

Annual Governance Statement – half-year review of progress against significant issues identified during 2019-20, to be addressed in 2020-21

Issue	Action	Responsible Officer	Update November 2020
<p>Covid-19 will have significant impacts as the infection rate increases. This will impact on workforce, delivery of services, economic and social pressures and disruption for months and possibly years to come.</p>	<p>The Council will need to consider how its front-line services can continue to deliver, taking into account the number of staff self-isolating and those who are ill with the virus. The Council will face increasing cost pressures, such as the provision of personal protective equipment (PPE) to front line staff, equipping office based staff to work remotely via IT solutions – laptops and associated software requirements, and increased needs of communities as people’s personal financial positions change. Following the move back to more normal operating conditions the Council will need to plan to bring back into operation those services temporarily suspended, and the potential impacts on service demand following the pandemic.</p>	<p>Chief Executive</p>	<p>Almost 8 months on from the original Covid-19 outbreak in the UK and the national lockdown, the Council is having to learn to live with the consequences of continuing to deliver effective public services amidst an ongoing global pandemic. A great deal of the Council’s staff continue to work from home and significant investment has been made in ensuring that can be done as effectively as possible . While there continues to be a great deal of focus on delivering services directly related to the pandemic, for example, ensuring adequate PPE, leading on test, trace and protect, and preparing for mass vaccination programmes, priority is now also being given to ‘recovery’. The Council has set an approved recovery plan based on four themes of financial stability for the organisation, economic recovery, service restoration [often adapting services to ensure they are Covid safe] and public health. A cross party recovery panel has been established and made sixteen initial recommendations to Cabinet to inform our detailed recovery planning. In addition a lessons learnt document has been produced to ensure the council is best placed to respond even more</p>

			effectively to any future lockdowns or crisis.
<p>The uncertainty regarding the impact of and exit from the European Union may well place continued increasing expectations and demands on public sector organisations and the Council which will need to be factored into the Medium Term Financial Strategy</p>	<p>The Council will continue to monitor external economic and fiscal information to ensure that it can respond as quickly as possible to unexpected events. The COVID-19 pandemic will place increasing pressures on Council resources and budgets, and the Council will need to closely monitor costs and lost income as a result of the pandemic and lockdown arrangements, on its budget and cash-flow requirements.</p>	<p>Interim Chief Officer - Finance, Performance and Change</p>	<p>Since the start of the Covid-19 pandemic the Council’s finances have been impacted in a number of ways, including increased cost pressures, lost income, reduced council tax collection and increased council tax support, offset partially by small savings in some service areas. WG has provided significant financial support to help to mitigate some of these pressures, but there is no guarantee that this funding will continue into the next financial year, and this is impacting on the likely MTFS position for 2021-22 onwards.</p> <p>In addition, as a result of the large volume and value of grants being paid to individuals and businesses, the Council’s cash flow has had to be managed more closely, and a range of investment opportunities considered on a short term basis.</p> <p>In terms of the MTFS the external fiscal climate is kept under continuous review, with regular information on the economic climate, including interest rates and inflation predictions received from our Treasury Management advisors. Assumptions built into the MTFS are adjusted accordingly.</p>

			<p>In terms of Brexit specifically, the cross Directorate Brexit forum has continued to meet on a regular basis. The risk register has been updated regularly to take account of ongoing changes and the effect of mitigating actions that have been put in place. The main difficulty remains that it is still unclear exactly what the nature of that Brexit will mean in terms of a deal or no deal.</p> <p>The Council has established specific earmarked reserves for Covid-19 and Brexit and they will be reviewed quarterly as part of the Council’s review process.</p>
<p>Changes in Senior Management at Corporate Management Board level</p>	<p>The current coronavirus pandemic means that taking forward any recruitment process will be delayed, until such time as the Council is able to return to more normal operational arrangements. The Corporate Director Social Services and Wellbeing was due to retire at the end of April, but has agreed to continue in the role for a 3 month period during the pandemic. A new Director was appointed in June 2020 and will take up the post in October 2020. A new Corporate Director Communities took up position in March 2020. The Council was unable to recruit to the Chief Officer, Finance, Performance and Change and arrangements will be put in place to take forward this crucial role over the next few months. Although the post has not been filled on a permanent basis, the current interim</p>	<p>Chief Executive</p>	<p>The Council’s new Corporate Director of Social Services and Wellbeing has now started work and the Corporate Director of Communities is also now an established member of the Council’s corporate management team. The risks therefore identified back in March are now largely mitigated and the virtual recruitment exercise to appoint the Corporate Director of Social Services and Wellbeing was shown to work well, with strong demand for the post and an effective recruitment process. There is now therefore greater resilience across the Council’s senior management team.</p> <p>The one outstanding issue remains appointing a permanent replacement for the Council’s interim Chief Officer for</p>

APPENDIX B

	arrangements are likely to continue until the post is filled.		Finance, Performance and Change. A further unsuccessful attempt to recruit was made in the summer so this matter is currently being considered further. In the meantime the current post holder has agreed to stay until the matter is resolved.
Outcome of the Audit Wales report into Safeguarding and implementing the recommendations made therein	The outcome of the Audit Wales report are noted under 'Assessing Performance'. The report makes a number of recommendations that the Council will need to put in place to ensure that the Councils' safeguarding arrangements are robust. The Council's Audit Committee have requested they have the opportunity to review an action plan and progress report from Officers.	Corporate Director – Social Services & Wellbeing	The Audit Committee held on the 16 th July 2020, received the October 2019 WAO report: 'follow up review of corporate arrangements for the safeguarding of children'. The actions and progress made against the proposals for improvement were noted and the item recorded as resolved.
Outcome of the Care Inspectorate Wales – Inspection of Older Adults Services Bridgend County Borough Council (January 2020)	The purpose of the inspection was to explore how well the Council, with its partners, is promoting independence and preventing escalating needs for older adults. The inspection identified a significant number of areas of strength, and some areas for improvements. The council will consider these improvements and put in place processes to address the areas identified over the forthcoming period.	Corporate Director – Social Services & Wellbeing	Due to the service responding to the current pandemic the areas of improvement have not progressed as originally planned. However progress has been made in a number of areas and the action plan is being updated with new timelines and will be monitored within the directorate's governance structures and with CIW accordingly.

<p>Strengthen the scrutiny and oversight arrangements of environmental health services and work with the Shared Regulatory Services and other providers to explore the opportunities for future improvements</p>	<p>As noted above under ‘Assessing Performance’, a number of recommendations have been made to strengthen the scrutiny and oversight of environmental health services for Bridgend, within the overall Shared Regulatory Services arrangements. The Council will need to ensure that it works with the Shared Regulatory Services and other providers to ensure a robust service with sufficient and appropriate monitoring thereof.</p>	<p>Chief Officer – Legal, HR and Regulatory Services</p>	<p>Due to the Covid pandemic there has been limited formal scrutiny. Whilst it was anticipated that scrutiny arrangements would be reviewed this is yet to happen. SRS are at the forefront of the Covid response which has given increased visibility of their role. There continues to be SRS committee meetings and regular meetings with the Head of the Service and relevant Cabinet member.</p>
<p>The risk of fraud especially in the current Covid-19 pandemic with significant funding moving around and increased digitalisation of transacting with the Council</p>	<p>The Council is seeking to strengthen arrangements to tackle and minimise fraud including considering the appointment of a Corporate Fraud Officer, updating and strengthening anti-fraud and anti-money laundering policies and mandatory e-learning for all staff, and continued working alongside the UK Government’s National Fraud Initiative.</p> <p>In terms of the specific funding being provided for business grants, we are considering alternative options for a post-payment check on grants awarded to provide assurance that grants were not fraudulently obtained. This most likely will be through the National Fraud Initiative.</p>	<p>Interim Chief Officer - Finance, Performance and Change</p>	<p>The Council has placed a strong emphasis on the prevention of fraud during the Covid-19 pandemic, especially with the large volume and value of grants being paid out to individuals and organisations through various WG support schemes.</p> <p>The Council appointed a Senior Fraud Investigator in August 2020, who is playing a lead role in the detection and investigation of suspected fraudulent activity within the Council, and actively promoting fraud awareness across the Council.</p> <p>The Fraud Prevention e-learning module has been developed and rolled out to staff, fraud information is being updated and being made available to staff on the intranet and a more detailed fraud risk assessment process is being developed that will link to the corporate risk management process. Work is also</p>

			<p>underway on the development of a Corporate Anti-Tax Evasion policy.</p> <p>The Council is currently gathering data to submit as part of the National Fraud Initiative. This will include Covid-19 grants and payments.</p>
<p>The increasingly challenging budgets for Schools, with potential for greater deficit school budgets</p>	<p>There have been increasing pressures on school budgets and an increase in schools setting deficit budgets. Whilst schools do set deficit budgets, this must be a licensed deficit and in line with the requirements set out in the Financial Scheme for Schools, which includes the need to have approved deficit recovery plans in place. At the end of 2019-20 school balances overall were a net surplus of £108,000, a reduction of £506,000 for the year.</p> <p>It is difficult to know what impact Covid-19 will have on school budgets during 2020-21 as the majority will have been closed for months, whereas others are set up as hubs. There may be a requirement to re-allocate funding either amongst schools where expenditure was incurred, or even wider outside of school budgets where cost pressures have not been funded elsewhere.</p>	<p>Interim Chief Officer - Finance, Performance and Change/Corporate Director – Education and Family Support</p>	<p>The impact of Covid-19 on schools has been significant, with schools closed from 20th March 2020, and not reopening until September, although some were used as childcare hubs during the summer months. School budgets were still required to be set for the financial year with deficit recovery plans in place as per the Financial Scheme for Schools. Due to the pandemic and school closures this has been a slower process than usual, but work is continuing on supporting those in deficit, agreeing deficit recovery plans and monitoring balances overall.</p> <p>There have been some savings arising in school budgets as a consequence of the closures, including savings on energy, cleaning, supply cover and some resources. However, since reopening, there have been additional cost pressures, to put systems in place to maintain social distancing, for more regular cleaning, and purchase of ICT equipment to enable continued education for those children that are self-isolating. Some of the funding has been</p>

			<p>met from one-off grants from WG (e.g. cleaning resources) and others are being claimed from the WG Hardship Fund, but not all are eligible. WG has indicated that any claims for costs must be net of any savings made, so work is ongoing to identify these. The likelihood is that any savings e.g. on energy will be mitigated by higher than usual energy bills during the winter period, as windows are kept open to provide more ventilation in classrooms.</p> <p>The current projection for school budgets at quarter 2 is an overall deficit of £848k, but we may receive additional grant funding before year end to mitigate some of this. The position will be closely monitored during the remainder of the financial year and finance officers will work with schools to help to manage any deficits accordingly.</p>
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