

Report of the Director of Finance to the meeting of the Governance and Audit Committee to be held on 21 January 2021

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Subject:

Annual Governance Statement 2019-20 Review

Summary statement:

This report reviews progress on the significant governance concerns reported in the Council's Annual Governance Statement 2019-20.

The report also outlines proposals for the completion of the 2020-21 Annual Governance Statement

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Portfolio:

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 2019-20.

The report also outlines proposals for the completion of the 2020-21 Annual Governance Statement

2. Update on 2019-20 Significant Governance Concerns

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 continuing 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 29th June 2019. 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 2019-20.

2.3 The Statement reported that the Governance and Audit Committee would be kept informed of progress in addressing weaknesses and areas of concern. The Annual Governance Statement identified three continuing governance challenges,

- Safeguarding Vulnerable Children
- Ensuring an effective, integrated system of health and social care
- Response to Covid

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.

3. Governance Assurance Process 2020/21

3.1 The evidence supporting the conclusions in the AGS has remained unchanged for a long time at Bradford Council. This has been based on Services completing a rolling three year programme of key control self assessments which cover the following

- Human Resources & Payroll

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- SAP Accounts Receivable
 - Procure to Pay
 - Information Security
 - Collection & Banking of Income
 - Inventories & Equipment

Each key control area consisted of ten questions with a number of supplementaries. The key control assessments have been in operation for many years and they reflect the original financial aspects of the governance statement. They therefore do not cover some of the broader aspects of governance that the AGS now addresses. In addition the rate of returns from service managers has declined which means the level of assurance has been reduced.

3.2 This Note proposes an alternative service based questionnaire to supporting the AGS which covers the following areas

- Employee Code of Conduct
- Whistleblowing
- Harassment and Bullying
- Gifts and Hospitality
- Safeguarding
- Risk Management
- Information Governance
- Internal / External Assessments
- Partnership Working
- Constitution and Decision Making
- Health and Safety
- Financial Systems
- Contract Procedure Rules
- Business Impact Analysis / Business Continuity Arrangements
- Sickness
- Conflicts of Interest
- Corporate Parenting

3.3 Each area normally has 2 to 6 questions that is agreed with the lead officer in that area. These questions and the areas reviewed will change annually to reflect developments in the governance environment and to target key issues. The survey would be completed through an online format during March/April to cover the previous financial year's activity.

3.4 This approach is similar to the assurance process currently operated by Schools which has been successful in improving governance. However this has taken several years and significant proactive development including training from Internal Audit. The Schools also have embraced the approach which has been essential.

3.5 In order to strengthen the level of assurances it is important that service managers engage with the process and take professional care when completing the returns including providing supporting evidence. Internal Audit will provide a level of check on these returns however due to the time limitations this will not be as

comprehensive or experienced based as the scrutiny provided for Schools. Strategic and Assistant Directors will retain the overall responsibility for the assurances made from their Department.

3.6 If the new questionnaire is implemented this would be to provide assurance on business as usual activity. This will strengthen both the Annual Internal Audit Opinion and the Chief Executive and Leads declarations in the Annual Governance Statement. Separate assurances will be identified for the gold, silver and bronze arrangements operated during lockdown.

3.7 It is not proposed to alter other sources of evidence such as the fraud risk assessments and letters of representation at the current time. This proposal has been endorsed by the Council Management Team

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

9.1 Members may –

- Endorse the report
- Provide comment or instruction
- Bring forward any new governance concerns which should be reviewed, assessed or examined for the 2020-21 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 2020-21 process.

11. Appendices

Appendix 1 - Annual Governance Statement 2019-20: Mid-Year Review, Improvement and Progress Report.

12. Background documents

“Annual Governance Statement 2019-20” – report to Governance and Audit Committee 20th August 2020 – Director of Finance and IT.

Annual Governance Statement 2019-20: Mid-Year Review and Progress Report as at December 2020

Governance Challenge – AGS 2019-20	Response reported in AGS 2019-20	Update at December 2020	Responder
Safeguarding Vulnerable Children	<p>The latest OFSTED Monitoring visit took place in February 2020 with a future monitoring visit waiting to be arranged. The Council’s response to meet the improvements required is the establishment of the four Programmes below,</p> <p>Prevention and Early Help Social Work Practice Leadership and Management Children in Care / Leaving Care</p> <p>High focus areas are to:</p> <ul style="list-style-type: none"> • Improve standards and performance of Social Work practice working with children and families known to Children’s Social Care (CSC) • Establish and maintain a stable, funded and demand led CSC structure which supports the needs of children, increases the number of permanent staff and reduces the reliance on agency workers over time • Support partners to increase the number of lead practitioners and through Early Help to support children with multiple or complex needs; thereby reducing the demand on CSC • Safely reduce the number of children in care by returning home or securing permanence • Improve the quality and sufficiency of placements for children in care which 	<p>We continue to work through the Improvement Plan: Following the last monitoring visit in February we have:</p> <ul style="list-style-type: none"> • Completed the recruitment of permanently established Head of Services posts which means all are now filled. This provides important stability for the service but also introduced technical knowledge and experience. • Developed and implemented new forms to support social work practice including a new assessment template and new care plans. • Developed and rolled out Practice Standards, supported by clear Practice Guidance that make sure practitioners are fully sighted on and understand the standards expected in their work with families. • Recruited to practice supervisor and community resource workers which has significantly improved the early help offer to schools and support the development of the lead practitioner role. • Developed the permanence tracker that means the service is fully sighted on the plans and progress of children who require permanency. This will help to ensure that children are moved to appropriate placements in a timely manner and prevent future delay. • Continued to look after some of our most complex and vulnerable children in our children’s homes with minimal disruption despite the changes to daily life brought about by the pandemic <p>DFE Review- 28th of July 2020 which noted the following:</p> <ul style="list-style-type: none"> • “Partners reported strengthened working practices and 	Irfan Alam

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	<p>support their holistic needs; while reducing Out of Area places</p> <ul style="list-style-type: none"> • Improve the quality and use of data and intelligence to support decision making, direct practice and target provision across the children’s system • Improve the functionality of case management systems to support effective practice and budget management <p>Highlights this period and areas for practice improvement over the coming months</p> <ul style="list-style-type: none"> • The practice standards have been signed off and distribution and is being supported by a programme of training and learning • Permanence tracker has been developed from scratch and is actively being populated • Performance against key indicators is on an upward trajectory • All Social Work documents have been re-written and are now compliant with statutory requirements. These are with ICT colleagues. • The Early Help Module is in the final stages of testing – once this is live, we will finally address the long standing issue of high volumes of no further action cases at the front door • Supervision policy is now in draft and being consulted on • Fostering allowance policy has been 	<p>relationships and more collaborative working. They welcomed a more stable leadership team which now felt less disjointed to work with and improved the communications between agencies</p> <ul style="list-style-type: none"> • “There have been significant moves forward of partners wrapping around children and not reverting into statutory silos.” • The two focus groups with middle managers, social workers and ASYEs both reported many encouraging aspects • The leadership team was described as inspirational • Supervision was described as an improving picture over the last 6-9 months • Overall, we were presented with a positive view of progress and an improved culture within Bradford’s Children’s Services, and many foundations now appear in place to support the pace of improvement” <p>The service also invited an external health check of the decision making at the front door. This reported the following:</p> <ul style="list-style-type: none"> • “Case audits were undertaken on 31 children’s records. • Threshold was mostly applied consistently across the audit sample. • The Continuum of Need was applied and considered in all cases. • The work audited progressed at the appropriate pace. • No children were identified to be at risk of significant harm • Management oversight was embedded at the beginning of a contact and at the end. 	

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	<p>drafted and legal advice sought. Further work required and financial implications to be presented to Departmental Management Team.</p> <ul style="list-style-type: none"> • Planning for the next Ofsted monitoring visit well underway • Progress in the Integrated Front Door is moving at pace. • A new challenge and resolution process has been implemented for child protection coordinators and for the Independent Reviewing Officers to ensure avoidance of drift and delay 	<ul style="list-style-type: none"> • Decisions and cases that required assessment were allocated in a timely way. • Evidence of emerging good practice as well as some evidence of understanding children’s history, engaging with partners and families. • The newly embedded screening template was clear and helped people capture their ‘workings out’ and rationale. • Range of partners in the Front Door and evidence of good information sharing. • There is a collective desire to get the Front Door right” <p>In summary, we know we have made progress however recognise the journeys we still have to travel. Compliance has continued to improve and sustain. Therefore our focus is now improving the quality of practice.</p>	
Ensuring an effective, integrated system of health and social care	<p>The Strategic Partnering Agreement has been in place since Spring 2019, which sets out the wider Governance framework for policy direction and decision making across the partnership. The governance and implementation arrangements around this continue to evolve.</p> <p>Work to review and refresh the Section 75 agreement commenced in 2019 and will be resumed following a pause during the Covid emergency. A contract variation to cover the Covid-19 hospital discharge planning guidance is being completed through a standalone partnership board. Governance for this scheme will be provided by the Partnership</p>	<p>Place based health and care partnership arrangements are a central requirement of the NHSE publication Next Steps for Integrated Care’ published in November 2020. Many of the expectations are similar to the existing arrangements which are in place in Bradford and Craven, which means that the local partnership is well placed to respond to the changes which will be required by national NHS policy (and possibly new legislation in 2021).</p> <p>However, there are a number of critical issues which will need to be addressed in the year ahead:</p> <ul style="list-style-type: none"> • Arrangements for commissioning, particularly in view of the expected abolition of CCGs • Accountability to local population via Health and Wellbeing Boards or Partnership Board arrangements • Neighbourhood/ locality models 	James Drury

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	<p>Board, which will provide financial and commissioning oversight of Covid-19 related activity and expenditure under the scheme.</p> <p>The System governance and programmes have been reviewed and new arrangements are in place, including the new health and care system Executive Board which replaces the ICB. The Board has also set up new sub committees which cover system Quality & Safety and Finance and Performance related issues.</p> <p>The review of the Health and Wellbeing Board has been completed, which has resulted in the new Wellbeing Board. The new Board includes Chairs of each of the key strategic partnerships such as the Economic Partnership and the Childrens Trust. Work is underway to refresh the District Plan and the infrastructure to support the delivery of partnership activity. One of the initial priorities for the group will be on addressing inequalities.</p>	<ul style="list-style-type: none"> • Financial accountability and risk management <p>Work is underway to ensure the good existing governance arrangements are developed to reflect the growing Act as One ambition. The Strategic Partnering Agreement is under review, and the Happy Healthy at Home strategy is being refreshed. The Wellbeing Board is settling into its new role.</p>	
Response to Covid	Decision making will be informed by what is already known of the District, its challenges and significant asset base, the known impact of Covid 19, and what can be reasonably assumed about the future. This will also include the opportunities afforded through regional devolution and by the need to deliver inclusive and sustainable economic growth to which everyone can contribute and from which everyone can benefit.	The council continues to manage the multiple and complex challenges presented by COVID through the Winter and the new national restrictions announced by the Government on 4 January. Planning is being undertaken amidst significant levels of uncertainty and with financial resources and organisational capacity stretched. Staff absence through sickness / isolation is a concern and as services are stepped down in the light of national restrictions all efforts are being made to ensure that they can be redeployed effectively and appropriately in support of on-going service provision and the response to the current pandemic.	Nigel Smith

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	<p>In respect of risk management and governance, the situation continues to change and is characterised by a very high degree of uncertainty about impact on services and on Council resources. Assessment of risk is being kept under on-going review by senior management and the overarching impact of the crisis on Council responsibilities and service delivery will require the Council's Strategic Risk Register to be reviewed once the impact and the consequences of the crisis are better understood.</p> <p>Legally, The Coronavirus Act 2020 is the government's main legislative change in response to the pandemic. Most of its provisions came into effect on 25th March 2020, but detailed further legislation in the form of statutory instruments, and government guidance have been issued since that date and continue to be published.</p> <p>It is too early to understand the full equality and diversity impact of the Covid crisis. The emerging evidence, however is the impact of the Covid virus itself, the measures taken in lockdown and the likely future will all have a disproportionate impact on those with protected characteristics. Therefore, equalities will need to be at the heart of the Council's response and long term work around Covid.</p> <p>A comprehensive review of the Council's Governance Assurance processes will take place in the 2020-21 financial year that</p>	<p>Decision making continues to be informed by a range of data, insight and intelligence about the District our workforce, the impact of COVID , feedback from frontline teams, and assumptions and forecasts of future circumstances including the opportunities afforded by regional devolution and the need to deliver inclusive and sustainable economic growth.</p> <p>In respect of risk management and governance, the situation continues to be marked by high levels of uncertainty about impact on the economy, society services and Council resources. Learning from the first wave of COVID-19 is informing the development of revised business continuity plans and Departmental risk registers which in turn support the Corporate Risk Register and Council Emergency Plan. The West Yorkshire Resilience Forum has oversight of risk relating to potential emergency situations.</p> <p>Some of the immediate uncertainty has been mitigated by Government financial support over the current financial year. The Council has published its Financial Plan 2021-22 for public consultation which sets out proposals to achieve a balanced budget in that financial year.</p> <p>The Council's Management Team continues to keep risk under on-going review and to monitor the impact of COVID through intelligence on the ground and a fortnightly dashboard of key indicators. The management team meets together three times a week to share information, intelligence and plan ahead and fortnightly with the Council's Executive to ensure that they are aware of key trends and on-going and emerging risks.</p> <p>While the full impact of COVID has yet to emerge we know that it has widened and amplified existing inequalities hitting the poorest, the most vulnerable and BAME communities the hardest. Youth unemployment is the highest in the country and the overall unemployment rate is a third higher than the national rate. A new</p>	

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	<p>includes an audit of the emergency arrangements that operated in the first quarter.</p>	<p>Equalities Plan and new equalities objectives have been agreed. These aim to put equalities at the heart of the Council’s leadership, its workforce development, delivery of services and work in communities. They will take into account the disproportionate impact of COVID on different protected characteristics and extend consideration of impact to people on low incomes. Equalities is a standing agenda item at Council Management Team and all Departmental Management Teams have been asked to include it as a standing item on their agendas. Proposals for governance and delivery of the plan and objectives are currently under consideration.</p> <p>A new Council Plan has been agreed setting out key objectives for the period 2021-25 which include plans for life alongside the virus and for building a better future beyond it. Council Management Team will continue to be the key forum for the review and assessment of risk against the delivery of the plan and the Corporate Risk Register will require review in the light of the priorities and actions set out in the Plan.</p> <p>The Coronavirus Act 2020 is the government’s main legislative change in response to the pandemic. Most of its provisions came into effect on 25th March 2020, but detailed further legislation in the form of statutory instruments, and government guidance have been issued since that date and continue to be published.</p> <p>The Act has temporarily modified duties and powers relating to social care, mental health, registration of deaths, inquests, the regulation of investigatory powers, gatherings, meeting and events, the postponement of elections, virtual local authority meetings and protection from eviction. Other changes to existing legislation and statutory guidance continue to be monitored by Legal Services.</p> <p>The restrictions affecting communities are now based on five Tiers, although variations are introduced based on local circumstances. The Council has powers both under Health and Safety and</p>	

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		Coronavirus legislation to enforce restrictions as circumstances dictate, but its approach is to secure voluntary compliance wherever possible.	