

Somerset County Council

# Annual Governance Statement

for year ended 31 March 2022



## Foreword

**“Somerset deserves the best services, opportunities and investment possible”**

**This is the Council’s stated purpose as contained in the Council Business Plan for 2021-23. 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.

Resilience is a concern due to the complex situation for Local Government in Somerset where there is no longer “business as usual” as we transition from five existing councils in 2022 towards the new Somerset Council on 1 April 2023, support partnership responses to Covid 19 and strive to deliver key priorities and services at the same time.

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 2022-23 and into future years as we continue to meet our challenges.

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



**Pat Flaherty,  
Chief Executive**



**Councillor Bill Revans,  
Leader of the Council**



## What is Corporate Governance?

Corporate governance refers to the processes by which organisations are led, directed, controlled, 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 2022, 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 2022-23 period.

The Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) called Bulletin 06 Application of the Good Governance Framework 2020/21 and the 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 control<sup>1</sup>, and for reviewing the effectiveness of those arrangements.

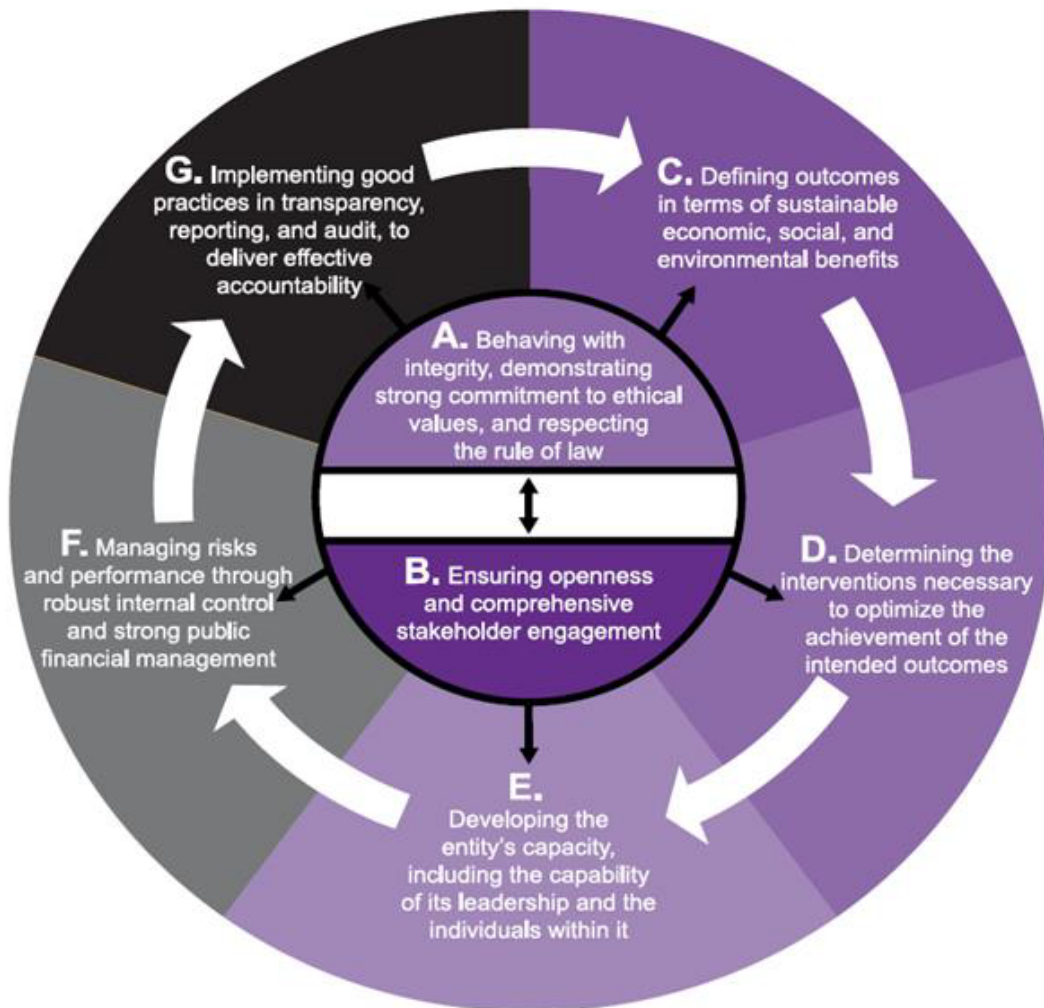
The Council's Governance Code, which was developed in accordance with the governance guidance produced by CIPFA and SOLACE, states the importance to the Council of good corporate governance and sets out its commitment to the principals involved. The Code is available from our website or can be obtained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

<sup>1</sup> A 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.

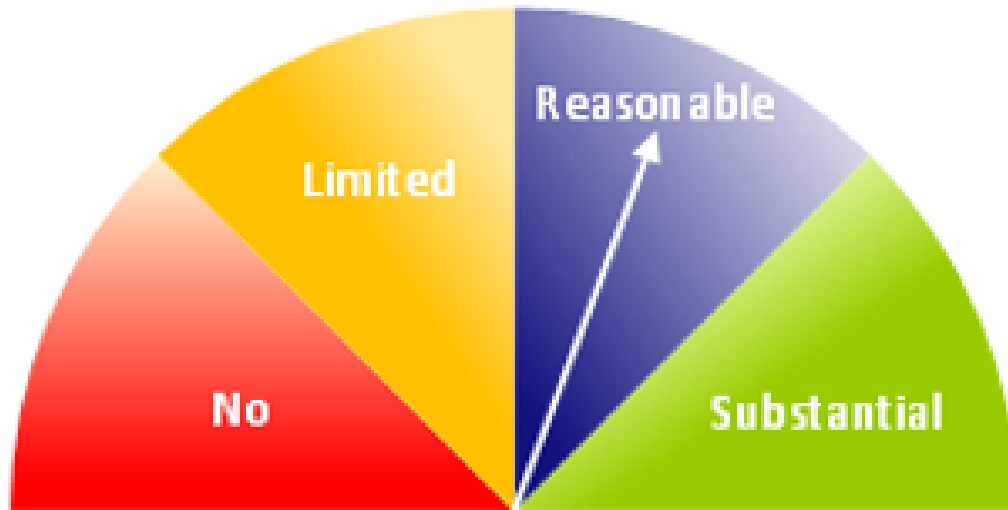
It enables us to monitor the achievement of our objectives and to consider whether these have led to the delivery of appropriate, cost-effective services. The Framework is summarised in the diagram overleaf.

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

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 2020/21 with a medium assurance. 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.

Our internal auditors, South West Audit Partnership, is able to offer Reasonable Assurance opinion and are broadly satisfied with management's approach to resolving identified issues.



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 Business Plan

The Council Business Plan for 2021 – 2023 sets out our overall purpose - 'Somerset deserves the best services, opportunities and investment possible'. 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. The Plan is how the Council sets out how objectives will contribute to the goals for Somerset and how they will be achieved. Objectives and target outcomes are set within five overarching outcomes. 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 2021-2023 was approved at Full Council in July 2021. The business plan is flexible enough to continue as the strategic direction for the authority until 31 March 2023. 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 (following local elections in 2022 this is now the Executive) 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.

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 residents 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 2021/22, the Senior Leadership Team met 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 Member Engagement Board with partner representatives.

Assessment of financial impacts of 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 because of the coronavirus. There are robust monitoring arrangements in place with monthly reporting to DLUHC on the financial impact of the coronavirus. The Finance team has been working closely with Senior Managers in preparing the forecasts for DLUHC. 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 continue to inform the recovery phase and any future pandemic responses.

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 some time, 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; those 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 to safeguard the Council's social care services and workforce.

## Supporting Somerset's economy

Based on regional and national data, as well as local intelligence, it is likely that Somerset's economy would have shrunk by around 20% during 2020 because of COVID-19 restrictions on social and economic activities. Nationally GDP has now almost returned to pre-pandemic levels - latest estimates from Q4 2021 show UK GDP is now just 0.1% below where it was before the pandemic. Somerset has seen significant impacts on its labour market, though the most severe negative impacts were likely avoided because of Government employment support schemes, such as furlough, as well as other financial assistance for local businesses. Nevertheless, within Somerset, the number of individuals claiming out of work benefits had increased 126% from pre-pandemic levels during 2020. Whilst the number has fallen since, it still 26% above pre-pandemic levels in 2022.

Latest figures suggests that confidence amongst South West businesses is lower than the UK average, with current challenges expected to impact recovery and growth in the coming year. Businesses are facing difficulties over labour shortages and staff retention, with non-management skills availability and staff turnover the most widespread challenges in the region. Ongoing transport problems and rising global commodity prices mean that businesses are facing high input cost pressures. Over 95% of SME manufacturers in the South West (one of the largest contributing industries to economic output in Somerset) reported that inflation and commodity price increases are having a negative impact on their business.

In the coming 12 months, the economy is expected to continue recovering, although growing inflation and cost of living rises may act as a drag on growth. Meanwhile, staff shortages and employment challenges are expected to continue over the coming year, as the labour market remains tight.

SCC continues to play an economic leadership role for the county, 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 engaging with local contractors and suppliers, along with our role as a major Somerset employer. During the past year we have worked business organisations including the Somerset Chamber and the Federation of Small Businesses (FSB) to provide advice to small businesses in Somerset about doing business with SCC. Similarly, as an anchor employer, we seek to promote employment prospects and pathways to local people through mechanisms such as apprenticeships, a graduate recruitment programme and work placements.

As part of this leadership role in June 2021 SCC's cabinet approved the creation of a £6 million economic recovery fund to restart the economy and support action to facilitate longer term economic recovery from the Covid 19 pandemic. The fund has resourced several measures to assist individual businesses and sectors hard hit by Covid 19, encourage high growth potential businesses to expand and support less advantaged individuals find work and training. As an example, a restart fund provided grants to assist the reopening of anchor businesses, particularly in the visitor economy, which had not received significant support via central Government funding schemes. Businesses supported included the Bath and West Society and the West Somerset Railway.

SCC has also been able to leverage significant external funding to support aspects of the Somerset economic recovery and growth plan during the past year. Examples include securing the fifth largest allocation across England's shire counties from the Government's Community Renewal Fund,

securing funds from DWP for skills bootcamps and from the Nuclear Decommissioning Authority to sustain the Somerset Education Business Partnership and its critical work to raise employment aspiration among young people in Somerset.

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 iAero Centre in Yeovil and commenced construction of the Digital Innovation Centre in Taunton – developments funded by SCC and Government funds secured via the Heart of the Southwest Local Enterprise Partnership (LEP). During the past year significant work has been undertaken with the LEP, Sedgemoor District Council and the site developer to progress plans for the development of the Gravity Enterprise Zone near Bridgwater. The partners are also working closely with Government to pursue strategically significant inward investment leads for the site, linked to net zero industry sectors.

# 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, newsletter and social media 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. Somerset is seeing a declining rate of safeguarding contacts (contrary to national trends), and fewer enquiries being undertaken as a result. Analysis suggests this is a result of the significant work that has been undertaken by the service, the SSAB and Somerset Direct over many years to improve understanding of safeguarding criteria and reduce/re-direct the previously high numbers of inappropriate safeguarding contacts, but will be subject to close monitoring. Contacts are highest from care providers, the ambulance service and Police. The number of safeguarding concerns raised with SCC in 2021/22 was **2,265**. Of these concerns, **627 (28%)** 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 by another team, for example. In 2021/22, where a risk was identified, in **97%** of cases the risk was reduced or removed. **In 99% of cases where desired outcomes were stated, they were either fully or partially achieved.** Each year, the Local Authority submits a 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, performance monitoring and quality assurance activity is undertaken both internally and as part of the SSAB's multi-agency Performance and Quality subgroup. 'Listening and Learning' is a key overarching Strategic Plan priority for the SSAB, and places specific emphasis on the need to encourage and actively seek feedback from people who experience adult safeguarding, as well as their relative/carers and advocates. The Board continues to secure very valuable feedback direct from service users, carers and advocates via its safeguarding questionnaires. Satisfaction levels are currently highest from service users followed by IMCAs/Advocates. We are exploring opportunities to enhance the experience of friends/relatives/carers in safeguarding activity, particularly where younger adults are involved as part of transitional safeguarding. SSAB Effectiveness Surveys are undertaken regularly as part of routine performance and quality assurance framework arrangements and to support the Board's continuous improvement. We anticipate 'Ensuring Safety' to be a key themes and lines of enquiry to inform the new assurance activity anticipated to commence from April 2023 in relation to the delivery of the Local Authority's statutory duties relating to adults.

## 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](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 2021 with no significant concerns. The findings will be tested during 2022-2023.

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.

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

### **Corporate Parenting Board**

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 2021/22 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)**

Following the OFSTED/ CQC SEND local area inspection in March 2020, Somerset was required to produce a joint Written Statement of Action (WSOA) for SEND which was approved on 1<sup>st</sup> December 2020. The full [WSOA](#) is available on the [Local Offer website](#). It is highly ambitious but must be 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 as well as representatives from the Department for Education and NHS England. The Board is co-chaired by the Chief Executives from SCC and NHS Somerset. 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.

A cycle of four quarterly monitoring “visits” from DfE and NHSE advisers was completed, with the last monitoring visit in January 2022. Throughout advisers have reported that in spite of challenges raised by the pandemic and wider changes within the system, the area has continued to make progress in delivering the written statement of action.

In September 2021 the SEND Strategic Partnership Board was set up. This meets monthly and is responsible for bringing partners together across the Somerset SEND system to plan, monitor local area performance and agree priorities. The Partnership Board is responsible for developing and overseeing Somerset’s new SEND Strategy, which will go through a formal consultation process in autumn 2022, before being published early in 2023. An annual report on SEND is provided to the Health and Wellbeing 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 a peer challenge from the Local Government association, to review the progress that has been made in relation to SEND since March 2020 and the impact of the pandemic on the Somerset SEND system. Feedback from the peer challenge identified notable areas of progress, both in the culture and working relationships between organisations, as well as improvements in service development and delivery, in relation to education, health and care plans, autism and the graduated response to SEND.



## Local Government Reorganisation

In July 2021 the Secretary of State approved the implementation on Local Government Reorganisation in Somerset, which will see the creation of a single unitary authority for Somerset in place of the current 2 tier system. The new authority will come into existence on 1<sup>st</sup> April 2023, this is known as "Vesting Day."

Delivery of the programme is structured around a Programme Board made up of the 5 council Chief Executives, and the County Council Monitoring Officer and Section 151 officer. A Programme Steering Group acts as design authority for the programme on behalf of the 6 workstreams delivering the approximately 700 distinct products that make up the programme, broken down over 3 Tranches based on priority and timing. Over 450 individuals are now part of the programme including PwC who act as Quality Assurance partner for the programme. An Implementation Executive acts as the political leadership of the programme.

Two legal mechanisms – Structural Changes Order and Section 24 notice – provide a legal foundation for delivering the new authority, in terms of governance and ensuring robust financial management during the transition.

During 2021/22, the five councils established a Local Government Reorganisation Joint Committee and a Joint Scrutiny Committee to provide leadership and oversight for this complex programme. Now that the May 2022 Elections have taken place, work is under way with the new Executive and an Implementation Board to oversee delivery of the LGR Implementation Plan (a requirement of the Structural Changes Order). A LGR Joint Scrutiny Committee has been re-established to also provide overview and scrutiny and support for the programme.

Programme Management revolves around SharePoint-based systems for risk and issues management, benefits realisation, monthly assurance reporting, change control and other programme management systems that would be expected on a programme of this size, including culture and readying people for change.

# Management of Risk

The management of risk is vital for the Council to achieve the objectives set out in the County 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, saw additional risks identified across the whole of the Council. As the Council and the whole Somerset area continue to recover or where service need and delivery has changed some of these additional risks continue.

Specific risks and mitigations associated to the delivery of the single unitary authority for Somerset are recorded and managed directly as part of the programme delivery Board.

## Strategic Risks 2021/22

- Safeguarding Children - The Council fails to deliver its statutory service delivery duties and legal obligations in relation to vulnerable children.
- Market management, development, and monitoring of supply chains - Markets do not provide optimum value for money and income generation.
- Organisational Resilience - Without the minimum level of capacity and resource, the resilience of the organisation is compromised.
- Climate change - The Council fails to take action to mitigate and adapt to Climate Change.
- 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.
- Local Government Reorganisation – does not deliver a single unitary authority for Vesting day on 1<sup>st</sup> April 2023.
- Adult Social Care failure – The Council is unable to meet statutory obligations in relation to care provider market sufficiency and capacity

# Decision Making and Responsibilities

During 2021/22, the Council consisted of 55 elected with a Cabinet of Lead Members who are supported and held to account by three Scrutiny Committees and the Audit Committee. Following the May 2022 election the Council now has 110 elected Members.

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.

## Open Policy and Decision-making

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



# Equality

The Council is committed to delivering equality and improving the quality of life for the people of Somerset. Our statutory Equalities Objectives help us understand and prioritise work for those who may be vulnerable to discrimination.

Any new, changed or stopping Council policy, proposal or service must be subjected to a consideration of Due Regard to the Public Sector Equality Duty, this is recorded in an Equality Impact Assessment to ensure that equality issues have been consciously considered throughout the decision-making processes and life of the policy or service.

# 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, Executive 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

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

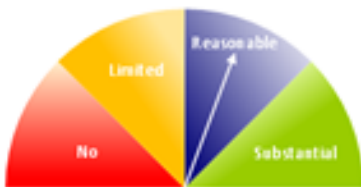
Details of how to access information held by the Council and its Freedom of Information Policy are available on the [Council's website](#)

## Audit and 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:

"There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievements of objectives"

- Medium risk rated weakness identified in individual audit engagements
- Isolated high risk rated weaknesses identified for isolated issues
- No critical risk rated weakness were identified

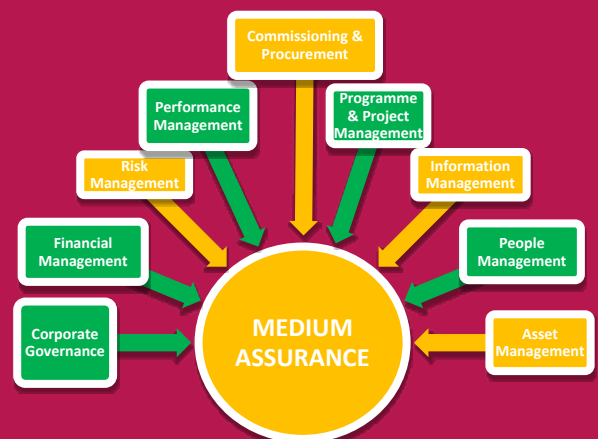
The Healthy Organisation review was a key source of assurance with an overall medium rating given. This report states that there was no evidence of any significant adverse impact of the pandemic on the overarching control framework, with an improvement seen in Financial Management which moved from 'amber'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

The **Audit Committee** provides independent assurance on the Council's internal control environment. It is a statutory requirement and consists of 13 Councillors and 1 independent person.

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 requirement 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 considering 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 2021-22 on the significant issues identified in our 2020-21 Annual Governance Statement is shown below:

<p><b>1. Financial position</b></p>	<p>We continued to develop a sustainable Medium Term Financial Plan and set a balanced budget that was approved by Council in February 2022.</p> <p>This process was enabled by robust frequent financial reporting reports to Cabinet and Scrutiny meetings.</p>
<p><b>2. Local Government Reorganisation</b> Supporting the transition to unitary local government for Somerset.</p>	<p>Following the Secretary of State's decision during 2021, we have 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. We worked with Government to get approval to the Somerset Structural Changes Order in March 2022. We planned and delivered the Council elections in May 2022 with the election of 110 members.</p>
<p><b>3. Covid 19</b></p> <p>We have worked with national and local agencies such as the Government, Police, NHS, district councils, voluntary organisations and service providers to ensure essential services were delivered to support vulnerable children and adults, local communities and businesses throughout the Covid 19 pandemic.</p> <p>We support the delivery of the Economic Recovery Plans.</p>	<p>As Coronavirus has progressed more towards an endemic disease we have continued to work as part of the regional and national public health system, aiming to minimise infection rates and manage outbreaks and clusters. As the needs of the Somerset population have changed following the pandemic and we will continue to assess and have plans in place.</p> <p>The recovery phase has begun and will focus on minimising the indirect impacts of COVID, addressing the health and social inequalities that the pandemic has highlighted.</p>



## 2. Integrated Care System

We have worked with key strategic partners to develop the ICS system in line with the emerging changing legislation and as such we have continued to 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. This work has been captured within the established programme of activity.

**Based on our review of the governance framework, the following significant issues will be addressed in 2022-23:**

<p><b>1. Financial Position</b> (See previous page)</p>	<p>Development of a balanced budget for 2023/24 and a sustainable Medium Term Financial Plan for consideration by Council in February 2023 ahead of the establishment of the new Somerset Council.</p> <p>Recognise and plan for the financial implications arising from inflationary pressures, meeting demands, rising costs and also local government reform in Somerset.</p>
<p><b>2. Local Government Reorganisation</b></p> <p>Support the transition to unitary form of local government for unitary local government for Somerset by 1 April 2023.</p>	<p>Work will need to continue, in partnership with our District Council colleagues and other public sector partners including the 278 town and parish councils to put in place the necessary resources, programme management, partnership and democratic arrangements to support the transition to unitary form of local government. This will include all necessary work to ensure the new Somerset Council is ready from 1 April 2023 to assume the responsibilities and services delivered by the 5 current councils in Somerset.</p>
<p><b>3. Covid 19</b></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, addressing the health and social inequalities that the pandemic has highlighted.</p>
<p><b>4. Integrated Care System</b></p>	<p>The work to develop the ICS system in line with the emerging changing legislation will require implementation in 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>

<p><b>5.SEND Improvement Plan</b></p>	<p>We will review current partnership arrangements to ensure these are effective in supporting joint decision making and joint commissioning.</p> <p>Review local area governance to ensure alignment with emerging arrangements for Integrated Care Systems and Local Government Reform.</p>
<p><b>6.Organisational capacity and resilience</b></p> <p>A significant risk facing all five councils in Somerset is organisational capacity along with recruitment and retention challenges in order to maintain services, deliver projects and priority programmes such as Local Government Reorganisation. Resilience is a concern due to the complex situation for Local Government in Somerset where there is no longer "business as usual" as we transition from five existing councils in 2022 towards the new Somerset Council on 1 April 2023, support partnership responses to Covid 19 and strive to deliver key priorities and services at the same time.</p>	<p>We will continue to review and take management action as appropriate. There is regular oversight and review of mitigations by SLT and the Executive. There is regular review of business continuity and civil contingencies partnership arrangements. Regular budget and performance monitoring reports are considered by Scrutiny Committees and the Executive. A recruitment protocol has been put in place across the five councils to support the retention of staff and maximise opportunities whilst enabling the five councils to support each other during the transition to one council.</p>

**These issues will be supported by an action plan, progress on which will be monitored during 2022-23 by the Governance Board and the Senior Leadership Team. Oversight, constructive challenge and review will be available from the Executive, Scrutiny Committees and the Audit Committee.**

The new Somerset County Council may make changes to the Council's governance framework, and we will continue to review and adapt it so that it continues to support the new Somerset 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.

Signed: \_\_\_\_\_ Date: July 2022  
(Patrick Flaherty, Chief Executive)

Signed: \_\_\_\_\_ Date: July 2022  
(Cllr Bill Revans, Leader of the Council)

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

