

Report of the Director of Finance and IT to the meeting of the Governance and Audit Committee to be held on 26 January 2023

AB

Subject:

Annual Governance Statement 2021-22 Review

Summary statement:

This report reviews progress on the significant governance concerns reported in the Council's Annual Governance Statement 2021-22.

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Director of Finance and IT

Portfolio: Corporate

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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 2021-2022.

2. Update on 2021-22 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 the 22nd September 2022. 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 2021-22.

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 four continuing governance challenges;

- Safeguarding Vulnerable Children
- Elective Home Education
- Ensuring an effective, integrated system of health and social care
- Key Staffing Skills

Two further governance challenges for 2022/23 were also identified;

- Budget pressures
- Procurement

A review of these governance issues has been undertaken and an 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, although consideration of resource issues is included.

5. Risk Management

The Council's risk management framework remains in place and, as previously reported, corporate strategic risks are reviewed regularly, at quarterly intervals. No new risks have currently been identified within the 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 Equality 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

The Annual Governance Statement does not focus on individual ward issues.

7.8 Implications for Corporate Parenting

The Annual Governance Statement includes concerns raised in relation to Childrens Services.

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 2022-23 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 2022-23 process.

11. Appendices

Appendix 1 - Annual Governance Statement 2021-22: Review of Recognised Governance Challenges.

12. Background documents

“Annual Governance Statement 2021-22” – report to Governance and Audit Committee 22nd September 2022 – Director of Finance and IT.

Annual Governance Statement 2021-22: Review of Recognised Governance Challenges

Governance Challenge – AGS 2021-22	Update provided in the Annual Governance Statement 2021-22	Update for the Governance and Audit Committee 26 January 2023	Responder
<p>Safeguarding Vulnerable Children</p>	<ul style="list-style-type: none"> • We have developed a new comprehensive structure to meet demands. We are continuing all efforts to recruit and retain staff at all levels across children’s social care services in the context of a shortage of qualified social workers nationally. • We are facing growing demands for services and have seen a growth in the number of children looked after. • There is a shortage of good quality placements nationally and this is driving the costs of care up significantly, placing further pressure on budgets. • In the context of the cost of living crisis we anticipate a further growth in poverty and potentially neglect. • There have been improvements in the Authority’s residential provision for children noted in a number of inspections of children’s homes. • We have had positive feedback from Ofsted regarding progress made in Leaving Care services and services to exploited children. 	<ul style="list-style-type: none"> • Structure - This remains ongoing as part of the transfer to the Trust. A number of projects teams have been recruited to help stabilise the workforce whilst we continue to focus on recruitment. ASYE academy continues to grow in strength and we have just recruited staff to complete the MA course at Bradford university as part of a “grow your own” campaign which has been funded by the DfE. • Demand for Services - We are working with partners in Leeds to strengthen and relaunch an edge of care offer which will be supported by partners to support the right support at the right time to enable more children to remain at home when it is safe to do so. We are also working with our children, families and carers to ensure that we have the right permanence arrangements in place by looking at securing SGOs and discharging care orders which will also help with reducing the overall children in care population. • Placements - This continues to remain a challenging area for the organisation which is reflective of the national picture. We are working with local providers to secure local placements for children which are cost effective through our collaborative relationships. We are also looking at supporting long term arrangements for children 	<p>Amandip Johal</p>

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		<p>through the recruitment of foster carers as well as utilising a high cost placement panel to review placement arrangements as well as ensure that placements are joint funded with health and education.</p> <ul style="list-style-type: none"> • Cost of Living Crisis – We continue to anticipate a further growth in poverty and potentially neglect. • Authority’s residential provision - Our homes have continued to strengthen to meet the needs of our children and there is a work plan in place to focus on improvements, matching and stability in the workforce. 	
Elective Home Education	<p>Since the Covid-19 pandemic there has been a significant growth in the numbers of children being removed from school rolls to elective home education. This increases the risk of losses in education and subsequent learning gaps for pupils, lack of opportunities to socialise, potential impact on mental health, decline in school budgets to meet these needs given additional pressures and loss of earnings for Council commercialised services. 43% of the children being home educated have previous Children’s Social Care involvement. Mental ill health is most often cited, and although some children have returned to roll since Covid, more children are being removed. There is a potential risk that children who are home educated may be perceived as ‘unseen’ and therefore possibly more at risk. However, the</p>	<p>The situation remains as it was in the September 2022 update.</p>	<p>Sue Lowndes</p>

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	<p>Local Authority has no grounds to insist on seeing these children. There are new requirements in the Schools Bill which require local authorities to keep a register of Children Not in School. This will require significant extra resource.</p>		
<p>Ensuring an effective, integrated system of health and social care</p>	<p>The council was fully involved in the design and decision making to create a new distributed leadership model for the new health and care partnership in Bradford, District and Craven. These changes went live on 1 July 2022 with the implementation of the Health & Care Act 2022 which led to the end of Clinical Commissioning Groups as organisational entities and the formal adoption of Integrated Care Systems as the employer of these staff.</p> <p>A new system strategy has been adopted, a new Memorandum of Understanding has been signed off by partners, our Better Care Fund plan was accepted by NHS England and a planning and commissioning forum oversees our joint commissioning arrangements.</p> <p>The Strategic Director of Health and Wellbeing took an honorary contract as Director of Integration with Bradford District Foundation NHS Care Trust from 1 May 2022, to join their formal governance arrangements and lead on the integration of community and mental health with adult social care.</p>	<p>Bradford Council has worked alongside health partners throughout the abolition of CCGs on 30 June 2022 and creation of Integrated Care Partnerships on 1 July 2022 to ensure a smooth transition and design of a proportionate governance structure for the health and care partnership. This has been signed off by Executive.</p> <p>A new Independent Chair of the partnership, Elaine Applebee, has been appointed. New arrangements including public Partnership Board meetings, standard format for terms of reference, agreed membership, register of interests, partnership risk register, and memorandum of understanding are in place.</p> <p>The Council is represented on all decision-making bodies including elected members at a West Yorkshire level. Council senior managers hold leadership positions for the partnership including for Partnership Boards and commissioning meetings. Significant progress has been made on the development of new plans and integration of health and care services.</p>	<p>Iain Macbeath</p>

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		<p>The Better Care Fund plan for 2022/23 has been signed off in line with grant conditions and by the Wellbeing Board. The NHS has agreed that the majority of new BCF monies will be provided to the council to protect adult social care.</p> <p>A new partnership risk assurance framework is planned for 2023/24 to compliment the governance arrangements put in place.</p>	
<p>Key Staffing Skills</p>	<p>There continues to be a shortage of professional and skilled staff within the employment market leading to recruitment and retention difficulties to key posts. Inability to recruit in key disciplines could have a significant impact on the Council’s ability to deliver services and support the Council’s ambitions within the financial resources available.</p> <p>In 2021/22, our actions have included;</p> <ul style="list-style-type: none"> • 439 young people started on Kickstart placements across the Council. The largest take up was in Business Admin support and continued to be a popular choice for young people. The Council is due to receive an update in March 2023 from the Department for Work and Pensions with the number of Council Kickstart placements that have led to successful employment. We know that 85 of our Council Kickstart placements have moved on to permanent employment from our scheme. 	<p>We have appointed two temporary HR resourcing specialists to provide strategic and operational support to senior managers in reviewing recruitment challenges, identify skills shortages and developing recruitment and retention strategies and associated initiatives. These include:</p> <ul style="list-style-type: none"> • Whether posts can be converted to apprenticeships, graduate / placement opportunities, • Reducing reliance on Agency / Consultancy workers, in turn contributing to workforce cost reductions, • Developing initiatives for growing our own staff in order to resolve current and future recruitment challenges, • Role composition and market supplements. <p>They will also assist hiring managers with scoping recruitment campaigns and sourcing candidates, ensuring advertising channels are appropriate and</p>	<p>Anne Lloyd</p>

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	<ul style="list-style-type: none"> The Council commenced a graduate scheme in November 2020. Three graduates were recruited as part of the National Graduate Development Programme (NGDP) in November 2020 and January 2021. A further 5 NGDP graduates were recruited through September and October 2022. Placements are offered across Departments with each graduate completing four placements in the two-year period they are with the Council. We are developing a graduate scheme for West Yorkshire Pension Fund and considering routes for other key areas across the Council as well as linking in with initiatives across our public sector system at a place level. We are using the apprenticeship levy to develop existing and new skills including those in professional and skilled roles. The 293 Live Council apprentices are made up of 57 apprentices in maintained schools, 61 new starters in the Council and 175 existing Council staff. The most popular apprenticeship jobs roles/sector qualifications for the 57 apprentices in schools are Early Years (47%), Teaching Assistant/Teacher (33%) Business Admin, Management and IT (20%), Council apprenticeships are in: Adult Care (25%), Management (18%), Building, Construction, Civil Engineering, Trades (14%) Children and Young People (8%), Production/Hospitality (7%), Business Admin (6%) Social Work (3%), and (22%) on other specialised 	<p>reach a wide and diverse range of applicants, and that the CBMDC brand is promoted consistently through all resourcing and recruitment activity.</p>	

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	<p>apprenticeship training.</p> <ul style="list-style-type: none"> • In Children’s Services we are focussed on attracting and retaining social workers through a dedicated “bring heart” campaign and microsite, and are developing an ambitious Assessed & Supported Year in Employment (ASYE) academy to grow our own given the national shortages of experienced Level 3 Social Workers, are recruiting international Social Workers and Students and are partnering with the University. • We continue to review our approach to total rewards and development and include this as part of our wider attraction strategy, and have re-published our offer during September 2022 with staff and in recruitment. We have consulted on and implemented a recruitment and retention market supplement policy, and updated our relocation scheme to help attract and retain talent in hard to fill roles. • Workforce planning is progressing in services, prioritising Legal, highways, transport, planning and social work, and a refresh and review of job evaluation and grading schemes is underway. 		
Budget Pressures	The Quarterly Budget Monitoring report to the July Executive and the Medium Term Financial Strategy report to the September Executive have both highlighted the significant financial impact of	The Quarterly Budget Monitoring report to the November Executive and the Medium Term Financial Strategy report to the September Executive have highlighted the significant financial	Christopher Kinsella

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	<p>inflationary cost of living increases, which will impact both the Council budget position and the wider District as impacts are felt to individuals and businesses.</p> <p>This is the current major significant factor that may impact future governance arrangements. The issue is subject to detailed and thorough discussions at Council Management Team and Joint Leadership Team as actions are sought to mitigate impacts where possible.</p>	<p>impact of inflation/ cost of living price rises, and Social Care demand pressures. These are impacting both the Councils budget position and the wider District as impacts are felt by individuals and businesses.</p> <p>This is the current major significant factor that may impact future governance arrangements. The issue is subject to detailed and thorough discussions at Council Management Team and Joint Leadership Team as actions are sought to mitigate impacts where possible.</p>	
Procurement	<p>The timeliness of procurement processes has necessitated the Council extending some contracts beyond their end dates rather than going out to competition beforehand. Applying extensions is a valid procurement route but may have sometimes been used as the preferred option rather than a fully considered option. The service is currently without a Head of Service following the former Head leaving, whilst there are also a number of senior vacancies within the service. A campaign is underway to appoint a new Head of Service and to attract candidates into the service to fill vacancies. Appointment of a new Head of Service in November 2022 is expected to drive improvement in compliance with existing procurement processes to secure contracts in advance. In the interim the engagement of consultancy experts to provide strategic advice, alongside an end-to-end</p>	<p>A review of the Contracts and Grants Register is currently underway which will enable a RAG status determination against contracts in terms of procurement risk and compliance. Future procurements will be placed on a pipeline and have procurement specialists appointed to advise service areas. Training covering procurement, contract management and P2P which will sit on Evolve is at design stage.</p> <p>A review of the end-to-end procurement has taken place. Newly revised internal thresholds for reporting and monitoring have been identified and will be incorporated into Contract Standing Orders in 2023. An interim Head of Service will be appointed in January.</p>	Christopher Kinsella

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	procurement review will ensure the ongoing effectiveness of procurement processes.		