarding Adults Collection (SAC) which records details about safeguarding activity for adults aged 18 and over in England, reported to, or identified by, Councils with Adult Social Services Responsibilities; the collection includes demographic information about the adults at risk and details of the incidents that have been alleged

To provide governance and oversight of the standard of practice in the Service, quality assurance audits are undertaken both internally and as part of the SSAB's Quality Assurance subgroup. The Adult Social Care service introduced system wide quality audits from September 2019, with Safeguarding Triage and Enquires being discrete areas for audit. The feedback from these audits has been positive, as has the learning, to develop and further enhance the service delivered. The Somerset Safeguarding Adults Board has 'Listening and Learning' as a key overarching Strategic Plan priority, and places specific emphasis on the need to encourage and actively seek feedback from people who experience adult safeguarding and their carers. Consequently, the Council's Adult Safeguarding Service have been working with Healthwatch to devise a way to capture service user feedback and launched 3 x feedback forms (directed at anyone who has recently received support from the Adult Safeguarding Service) in May 2021.

Safeguarding Children

Somerset Safeguarding Children's Partnership (SSCP)

The new safeguarding arrangements for children set out in 'Working Together to Safeguard Children (2018)' took effect in September 2019. The safeguarding lead responsibility is now shared between the three statutory partners: Somerset County Council, Avon and Somerset Constabulary, and Somerset Clinical Commissioning Group with a strong commitment to shared and equitable leadership of the new arrangements. A Youth Forum has also been established to enable young people to hold the three statutory partners to account during an annual conversation. This year there has been a continued focus on the four priorities of early help, multi-agency safeguarding, neglect as well as child exploitation. The SSCP is consolidating what is working well, and addressing areas needing further improvement to ensure that the partnership is effective as possible in safeguarding children. There has been a national and local focus on the identification of vulnerabilities in the pre-birth and post-natal period, as well as a focus on adolescents with complex circumstances and needs. [Out of routine: A review of sudden unexpected death in infancy (SUDI)'] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901091/DfE_Death_in_infancy_review.pdf

The Somerset Safeguarding Children Partnership has also been pleased to confirm the appointment of an Independent Scrutineer, effective as of January 2020, who has supported the partnership's activities over the last year, particularly during the challenging lockdown periods.

There is regional activity across the Avon and Somerset Constabulary area to support provision of wider independent scrutiny. It is planned to develop a pool of scrutineers across the region and develop regional approaches to common concerns such as County Lines activity.

Multi agency audits have continued across the partnership where areas that need to be tested arise. In addition, the partnership has invested in a post to support data collection and analysis to support the scrutiny and assurance function of the partnership. The statutory Section 11 audit of the efficacy of safeguarding arrangements within partner agencies was completed at the end of 2020 with no significant concerns. The findings will be tested during 2021-2022.

The Somerset Safeguarding Children Partnership has commissioned two local Child Safeguarding Practice Reviews in response to serious incident notifications. The changes required following the learning from these reviews have already been implemented, and the reviews will be published in 2021.

Link to SSCP Structure chart: [SSCP Structure chart](#)

Corporate Parenting Board

In order to thrive, children and young people have certain key needs that good parents generally meet. The corporate parenting principles set out Seven Principles (identified in section 1 of the Children and Social Work Act 2017) that local authorities must have regard to when exercising their functions in relation to looked after children and young people.

The role of the Somerset Corporate Parenting Board is to ensure that Somerset County Council, together with the four District Councils, fulfil their duties towards children looked after (CLA), corporately and in partnership with other statutory agencies, including the NHS and Police. The existing Corporate Parenting Strategy and Terms of Reference (TOR), including membership, of the Corporate Parenting Board were agreed by Council in 2017.

The focus of the Corporate Parenting Board is on the delivery of five priorities covering placement sufficiency and stability, education, health, voice of the child and leaving care through well-established sub-groups with good cross agency working, led by a senior officer, and supported by a Councillor from the Board. Additionally, the key area of foster carer development is led by the council's fostering service. Action owners on the groups take responsibility for issues to deliver solutions within deadlines.

These priorities are monitored through the Corporate Parenting Board annual action plan and reported on quarterly. The Annual Report is received at Full Council. Highlights of improvements and progress for 2020/21 as follows:

- Improved performance through the new Health dashboard
- Improved communications around quality and timeliness of Initial Health Assessments (IHAs)
- Increased area provision for IHAs and Adoption Medical Reviews

Special Educational Needs and Disabilities (SEND)

The Written Statement of Action (WSOA) for SEND was approved for publication by Inspectors on 30th November 2020 and was published on 1st December. The full [WSOA](#) is available on the [Local Offer website](#). It is highly ambitious but must be in order to address the shortcomings in the system and to improve the offer for children and young people with SEND, and their families. Somerset County Council shares responsibility for delivering the Written Statement of Action with NHS Somerset CCG.

The WSOA is monitored monthly through the SEND Improvement Board (SIB) comprising members from across the local area. The SIB was refreshed in July 2020, both in terms of its membership and

work, to be certain we focused on improvement against the priority areas. We did this to gather regular feedback from young people and families and to ensure effective challenge and collective responsibilities by all members. In addition, the local area has implemented a Children's Executive Group (CEG) to allow speedy joint resource allocation, decision-making and issue resolution to facilitate delivery of WSoA. Terms of reference and monitoring reports presented to the SIB are published on the Local Offer website.

The WSoA contains nine Improvement Priority (IP) areas linked to the nine areas of weakness identified. Each IP area has a responsible lead from different parts of the system who reports on the progress of their area and any linked work cutting across the WSoA.

Both CEG and SIB receive a monthly report on progress against the Written Statement of Action. An annual report on SEND is provided to the Health and Wellbeing Board. There are also regular updates to the Early Help Board.

There have been eleven SIB meetings since the inspection. The Board continues to reflect on the lived experience of young people and families and provide challenge to the Programme in ensuring this is used to inform planning for improvement. The Board also receives regular reports from member providers who share their perspective on improvement progress and current challenges – latest reports reflect better communications across the partners and early signs that services are beginning to work together better as a system.

The Children's Executive Group continues to meet regularly to provide direction, support and challenge to priority leads, acting as the point of escalation for resolving partnership delivery challenges, and is supporting better joint commissioning for the local area.

The local area has recently commissioned an independent audit to assess the progress made by the CCG and partners to develop its governance structures for partnership working and joint commissioning. It will also assess the progress made to address the actions required to improve the provision to support children with Special Education Needs and Disability (SEND), following the Statement of Action and funding in place.

This will identify areas of good practice in partnership working, so that learning is incorporated into other joint working arrangements.

Link to SEND Governance Structure: [Governance Structure - SEND](#)

Local Government Reorganisation

Over the last twelve months the Council has developed the One Somerset business case for a single unitary council to replace the current county council and four district councils. This case sets out how the proposal will meet the three tests set by the Secretary of State:

1. To improve local government in the county
2. To have a credible geography of between 300,000 and 600,000 population
3. To command a good deal of local support 'in the round'

The proposal includes detailed financial modelling demonstrating implementation costs and revenue savings to be delivered as well as engagement, research and consultation with residents and businesses throughout the county. It sets out innovative proposals to place communities at the heart of the new arrangements, including devolution to town and parish councils whom have been engaged closely throughout the last year.

The proposals were formally consulted upon February to April 2021 and the Secretary of State is expected to make his decision in mid-July 2021. Detailed implementation, resource and governance plans have been developed to ensure a fast start should One Somerset be selected.

Managing Risk

The management of risk is vital for the Council to achieve the objectives set out in the Council Plan. Risk management is an integral part of good governance which the Council is committed to. The management of a risk pathway policy document provides a systematic approach that enables the Council to manage uncertainties within in a framework that is uniformed, guided and supportive.

It involves an ongoing process to identify risks, assign ownership and the identification of controls to manage risks to an acceptable level.

The Council's strategic risks are identified by senior management with the support of the risk manager. These, together with the significant risks to planning and delivering services, are recorded in the Council's risk management system.

The strategic risks are regularly reviewed by the risk manager, senior management and by Audit Committee who seek assurance that, as far as reasonably practical, the controls mitigate the risks efficiently, effectively, and economically. Strategic Risk Management Group also review the Strategic risks at least once a year to support the risk owner and escalate if required.

Risk implications in decision making are the responsibility of those requesting change and those approving the decisions. Considerations and mitigations of the risks are required to be acknowledged in the relevant documents to ensure that the Council's financial, legal and moral commitments are met.

The Covid-19 pandemic of 2020, which is on-going, saw additional risks identified across the whole of the Council. The recovery phase of the emergency was activated in autumn 2020, this phase highlighted additional risks to the recovery of the Council and Somerset as a County.

Strategic Risks 2020-21

- Safe-guarding Children - The Council fails to deliver its statutory service delivery duties and legal obligations in relation to vulnerable children.
- Organisational Resilience - Without the minimum level of capacity and resource, the resilience of the organisation is compromised.
- External influences - Impact on commissioning and results in the Council not achieving the outcomes it seeks.
- Partnership working - Strategic programmes which provide both opportunities and challenges for current and future partnership working.
- Managing and monitoring of supply chains - Markets do not provide optimum value for money and income generation.
- Covid-19 Pandemic effect on supplier - Supplier disruption across all services in demand and sustainability of supplier financial standing.
- Sustainable Medium Term Financial Plan- The ability to set future balanced budgets and build resilience through reserves to be able to deliver the Councils priorities.
- Maintain a balanced budget in 2020/21- The Council is unable to manage within the financial resources available during the year.
- Climate change - The Council fails to take action to mitigate and adapt to Climate Change.
- Uncertainty around Local Government Reorganisation.

Decision Making and Responsibilities

The Council consists of 55 elected Members, with a Cabinet of Lead Members who are supported and held to account by three Scrutiny Committees and the Audit Committee.

Our Constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business, and a section on responsibility for functions, which includes a list of functions which may be exercised by officers. It also contains the rules, protocols and codes of practice under which the Council, its Members and officers operate.

It is updated annually to take account of changing circumstances, legislative changes and business needs.

The Constitution sets out the functions of key governance officers, including the statutory posts of 'Head of Paid Service' (Chief Executive), 'Monitoring Officer' (Strategic Manager – Governance) and 'Section 151 Officer' (Director of Finance) and explains the role of these officers in ensuring that processes are in place for enabling the Council to meet its statutory obligations and also for providing advice to Members, officers and committees on staff management, financial, legal and ethical governance issues.

Equality

The Council is committed to delivering equality and improving the quality of life for the people of Somerset County. Our Equalities Plan helps us to ensure that we prioritise those who may be vulnerable to discrimination.

Any new Council policy, proposal or service, or any change to these that affects people must be the subject of an Equality Impact Assessment to ensure that equality issues have been consciously considered throughout the decision making processes.

Open Policy and Decision-making

Whilst regulations permitted, all Council meetings could be viewed live as part of the Council's virtual meetings. Work is being undertaken during summer 2021 to provide a hybrid meeting solution and webcasting.

Meetings of the Council are open to the public except where exempt or confidential matters are being discussed, and all reports considered and the minutes of decisions taken are, unless confidential, made available on the Council's website.

The Council's Forward Work Programmes contain information about all matters that are likely to be the subject of a decision taken by the full Council or the Cabinet during the forthcoming four month period. Proposed key decisions for Cabinet Members and Officers are also publicised in advance and when they are taken. We publish information about matters to be considered by Scrutiny Committees.



Financial Management

The Director of Finance is responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972, and our financial management arrangements are compliant with the governance requirements set out in the Chartered Institute of Public Finance and Accountancy's 'Statement on the Role of the Chief Financial Officer in Local Government' (2016).

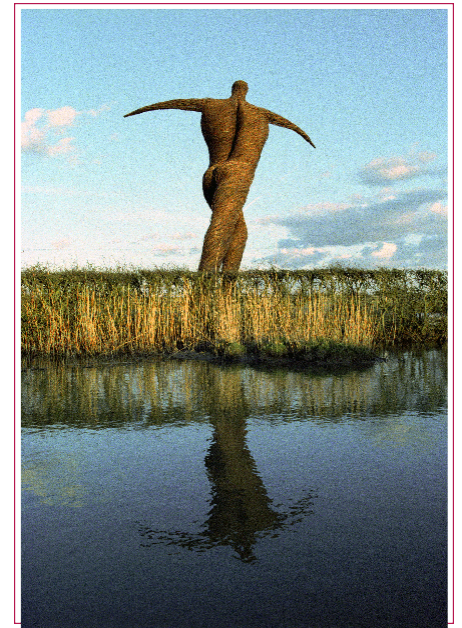
There are robust arrangements for effective financial control through our accounting procedures, key financial systems and the Financial Regulations. These have reviewed and assessed against the new CIPFA Financial Management Code with improvements forming part of an action plan. The continued improvements in our Financial Management arrangements have been recognised by SWAP Ltd as part of their review of the Healthy Organisation with an improved rating from Amber to Green.

Our Treasury Management arrangements, where the Council invests and borrows funds to meet its operating requirements, follow professional practice and are subject to regular review and are reported to Audit Committee, Cabinet and the Council.

The Medium Term Financial Plan sets out the Council's strategic approach to the management of its finances and outlines some of the financial issues that we will face over the next three years. This Plan is subject to review by the Scrutiny Committees and Cabinet ahead of approval by the Council every February.

The Reserves Strategy enables the Council to meet its statutory requirements and sets out the different types of reserve, how they may be used and the monitoring arrangements.

Despite our established success in balancing budgets and maintaining tight financial control to avoid overspending, like many councils, the Council faces the challenge of designing a sustainable budget for the future. This is in the main caused by increasing demand for services combined with reductions to local government funding. In February 2021, we set a balanced budget for 2021/22 and forecasted a funding shortfall of £12.4m for 2022/23 and £5.6m for the following year. We are focusing a large part of our Transformation Programme on Local Government Reorganisation given its impact on services and finances. We are continuing our Transformation work to improve efficiency and reshape our people services whilst maintaining our commitment to the most vulnerable.



There is robust monthly budget monitoring process, which is reported to SLT, Scrutiny Place and Cabinet. With the outturn forming part of the Statement of Accounts which is report to the Audit Committee. The monthly budget monitoring reports have included updates on the various Covid funding streams from Government and allocations of the Covid 19 Emergency Fund during the year.

Commissioning and Procurement of Goods and Services

The Council is a commissioning organisation, and its senior officer structure clearly reflects that approach with Lead Commissioners. An officer Strategic Commissioning Group (SCG) is in place to oversee commissioning activity, the group is attended by key commissioning specialists and key officers from business partner services. The SCG reviews all proposals for new strategic projects, including new contracts, scrutinising and managing Commissioning Gateway activity with a strong focus on financial savings, accountability, evidence led commissioning and delivery outcomes.

The Council values collaboration with service users, communities, businesses and key public sector partners in order to understand the needs and outcomes required through the commissioning process.

The Council recognises the value of considering different service delivery options in delivering our Council Plan. The effective commissioning and procurement of goods, works and services is therefore of strategic importance to our operations, while robust contract management helps to provide value for money and ensure that outcomes and outputs are delivered.

Our Commissioning Plans and Procurement Strategy set out the vision and direction for commissioning, procurement and contract management across the Council.

Operational procedures for tendering, contract letting, contract management and the use of consultants are included in the Contract Procedure Rules which form part of the Council's Constitution.

Managing Information

In order to set a direction for the effective governance, efficient management and use of information and data under its control, the Council's Information Management Strategy explains how we will deal with the creation, storage, access, protection and lifecycle of information and data.

Information is central to the Council and its decision making processes and it therefore needs to be accurate and accessible to those who need it at the time and place that is required. The Council also recognises that it has a responsibility to safeguard the information it holds and to manage it with care and accountability.

We have systems and assurance in place to ensure we meet our requirements in terms of Freedom of Information and the General Data Protection Regulations.

Freedom of Information

Details of how to access information held by the Council and its Freedom of Information Policy are available on the [Council's website](#)

Audit and Audit Assurances

The Council is externally audited by its External Auditors. Their annual audit includes examining and certifying whether the financial statements are 'true and fair', and assessing our arrangements for securing economy, efficiency and effectiveness in the use of resources. Our external auditors provide regular updates to the Audit Committee. In 2021 the External Auditor gave an unqualified audit opinion on the Council's Statement of Accounts.

The Internal Audit Service is a key means of assurance. It provides an independent and objective opinion on the Council's governance, risk management and internal control environment by evaluating its effectiveness. Work is managed and delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

Each year a risk-assessed work plan is produced and updated as the year progresses to ensure appropriate coverage of the Authority's key corporate objectives and risks. The Audit Committee approve the Internal Audit Plan and accompanying Charter which outlines the role and scope of internal audit. Our internal auditors provide regular updates to the Audit Committee.

The Head of Internal Audit's annual opinion as to the effectiveness of the Council's internal control environment for 2020-21 was:

"On the balance of our 2020/21 audit work for Somerset County Council I am able to offer a Reasonable Assurance opinion in respect of the areas reviewed during the year."

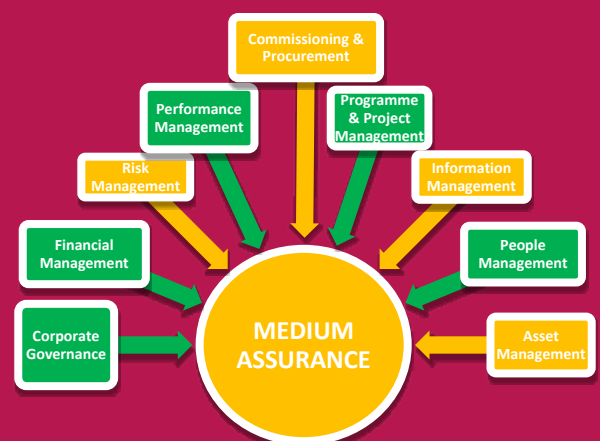
The Healthy Organisation review was a key source of assurance with an overall Medium rating given. This report states that there was no evidence of any significant adverse impact of the pandemic on the overarching control framework, with an improvement seen in Financial Management which moved from 'amber' to 'green'.

The **Audit Committee** provides independent assurance on the Council's internal control environment. It is a statutory requirement and consists of 8 Councillors appointed annually on a politically balanced basis by the Council.

Its main functions include:

- Agreeing the Annual Governance Statement and the Annual Statement of Accounts,
- Overseeing Internal Audit's independence, objectivity, performance and professionalism and supporting the effectiveness of Internal Audit
- Considering Internal Audit partial assurance reports and management responses
- Considering the effectiveness of Risk Management, including the risks of bribery, fraud and corruption
- Monitor the effectiveness of value for money arrangements
- Considering the reports of External Auditors and Inspectors.

The Audit Committee reports annually to the Council as part of its assurance.



Conduct

Our [Codes of Conduct for Members](#) and for Employees set out the standards of conduct and behaviour that are required. They are regularly reviewed and updated as necessary and both groups are regularly reminded of the requirements. Both Codes are published on the Council's website for transparency and accountability. Our website tells you how you can report a conduct complaint.

These include the need for Members and Officers to register personal interests and the requirements for registering offers or acceptance of gifts and hospitality, outside commitments and personal interests.

Whistleblowing

People who work for or with the Council are often the first to realise that there may be something wrong within the Council. However, they may feel unable to express their concerns for various reasons, including the fear of victimisation.

The Council has a Whistleblowing Policy that advises staff and others who work for the Council how to raise concerns about activities in the workplace. Full details are provided on the Council's website.

Anti-Fraud and Corruption

We recognise that as well as causing financial loss, fraud and corruption also detrimentally impact service provision and morale, and undermine confidence in the Council's governance and that of public bodies generally.

There is little evidence that the *incidence* of fraud is currently a major issue for the Council, but the *risk* is increasing nationally. We therefore regularly assess how vulnerable our services are to fraud and corruption risks and we update our counter fraud arrangements accordingly.

The Council reviews its Anti Fraud and Corruption Policy on an annual basis and has adopted a 'zero tolerance' in relation to fraud and corruption. Our policy sets out what we will do to maintain this commitment in light of the risk

The results of our risk-based Anti Fraud approach are reported annually to the Audit Committee, and the resources available for investigation are subject to ongoing review to ensure that they remain appropriate to the risk of fraud.

Our website tells you how you can report suspected fraud against the Council.

The Nolan Principles for conduct and behaviour:

- **Selflessness**
- **Integrity**
- **Objectivity**
- **Accountability**
- **Openness**
- **Honesty**
- **Leadership**

'zero tolerance'

Whenever the Council identifies instances of fraud, bribery or corruption against it, it will always take legal and / or disciplinary action against the perpetrator and seek recovery and redress.

Improving Governance

The progress made during 2020- 21 on the significant issues identified in our 2019-20 Annual Governance Statement is shown below:

1.	<p>The Council's Financial Position – the Council has continued to make strides in improving its financial position. There is more to be done to secure financial sustainability.</p> <p>Ongoing review and management actions to address the recommendations from the Value for Money external audit opinion</p>	<p>The Council set a balanced budget for 2021/22 and agreed a Medium Term Financial Plan that included a budget gap over a three year period. There is a strategy to further build resilience in reserves.</p> <p>VfM tracker regular reviewed and actions progressed to deliver recommendations. Progress monitored by Audit Committee.</p>
2.	<p>Local Government Reorganisation Development and potential submission of Business Case for unitary local government for Somerset.</p>	<p>The Council put in place programme management arrangements along with completing it development and submission of a final business case by Government deadline in December 2020. The Council developed and responded to the Government's formal consultation on Local Government Reorganisation that commenced in February 2021.</p>
3.	<p>Healthy Organisation Recognition of the improvements required to improve upon medium level of assurance from Internal Auditors.</p>	<p>Governance Board maintaining oversight and review with Internal Audit support regarding the necessary improvements and actions required. Healthy Organisation Audit recognised improvements made even with the exceptional year of the pandemic emergency response.</p>
4.	<p>Covid 19</p> <p>Working with national and local agencies such as the Government, Police, NHS, district councils, voluntary organisations and service providers to ensure essential services continue to be delivered to support vulnerable children and adults, local communities and businesses throughout the Covid 19 emergency.</p>	<p>Avon and Somerset Local Resilience Forum and Somerset Tactical Group regularly reviewed and managed emergency response and service delivery by agencies.</p> <p>Emergency arrangements and management actions regularly reviewed by the Senior Leadership Team, Cabinet and Scrutiny Place throughout the pandemic response. Economic Recovery Plan developed and agreed by all five councils.</p>

Based on our review of the governance framework, the following significant issues will be addressed in 2021-22:

<p>1. Financial Position (See previous page)</p>	<p>Development of a sustainable Medium Term Financial Plan for consideration by Council in February 2022.</p> <p>Recognise and plan for the financial implications of local government reform in Somerset.</p>
<p>2. Local Government Reorganisation</p> <p>Support the transition to unitary form of local government for unitary local government for Somerset.</p>	<p>Subject to Secretary of State’s decision during 2021, put in place the necessary resources, programme management, partnership and democratic arrangements to support the transition to unitary form of local government in partnership with district councils and other public sector partners including the 278 town and parish councils. Plan and prepare for the first unitary council elections currently scheduled for May 2022.</p>
<p>3. Covid 19</p> <p>Working with national and local agencies such as the Government, Police, NHS, district councils, voluntary organisations and service providers to ensure essential services continue to be delivered to support vulnerable children and adults, local communities and businesses throughout the Covid 19 emergency.</p> <p>Support the delivery of the Economic Recovery Plans.</p>	<p>As Coronavirus progresses more towards an endemic disease we will continue to work as part of the regional and national public health system, aiming to minimise infection rates and manage outbreaks and clusters. The needs of the Somerset population has changed following the pandemic and these will need to continue to be assessed and be central to the focus of the organisation.</p> <p>The recovery will be long and needs to focus on minimising the indirect impacts of COVID, in particular addressing the health and social inequalities that the pandemic has highlighted.</p>
<p>4. Integrated Care System</p>	<p>The work to develop the ICS system in line with the emerging changing legislation will require implementation by April 2022. As such we will actively engage with NHSE in the work to develop appropriate local governance of the partnership, joint working and joint funding elements of the ICS development and to ensure adequate transparency and scrutiny. All work currently captured within established programme of activity.</p>

5. SEND Improvement Plan

Complete delivery of the Written Statement of Action for SEND (Special Educational Needs and Disability). This action plan was prepared in response to the findings of inspectors from an Ofsted/CQC inspection of the Somerset local area in March 2020, in order to improve outcomes for children and young people with SEND.

Review current partnership arrangements to ensure these are effective in supporting joint decision making and joint commissioning.

Review local area governance to ensure alignment with emerging arrangements for Integrated Care Systems and Local Government Reform.

These issues will be supported by an action plan, progress on which will be monitored during 2021-22 by the Governance Board and the Senior Leadership Team. Oversight, constructive challenge and review will be available from the Cabinet, Scrutiny Place and the Audit Committee.

No other major changes to the Council's governance framework are planned for 2021-22, but we will continue to review and adapt it so that it continues to support the Council in meeting its challenge and in fulfilling its purpose, and ensure that the framework remains proportionate to the risks that are faced.

We will also continue to raise awareness of the Governance Framework and its requirements with employees across the Council, in schools and with elected Members.

Assurance

Subject to the above issues being resolved, we can provide an overall assurance that Somerset County Council’s governance arrangements are effective and remain fit for purpose.

We propose over the coming year to take steps to address the issues set out above to further enhance our governance arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____ Date: July 2021
(Patrick Flaherty, Chief Executive)

Signed: _____ Date: July 2021
(Cllr David Fothergill, Leader of the Council)



Contact Officers: Scott Wooldridge, Monitoring Officer and Jason Vaughan, Director of Finance