

Pembrokeshire County Council

**‘Working together,
improving lives’**



Annual Governance Statement

2019-20



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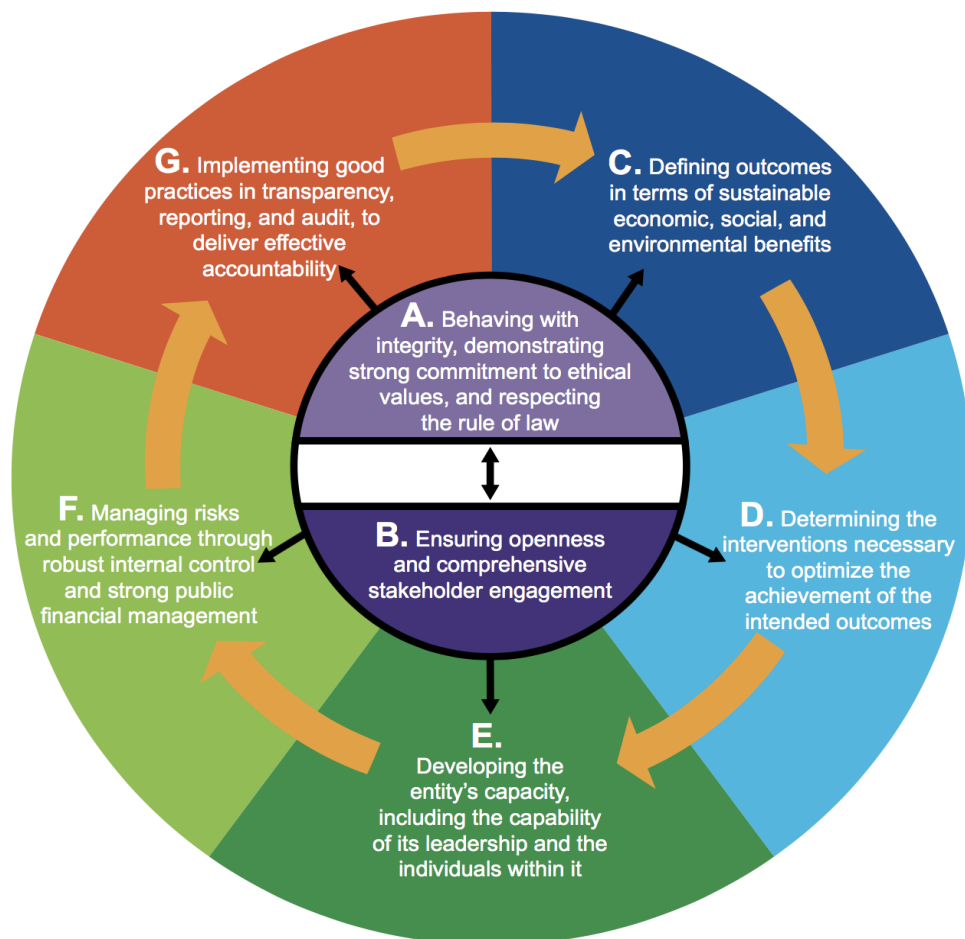
Review of Governance Arrangements

What is Governance?

The Council is responsible for ensuring that its business is conducted in accordance with laws, regulations and its ethical standards. The governance framework comprises of the processes, culture, values and systems by which this is achieved.

To deliver good governance in local government, both the Council and its Officers must also try to achieve the Council's Well-being objectives whilst acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

The diagram below illustrates the various principles of good governance in the public sector and how they relate to each other (source: the International Framework: Good Governance in the Public Sector 2014):



Local Code of Governance

Pembrokeshire County Council is required to publish its Local Code of Governance, which demonstrates its commitment to achieving the principles of best practice defined in the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE, 2016). [Pembrokeshire County Council's Local Code of Governance](#), was approved by Cabinet on the 12 June 2017. The Local Code of Governance needs to be updated during 2020-21.

How do we know our arrangements are working?

Pembrokeshire County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The outcome of the review is captured within the Annual Governance Statement, which accompanies the Statement of Accounts.

The Audit Committee has responsibility for reviewing and assessing the Council's risk management, internal control and governance arrangements and making recommendations to Council on the adequacy and effectiveness of arrangements. In discharging this responsibility, the Audit Committee receives a quarterly report on the work undertaken by Internal Audit, External Audit and/or Regulator recommendations, the corporate risk register, and progress against the actions identified in the previous year's Annual Governance Statement.

As part of the annual assessment, a workshop is undertaken with the Corporate Management Team and Cabinet to assess current arrangements against the behaviours and activities defined as demonstrating best practice within the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE). Due to COVID-19 the scheduled workshop was cancelled, however, feedback was collated. Additionally all Directors and Statutory Officers complete a checklist and signed statement to assess effectiveness of their areas of responsibility.

This review is focused on the effectiveness of arrangements during the financial year 2019-20. The Council has been impacted by the COVID-19 pandemic from March 2020, the review will identify areas that have been affected and the alternative arrangements that have been put in place to mitigate the impact on the Governance Framework.

The diagram on the next page demonstrates the Governance Framework, including the sources of assurance and outcome of the review for 2019-20.

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Governance Framework 2019-20

Local Code of Governance

Assurance Required On

- Achievement of objectives;
- Adherence to ethical standards;
- Compliance with laws, regulations and internal policies & procedures;
- Standards of conduct and behaviour;
- Financial management, including achievement of value for money;
- Sustainability;
- Quality of service delivery;
- Management of risk;
- Accountability.

Sources of Assurance

- Constitution
- Codes of conduct
- Corporate/Service Policies & procedures
- Scrutiny function
- Audit Committee
- Statutory Officers
- Internal & External Audit & Regulators
- Corporate Management Team
- Complaints
- Webcast of Meetings
- Medium Term Financial Plan (MTFP)
- Whistleblowing procedure
- Counter Fraud
- Ethical Employment Policy
- Corporate Behaviour Standard.
- Contract Procurement Rules
- Business Risk Management Strategy

Assurance Received

- Statement of accounts
- Internal audit reports
- External audit reports
- Regulator reports
- Corporate Peer Challenge
- Head of Internal Audit Opinion
- Improvement review
- Ombudsman's Annual Letter
- Performance reviews
- Self-Assessment Checklists
- Monitoring Officer
- Head of Legal & Democratic Services
- Corporate and Directorate Risk Registers
- Freedom of Information Publications
- Customer Feedback & Complaints

Areas to Focus On

- Financial Planning
- Organisational Recovery from COVID-19
- Social Services – Demand Management
- Education
- ERW
- Local Code of Governance
- Corporate & Financial Planning Alignment
- Commercial Property Management
- Implementation of the Peer Review Recommendations
- Target Operating Model
- Carbon Reduction
- Financial Information Management Systems
- Continuing to Build Positive Community Relationships
- Counter Fraud
- Communication, Consultation & Engagement
- Data Management

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How the Council Operates

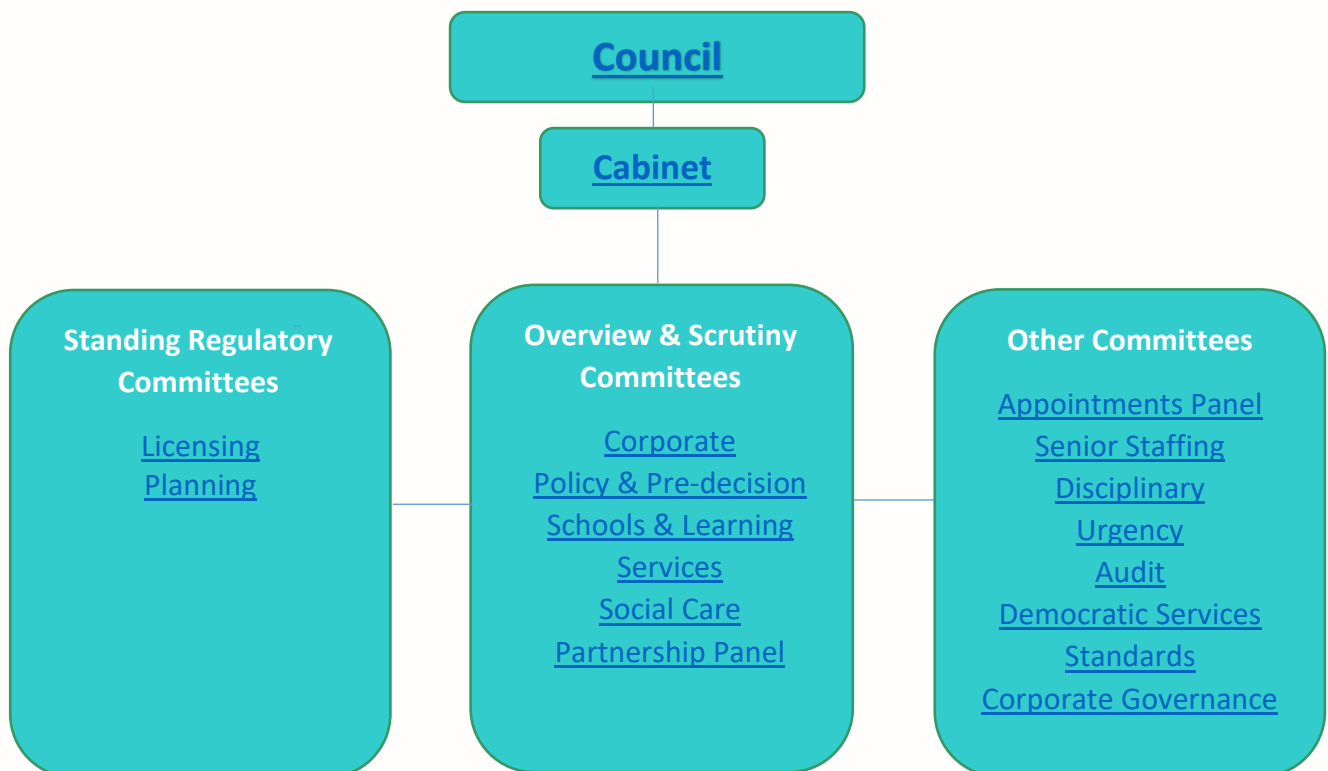
Roles and Responsibilities

There are 60 Elected Members who are collectively responsible for the governance of the Council. The Council's responsibilities include:

- **Agreeing the Council's constitution, comprising the key governance procedures and documents including the executive arrangements and making major changes to reflect best practice;**
- **Agreeing the policy framework including key strategies and agreeing the budget;**
- **Appointing Chief Officers;**
- **Establishing Committees responsible for overview and scrutiny functions, audit, standards, democratic services and regulatory matters and also for appointing non-politically aligned membership to them.**

The Council appoints the Leader, who will then appoint their Cabinet. There are 6 Overview & Scrutiny Committee's and 9 Regulatory and Other Committee's, see structure below. In addition, the Planning Delegation Panel, the Appointments Panel and the Licensing Sub-Committee exercise certain functions.

Most Committees are required to be politically balanced.



During the COVID-19 response, formal meetings were temporarily suspended due to lockdown and legislative restrictions. Following publication of The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, remote meetings commenced on 18 May 2020.

The Chief Executive leads the Corporate Management Team consisting of Directors, supported by Statutory Officers and the Head of HR. The Chief Executive is the principal adviser on matters of general policy, this includes promoting positive and open communications and ensuring strategic priorities are implemented in an appropriate and accountable manner. Senior Management and Statutory Officers are responsible for advising Cabinet and Committees on legislative, governance propriety, financial and other policy considerations to achieve the aims and Well-being Objectives of the Council. They are also responsible for implementing Member's decisions and for service performance.

Statutory Officers

The Council has a number of statutory positions:

- Head of Paid Service & Returning Officer – Chief Executive
- Chief Finance Officer (Section 151 Officer) – Director of Resources
- Director of Social Services – Director of Social Services & Housing
- Chief Education Officer and Lead Director for Children & Young People's Services – Acting Director for Children & Schools
- Head of Democratic Services – Head of Legal & Democratic Services
- Monitoring Officer
- Data Protection Officer – Chief Audit, Risk & Information Officer

Decision Making

The [Constitution](#) sets out how the Authority operates, the various bodies which make up the Authority, how decisions are made and the procedures which are followed. Some of these processes are required by law, while others are determined locally by the Council. During the COVID-19 response decisions have been taken in accordance with the emergency arrangements outlined within the Individual Cabinet Member Delegation procedure. Decisions have continued to be published on the Council's website.

Programme for the Administration

Cabinet agreed the [Programme for the Administration](#) on the 16 April 2018, which sets out Cabinet's aims and aspirations. The Programme for the Administration is aligned to the Pembrokeshire Well-being Plan (30-year vision) and underpinned the [Corporate Plan 2019-20](#).

Public Involvement

The Council continues to explore methods of communication to maximise the opportunity for public engagement. Cabinet approved the [Social Media Strategy](#) in February 2018. Social media has proved a successful platform for increasing public engagement with the Council on a number of key issues.

The Constitution provides the opportunity for members of the public have their questions asked at Council. Additionally, members of the public are welcome to make suggestions as to issues which Overview and Scrutiny Committees should review and report on.

Corporate Planning

The Well-being of Future Generations Act (Wales) 2015 introduced a duty for the Council to publish its Well-being Objectives. Part 1 of the Local Government Act 2009 is still in force and requires us to publish our Improvement Objectives annually.

In July 2019 the Council published its [Corporate Plan 2019-20](#) which was influenced by and aligned to the Pembrokeshire Well-being Plan and the Council's [Programme for the Administration 2018-22](#).

The Well-being Objectives for 2019-20 included one cross-cutting objective. The list below were the Well-being Objectives for 2019-20:

Well-being Objective 1: Continue to improve education outcomes so that every child achieves and contributes more than they thought possible.

Well-being Objective 2: We will continue to focus on prevention: helping people to stay in control of their own lives rather than becoming dependent on social services.

Well-being Objective 3: To make Pembrokeshire economically competitive, productive and prosperous, a great place to visit, live and work.

Well-being Objective 4: Provide good quality housing to provide security, wellbeing and quality of life for the residents of Pembrokeshire.

Well-being Objective 5: We will promote pride in Pembrokeshire seeking to enhance its reputation as a place for exceptional environmental quality.

Well-being Objective 6: Transformation

Strategic Partnerships

The Council supports a number of strategic partnerships both financially and with Officer and Member time. The drivers for these partnerships include legislation, for example, the 'Safer Pembrokeshire Community Safety Partnership', and government policy, for example, 'Education Through Regional Working Consortium (ERW)'. The following are the Council's Strategic Partnerships:

Corporate

- [Pembrokeshire Public Services Board \(PSB\)](#)
- ['Safer Pembrokeshire' – Community Safety Partnership](#)

Children & Schools

- [Education Through Regional Working Consortium \(ERW\)](#)
- [Regional Learning & Skills Partnership](#)
- [Pembrokeshire College](#)

Social Care & Housing

- [West Wales Care Partnership](#)
- Health, Social Services and Well-being Commission Partnership Board
- [Mid and West Wales Safeguarding Board: Adults](#)
- [Mid and West Wales Safeguarding Board: Children](#)
- [Mid and West Adoption Service](#)
- Three Counties Carers Officer Group
- [Choice Homes Pembrokeshire](#)

Community Services

- [Swansea Bay City Deal](#)
- [Pembrokeshire Nature Partnership](#)

During 2019-20 Internal Audit reviews of ERW and Swansea Bay City Deal have been undertaken; a number of areas for improvement within ERW have been identified for the third consecutive year; the review of Swansea Bay City Deal noted improvements had been made since the previous year.

Chief Finance Officer

The Director of Resources is the Authority's appointed Chief Finance Officer (Section 151 Officer). This statutory post is responsible for overseeing and delivering the financial management of the Council. This role conforms with the good practice requirements within the CIPFA statement on the Role of the Chief Financial Officer in Local Government.

The Director of Resources has been involved in reviewing corporate governance arrangements and in preparing this annual governance statement. The Director of Resources has given his assurance on the controls in place to manage the Council's finances. This is supported by the assurance opinion provided by Internal Audit in their review of financial systems for 2019-20, substantial assurance was provided for all financial systems with the exception of Asset Management & Valuations which received a moderate assurance opinion.

Monitoring Officer

The role of MO first appeared in the Local Government and Housing Act 1989. This followed the recommendations of the UK Government Report: The Conduct of Local Authority Business. Section 5 of the 1989 Act stated that LA's were required to designate an Monitoring Officer and that the Monitoring Officer had a duty to report to the authority if it appeared to the Monitoring Officer that the authority was acting, or likely to act, illegally, contrary to any rule of law or code or in a way that constituted a maladministration according to the Ombudsman's finding. The Monitoring Officer was one of the trinity of officers designated in order to promote and secure probity within its governance; the others being the Head of Paid Service and the Chief Finance Officer. This "whistleblowing duty" is at the heart of the Monitoring Officer concept.

By virtue of the Local Government Act 2000, the Monitoring Officer holds the statutory role and responsibility for the ethical standards regime within the authority. The Monitoring Officer advises Members in relation to their interests and propriety on a day-to-day basis, maintains statutory registers, promotes, trains and monitors adherence to the Code of Conduct of Members (both to the County Councils and 77 Town and Community Councils), advises the Standards Committee, attends the Adjudication Panel for Wales as and when required and implements sanctions as appropriate.

The Monitoring Officer is required to be the "guardian of the Constitution", being responsible for reviewing and bringing forward changes to keep it up to date.

Legal & Democratic Services

Legal Services is an independent, objective service providing advice not only to support the decision-making process, but across the Council in relation to supporting all operational functions from regulatory to advisory. The service adds significant value in checks and balances, and directly assists the Council to accomplish its objectives by bringing impartial evaluation and oversight of risk.

Legal & Democratic Services provide legal support on all governance, regulatory and statutory functions, including attending Court, provides legal advice on the Transformation Programme including regionalisation and collaboration, and provides legal support and advice to Members, Council, Committees and Panels, advise on the democratic process and supports the Monitoring Officer.

Democratic Services enable the Council to fulfil its statutory functions in providing for democratic oversight and structure. The service provides support to Members including training, advice on the Constitution and Committee procedures and supports the functions of the Head of Democratic Services.

Internal Audit

Internal Audit is an independent, objective assurance and consulting service designed to add value and improve Pembrokeshire County Councils operations. It helps the Council accomplish its Well-being objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, internal control, financial management and governance arrangements.

The service complies with the Public Sector Internal Audit Standards (PSIAS). In accordance with the PSIAS, the Head of Internal Audit (Chief Audit, Risk & Information Officer) is required to deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual opinion of the Head of Internal Audit was:

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"I am satisfied that sufficient assurance work has been undertaken during 2019-20 to allow me to form a reasonable conclusion on the adequacy and effectiveness of the Council's governance, risks management, internal control and financial management arrangements. It is my opinion that overall, subject to variation between individual services/systems and the need for further improvement and development in some areas, the Authority has adequate governance, internal control, risk management and financial management arrangements in place which are operating effectively."

External Audit

Audit Wales are the appointed external auditors for Pembrokeshire County Council. During 2019-20, Audit Wales published the following local and national reports:

- [Pembrokeshire County Council - Follow-up Review of Whistleblowing and Grievance Policies and Procedures](#)
- [Pembrokeshire County Council - Review of Corporate Arrangements for Safeguarding](#)
- [Pembrokeshire County Council - Well-being of Future Generations Examination](#)
- [Pembrokeshire County Council - Use of Local Government Data](#)
- [Pembrokeshire County Council - Annual Improvement Report 2018-19](#)
- [National Report - Preparations in Wales for a 'no deal' Brexit](#)
- [National Report - The effectiveness of local planning authorities in Wales](#)
- [National Report - The 'Front Door' to Adult Social Care](#)
- [National Report - Review of Public Services Boards](#)
- [National Report - West Wales Regional Partnership Board - Integrated Care Fund](#)
- [National Report - Integrated Care Fund](#)
- [National Report - Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act](#)

Regulators

The Care Inspectorate Wales provides a professional independent opinion of the provision of Social Services in Wales. During 2019-20 the following local report was published:

- [Pembrokeshire County Council - Annual Performance Review Letter 2018-19](#)

During 2019-20, the following National reports were published:

- [National Review of Support for Disabled Children and their families](#)
- [National Review of Care for Children in Wales](#)
- [National Overview Report in relation to Care Experienced Children and Young People in Wales](#)
- [Deprivation of Liberty Safeguards: Annual Monitoring Report for Health and Social Care 2017-18](#)

Estyn is the office of Her Majesty's Inspectorate for Education and Training in Wales. The purpose of Estyn is to inspect quality and standards in education and training in Wales. During 2019-20 the following report was published:

- [Inspection Report Pembrokeshire County Council 2020](#)

Additional Assurance

During February 2020 Pembrokeshire County Council participated in a Corporate Peer Review with the Local Government Association, which was the first in Wales. The [report](#) was published in May 2020.

Medium Term Financial Plan (MTFP)

The Council has successfully bridged a funding gap of £90m over the period 2014-15 to 2019-20 by a combination of £20m additional income from Council Tax increases (including base changes), £68.7m in cost reductions/efficiencies, a £0.6m contribution from the Council Tax 2nd homes income (community element) and a £0.7m one-off contribution from reserves.

The £6.5m funding gap for 2020-21 is expected to be met from cost reductions/efficiencies and additional income from an increase in Council Tax. The approved budget is currently being re-profiled as a result of COVID-19.

In February 2020 a summary [Medium Term Financial Plan](#) was approved, pending the UK Government budget on 11 March 2020, which highlighted an anticipated funding gap of £32.6m for the period 2020-21 to 2023-24. It was expected that a detailed MTFP would be produced during the first quarter of 2020-21, however this was delayed due to COVID-19. A detailed MTFP will be produced and will take into account the impact of COVID-19 on potential future financial settlements, availability of grant funding (including Brexit impacts), the changing local economic position and local political appetite to make significant cuts and/or increases in Council Tax and charges.

Business Risk Management

Members and Officers are responsible for ensuring that risk is considered in the decisions that they take and suitable arrangements are put in place to manage risk. The Audit Committee has responsibility for overseeing the Council's Business Risk Management arrangements.

The Council's Business Risk Management Strategy is reviewed and updated annually to ensure it remains aligned to the Council's Well-being objectives and is a true reflection of the risk appetite. The Business Risk Management Strategy outlines the roles, responsibilities and the approved framework for managing business risk.

The Corporate Risks identified and managed during 2019-20 are summarised below, including the residual risk rating (1 low to 16 high) for each quarter (Q):

Corporate Risk	Residual Rating Q4	Residual Rating Q3	Residual Rating Q2	Residual Rating Q1
Social Services – Demand, Demographics & Delivery	16	16	16	16
Climate Change	16	16	16	
Medium Term Financial Plan (MTFP)	12	12	12	12
Wellbeing of Staff in a Reducing Workforce	12	12	12	12
Brexit	16	16	16	12
Cyber Security	12	12	12	12
Information Governance	12	12	12	12
Loss of a Significant Employer	16	12	12	
Grant Funding	9	9	9	9
Major Supplier Failure	16	9	9	
Officer/Member Relations	6	9	9	9
21 st Century Programme & Project Management (Band B)	8	12	12	8
Safeguarding	8	8	8	8
Delivery of the Programme for the Administration				6
Joint Working & Partnership Arrangements	6	6	6	6

The Red and Amber highlights the difference in rating with red being high risks and amber medium risks.

The risk profile of the Council has been impacted by the COVID-19 pandemic. An updated Corporate Risk Register has been developed which reflects the threats and opportunities facing the Council as a result of the crisis and recovery.

Counter Fraud

The Audit, Risk & Information Service are responsible for Counter Fraud and Investigations into purported fraud and irregularity. There were 7 referrals of purported fraud and irregularity received during 2019-20 which resulted in 3 investigations being undertaken, one of which was referred directly to the Police. The list below is a summary of the themes of investigations undertaken in 2019-20:

- Non-compliance with Financial Regulations
- Non-compliance with Policy & Procedures
- Theft

The Council has a Zero Tolerance approach to Fraud. This ethos is supported by a [Whistleblowing Policy](#) and a [Counter Fraud, Corruption & Bribery Policy Statement & Strategy](#). Additionally, there is an approved [Anti-Money Laundering Policy](#) and [Due Diligence & Know Your Customer Procedure](#) in place. The outcome of investigation's undertaken during 2019-20 resulted in a strengthening of security and internal controls, and management action.

The risk of fraud was heightened during the COVID-19 crisis. The Council followed guidance issued by the UK Government Counter Fraud Function, acted promptly when receiving alerts from the National Anti-fraud Network and procured data matching support from Cifas fraud prevention service.

Transformation Programme

The Council's Transformation Programme was established in response to the funding gap identified. On 16 April 2018, Cabinet approved the [Transformation Programme Governance Arrangements](#). The current Transformation Programme has 16 core work streams under 3 themes: Technological Transformation, Cultural Transformation, and Relationship Transformation. The Transformation Programme provides Directors and Heads of Service with the tools required to assist them in achieving their cost reduction/efficiency targets (maintaining their flat-line budget) over the MTFP.

Performance Management

National and local performance measures are monitored and reported to CMT and Services Overview & Scrutiny Committee on a quarterly basis. Annual performance data is reported to CMT, [Services Overview & Scrutiny Committee](#) and Cabinet.

Data Cymru (formerly the Local Government Data Unit) collates local authority performance data across Wales. Data Cymru no longer produce an annual report, but information is available on their website <http://www.mylocalcouncil.info/>.

Information Governance

The Director of Resources is the Council's Senior Information Risk Owner (SIRO) with overall responsibility for the Council's Information Security Policy to ensure that there are safeguards in place to protect information. Information Management is one of the work streams within the Transformation Programme. A Data Management Strategy was developed during 2019-20 and further work will be progressed during 2020-21.

Data Protection

The Chief Audit, Risk and Information Officer is the Council's Statutory Data Protection Officer. The Data Protection Officer maintains the Council's Information Asset Register, which also records compliance, breaches, and security incidents to inform the Council's services overall information security risks.

Complaints

The annual report on Social Services Compliments & Complaints, along with the Annual Letter from the Public Services Ombudsman for Wales is reported to Cabinet. The Complaints Standards Authority was established during 2019-20 and will work with Public Services in Wales to support a consistent approach to complaint handling. The Council will continue to engage with the Complaints Standards Authority during 2020-21 to develop a programme of training sessions.

Conclusion

Following a review of the Council's planned changes and priorities, current business risks and progress against the AGS action plan 2018-19, along with the Council's assessment of the effectiveness of its governance arrangements, the table below summarises the areas identified for improvement and prioritised for delivery during 2020-21. The action plan is RAG (Red, Amber, Green) rated to determine the current position and potential impact on the Council, i.e. Red rated issues are significant risks to the Council which will largely be determined by external factors, amber rated issues are areas of improvement required by the Council which are largely within its control, and green rated issues are work-in-progress within the Council which are prioritised for delivery to improve the overall governance arrangements. The Audit Committee will monitor progress against the action plan throughout the meetings in 2020-21.

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Annual Governance Statement 2019-20 Action Plan

Significant Governance Issues			
Current Position	Planned Actions/Key Milestones	Owner	Key Milestone Completion Dates
<p>Financial Planning A summary Medium Term Financial Plan (MTFP) was approved in February 2020, pending the UK Government budget on 11 March 2020. The combined impact of Brexit and COVID-19 both locally and nationally will have a significant impact on the MTFP. A detailed MTFP will be produced and will take into account the impact of COVID-19 on potential future financial settlements, availability of grant funding (including Brexit impacts), the changing local economic position and local political appetite to make significant cuts and/or increases in Council Tax and charges.</p>	<ul style="list-style-type: none"> • Re-profile the 2020-21 budget to take into account the impact of COVID-19; • Development of a MTFP which is adaptable to the phases of response – incident (crisis), recovery and steady state; • Production of an evidence based assessment and options for Service Prioritisation; • Completion of the Senior Management restructure. 	<p>Director of Resources</p> <p>Director of Resources</p> <p>Director of Resources</p> <p>Chief Executive</p>	<p>September 2020</p> <p>November 2020</p> <p>October 2020</p> <p>TBD</p>
<p>Social Services – Demand Management Due to the demographic of the local population, managing demand for Social Services support has continued to be a challenge within available resources (both internal and external). The continued impact of COVID-19 is likely to have significant consequences for Social Services in terms of increased demand for services and support and also availability of providers to provide services in a safe and resilient manner.</p>	<ul style="list-style-type: none"> • Build on the success of the Community Hub, which was developed in response to the COVID-19 crisis; • Increase capacity to deal with demand and provide resilience; • Use external transformation funding to fund an emergency care team with health; • Continued review and monitoring of budgets to identify pressures at the earliest opportunity to ensure a balanced budget is achieved by the year end; • Maximising any available external funding sources which could be available either to the Council or Service Providers as a result of COVID-19. 	<p>Director of Social Care & Housing</p> <p>Head of Strategic Joint Comm./ European Manager</p>	<p>TBD</p> <p>Ongoing</p>

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Significant Governance Issues			
Current Position	Planned Actions/Key Milestones	Owner	Key Milestone Completion Dates
<p>Organisational Recovery from COVID-19 During the COVID-19 response phase the Council suspended some services, operated in different ways and undertook new duties. As the Council moves into the recovery phase, there is need for the prioritisation of restoration of Council services, functions and operations to move the Council towards a state of maintainable normality. This will need to be done in a structured manner to maintain the safety of the public, staff and members, whilst taking advantage of the organisational learning opportunities presented by COVID-19.</p>	<ul style="list-style-type: none"> • Completion of an Organisational Learning review; • Prioritisation of Restoration of Services based on emerging guidance, availability of required resources (staffing, Personal Protective Equipment, buildings, transport, etc), and demand; • Co-ordination and management of workforce changes and demands to improve organisational resilience and deliver desired organisational priorities; • Mapping and alignment of the Policy Framework (all Strategies and Policies) with the organisational priorities post COVID-19; • Supporting the delivery of prioritised changes based on Organisational Learning outcomes to enable services to remodel, restore and renew. 	<p>Chief Audit, Risk & Information Officer</p> <p>Director of Resources</p> <p>Head of HR</p> <p>Partnerships & Scrutiny Support Manager</p> <p>Business Change Manager</p>	<p>August 2020</p> <p>Ongoing</p> <p>Ongoing</p> <p>August 2020</p> <p>Ongoing</p>

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Significant Governance Issues			
Current Position	Planned Actions/Key Milestones	Owner	Key Milestone Completion Dates
<p>Education</p> <p>In December 2019 Estyn completed an Inspection of the Councils Local Government Education Services (LGES) and concluded that the LGES are causing significant concern and require follow-up activity.</p> <p>As with other Local Education Authorities, school based learning was suspended for a 3 month period due to COVID-19 lockdown arrangements. Schools will re-open on 29 June 2020. Restoring schools in a safe and sustainable manner is the Councils top priority.</p>	<ul style="list-style-type: none"> • Implementation of the Estyn Action Plan presented to Schools & Learning Overview & Scrutiny Committee 11 June 2020; • Undertaking post-implementation reviews to measure success of actions taken; • Continued provision of equipment and teaching support to students working remotely; • Supporting vulnerable learners back into hub and school settings; • Implementation of the recommendations from the Internal Audit reviews of the School Effectiveness (Challenge Adviser Role) and Changes in School Leadership. 	<p>Acting Director for Children & Schools</p>	<p>TBD</p>
<p>Education through Regional Working (ERW) Partnership</p> <p>The effectiveness of ERW has diminished in recent years, with the focus of the Partnership having shifted from delivery of educational outcomes to the footprint and governance arrangements of the Partnership. The Internal Audit review of ERW has resulted in a limited assurance opinion for the third consecutive year.</p> <p>Neath Port Talbot County Council have withdrawn from the collaboration and Ceredigion, City and County of Swansea and Carmarthenshire County Councils have given notice to do likewise. Chief Executives and Leaders have met with the Minister for Local Government for an initial discussion regarding potential future arrangements at which there are a stated preference for a new consortia to be based on</p>	<ul style="list-style-type: none"> • Meeting with Minister for Education to confirm position for Pembrokeshire that will best serve our learners. • Arrangements to bring ERW to a close. • Pembrokeshire County Council reviews the service level agreements with ERW and puts plans in place for their potential cessation to ensure no financial detriment. 	<p>Chief Executive</p>	<p>July 2020</p> <p>March 2021</p> <p>March 2021</p>

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a Swansea Bay City Deal footprint. The Leader, Cabinet Member, Chief Executive and Interim Director wrote to the Minister for Education in May seeking an urgent meeting and restating Pembrokeshire's commitment to regional working, with benefits to learners at the core of our interests.

Pembrokeshire County Council provides a number of core services to ERW, some of which are funded through a service level agreement (HR, IT, Finance, Procurement and Internal Audit) with the Section 151 Officer role being delivered as an in-kind arrangement (core roles split across the partner authorities).

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Priority for Improvement			
Current Position	Planned Actions/Key Milestones	Owner	Key Milestone Completion Dates
<p>Local Code of Governance Since the Local Code of Governance was approved in 2017 there have been a number of changes to the policy and governance framework that are not currently reflected.</p>	<ul style="list-style-type: none"> Update the Local Code of Governance and move to a web-based interactive format to simplify maintenance. 	Chief Audit Risk & Information Officer	December 2020
<p>Commercial Property Management An Internal Audit review of Commercial Property Rent Arrears undertaken during 2019-20 resulted in a limited assurance opinion. A number of issues identified have been raised in previous reviews.</p> <p>COVID-19 impacts have necessitated a revised policy for rent reviews and the Coronavirus Act 2020 includes a moratorium on forfeiture. Officers are using the UK Government Code of Practice for commercial property relationships during the COVID-19 pandemic.</p>	<ul style="list-style-type: none"> Implementation of the Internal Audit recommendations. Follow-up of actions to provide assurance that intended outcomes have been achieved. 	Chief Property Officer Chief Audit, Risk & Information Officer	TBD TBD
<p>Implementation of the Peer Review Recommendations The Council participated in the first Corporate Peer Challenge in Wales with the Local Government Association (LGA) in February 2020. A number of governance issues were highlighted within the review as requiring improvement. An action plan to address the recommendations is being developed.</p>	<ul style="list-style-type: none"> Draft action plan in response to the recommendation of the Corporate Peer Review to be submitted to Council for approval; Implementation of the recommendations from the Corporate Peer Challenge; Post implementation review to ensure actions taken have achieved the intended outcomes. 	Chief Executive	September 2020 TBD TBD

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Priorities for Delivery			
Current Position	Planned Actions/Key Milestones	Owner	Key Milestone Completion Dates
<p>Target Operating Model</p> <p>The Corporate Peer Challenge highlighted the need to establish clarity around the Target Operating Model for the Council. The impact of COVID-19 has further highlighted the need to produce an updated Target Operating Model to provide clarity over the transformation required to provide efficient and effective use of resources to deliver needs of the communities we serve.</p> <p>Work to develop a Target Operating Model has been continuing but is currently paused following the development of a Policy on a Page by Cabinet, in order to take account of lessons learned arising from the response to COVID-19.</p>	<ul style="list-style-type: none"> • Utilising the intelligence gleaned from Organisational Learning and the Community Impact Assessment to deliver a revised Target Operating Model; • Continual review of the effectiveness of the Target Operating Model as the basis for decision making; • Embedding Organisational Learning into the business processes of the Council to ensure the Target Operating Model remains fit for purpose. 	Chief Executive	TBD
<p>Carbon Reduction</p> <p>The Council declared a Climate Emergency in May 2019 and continues to work towards being a net zero carbon Authority by 2030.</p>	<ul style="list-style-type: none"> • Capitalising on changes in working practices as a result of COVID-19 to further reduce carbon emissions; • Develop a plan towards being a net zero carbon by 2030; • Work with the Public Services Board (PSB) and Swansea Bay City Deal (SBCD) Joint Committee to develop opportunities to deliver carbon saving; • Collaborate with experts from the private sector and 3rd sectors to develop innovative solutions to becoming net zero carbon. 	Director of Community Services	<p>Ongoing</p> <p>September 2020</p> <p>Ongoing</p>

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Priorities for Delivery			
Current Position	Planned Actions/Key Milestones	Owner	Key Milestone Completion Dates
<p>Financial Information Management Systems (FIMS) The Council planned to implement a Financial Information Management System in March 2020, which would replace the current ledger and a number of legacy systems. Due to COVID-19 the decision was taken to suspend implementation until later in the year.</p>	<ul style="list-style-type: none"> Revise the implementation plan with key milestones to achieve implementation by 31 March 2021. 	Deputy Chief Finance Officer	September 2020
<p>Continuing to Build Positive Community Relationships During the COVID-19 response there has been great progress in strengthening relationships, with examples such as the establishment of the Community Hub and establishing an Independent Advisory Group. The Council will aim to build on these positive foundations.</p>	<ul style="list-style-type: none"> COVID-19 positive community relationships to be dovetailed into the Council's Relationships Transformation Programme under the direction of the Executive Sponsor (Relationships). Development of a workstream to ensure the positive community relationships built during COVID-19 are enhanced still further. 	Director of Social Care & Housing	TBD
<p>Counter Fraud There has been a heightened risk of fraud during the pandemic. The threat is expected to continue and additional measures will need to be put in place to minimise the threat.</p>	<ul style="list-style-type: none"> Awareness raising and targeted training/campaigns; Continuing regular data matching exercises to identify any unusual or suspicious transactions; Explore the opportunity to become a member of Cifas to access cross-sector fraud sharing databases; Continual risk assessing new/changing working practices to identify fraud threats and provide support in identifying mitigating actions. 	Chief Audit, Risk & Information Officer	<p>Ongoing</p> <p>Ongoing</p> <p>September 2020</p> <p>Ongoing</p>

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Priorities for Delivery			
Current Position	Planned Actions/Key Milestones	Owner	Key Milestone Completion Dates
<p>Communications, Consultation & Engagement A Communications review was reported to Cabinet in December 2020. Cabinet resolved to engage the Local Government Association to carry out a Communications Peer Challenge in March 2020, however, this was postponed due to COVID-19.</p> <p>Consultation and engagement has been highlighted as an area for improvement from a number of internal and external sources.</p> <p>The Council has adapted its approach to these fields adeptly as a consequence of the necessity to respond to the demands arising from the COVID-19 pandemic. That said, the intention to work with the LGA on a review to inform the development of a strategy remains and will be confirmed as soon as practically possible. Engagement software has been identified and agreement to purchase approved.</p>	<ul style="list-style-type: none"> • Liaise with the LGA to arrange a date for the Communications Peer Challenge to be undertaken; • Develop a Communications Strategy. • Purchase and promote use of new Consultation & Engagement software; 	<p>Chief Executive</p> <p>Chief Executive Head of IT</p>	<p>As soon as possible.</p> <p>TBD</p> <p>July 2020</p>
<p>Data Management In March 2020 the Transformation Board approved a high level Data Management Strategy as a roadmap to transform the Councils approach to managing data and information to become a data driven Council.</p>	<ul style="list-style-type: none"> • Undertake a review of the high-level Data Management Strategy to identify achievable actions in view of current COVID-19 capacity restraints. • Work towards delivery of the high-level Data Management Strategy. 	<p>Chief Audit Risk & Information Officer</p>	<p>September 2020</p> <p>March 2021</p>

Leader/Chief Executive (Head of Paid Service)

We have been advised on the implications of the results of the review of the effectiveness of the governance framework including the system of internal control and a plan to address weaknesses and ensure continuous improvement of the systems in place.

To the best of our knowledge, the framework identified above has been effectively operated during the year.

The process by which the effectiveness of the governance framework including the system of internal control is reviewed will continue to be developed in the future taking account of the Code, experience, best practice, appropriate guidance and any changes in legislation impacting on the Annual Governance Statement.

We propose over the coming year to take steps to address the above matters to enhance further our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

COUNCILLOR D.SIMPSON
Leader
Date:

I. WESTLEY
Chief Executive
Date: