

Report of the Assistant Director of Finance and Procurement to the meeting of the Governance and Audit Committee to be held on 24 January 2019

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Subject:

Annual Governance Statement 2017-18 Review

Summary statement:

This report reviews progress on the significant governance concerns reported in the Council's Annual Governance Statement 2017-18

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Portfolio:
Leader and Corporate

Improvement Area:
Corporate

1. Summary

The purpose of this report is to update members on the progress and improvements being made in addressing those significant governance concerns reported in the Council's Annual Governance Statement 2017-18.

2. Background and Process

2.1 The annual governance review is undertaken against the principles contained in the CIPFA/Solace framework – Delivering Good Governance in Local Government. The Council is required to consider the effectiveness of its current arrangements and:

- Assess the extent to which it complies with the principles and requirements of good governance
- Identify systems, processes and documentation that provide evidence of compliance
- Identify and ensure individuals and committees hold responsibility for governance arrangements and their ongoing application and effectiveness
- Identify issues that have not been addressed adequately and any planned changes required in the future
- Prepare an action plan, identifying any individuals responsible for taking any changes forward

2.2 The Annual Governance Statement (AGS) was formally reviewed and approved by the Governance & Audit Committee at its meeting on 28th June 2018. The Committee subsequently authorised the Leader of the Council and the Chief Executive to sign the document on behalf of the Council for inclusion with the Statement of Accounts for 2017-18.

2.3 The Statement reported that the Governance and Audit Committee would be kept informed of progress in addressing weaknesses and areas of concern

3. Review and Conclusion

The Annual Governance Statement identified eight continuing governance challenges,

- Safeguarding Vulnerable Children
- Ensuring an effective, integrated system of health and social care
- Maintenance of Council Core Systems
- Procurement Arrangements
- The Council will need to make further progress on the Local Government Peer Review improvements and the decisions of the Council's Outcome Boards.
- Ensure the new consultation toolkit for the quality assurance of consultation processes is embedded in services.
- The adoption of the General Data Protection Regulations across the Council.
- During January 2018, the Council's Internal Audit function was peer reviewed by colleagues from Doncaster Council to assess compliance with the Public Sector Internal Audit Standards (PSIAS).

A comprehensive review of these governance issues has been undertaken and a detailed update is provided in Appendix 1. Council officers recognise the need for

continuing effort to achieve improvements in the delivery and operation of their services.

4. Financial and resources appraisal

There are no direct financial implications arising from this report.

5. Risk Management

The Council's risk management framework remains in place and, as previously reported, corporate risks are reviewed regularly, at quarterly intervals. There are no new risk management issues arising from this report.

6. Legal appraisal

6.1 The Accounts and Audit Regulations 2015 require the Council to conduct a review of the effectiveness of the Council's governance framework including the system of internal control.

6.2 The Council is required to test its governance arrangements against the principles contained in the CIPFA/Solace framework 'Delivering good governance in Local Government'.

6.3 The CIPFA/Solace framework also requires the Council to provide an outline of the actions taken, or proposed, to deal with significant governance issues.

7. Other implications

7.1 Equal and Diversity

Risk management assists in ensuring barriers to the delivery of services are reduced which in turn supports the achievement of equality and diversity.

7.2 Greenhouse Gas Emission Impacts

There are no impacts on gas emissions.

7.3 Sustainability Implications

The Annual Governance Statement will examine the sustainability of the Council's activity and ensures that mechanisms are in place to deliver business continuity.

7.4 Community Safety Implications

Community safety implications are considered when identifying strategic risks such as safeguarding.

7.5 Human Rights Act

The Annual Governance Statement will take into account any Human Rights Act implications.

7.6. Trade Union

There are no specific implications for the Trade Unions arising from the report.

7.7 Ward Implications

In general the Annual Governance Statement does not focus on individual ward issues.

7.8 Implications for Corporate Parenting

None

7.9 Issues Arising from Privacy Impact Assessment

None

8. Not for publication documents

None.

9. Options

Members may –

- Endorse the report
- Provide comment or instruction
- Bring forward any new governance concerns which should be reviewed, assessed or examined for the 2018-19 Annual Governance Statement.
- Require further information.

10. Recommendations

That members –

- Review the information contained in this report and the progress made in addressing the significant governance challenges.
- Endorse the further actions planned.
- Alert officers and Members to any emerging governance concerns requiring review during the 2018-19 process.

11. Appendices

Appendix 1 - Annual Governance Statement 2017-18: Mid Year Review, Improvement and Progress Report.

12. Background documents

“Annual Governance Statement 2017-18” – report to Governance and Audit Committee 28th June 2018 – Director of Finance.

Annual Governance Statement 2017-18: Mid Year Review and Progress Report as at December 2018

Governance Challenge – AGS 2017-18	Response reported in AGS 2017-18	Update at December 2018	Responder
Safeguarding Vulnerable Children	Demand levels for social care continue to rise and there are now over 1000 Looked After Children. This is putting pressure on social work delivery exacerbated by difficulties in recruiting good agency staff. A recruitment plan is in place, but there are short term challenges in finding staff of the required quality. Political scrutiny remains rigorous and the Bradford Children Safeguarding Board has continued to monitor the safeguarding arrangements. External challenge is being provided through a mock inspection from an ex HMI, and an audit centre and a number of actions have arisen from this.	Demand levels for social care continue to rise and there are now over 1040 Looked After Children. There has also been a significant rise in the number of children on child protection plans. This is putting pressure on social work delivery. Further recruitment of social workers is underway, but there is significant competition for experienced social workers and retention remains an issue which is being closely monitored. A regular workload report is shared with Children's Overview and Scrutiny and Bradford Children Safeguarding Board has continued to monitor the safeguarding arrangements. Following the October 2018 Ofsted inspection report an Improvement Board has been established and a statement of action will be submitted to Ofsted. Regular Monitoring visits will be held throughout 2019.	J Hopkinson
Ensuring an effective, integrated system of health and social care	"Section 75" arrangements are in place for management of the Better Care Fund and other aspects of joint health and care commissioning. These arrangements are managed via the Executive Commissioning Board, reporting to the Health and Wellbeing Board. Integrated care delivery, via locality models, is being developed through two health and care partnerships for Airedale, Wharfedale and Craven, and for Bradford, with active participation by local authority teams. Arrangements are supported by partnership agreements reviewed and	Work continues to take place to strengthen the governance arrangements within the Health and Social Care System, which include: <ul style="list-style-type: none"> • CQC Action Plan has been agreed by the System Leadership to accelerate improvement activity and challenges highlighted through the review process • The Health and Wellbeing Board has approved the Memorandum of Understanding for the West Yorkshire and Harrogate Health and Care Partnership • Council officers are engaged in the design of a new strategic partnership agreement that will be presented to the Executive in Spring 2019. • The Section 75 agreement between the Council 	L Sowray

Governance Challenge – AGS 2017-18	Response reported in AGS 2017-18	Update at December 2018	Responder
	<p>refreshed in April 2018. These are aligned with regional developments via Integration and Change Board which also reports to the Health and Wellbeing Board. The approach to health and care system governance has been endorsed by CQC local, place based review in March 2018.</p>	<p>and NHS will be renewed (legal input has been agreed) by April 2019.</p> <ul style="list-style-type: none"> • Work has started on the establishment of a formal Health and Social Care Economic Partnership Board. Consultants to support the set up will be identified by the end of December with the aim to have the new Board in place by summer 2020 • Health and Wellbeing Board has agreed the development of Logic Models that summarise how the system will monitor the impact of its collective interventions – aligned to high level plans strategies. • The Integrated Care Board (ICB) has agreed to use the current planning round to refocus investment in accordance with the shared Happy Healthy at Home plan. This will mean a greater focus on prevention, rather than investing equally in all portfolios and will require a shared approach to the engagement of regulatory bodies, along with a clear shared management of system risks • ICB has also agreed for work to be done to enhance system wide communication – this is aligned to activity agreed as part of the CQC Action Plan • Executive Commissioning Board has overseen and monitored the recommissioning of the Carers Service. 	
Procurement Arrangements	<p>A number of procurement issues occurred through the year which had to be investigated and the impact of them assessed. Training for Senior Leadership Team has been carried out and a training and awareness development programme for managers has been created that will be</p>	<p>Service compliance with Contracts Standing Orders, procurement processes and procedures are monitored and challenged by the Procurement Service. Instances of non compliance are logged and reported to the Director of Finance and management.</p> <p>Supplier payment processes and procedures are now</p>	D Farr A Crookham

Governance Challenge – AGS 2017-18	Response reported in AGS 2017-18	Update at December 2018	Responder
	rolled out during 2018/19.	<p>closely monitored across all Council service areas and cross referenced to procurement procedures and contract records; non-compliant requests are logged and reported to the Director of Finance. A review of satellite ordering systems has been carried out to increase central controls and visibility.</p> <p>Focussed training for all staff affected by the identified procurement issues was delivered, with on-going Officer and Member training identified as key activities in the (currently draft) Procurement Strategy.</p>	
Maintenance of Council Core Systems	<p>The implementation of the budgetary reductions and the need to protect front line services has led to the Council finding it more difficult to resource and update some of the Council's management systems such as risk and health and safety. Whilst improvements have been implemented securing compliance across the Council remains a challenge. Human Resources, through the Occupational Safety Section, continue to review, update and improve safety management processes. A review of the service to closer align activity and resource with corporate objectives is nearly concluded and will result in changes to roles. The new electronic accident reporting system is now embedded and the data from this is being increasingly used to identify trends and actions required to minimise risks. A new Health and Safety Review process is</p>	<p>Updating of the main health and safety working processes continues with the majority of them now complete. The health and safety review process has been implemented but take up in its use is slow. The review of the Occupational Safety service to closely align it to corporate objectives including a change to job roles is on-going with some changes implemented. A review and update of the Corporate Health and Safety Risk Register has been carried out; despite some improvements overall level of risk remains the same. This review included analysis of the accident data for 2017 -2018 and a findings report being sent to senior management teams. Confidence in the use of the accident report module across the Council continues to rise and we are also seeing an increase in the reporting of violence at work incidents. Health and safety updates continue to be sent to CMT.</p> <p>Risk Management Reporting Corporate Risks to the Executive has now</p>	S Jenkins

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	<p>currently being piloted to allow managers to assess compliance with health and safety requirements and to identify areas where further action is needed. Regular update reports are provided to CMT on Health and Safety to keep top management apprised of the effectiveness of the organisation's safety management and to ask for decisions on key issues. Further work on risk management has continued which has seen a refresh of the risk coordinator network, a risk reporting timetable established for the Council Management Team and consolidation of the departmental risk registers.</p>	<p>been established. A risk workshop was held in November 2018 where a draft revised risk strategy was considered. This will be developed over the next six months and include a review of how risks are captured and escalated through the organisation.</p>	<p>M St.Romaine</p>
<p>The Council will need to make further progress on the Local Government Peer Review improvements and the decisions of the Council's Outcome Boards.</p>	<p>New challenge</p>	<p>We are working to ensure that improvement in the council is subject to rigorous challenge whilst providing support to colleagues. There is an established governance structure at CMT and Outcome Board Level to monitor and report on progress against the Transformation Programmes outlined in the Council Plan Delivery Programme.</p>	<p>AM Baker P Witcherley</p>
<p>Ensure the new consultation toolkit for the quality assurance of consultation processes is embedded in services.</p>	<p>New challenge</p>	<p>The Council's consultation toolkit was launched in 2017. This was followed by a series of masterclass workshops run in conjunction with representatives of the Local Government Association, following the launch of their own New Conversations Guide. Colleagues from across Council departments attended these workshops. More recently the commitments made in 2017 were further</p>	<p>D Greenwood</p>

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		disseminated to departments with a session at a Senior Leadership Team meeting. This was additionally supported with communications around the 2019/20 budget consultation. It remains the responsibility of services to ensure they make best use of the resources available. Legal Services will however offer legislative advice, and Office of the Chief Executive are available as critical friend on the practicalities such as consultation methodologies and stakeholder mapping.	
The adoption of the General Data Protection Regulations across the Council.	New challenge	The GDPR Implementation plan was prepared for the time when the Data Protection Act 2018 became law. The plan has been reassessed as a working knowledge of the Data Protection Act 2018 was established. The revised GDPR and Data Protection Plan includes sections on Subject Access Requests, ICT Compliance, Communication Strategy, Staff Training, Policy Development, Procurement, Childrens Personal Data, Management of Breaches and Consent . Further work is being done to ensure management information is provided to monitor council performance in this area.	M St.Romaine J Hyde
During January 2018, the Council's Internal Audit function was peer reviewed by colleagues from Doncaster Council to assess compliance with the Public Sector Internal Audit Standards (PSIAS).	The review found that the Internal Audit service was rated as 'partially conforms' against the standards and provided the Council with fifteen recommended actions for improvement.	An update of progress against the Quality Assurance Improvement Plan was reported to the November 29 th 2018 Governance and Audit Committee. There has been significant progress with the successful recruitment of four new Senior Auditors to the department. A revised Internal Audit Charter will be presented to the Governance and Audit Committee in January 2019. All the other recommendations from the review have been fully implemented or substantially completed.	M St.Romaine A Crookham