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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB / Civic Offices, Angel Street, Bridgend, CF31 4WB

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Annwyl Cyngorydd,

PWYLLGOR LLYWODRAETHU AC ARCHWILIO

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio Hybrid yn Siambr y Cyngor - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / O Bell Trwy Timau Microsoft ar **Dydd Mercher, 26 Gorffennaf 2023 am 10:00.**

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddi-ddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Cymeradwyaeth Cofnodion 3 - 16
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 01/06/23.
4. Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 17 - 22
5. Datganiad Cyfrifon Drafft 2022-23 23 - 114
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10. Diweddariad Traciwr Rheoleiddio 199 - 214
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12. Blaenraglen Waith wedi'i Diweddaru 2023-24

247 - 252

13. Materion Brys

I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Siambr y Cyngor, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr / o bell Trwy Timau Microsoft. Bydd y cyfarfod cael ei recordio i'w drosglwyddo drwy wefan y Cyngor. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â cabinet_committee@bridgend.gov.uk neu ffoniwch 01656 643147 / 643148.

Yn ddiffuant

K Watson

Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol

Dosbarthiad:

Cynghorwyr

C Davies

E Richards

M L Hughes

MJ Williams

Cynghorwyr

RM Granville

S J Griffiths

S J Bletsoe

A Williams

Aelodau Lleyg

Mr G Chapman

Mr B Olorunnisola

Mr A Bagley

PWYLLGOR LLYWODRAETHU AC ARCHWILIO - DYDD IAU, 1 MEHEFIN 2023

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A
GYNHALIWYD YN HYBRID IN THE COUNCIL CHAMBER - CIVIC OFFICES, ANGEL
STREET, BRIDGEND, CF31 4WB DYDD IAU, 1 MEHEFIN 2023, AM 10:00

Presennol

Y Cyngorydd Mr G Chapman – Cadeirydd (Aelod Lleyg)

S J Bletsoe
A Williams

RM Granville
MJ Williams

M L Hughes

E Richards

Aelodau Lleyg

B Olorunnisola, A Bagley

Ymddiheuriadau am Absenoldeb

C Davies a/ac S J Griffiths

Swyddogion:

Martin Bell	Rheolwr Grŵp, TGCh
Sara-Jane Byrne	Archwilio Cymru
Anthony Veale	Archwilio Cymru
Andrew Wathan	Pennaeth Gwasanaeth Archwilio Rhanbarthol
Joan Davies	Dirprwy Pennaeth Gwasanaeth Archwilio Rhanbarthol
Deborah Exton	Dirprwy Bennaeth Cyllid
Mark Galvin	Uwch Swyddog Gwasanaethau Democraidaidd - Pwyllgorau
Stephen Griffiths	Swyddog Gwasanaethau Democraidaidd - Pwyllgorau
Carys Lord	Prif Swyddog - Cyllid, Perfformiad a Newid
Kate Pask	Swyddog Gwella Corfforaethol - Perfformiad
Alex Rawlin	Rheolwr Polisi Corfforaethol a Materion Cyhoeddus
Simon Roberts	Uwch Ymchwilydd Twyll
Nigel Smith	Rheolwr Grŵp – Prif Gyfrifydd
Eilish Thomas	Rheolwr Cyllid – Rheoli Ariannol a Chau

70. ETHOL CADEIRYDD

PENDERFYNWYD: Ethol G Chapman yn Gadeirydd

71. ETHOL IS-GADEIRYDD

PENDERFYNWYD: Ethol A Bagley yn Is-gadeirydd.

72. DATGANIADAU O FUDDIANNAU

Dim

73. CYMERADWYO'R COFNODION

PENDERFYNWYD: Cymeradwyo'r cofnodion yn amodol ar y diwygiadau canlynol:

Bod angen ychwanegu PENDERFYNWYD at Gofnod 62.

Y dylem gadw mewn cof fod y rhain yn ddogfennau cyhoeddus ac y dylid cymryd gofal i beidio â defnyddio byrfodau heb sillafu'r geiriau'n llawn yn gyntaf.

Ar dudalen 6, paragraff 5, dylid newid y frawddeg fel a ganlyn: "Gan edrych ar y wybodaeth o gwmpas safbwynt defnyddiwr y gwasanaeth a'r canlyniadau."

74. **COFNOD GWEITHREDU'R PWYLLGOR LLYWODRAETHU AC ARCHWILIO**

Cyflwynodd Uwch Swyddog y Gwasanaethau Democrataidd – Pwyllgorau - yr adroddiad, gan nodi mai ei ddiben oedd rhoi diweddariad i'r Aelodau am Gofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio.

Tynnodd y Cadeirydd sylw at yr eitem ar Gwynion Corfforaethol o 15 Mawrth 2022. Gofynnodd am ddiweddariad ar fater penodol y ffordd y câi cwynion ysgol eu cofnodi.

Dywedodd Uwch Swyddog y Gwasanaethau Democrataidd – Pwyllgorau ei fod wedi siarad â'r Cyfarwyddwr Addysg ynglŷn â'r mater hwn, ac nad oedd yna lawer, os dim o gwbl, o gwynion yn cael eu gwneud am ysgolion. Cynigiodd y gellid anfon e-bost at yr Aelodau i roi'r wybodaeth ddiweddaraf iddynt am y sefyllfa bresennol yn hytrach na dod ag adroddiad i'r Pwyllgor.

Mewn ymateb i hyn, tynnodd Aelod sylw at bryderon a fynegwyd mewn cyfarfod cyhoeddus ynghylch cludiant ysgol yng Nghorneli ac awgrymodd mai dyma'r math o beth y dylid ei ystyried yn gŵyn ynghylch ysgolion.

Awgrymodd y Cadeirydd y gellid ystyried yr holl faterion hyn fel rhan o'r eitem benodol ar yr agenda ynghylch Cwynion Corfforaethol.

Tynnodd Aelod Lleyg sylw at yr angen i fod yn glir ynghylch yr hyn sy'n 'weithgarwch parhaus' ac yn 'weithred' a'r hyn nad yw. Dim ond unwaith y gellir cyflawni gweithred ac ni all fod yn weithgaredd parhaus nac yn fusnes fel arfer.

Dywedodd Aelod Lleyg arall nad oedd yn siŵr a oedd yr olrheiniwr yn nodi'r holl gamau a drafodwyd mewn cyfarfodydd, a bod risg bod camau gweithredu'n cael eu colli.

Roedd yn falch bod trafodaethau y tro diwethaf ynghylch blaenoriaethu'r cynllun archwilio wedi cael eu dilyn ond, unwaith eto, roedd yn meddwl ei bod yn bwysig tynnu sylw at y cam gweithredu, gan nodi sut y cafodd y mater ei ddatrys ac a yw wedi ei gau. Ychwanegodd y siaradwyd am gysoni'r dyddiau yn y cynllun archwilio y tro diwethaf, a bod hwnnw'n gam gweithredu posibl, ond nad oedd wedi cael ei nodi yn y Cofnod Gweithredu. Gallai fod manteision mewn cael mwy o fanylion yn y Cofnod Gweithredu wrth fynd ymlaen.

Dywedodd y Prif Swyddog - Cyllid, Perfformiad a Newid fod swyddogion yn mynd drwy'r cofnodion ar ôl pob cyfarfod o'r Pwyllgor ac yna'n gwneud yn siŵr eu bod yn mynd drwodd i'r Cofnod Gweithredu. Ceisiodd swyddogion roi pethau ar yr olrheiniwr oedd yn ymestyn dros fwy nag un cyfarfod fel nad oeddent yn colli golwg arnynt, ond roedd hi'n hapus i gael ei chynghori gan yr Aelodau ynghylch y ffordd orau ymlaen.

Daeth yr Aelod Lleyg yn ôl i awgrymu, pe bai gwaith craffu'n cael ei gynnal ar waith y Pwyllgor, y byddai'n ofynnol dangos sut yr oedd Aelodau'n olrhain ac yn dwyn i gyfrif y rheiny oedd â chyfrifoldeb am faterion o fewn maes y Pwyllgor.

Awgrymodd y Cadeirydd y gallai'r Uwch Swyddog Gwasanaethau Democrataidd - Pwyllgorau a swyddogion eraill ystyried y materion a godwyd a gwneud newidiadau i'r Cofnod Gweithredu ar gyfer y cyfarfod nesaf.

PENDERFYNWYD:

Bod y Pwyllgor wedi nodi'r Cofnod Gweithredu a gwneud sylwadau arno, fel oedd yn briodol.

75. **ADRODDIAD GAN ARCHWILIO CYMRU AR Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO**

Pwrpas yr adroddiad hwn oedd cyflwyno un adroddiad i'r Pwyllgor – sef **Cynllun Archwilio Amlinellol Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr 2023 (Atodiad A)** – gan Archwilio Cymru.

Roedd y Cynllun Archwilio Amlinellol yn nodi cyfrifoldebau statudol yr Archwilydd Allanol ac yn nodi manylion y tîm archwilio a dyddiadau allweddol ar gyfer cyflawni gweithgareddau'r tîm a'r allbynnau arfaethedig.

Cyhoeddir Cynllun Archwilio Manwl ym mis Gorffennaf 2023 ar ôl cwblhau'r gwaith cynllunio.

Yn ogystal â gwaith ar ddatganiadau ariannol, bydd gwaith archwilio Perfformiad ar Sicrwydd ac Asesu Risg, gwaith lleol ar Briffyrdd a Thrafnidiaeth, a dau adolygiad thematig ar gomisiynu a rheoli contractau a chynaliadwyedd ariannol mewn llywodraeth leol.

Cyhoeddwyd y cynllun ffioedd ar gyfer y flwyddyn ym mis Ionawr 2023. Mae hwn yn nodi cyfraddau ffioedd a hefyd yn amlygu effaith y safon archwilio ddiwygiedig ISA 315 ar archwilio ariannol. Mae rhagor o fanylion am y safon archwilio ddiwygiedig a'r hyn y mae'n ei olygu ar gyfer y gwaith a wneir gan Archwilio Cymru i'w gweld yn **Atodiad 1**.

Tynnodd yr Aelodau sylw at un neu ddau o faterion, sef: sut y gwnaed dewisiadau ynglŷn â beth i ganolbwyntio arno, ac a allai fod arbedion yn y tymor hir pe gellid dibynnu mwy ar dechnoleg i wneud gwaith archwilio.

Mewn ymateb, trafododd cynrychiolydd o Archwilio Cymru y broses drwyadl a chadarn o asesu sicrwydd a risg a gynhaliwyd ganddynt i gynhyrchu eu cynllun ar gyfer y flwyddyn.

Gan ymateb i'r mater ynghylch ffioedd a thechnoleg, dywedodd cynrychiolydd o Archwilio Cymru y gallai technoleg hwyluso newidiadau mewn cynlluniau ffioedd dros y tymor hir. Dywedodd, er enghraifft, eu bod yn ceisio hyrwyddo'r defnydd o ddadansoddeg data, gan gymhwyso technegau dadansoddol i'r Cyfrifyfr. Gallai hyn helpu archwilyddwr i fynd drwy'r archwiliad ychydig yn gyflymach oherwydd y gallai gymhathu a threfnu data mewn ffordd lawer gwell na thrwy daenlenni.

Tynnodd y Cadeirydd sylw at y ffaith fod ffioedd bob amser yn codi a'i bod yn amlwg eleni y byddai cynnydd chwyddiant yn debygol yn y ffi o 5% a chost ychwanegol o 10% a bod hyn yn digwydd pan oedd setliad llywodraeth leol yn 7% a darparu gwasanaethau yn hynod o anodd yn y rhan fwyaf o awdurdodau lleol yng Nghymru.

Mewn ymateb i hyn, gofynnodd Aelod faint yr oeddem yn ei dalu yn awr fesul blwyddyn a beth fyddai gyda 15% yn ychwanegol ar ben hynny?

Dywedodd y Prif Swyddog - Cyllid, Perfformiad a Newid y byddai'n cylchredeg y ffigur i'r Aelodau.

PENDERFYNWYD:

Nododd y Pwyllgor yr Adroddiad gan Archwilio Cymru ar y Pwyllgor Llywodraethu ac Archwilio yn Atodiad A.

76. **LLYTHYR ARCHWILIO CYMRU AM Y MATERION OEDD YN CODI O ARCHWILIAD 2021-22.**

Roedd yr adroddiad hwn yn hysbysu'r Pwyllgor am y materion oedd yn deillio o archwiliad Datganiad Cyfrifon 2021-22. Cymeradwywyd y Datganiad Cyfrifon archwiliedig gan y Pwyllgor ar 26 Ionawr 2023. Ar ôl cwblhau'r archwiliad, gwnaeth Archwilio Cymru nifer o argymhellion. Mae eu llythyr wedi ei atodi yn **Atodiad A**.

Roedd Atodiad 1 y Llythyr Archwilio yn cyflwyno chwe argymhelliad yn dilyn archwilio Datganiad Cyfrifon y Cyngor. Mae swyddogion wedi ystyried yr argymhellion, ac mae'r cynnydd yn erbyn yr argymhellion hynny hefyd wedi ei nodi yn yr Atodiad. Bydd Archwilio Cymru yn cynnal adolygiad o'r argymhellion hynny pan fyddant yn archwilio Datganiad Cyfrifon 2022-2023.

Tynnodd Aelod sylw at fater taliadau dyblyg. Canfu profion un taliad dyblyg ymhlith deunaw o drafodion gwariant, a chanfu profion pellach ddau daliad dyblyg arall ymysg tri ar ddeg o daliadau dyblyg ychwanegol posibl. Cyfanswm gwerth y tri thaliad dyblyg a nodwyd oedd £4,884.71.

Roedd yr Aelod yn bryderus ynghylch ymateb y rheolwyr i hyn, o ystyried faint o daliadau dyblyg posibl y gellid eu cael bob blwyddyn. Mae tri allan o dri deg un bron yn 10% a byddai 10% o'r holl daliadau yn nifer fawr. Roedd arno eisiau gwybod pa arferion oedd wedi cael eu sefydlu i ganfod taliadau dyblyg nas ystyriwyd yn y sampl, a gofynnodd beth oedd yn digwydd pan na ellid adennill taliadau dyblyg.

Dywedodd y Rheolwr Grŵp - Prif Gyfrifydd fod y Cyngor yn prosesu nifer enfawr o daliadau a thrafodion yn ystod y flwyddyn a bod ganddynt brosesau lle, cyn cyhoeddi rhediadau taliadau, roedd nifer o wiriadau'n cael eu gwneud i chwilio am gymaint o ddyblygiadau â phosibl. Roeddent yn edrych ar bethau fel rhifau anfonebau union yr un fath, dyddiadau, disgrifiadau, ac yn y blaen, ond yn anffodus roedd nifer o'r rhain, fel y nodwyd yn y sampl honno, wedi disgyn drwy'r gwiriadau hynny. Dywedodd fod angen iddynt fynd yn ôl i weld sut y gellid cryfhau gwiriadau fel nad yw'r Cyngor yn talu ddwywaith am unrhyw beth.

Dywedodd y Prif Swyddog - Cyllid, Perfformiad a Newid fod prosesau adfer ar waith, a gwnaeth ymrwymiad i'w crynhoi a'u hanfon at yr Aelodau.

Nododd Aelod fod yn rhaid i dderbynwyr taliadau dyblyg fod o dan rwymedigaeth i ddychwelyd yr arian a gofynnodd tybed a ellid cryfhau contractau gydag amodau sy'n gorfodi ad-dalu o dan yr amgylchiadau hynny.

Tynnodd Aelod Lleyg sylw at y drafodaeth, yn ddiweddarach yn y cyfarfod, ar y Cynllun Archwilio ac yn arbennig, adolygiad y systemau ariannol, y rhaglen dreigl o archwiliadau a fabwysiadwyd. Pwysleisiodd y byddai'n dda gwybod sut olwg sydd ar y rhaglen a lle mae taliadau'n ffitio yn y gylchred. Gallai taliadau fod yn gystadleuydd da ar gyfer adolygiad.

Tynnodd Aelod arall sylw at fater asedau dros ben a'r enghraifft a amlygwyd yn yr adroddiad.

Cadarnhaodd y Rheolwr Grŵp – Prif Gyfrifydd fod y Cyngor yn dal yr asedau a drafodwyd ac nad ydynt yn asedau a werthwyd. Dywedodd y câi'r broses briodol ei defnyddio wrth symud ymlaen ar gyfer unrhyw asedau a ystyrir uwchlaw anghenion y Cyngor.

Amlygodd cynrychiolydd o Archwilio Cymru, wrth gyfeirio at y mater o daliadau dyblyg, oherwydd ei bod yn broblem y llynedd, y byddai'n rhan o'u hasesiad risg eleni. Tynnodd sylw hefyd at waith y Fenter Twyll Genedlaethol, a ddisgrifiodd fel mecanwaith amddiffyn arall o ran arian cyhoeddus.

Roedd Aelod o'r farn ei bod yn werth nodi bod y llythyr yn glir nad oedd gan Archwilio Cymru unrhyw bryderon ynghylch yr agweddau ar arferion cyfrifyddu ac adroddiadau ariannol y Cyngor oedd yn ymwneud ag ansawdd. Ni wnaethant nodi unrhyw wendidau o bwys mewn rheolaethau mewnol, ond eu bod wedi nodi rhai meysydd posibl i'w gwella.

Gwnaeth y Cadeirydd nifer o sylwadau i gloi am y materion hynny a amlygwyd yn yr adroddiad, ac a drafodwyd gan yr Aelodau, gan gynnwys taliadau dyblyg, gweithdrefnau awdurdodi cyfnodolion, asedau dros ben, a risgiau ystafell y gweinyddwyr TG.

PENDERFYNWYD:

Yn amodol ar gryfhau'r atebion, nododd y Pwyllgor y llythyr oddi wrth Archwilio Cymru ynghylch materion yn codi ynghyd â'r argymhellion a'r atebion oedd ynghlwm yn **Atodiad A**.

77. ASESIAD RISG CORFFORAETHOL 2023

Pwrpas yr adroddiad hwn oedd rhoi Aseiad Risg Corfforaethol 2023-24 wedi ei ddiweddarau i'r Pwyllgor.

Ar hyn o bryd mae 11 risg ar y Gofrestr Risg Gorfforaethol ac mae pob un o'r risgiau hynny wedi cael ei hadolygu gan y Bwrdd Rheoli Corfforaethol.

Mae camau lliniaru yn parhau i fod ar waith ac ni wnaed unrhyw newidiadau i gategoriâu'r risgiau ers yr adolygiad ym mis Ionawr 2023.

Nodwyd mewn cyfarfod blaenorol bod ar yr Aelodau eisiau gweld gwelliannau yng nghyflwyniad y ddogfen. Mae rhaglen feddalwedd rheoli risg newydd wrthi'n cael ei phrofi ar hyn o bryd a gallai hyn wella ansawdd yr adroddiad fel y gallwn edrych ar dargedau, dyddiadau a chynlluniau gweithredu a hefyd ei gwneud yn gliriach lle mae newidiadau wedi cael eu gwneud i'r asesiadau risg corfforaethol. Gobeithir y bydd adroddiad newydd ar gael i'r Aelodau pan gyflwynir yr Aseiad Risg Corfforaethol nesaf i'r Pwyllgor.

Fel rhan o'r broses o amlygu'r risgiau i Aelodau, rhoddodd Rheolwr y Grŵp TGCh gyflwyniad ar seiberddiogelwch.

Er mwyn tanlinellu pwysigrwydd y mater, a phryder cyfredol penodol, tynnodd sylw at y ffaith fod porth diogelwch e-bost y Cyngor yn rhwystro 450 o e-byst gwe-rwydo bob dydd.

Gan ddefnyddio 10 Cam at Seiberddiogelwch, gan y Ganolfan Seiberddiogelwch Genedlaethol, i strwythuro ei gyflwyniad, trafododd y materion a ganlyn:

1. Rheoli Risg – mabwysiadu dull seiliedig ar risg o ddiogelu data a systemau.
2. Ymgysylltu a Hyfforddiant – adeiladu diogelwch ar y cyd sy'n gweithio i'r bobl yn y sefydliad.
3. Rheoli Asedau – gwybod pa ddata a systemau sydd gennym a pha anghenion busnes y maent yn eu cefnogi.
4. Pensaerniaeth a Chyfluniad – dylunio, adeiladu, cynnal a rheoli systemau yn ddiogel.
5. Rheoli'r hyn sy'n Agored i Niwed – diogelu systemau drwy gydol eu hoes. Dylid nodi bod archwiliad mewnol rhanbarthol diweddar ar y maes gwaith hwn wedi derbyn barn archwilio o sicrwydd sylweddol.
6. Rheoli Hunaniaeth a Mynediad – rheoli pwy a beth all gael mynediad at systemau a data.
7. Diogelwch Data – diogelu data lle mae'n agored i niwed.
8. Cofnodi a Monitro – dylunio systemau i allu canfod ac ymchwilio i ddigwyddiadau.
9. Rheoli Digwyddiad – cynllunio ymateb i ddigwyddiadau seiber ymlaen llaw.
10. Diogelwch y Gadwyn Gyflenwi – cydweithio â chyflenwyr a phartneriaid.

Mewn ymateb i'r cyflwyniad, gofynnodd Aelod sut yr ydym yn gwneud copi wrth gefn o'n systemau. Atebodd y Rheolwr Grŵp TGCh drwy ddweud bod systemau'r Cyngor yn cael eu rhedeg, o ddydd i ddydd, allan o'r ganolfan ddata ym Mhen-y-bont ar Ogwr, ond bod gan y Cyngor hefyd gytundeb cyd-gynnal gyda Rhondda Cynon Taf. Roedd holl ddata'r Cyngor yn cael ei gadw ar gopi wrth gefn cydamserol, byw, yng Nghanolfan Ddata Cwm Rhondda.

Cododd Aelod arall fater hyfforddiant a chadw i fyny â datblygiadau fel AI, codau QR ffug, a chamddefnyddio hunaniaeth bersonol. Atebodd Rheolwr y Grŵp TGCh drwy bwysleisio bod hwn yn fygythiad sy'n newid yn gyson a bod angen ymdrin â'r ffordd yr ydym yn addysgu staff am seiberddiogelwch. Awgrymodd y gallai siarad â'i reolwr llinell a'r Prif Swyddog - Cyllid, Perfformiad a Newid i symud hynny ymlaen ac adrodd yn ôl.

Tynnodd y Cadeirydd sylw hefyd at fater hyfforddiant ac yn benodol, sicrhau bod staff yn ymgymryd ag ef a bod tystiolaeth i ddangos hynny. Nododd fod rhai awdurdodau yn tynnu mynediad at gyfleusterau cyfrifiadurol yn ôl oddi ar staff oedd heb gwblhau hyfforddiant. Tynnodd sylw hefyd at y mater a ddygwyd i sylw'r Cyngor gan Archwilio Cymru ynghylch bocsys cardbord yn cael eu gadael yn ystafell y gweinydd, gan achosi perygl posibl o dân.

Tynnodd Aelod Lleyg sylw at fater parhad busnes mewn ymateb i seiberdroseddu, ac agwedd yr awdurdod at ddefnyddio cyfrifiadura yn y cwmwl, yn enwedig o ran llywodraethu mewnol.

Yn ei ateb, nododd Rheolwr y Grŵp TGCh fod cyfrifiadura yn y cwmwl, fel y defnydd o Dimau Microsoft er enghraifft, yn cael ei ddefnyddio'n helaeth gan y Cyngor, a bod ar Lywodraeth Cymru eisiau i awdurdodau lleol fabwysiadu agwedd 'Cwmwl yn gyntaf' at gyfrifiadura.

O ran llywodraethu mewnol, mae gan y Cyngor Fwrdd Trawsnewid Digidol i gymeradwyo pob system TGCh newydd. Mae'r profforma ar gyfer cynnig system

newydd yn gofyn a yw'n seiliedig ar y Cwmwl. Mae'r Aelodaeth bresennol yn cynnwys swyddogion, gyda chynrychiolwyr o bob cyfarwyddiaeth. Y Prif Swyddog - Cyllid, Perfformiad a Newid sy'n ei gadeirio. Awgrymwyd y gellid cylchredeg yr aelodaeth bresennol i'r Aelodau.

O ran y ffordd y byddai'r Cyngor yn ymadfer mewn ymateb i ymosodiad llwyddiannus ar seiberddiogelwch, pwysleisiodd Rheolwr y Grŵp TGCh fod yna gynllun parhad busnes helaeth yn ei le.

Daeth y Cadeirydd â'r eitem hon i ben drwy ofyn a ydy Llywodraeth Cymru, o ystyried ei bod yn dymuno i awdurdodau lleol fod yn seiliedig ar y Cwmwl, yn darparu unrhyw arian grant ychwanegol i gefnogi'r fenter honno. Nododd Rheolwr y Grŵp TGCh fod arian grant ar gael, fel arfer ar gyfer datblygiadau arloesol mewn cydweithrediad â phartner, ond bod rhaid i unrhyw beth y mae ar y Cyngor eisiau ei wneud ddod allan o'i gyllideb ef ei hun.

Diolchodd y Cadeirydd i Reolwr y Grŵp TGCh am roi'r cyflwyniad ac ateb y cwestiynau mewn ffordd dryloyw.

Cododd Aelod fater ychwanegol, nad oedd yn gysylltiedig â'r cyflwyniad. Roedd yn ymwneud â phennu cyllideb gadarn a'r risgiau oedd yn gysylltiedig â hynny. Yn benodol, tynnodd sylw at y materion llywodraethu sy'n ymwneud â'r broses, a'r ffaith nad oes gan y Cyngor bolisi i alluogi cynghorwyr nad ydynt yn gysylltiedig â'r Cabinet i wneud argymhellion neu roi cyllideb wahanol gerbron. Nododd ei fod yn credu'n gryf y gallai pob un o'r 51 cynghorydd ddod o hyd i syniadau da a fyddai'n gymorth i'r awdurdod hwn i osod cyllideb gytbwys a chadarn ond nad oes gan yr awdurdod brosesau yn eu lle ar hyn o bryd a fyddai'n galluogi hynny i ddigwydd.

Mewn ymateb i hyn, cytunai'r Prif Swyddog Cyllid, Perfformiad a Newid ei bod yn risg os nad oedd pob Cynghorydd wedi cael cyfle i wneud sylwadau ar yr hyn oedd yn cael ei wneud. Mae rhywfaint o waith yn mynd rhagddo i weld beth y gellir ei wneud i gefnogi grwpiau gwleidyddol os oes arnynt eisiau cyflwyno cynigion cyllidebol. Mae rhywfaint ohono'n ymwneud â'r adnoddau a'r capasiti sydd gan swyddogion i wneud hynny, yn ogystal ag amseru, ac ar hyn o bryd nid oes capasiti i alluogi pob un o'r pum deg un o aelodau pe bai arnynt i gyd eisiau cyflwyno eu cynigion cyllideb eu hunain. Ceisiodd roi sicrwydd i'r Aelod bod y mater yn derbyn sylw.

Awgrymodd y Cadeirydd fod yna faterion yma ar gyfer y Swyddog Monitro a materion llywodraethu yn ymwneud â Chyfansoddiad yr awdurdod. Roedd yn gobeithio y byddai'r Aelodau'n caniatáu i'r Prif Swyddog Cyllid, Perfformiad a Newid ddod o hyd i ateb i'r mater hwn.

Siaradodd Aelod arall o blaid y farn y dylid sicrhau bod cymorth priodol ar gael gan swyddogion ar gyfer cyllidebau gwahanol, a bod y Cyfansoddiad yn glir bod gan grwpiau'r gwrthbleidiau hawl i gyflwyno cynigion cyllideb gwahanol a'i bod yn amlwg y dylent gael cymorth priodol gan swyddogion ar gyfer hynny. Ar hyn o bryd, mae diffyg cysylltiad rhwng yr hyn y mae'r Cyfansoddiad yn ei ganiatáu i ddigwydd a pha mor ymarferol yw gwneud i hynny ddigwydd.

PENDERFYNWYD:

Fe wnaeth y Pwyllgor ystyried a nodi'r Asesiad Risg Corfforaethol 2023-24 (**Atodiad A**).

78. **ASESIAD BUSNES GWEITHREDOL**

Roedd yr adroddiad hwn yn hysbysu'r Pwyllgor am asesiad o'r Cyngor fel 'Busnes Gweithredol' gan Swyddog Adran 151 (a151) (Prif Swyddog - Cyllid, Perfformiad a Newid), i ddibenion cynhyrchu Datganiad Cyfrifon 2022-23.

Yn dilyn diwygiadau i'r Safonau Archwilio, y mae archwilwyr allanol y Cyngor yn cynnal eu harchwiliadau danynt, mae archwilwyr y Cyngor wedi gofyn am sicrwydd bod gan y Cyngor dystiolaeth ei fod wedi cwblhau asesiad 'busnes gweithredol', sy'n sail i baratoi ar gyfer y Datganiad Cyfrifon blynyddol.

Mae'r adroddiad hwn yn cadarnhau asesiad o'r Cyngor fel busnes gweithredol, fel sy'n ofynnol gan God Ymarfer y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA) ar gyfrifon awdurdodau lleol.

Mewn ymateb i'r adroddiad, tynnodd Aelod sylw at y modd yr ymdrinnir â llif arian. Roedd cynrychiolydd o Archwilio Cymru o'r farn fod yr adroddiad yn werthfawr iawn yng nghyd-destun anawsterau ariannol rhai awdurdodau lleol yn Lloegr, a bu'r Cadeirydd a swyddogion yn trafod materion yn ymwneud â'r system dalu ar gyfer y grant cynnal refeniw gan Lywodraeth Cymru.

At hynny, tynnodd y Cadeirydd sylw at God Llywodraethu Corfforaethol y Cyngor, a gafodd ei ddiweddarau yn ystod y flwyddyn ariannol ac a gymeradwywyd gan y Cabinet ar 7 Chwefror 2023. Nododd fod y Rheolwr Grŵp - Prif Gyfrifydd wedi ei sicrhau y câ'r Cod ei ystyried gan y Pwyllgor ym mis Medi.

PENDERFYNWYD:

Bod y Pwyllgor yn derbyn canlyniad asesiad statws busnes gweithredol y Cyngor i'r diben o baratoi Datganiad Cyfrifon 2022-23.

79. **LLYTHYR YMHOLIADAU ARCHWILIO GAN ARCHWILIO CYMRU AR GYFER ARCHWILIAD 2022-23**

Roedd yr adroddiad hwn yn rhoi Llythyr Ymholiadau Archwilio i'r Pwyllgor oddi wrth Archwilio Cymru, oedd yn gofyn nifer o gwestiynau i'r rhai oedd yn gyfrifol am lywodraethu a rheoli'r Cyngor. Roedd y llythyr i'w weld yn **Atodiad A**.

Gofynnwyd i'r Pwyllgor Llywodraethu ac Archwilio gytuno ar yr ymateb a chymeradwyo ei anfon yn ôl i Archwilio Cymru.

Tynnodd y Cadeirydd sylw at ddau fater:

1. Yr ateb i'r cwestiwn ynghylch twyll. Gofynnodd a oedd yn cynnwys y fenter twyll genedlaethol neu unrhyw broblemau gwrth-dwyll megis budd-dal tai. Dywedodd y Rheolwr Grŵp - Prif Gyfrifydd y byddai'n ymgynghori â'r swyddog twyll i weld a ellid cryfhau'r ateb. Dywedodd cynrychiolydd Archwilio Cymru fod y cwestiwn yn ymwneud â thwyll sylweddol.
2. Yn yr adran ar Ymholiadau Rheolaeth - mewn perthynas â chyfreithiau a rheoliadau, gofynnodd beth oedd pwrpas gofyn y cwestiynau eang hyn. Roedd cynrychiolydd Archwilio Cymru yn cydnabod bod y cwestiwn yn eithaf eang ond bod y ffocws ar geisio canolbwyntio ar faterion o bwys a

allai gael effaith ar y cyfrifon. Yn yr ystyr hwnnw, roedd yn ymwneud ag unrhyw ymglyfreitha posibl.

Dywedodd Aelod nad oedd yn afresymol disgwyl i awdurdod lleol fod yn cydymffurfio â chyfreithiau a rheoliadau perthnasol.

PENDERFYNWYD:

Yn amodol ar adolygiad o'r atebion, nododd a chytunodd y Pwyllgor ar yr atebion i Lythyr Ymchwiliadau Archwilio Cymru fel y'i hatodwyd yn **Atodiad A**.

80. **HUNANASESIAD CORFFORAETHOL 2022/23**

Pwrpas yr adroddiad oedd ystyried hunanasesiad y Cyngor ar gyfer 2021-22 a chyflwyno dull, proses ac amserlen arfaethedig i'r Pwyllgor Llywodraethu ac Archwilio ar gyfer datblygu'r hunanasesiad ar gyfer 2022-23.

I grynhoi, y bwriad oedd llenwi adroddiad tebyg iawn i adroddiad y llynedd. Cafodd yr adroddiad hwnnw adborth cadarnhaol, yn cynnwys gan Lywodraeth Cymru.

Câi'r adroddiad hunanasesu drafft ei gyflwyno i'r Pwyllgor Llywodraethu ac Archwilio ar 26 Gorffennaf 2023.

Yn dilyn proses o ymgysylltu ac ymgynghori dros yr haf, cynigiwyd bod yr hunanasesiad terfynol yn cael ei gyflwyno i'r Cabinet a'r Cyngor ym mis Medi 2023.

Tynnodd y Cadeirydd sylw at y broses ymgynghori gan nodi bod angen iddi fod yn agored a thryloyw, a gofynnodd a fyddai'r hunanasesiad terfynol yn newid o ganlyniad i'r ymgynghoriad dros yr haf fel ei fod yn dod yn ôl i'r Pwyllgor Llywodraethu ac Archwilio cyn mynd ymlaen i'r Cabinet a'r Cyngor.

Cadarnhaodd y Rheolwr Polisi Corfforaethol a Materion Cyhoeddus, o ystyried nad oedd y ffocws ar y cynnwys, nad oeddent yn bwriadu cynnal ymgynghoriad personol, nac ymgynghoriad ffurfiol 8-i-12 wythnos; a hefyd, pe bai newidiadau sylweddol, y byddai'r adroddiad yn dod gerbron y Pwyllgor eto cyn mynd i'r Cabinet a'r Cyngor.

PENDERFYNWYD:

Yn amodol ar sylwadau a wnaed gan yr Aelodau, cytunodd y Pwyllgor ar y prosesau a'r trefniadau arfaethedig ar gyfer hunanasesiad corfforaethol 2022/23.

81. **CWYNION CORFFORAETHOL**

Pwrpas yr adroddiad hwn oedd rhoi diweddariad i'r Pwyllgor ar y broses bresennol, a chyflwyno cynnig ynghylch y ffordd y caiff yr holl gwynion corfforaethol eu monitro, eu cofnodi, a'u hadrodd yn y dyfodol.

Er na fydd yn ymarferol cynnwys holl gwynion Cam 1 a Cham 2 mewn system ganolog, mae yna ffyrdd i wella'r modd yr adroddir am gwynion wrth y Pwyllgor yn flynyddol, er mwyn sicrhau eu bod yn gwbl weladwy ar draws y sefydliad. Cynigir y bydd pob Cyfarwyddiaeth yn rhoi ei data Cam 1 a Cham 2 i'r tîm canolog er mwyn ei gwneud yn bosibl coladu hyn gyda'r data sydd eisoes yn cael ei gadw'n ganolog a'i gynnwys yn yr adroddiad diweddar blynyddol i'r Pwyllgor.

Gan nodi faint o waith a wnaed i ystyried y pwnc hwn, tynnodd Aelod sylw at dri mater:

1. Sut mae'r Cyngor yn ystyried achosion sy'n mynd ymlaen at yr Ombwdsmon;
2. Sut mae'r Cyngor yn delio â chwynion camdriniol, cyson neu flinderus; ac
3. Y byddai'n ddefnyddiol cael rhagor o wybodaeth am y lleoedd y daw problemau ohonynt, o ran wardiau etholiadol.

Cadarnhaodd y Prif Swyddog Cyllid, Perfformiad a Newid fod angen cynnwys cwynion sy'n mynd ymlaen at yr Ombwdsmon yn y data. Roedd yn hanfodol bod y Cyngor yn deg ac wedi gwneud pob ymdrech i fynd i'r afael â chwyn cyn cymryd camau i'w dosbarthu fel un flinderus. Cydnabu y gallai fod yn ddefnyddiol cael mwy o wybodaeth am leoliad yr achwynydd er enghraifft, i gyfoethogi'r set ddata.

Nododd Aelod y gallai fod llawer i'w ddysgu am ymdrin â chwynion oddi wrth awdurdodau lleol eraill neu'r sector preifat.

Tynnodd Aelod arall sylw at y ffaith fod cymdeithas yn edrych ar gŵyn fel rhywbeth negyddol, ond y gellid ei hystyried mewn ffordd gadarnhaol hefyd. Roedd yn meddwl tybed a oedd gan y Cyngor ffordd o dynnu pethau cadarnhaol a gwelliannau gwasanaeth o gŵyn.

Roedd y Prif Swyddog – Cyllid, Perfformiad a Newid yn meddwl bod hwn yn bwynt allweddol. Cydnabu mai holl ddiben delio â chwynion yw gwneud yn siŵr bod pobl yn fodlon ar y canlyniad, ond hefyd bod y sefydliad yn dysgu o ganlyniad iddo. Os oes rhywbeth sydd heb ei wneud yn dda, neu os oes syniad yn dod ymlaen a allai wella pethau, yna mae angen i'r Cyngor ddysgu oddi wrth hynny.

Gwnaeth y Cadeirydd rai sylwadau i gloi'r eitem hon ar yr agenda: yn gyntaf, bod cwyn yn gyfle i wella'r modd y darperir gwasanaethau; ac yn ail, y gallai fod problem o dan-adrodd cwynion, yn enwedig mewn perthynas â'r rhai a dderbynnir gan Gynghorwyr. Credai fod hwn yn fater yr oedd angen edrych arno, er mwyn sicrhau eu bod yn cael eu bwydo i mewn i'r broses gorfforaethol.

Nododd y byddai'r Pwyllgor yn derbyn adroddiad ddwywaith y flwyddyn ar gwynion a'i fod yn gobeithio y byddent yn trafod canlyniadau arfer da.

Mewn ymateb i'r broblem o dan-adrodd, a chwynion a wnaed i Gynghorwyr yn benodol, nododd Aelod y gellid dadansoddi mewnbynau yn y system gyfeirio a'u cynnwys yn yr adroddiad.

Nododd y Cadeirydd nad oes ar y Cyngor eisiau teimlad ffug o sicrwydd ynghylch darparu gwasanaethau.

PENDERFYNWYD:

Nododd y Pwyllgor yr adroddiad a chytunwyd ar y broses arfaethedig ar gyfer casglu'r holl ddata cwynion yn ganolog i'w cyflwyno i'r Pwyllgor ddwywaith y flwyddyn, heb fod angen datblygu un system gyfrifiadurol ar gyfer cwynion corfforaethol.

82. STRATEGAETH ARCHWILIO MEWNOL A CHYNLLUN SEILIEDIG AR RISG 2023-24

Cyflwynodd Dirprwy Bennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol (GAMRh) yr adroddiad a dywedodd mai ei bwrpas oedd rhoi'r Strategaeth Archwilio Mewnol Flynyddol a'r Cynllun Seiliedig ar Risg ar gyfer 2023-24 i Aelodau'r Pwyllgor i'w cymeradwyo.

Gofynnodd Aelod Lleyg a oedd y Prif Swyddog Cyllid, Perfformiad a Newid yn hapus gyda'r cynllun. Atebodd hithau drwy nodi bod y ddau gynrychiolydd o GAMRh wedi mynychu dau gyfarfod o'r Bwrdd Rheoli Corfforaethol (BRhC) pan oeddent yn rhoi'r cynllun at ei gilydd a'u bod wedi dod eto'n ddiweddar i wirio mai'r meysydd sydd wedi cael eu cynllunio ar gyfer y flwyddyn ariannol gyfredol yw'r meysydd risg allweddol. O'r herwydd, mae'r BRhC yn fodlon ar y cynllun fel y mae. Caiff cyfarfodydd rheolaidd pellach eu cynnal ac os bydd angen newid y cynllun, yna caiff gwaith ei ailgyfeirio i'r meysydd risg hynny sy'n flaenoriaeth.

Tynnodd Aelod Lleyg arall sylw at y tri deg pedwar o archwiliadau ynghyd â barn a gofynnodd a oedd hynny'n cynnwys y swm a gariwyd drosodd o'r llynedd. Cadarnhaodd Dirprwy Bennaeth GAMRh eu bod wedi eu cynnwys yn y tri deg pedwar.

Ychwanegodd, er ei fod yn deall yr angen i fod yn hyblyg, y byddai'n ddefnyddiol gweld cynllun manylach, yn tynnu sylw at faterion megis pryd y caiff gwaith ei wneud a sawl diwrnod o adnoddau'r tîm sy'n cael eu dyrannu i rai eitemau llinell.

Mewn ymateb i hyn, dywedodd Pennaeth GAMRh mai'r cam nesaf yn natblygiad y cynllun, unwaith y byddai wedi cael ei gymeradwyo gan y Pwyllgor, fyddai ymgysylltu â Chyfarwyddiaethau ynghylch y gofynion ar gyfer pob darn o waith. Unwaith y byddai'r cam hwnnw wedi ei gwblhau byddai'n bosibl rhoi syniad llawer cliriach i'r Aelodau o'r materion y tynnodd yr Aelod Lleyg sylw atynt.

Ychwanegodd Pennaeth GAMRh y byddai'r Pwyllgor yn derbyn diweddariadau rheolaidd ynghylch y cynnydd yn erbyn y cynllun archwilio. Byddai hynny'n digwydd bob chwarter a byddai diweddariad ar gynnydd ar bob llinell pob swydd a archebwyd. O ran nifer y diwrnodau a neilltuwyd fesul archwiliad, gwelai hynny fel mater gweithredol a'r mater allweddol oedd sicrhau bod amcanion yn cael eu cyflawni a gwneud yn siŵr bod y rheolaethau allweddol wedi eu cynnwys yn y maes adolygu penodol hwnnw. Câi'r materion hynny eu trafod yn fanylach gyda'r rheolwr perthnasol pan fyddai cwmpas swydd archwilio benodol wedi cael ei benderfynu.

Daeth y Cadeirydd â'r eitem hon i ben drwy ganmol y tîm am gynhyrchu cynllun gwaith realistig ar gyfer y flwyddyn. Nododd, gan gyfeirio at rannau o'r adroddiad nesaf, y bu ymrwymiad i gynnal chwe deg un o archwiliadau y llynedd a bod un ar ddeg heb gael eu cynnal. Eleni, byddai tri deg pedwar o archwiliadau gyda barn a thri ar ddeg heb ddim. Nododd ei fod yn falch o hynny oherwydd ei fod yn bryderus o'r blaen bod tuedd i or-ymrwymo a than-ddarparu, ac y gallai hynny fod yn ddigalon i'r tîm. Credai fod yr adroddiad bellach yn adlewyrchu gallu'r tîm yn eithaf clir ac yn rhoi rhywfaint o hyblygrwydd pe bai unrhyw beth newydd yn dod i mewn.

Ychwanegodd, gan adeiladu ar sylwadau Aelod Lleyg, y byddai'n ddefnyddiol ychwanegu colofn at y tabl ynghylch yr amser yr oedd archwiliadau'n debygol o gael eu cynnal.

PENDERFYNWYD:

Fe wnaeth y Pwyllgor ystyried a chymeradwyo'r Strategaeth Archwilio Mewnol ddrafft (**Atodiad A**) a'r Cynllun Archwilio Blynyddol Seiliedig ar Risg drafft ar gyfer 2023-24 (**Atodiad B**).

83. ADRODDIAD ARCHWILIO MEWNOL BLYNYDDOL 2022-23

Cyflwynwyd yr adroddiad hwn gan Bennaeth GAMRh a'i bwrpas oedd rhoi Barn Flynyddol y Pennaeth Archwilio Mewnol ar amgylchedd rheoli'r Cyngor mewn perthynas

â llywodraethu, rheoli risg a rheolaeth fewnol a hysbysu'r Pwyllgor am waith a pherfformiad Archwilio Mewnol am Flwyddyn Ariannol 2022-23.

O'r gwaith a wnaed yn ystod blwyddyn ariannol 2022-23 ac o ystyried ffynonellau eraill o sicrwydd, barn flynyddol Pennaeth Archwilio Mewnol ynglŷn â digonolrwydd ac effeithiolrwydd fframwaith llywodraethu, rheoli risg a rheolaeth y Cyngor ar gyfer 2022-23 yw sicrwydd rhesymol.

Dangosai Tabl 2 yr adroddiad fod un adolygiad archwilio wedi canfod materion rheoli oedd yn golygu mai dim ond sicrwydd cyfyngedig y gellid ei roi. Roedd hyn yn ymwneud ag Ysgol Gynradd Abercerdin, a chaiff y rhesymau eu trafod yn yr adroddiad.

Tynnodd Aelod sylw at y rhan o'r adroddiad ar argymhellion, ac un yn benodol lle, ar ôl derbyn y risg a nodwyd, nad oedd yr argymhelliad wedi cael ei dderbyn. Mewn ymateb i'r drafodaeth ar y mater hwn, cytunwyd y byddai Prif Swyddog Cyllid, Perfformiad a Newid yn gweithio gyda Phennaeth GAMRh ar broses uwchgyfeirio'r Cyngor o dan yr amgylchiadau hyn, gan gynnwys y posibilrwydd o gyfeirio materion penodol i'r Pwyllgor.

Mewn ymateb i drafodaeth ynghylch hyfforddiant y tîm archwilio rhanbarthol, awgrymodd y Cadeirydd y gallai fod yn ddefnyddiol cael rhai ystadegau ar yr hyn a gyflawnwyd. Ychwanegodd y Prif Swyddog Cyllid, Perfformiad a Newid fod yna fodiwlau oedd yn berthnasol i waith y Pwyllgor, ac y gallai fod yn ddefnyddiol derbyn gwybodaeth amdanynt i werthuso unrhyw risgiau a allai godi o hyfforddiant.

Tynnodd Aelod arall sylw at fater gwaith adweithiol neu atgyfeiriadau a'r effaith y mae'n ei gael ar waith a gynlluniwyd. Dywedodd y cynrychiolwyr o GAMRh eu bod yn adeiladu elfen o amser i mewn i'r cynllun archwilio ar gyfer atgyfeiriadau felly, a'u bod yn barod i ddiwygio neu ailystyried cwmpas y gwaith a gynlluniwyd i wneud amser i waith o'r fath. Dylid nodi mai dim ond dau ddarn penodol o waith a ddaeth o dan y pennawd hwnnw y llynedd.

Gofynnodd Aelod Lleyg am nifer y dyddiau rhwng cyhoeddi adroddiadau drafft a'r adroddiadau terfynol. Mae'r adroddiad yn nodi iddi gymryd 32.5 diwrnod, ac roedd arno eisiau gwybod ai diwrnodau calendr ynteu diwrnodau gwaith oedd y rheiny. Eglurodd Dirprwy Bennaeth GAMRh mai dyddiau calendr oeddent ond eu bod yn mynd i newid hynny i ddiwrnodau gwaith yn y dyfodol.

Daeth y Cadeirydd â'r eitem hon i ben drwy drafod dau fater:

1. Ysgol Gynradd Abercerdin. Gofynnodd am i'r adolygiad dilynol arfaethedig gael ei gynnal cyn gynted â phosibl, gyda'r bwriad i'r Pwyllgor dderbyn yr adroddiad ym mis Medi. Dywedodd, pe bai'r canlyniad yr un fath, ei bod yn ddyletswydd ar y Pwyllgor, o ystyried y pryderon difrifol, i alw'r ysgol i mewn gan na all y sefyllfa barhau.
2. Argymhellion a Dyddiadau Targed heb eu penderfynu. Nododd fod 16 o argymhellion heb eu gweithredu a 66 o ddyddiadau targed yn y dyfodol ac y byddai'n ddefnyddiol gwybod, yn ddelfrydol ar gyfer y cyfarfod nesaf, faint sy'n llithro. Ni ellid caniatáu i'r sefyllfa hon barhau. Tynnodd ar yr enghraifft o Daliadau Uniongyrchol, lle roedd yr adroddiad terfynol wedi'i gyhoeddi ym mis Mehefin 2022 ond bod un argymhelliad yn dal heb ei benderfynu. Cytunai Dirprwy Bennaeth GAMRh fod oedi gyda rhai o'r argymhellion ac awgrymodd y gellid mynd i'r afael â'r rhain yn yr adroddiad monitro argymhellion a ddaw gerbron y Pwyllgor. Ychwanegodd Pennaeth GAMRh allan o'r 156 o argymhellion a wnaed yn 2022-23 mai un oedd heb ei gytuno. Gobeithiai y byddai hynny'n rhoi sicrwydd i'r Aelodau nad oes angen uwchgyfeirio'n rheolaidd achosion o beidio â derbyn argymhellion.

PENDERFYNWYD:

Nododd a chytunodd Aelodau'r Pwyllgor â'r Adroddiad Archwilio Mewnol Blynyddol ar gyfer Blwyddyn Ariannol 2022-23 gan gynnwys Barn Flynyddol y Pennaeth Archwilio Mewnol ar ddigonolrwydd ac effeithiolrwydd fframwaith llywodraethu, rheoli risg a rheolaeth fewnol y Cyngor.

84. **BLAENRAGLEN WAITH 2023-24**

Pwrpas yr adroddiad oedd rhoi'r Flaenraglen Waith wedi ei diweddarau i'r Aelodau ar gyfer 2023-24.

Nododd Dirprwy Bennaeth Cyllid y câi'r Cod Llywodraethu Corfforaethol ei ychwanegu at agenda cyfarfod mis Medi, ac y câi'r Adroddiad Twyll Corfforaethol a'r Datganiad Cyfrifon Drafft (heb eu harchwilio) eu hychwanegu at yr agenda ar gyfer cyfarfod mis Gorffennaf. Nodwyd bod Briff Datblygu Aelodau ar y Datganiad Cyfrifon wedi cael ei drefnu ar gyfer y 13^{eg} o Orffennaf. Nodwyd hefyd y câi mater cwynion ei ychwanegu at yr agenda ar gyfer cyfarfod mis Tachwedd.

Dywedodd y Cadeirydd, o ystyried hyd rhai agendâu, efallai y byddai angen rhannu'r cyfarfod yn ddau, neu y dylid trafod trefnu cyfarfod arbennig i ymdrin â rhai materion.

Holodd Aelod ynglŷn â phlymio'n ddyfnach i rai materion. Atebodd y Prif Swyddog Cyllid, Perfformiad a Newid drwy nodi mai'r hyn a gytunwyd oedd y gellid plymio'n ddyfnach i feysydd risg a ganfuwyd mewn cyfarfodydd lle roedd yr Asesiad Risg Corfforaethol ar yr agenda.

Gofynnodd Aelod arall a fyddai'n bosibl cynnal adolygiad o'r Rhaglen Gyfalaf, nid ei chynnwys ond y materion llywodraethu o'i chwmpas.

Yn benodol, pwysleisiodd y mater o ragweld, oherwydd y bu rhai prosiectau proffil uchel gyda chynnydd munud olaf hwyr iawn. Pwysleisiodd fod ganddo bryderon y gallai awdurdod dirprwyedig glymu dwylo'r Cyngor. Roedd yn chwilio am sicrwydd bod gennym ddull cyson a chadarn o nodi prosiectau cyfalaf, eu rhagweld, a deall y risg. Roedd ei broblem yn ymwneud â chywirdeb ac amseroldeb y rhagolygon a sut roedd hynny'n dylanwadu ar y rhaglen gyfalaf.

Atebodd y Prif Swyddog – Cyllid, Perfformiad a Newid drwy nodi nad oedd yn gwybod a oedd Archwilio Cymru yn mynd i wneud gwaith yn y maes hwn ond ei bod yn meddwl tybed a allai GAMRh edrych arno yn gyntaf ac adrodd am eu canfyddiadau wrth y Pwyllgor. Gellid plymio'n ddyfnach wedyn pan fyddai'r materion yn hysbys.

Gyda chytundeb yr Aelodau, nododd y byddai'n siarad â chynrychiolwyr GAMRh ynghylch llunio briff prosiect i symud ymlaen gyda hyn.

PENDERFYNWYD:

Yn amodol ar y newidiadau a gynigiwyd yn y cyfarfod, fe wnaeth y Pwyllgor ystyried a chymeradwyo'r Flaenraglen Waith wedi ei diweddarau ar gyfer 2023-24.

85. **EITEMAU BRYD**

Nododd y Cadeirydd y câi Adroddiad Blynyddol ei baratoi ar waith y Pwyllgor.

Daeth y cyfarfod i ben am 13:18.

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Agenda Item 4

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD
Report Owner / Corporate Director:	CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY
Responsible Officer:	MARK GALVIN – SENIOR DEMOCRATIC SERVICES OFFICER - COMMITTEES
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	This report seeks to update Members of the Governance and Audit Committee on follow-up actions or further information requested on reports considered by Members and/or requested by Committee, including any other related information in relation to previous agenda items.

1. Purpose of Report

- 1.1 The purpose of this report is to provide Members with an update on the Governance and Audit Committee Action Record.

2. Background

- 2.1 An Action Record has been devised to assist the Committee in tracking the decisions made by the Committee in the exercise of its functions.

3. Current situation / proposal

- 3.1 In order to assist the Governance and Audit Committee in ensuring that decisions made by the Committee are actioned and implemented, the Action Record is attached at **Appendix A**. The Action Record will be presented to each meeting of the Committee for approval.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 The Committee is recommended to note the Action Record and provide any comment upon this, as appropriate.

Background documents

None.

Governance and Audit Committee Action Record – July 2023

Number	Date of Committee	Item	Lead	Target Date	Action	Date for action to be brought to GAC	Completed Date
1.	1 Jun 23	Corporate Complaints - Schools	Corporate Director Education and Family Support	Jun 22	Members requested an update on how school complaints were recorded and ensuring they were recorded effectively. The Senior Democratic Services Officer – Committees emailed members with an update after consulting with the Corporate Director – Education and Family Support.	Jul 23	Jun 23 By email
2.	1 Jun 23	Audit Wales Governance and Audit Committee Report	Chief Officer – Finance, Performance and Change Group Manager – Chief Accountant	Jul 22	Members raised questions regarding the prevention and management of duplicate payments following an audit recommendation from the audit of the Statement of Accounts 2021-22 report. It was agreed that members would be sent a more detailed note regarding the process around duplicate payments.	Jul 23	Jul 23 By email
3.	13 Oct 2022/ 1 Jun 23	Corporate Complaints	Chief Officer – Legal and Regulatory Services, HR and Corporate Policy	Nov 23	To prepare and submit a report on Corporate Complaints to GAC bi-annually. The next report will be prepared for the meeting in November 2023. The report will include consideration of ways to enrich the data set, to include such matters as the location of the complainant, under-reporting, and complaints made to Councillors (and noted in the referral system).	Nov 23	
4.	26 Jan 23	Audit Wales Governance and Audit Committee reports	Corporate Director Social Services & Wellbeing		To receive a progress report on the implementation of the action plan in relation to the Audit Wales report 'Transformational Leadership Programme Board – Baseline Governance Review - Cwm Taf Morgannwg Regional Partnership Board' (outlined in Appendix C)	Jul 23	To be included in the regulatory tracker report
5.	26 Jan 23	Treasury Management Strategy 2023-24	Chief Officer – Finance, Performance and Change	Sep 23	To consider implementing an ethical investment policy following discussion with the treasury management advisors. An ethical investment policy will be considered by GAC in September 2023.	Sep 23	

Number	Date of Committee	Item	Lead	Target Date	Action	Date for action to be brought to GAC	Completed Date
6.	01 Jun 23	Audit Fees	Chief Officer – Finance, Performance and Change		Members requested an update on how much auditing services cost BCBC. The Chief Officer – Finance, Performance and Change sent an email summarising circulate a figure to Members for how much BCBC paid. in fees for auditing services now and with an additional 15% increase.	Jun 23	Jul 23 By email
7.	26 Jan 23	Governance And Audit Committee Self-Assessment of Knowledge & Skills	Head of Regional Internal Audit Service		Members receive regular training and briefings. Since January 2023, members have had the opportunity to be briefed on the Capital Programme, Treasury Management, and the Statement of Accounts.	Jun 23	
8.	1 Jun 23	Duplicate Payments – Recovery Process	Group Manager – Chief Accountant		Members requested more information on the recovery processes for duplicate payments. The process was summarised and sent to Members.	Jun 23	Jul 23 By email
9.	1 Jun 23	Membership of the Digital Transformation Board	The Chief Officer – Finance, Performance and Change	Jun 23	To circulate to Members the membership of the Digital Transformation Board.	Jul 23	Jul 23 By email
10.	1 Jun 23	Supporting Alternative Budget Proposals	The Chief Officer – Finance, Performance and Change	Jul 23	Members raised issues about how proposals for alternative budgets by different political groups are supported by officers. The Chief Officer – Finance, Performance and Change agreed to consult with the Chief Officer – Legal, Regulatory and Human Resources and Monitoring Officer on the constitutional implications. In response to the request, a paper is being prepared for a meeting of the Budget Research and Evaluation Panel (BREP).	Jun 23	Jul 23
11.	1 Jun 23	Annual Risk Based Audit Plan	Head of RIAS	Sep 23	To consider including additional information within the format of reports to GAC. Comments from GAC taken on board and will be considered collectively with all suggestions from GAC committees.	Jun 23	Jun 23
12.	1 Jun 23	Audit Recommendations and the Council's Escalation Process	The Chief Officer – Finance, Performance and Change and Head of RIAS	Sep 23	To consider inviting representatives of Abercerdin Primary School to GAC meeting. Abercerdin Primary School follow-up review by RIAS complete. The report is pending and will be reported in the Progress against the Plan report.	Sept 23	

Number	Date of Committee	Item	Lead	Target Date	Action	Date for action to be brought to GAC	Completed Date
13.	1 Jun 23	Capital Programme – Governance Issues	The Chief Officer – Finance, Performance and Change Head of RIAS	Jul 23	To draw up a project brief for RIAS to carry out an audit of governance issues around the Capital Programme.	To be determined	

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	DRAFT STATEMENT OF ACCOUNTS 2022-23
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	There is a legal requirement for the Statement of Accounts to be prepared and authorised by the responsible financial officer prior to submission to Audit Wales to be audited. As the accounts were not completed by 31 May 2023 a notice was published explaining this in accordance with Regulation 10 of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018).
Executive Summary:	<ul style="list-style-type: none"> • The draft Statement of Accounts for 2022–23 have been completed in accordance with the Accounts and Audit (Wales) Regulations 2014. • The draft Accounts are now subject to audit by Audit Wales and the final audited accounts will be presented for approval to the Governance and Audit Committee in the Autumn.

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the unaudited Statement of Accounts for 2022-23 attached at **Appendix A** for noting.

2. Background

- 2.1 The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code).
- 2.2 In accordance with these Regulations, the unaudited Statement of Accounts for 2022-23 requires approval and signature by the responsible financial officer by 31 May 2023, certifying that it presents a true and fair view of the financial position of the Council. The audited Statement of Accounts then has to be approved by 31 July 2023 by the Governance and Audit Committee, in accordance with the Committee's Terms

of Reference. If the accounts are not able to be signed and published by this date then the Council must publish a Regulation 10 notice setting out the reasons why.

- 2.3 As a result of delays in approving the 2021-22 Statement of Accounts, which were certified by the Auditor General on 27 January 2023, and the consequential impact on preparing the 2022-23 Statement of Accounts, and the need to consolidate Bridgend County Borough Council's share of Cardiff Capital Region City Deal accounts, the Council was unable to meet the 31 May 2023 deadline and therefore, in line with the requirements of the Regulations, issued a notice advising of this.

3. Current situation / proposal

- 3.1 The Council's unaudited Statement of Accounts for the financial year ended 31 March 2023 is attached at **Appendix A**. The Statement of Accounts comprise a number of different statements relating to financial performance and reserves. Whilst the final document will include the Annual Governance Statement, it is being presented as a separate report to this Committee. The Annual Governance Statement will be signed by the Leader of the Council and Chief Executive once the audit has been completed.
- 3.2 The unaudited Statement of Accounts 2022-23 was signed by the responsible financial officer on 18 July 2023.
- 3.3 The Accounts include the following core Financial Statements:
- Comprehensive Income and Expenditure Statement
 - Movement in Reserves Statement
 - Balance Sheet
 - Cash Flow Statement

These are produced in accordance with International Financial Reporting Standards (IFRS) rather than the amount to be funded in cash terms when the budget is set, therefore these statements include items such as depreciation on property, plant and equipment, the estimated cost of the shortfall on the pension scheme and other technical accounting adjustments.

- 3.4 The Council achieved a balanced position for the financial year, after allowing for capital financing and contingency costs, transfers to and from earmarked reserves and additional council tax income. As a result the Council Fund balance remained unchanged from the previous year at £10.110 million as at 31 March 2023. The Expenditure and Funding Analysis (page 37) shows how this balanced position is adjusted to a deficit of £37.061 million on the Comprehensive Income and Expenditure Statement as a result of technical adjustments between the funding and accounting basis and transfers to earmarked reserves.
- 3.5 In addition to spending money providing services on a day to day basis, the Council also spends money providing new facilities, enhancing assets within the Council's portfolio or providing capital grants to others. The total capital spending during 2022-23 was £29.230 million. Assets created, improved or under development as a result of this spend included:
- Brynmenyn Children's Hub
 - Active Travel Bridgend to Pencoed Phase 3

- Redevelopment of Cosy Corner in Porthcawl

3.6 There are various notes within the Accounts that detail how the capital expenditure is financed and the nature of assets have been developed or enhanced.

3.7 The unaudited Statement of Accounts will be reviewed by Audit Wales. A final version of the Accounts will be brought back to the Governance and Audit Committee in November 2023, which will need Governance and Audit Committee approval, in accordance with the Accounts and Audit (Wales) Regulations 2014 (as amended 2018), and to be signed by the Chair of the Governance and Audit Committee.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report therefore it is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no Safeguarding or Corporate Parent implications as a result of this report.

8. Financial Implications

8.1 The Statement of Accounts reflects the financial performance of the Council for the financial year 1 April 2022 to 31 March 2023. The Statement of Accounts are presented for information so there are no direct financial implications arising from this report.

9. Recommendation

9.1 It is recommended that the Governance and Audit Committee notes the unaudited Statement of Accounts 2022-23 at **Appendix A**.

Background documents

None

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DRAFT

Statement of Accounts

Bridgend County Borough Council • 2022-23



**Bridgend County Borough Council
Civic Offices
Angel Street
BRIDGEND
CF31 4WB
(01656) 643643**

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Narrative Report

“One council, working together to improve lives”

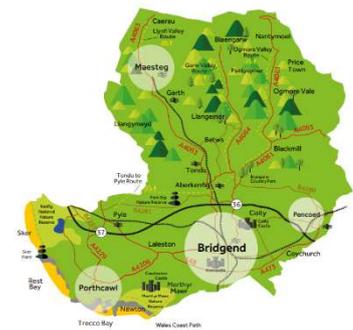
Introduction

This report presents the 2022-23 Statement of Accounts for Bridgend County Borough Council (the Council). It sets out the Council's financial performance for the past year and is prepared in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Local Authority Accounting in the United Kingdom 2022-23. The Council produces its Statement of Accounts to explain the Council's finances, to give assurance that public money is properly accounted for, and that the Council is operating on a financially secure basis. The accounts must provide a 'true and fair' view of the Council's financial position as at 31 March 2023, and of its income and expenditure for the year then ending.

Since austerity began in 2010 the Council has made almost £73 million of budget reductions and further efficiencies and savings are required moving forward. The process of identification of savings and changing the way the Council works to ensure modern, improved and resilient services, is on-going. Given significant economic uncertainty, the war in Ukraine and unprecedented inflation levels, the Council will continue to face financial challenges as it strives to deliver its vast array of services to the communities it supports. It needs to do so whilst remaining financially resilient.

Bridgend as a Council

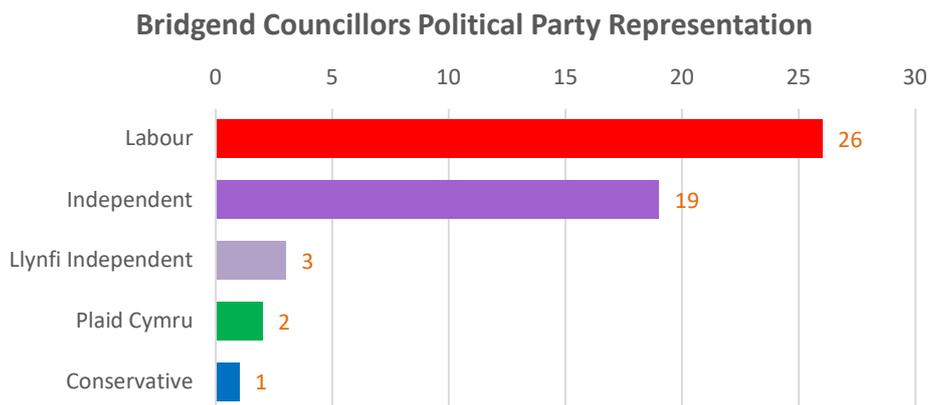
Bridgend County is conveniently situated between Wales' capital city, Cardiff, to the east and the city of Swansea to the west, approximately 20 miles from each. The County has a diverse geography with valleys in the north and 12.5 miles of coastline and beaches to the South. The M4 runs through the centre of the Borough, and there are main-line rail links to Cardiff, London and Swansea. Bridgend County Borough it is at the heart of the South Wales industrial and coastal belt. Bridgend Council covers an area of 98.5 miles² and is home to nearly 146,000 residents. To the north is the residential town of Maesteg, to the southwest is the coastal town of Porthcawl and to the east is Pencoed. Bridgend is one of 22 Councils in Wales, and accounts for approximately 4.5% of the country's population.



- The Council manages a long-term asset base of £658 million to deliver its services.
- The Council employs over 5,900 staff, both full and part time, to deliver a wide range of services including education, social care, highways maintenance and economic development.
- A number of services are provided by third parties including waste collection, leisure centres, social enterprises and social care, including residential and home care and supported living services.

Council Democracy

The Council has 51 elected Councillors who represent the people of Bridgend and set the overall Council strategy and budget framework.



The constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure decisions are efficient, transparent and accountable to local people. Council elects a Mayor annually to perform a civic role and promote the County. Council also appoints a Leader of the Council who appoints Cabinet Members, each with a responsibility for a specific portfolio of services.

The role of the Cabinet is to be responsible for most major decisions, provide leadership, and propose the budget framework and budget.

Scrutiny Committees support the work of the Cabinet and Council by:

- monitoring decisions of the Cabinet
- considering service provision, planning, management and performance of service areas
- allowing all Councillors, citizens and stakeholders to have a say in matters concerning the Council
- considering policies, protocols and plans and producing reports and recommendations thereon
- contributing to the annual budget consultation process
- having the opportunity to influence future Cabinet and Council decisions through pre-decision meetings
- having the ability to review a decision which has been made but not yet implemented

Regulatory and other committees support the delivery of Council services. Council has given the Governance and Audit Committee the responsibility to review and approve the Financial Statements of the Council.

The Council's Corporate Management Board is led by the Chief Executive and includes the 3 Corporate Directors, the Monitoring Officer and Chief Finance Officer.

How the Council works

The Council had three priorities during the year to improve the quality of life of people in the county borough while significantly changing the nature of the Council.

These three priorities were the Council's well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and set out the Council's contribution towards meeting the Act's seven national Well-being goals. The Council's [Corporate Plan](#) 2022-23 set out what the Council's objectives were and how it planned to achieve them.

Our well-being objectives**Well-being of Future Generations (Wales) Act's seven goals**

- *A globally responsible Wales*
- *A prosperous Wales*
- *A resilient Wales*
- *A healthier Wales*
- *A more equal Wales*
- *A Wales of cohesive communities*
- *A Wales of vibrant culture and thriving Welsh language*

Every year the Council must publish a Corporate self-assessment report. This report assures the public, Welsh Government and other regulators, that the Council is performing well, making decisions in a sensible, open way and using its money and other resources properly. Most importantly, the report tells local residents, businesses and stakeholders how the Council is performing. The [Corporate Self-Assessment 2022-23](#) which reports how the Council was performing against each of its objectives is set out below.

Supporting a successful, sustainable economy: prosperity boosts health and well-being and creates more resilient communities that need fewer services. Education is the most important part of improving the life chances of young people. The main ways of achieving this objective are through **improving learner outcomes** – support children, adults and families to get better education outcomes; and **growth and prosperity** – promote the conditions for growth and prosperity by helping people and business to succeed. The Council's assessment of its progress against this objective was **GOOD**.

Helping people and communities to be more healthy and resilient: a focus on prevention and wellbeing helps the Council to support people to lead independent lives and reduces the likelihood of them becoming dependent on Council services. The main ways of achieving this objective are through: **community support and services** - provide support and services to those who need the Council's help and help them to stay independent for as long as possible; **resilient communities** – develop innovative ways to improve well-being and deliver services; and **Health and well-being** – improve the physical, mental and emotional well-being of children and young people and vulnerable citizens. The Council's assessment of its progress against this objective was **ADEQUATE**.

Smarter use of resources: Over the period 2018-2019 to 2022-23, the Council was required to make budget reductions of over £20 million. As austerity continues, it becomes harder each year to make further cuts. The main ways of achieving this objective were: **transforming our estate** – using land and buildings to improve service delivery, reduce running costs, minimise the impact on the environment and meet the needs of service users; **corporate change** – embracing innovation and technology, developing the skills and approaches of staff and new ways of working; and **environmental sustainability** – protecting and safeguarding the environment by lowering the Council's carbon footprint, looking at waste reduction, re-use and recycling and promoting environmental responsibility in communities.

The Council's assessment of its progress against this objective was **GOOD**.

For management purposes the Council's operations are organised into Directorates, each of which report into the Chief Executive. The Chief Executive also manages the Chief Executive's Directorate. The Directorates and the services they deliver are:

Education & Family Support: Schools, Learner Support, Family Support, Schools Support, School Modernisation, Vulnerable Groups Support, Education & Family Support, and Business Support.

Social Services & Wellbeing: Adult Social Care, Residential Care, Domiciliary Care, Day Opportunities, Children's Social Care – Care Experienced Children, Family Support Services, Adoption and Social Work. Prevention and Wellbeing – Leisure Centres, Community Centres, Cultural Trust Partnership,

Communities: Planning & Development, Corporate Landlord, Strategic Regeneration, Economy, Natural Resources and Sustainability, Cleaner Streets & Waste Management, Highways & Green Spaces.

Chief Executives: Finance, Human Resources, Partnerships, Legal, Democratic and Regulatory Services, ICT, Elections, Housing & Homelessness, and Business Support.

Governance

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in delivering its functions in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation. The Annual Governance Statement included within the Statement of Accounts, sets out in detail the Council's governance arrangements.

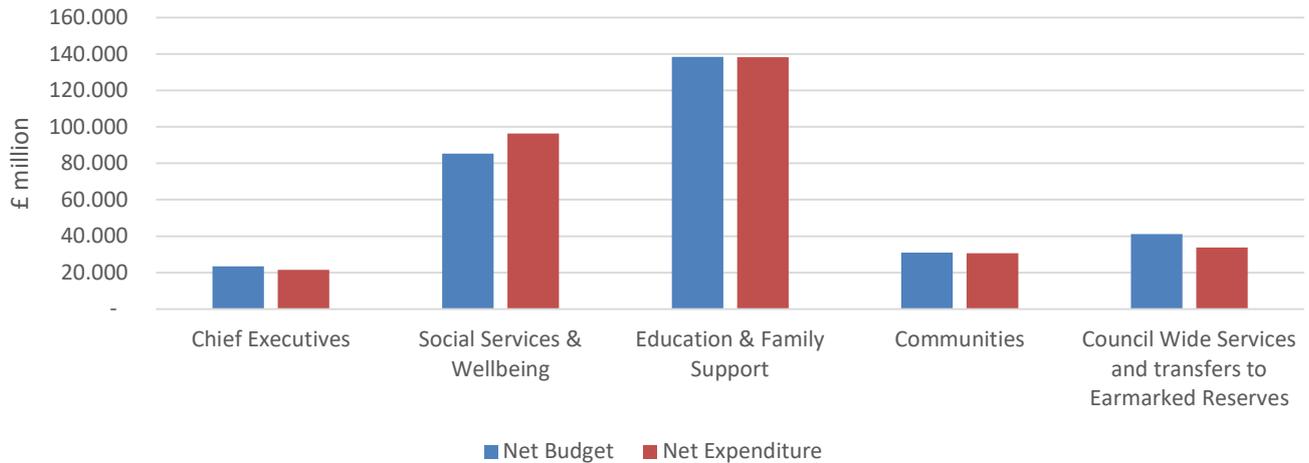
Financial Performance

The Council's budget for 2022-23 was approved by Council in February 2022. The budget was set in the context of responding to the increasing pressures on public sector services exacerbated by the COVID-19 pandemic. The Council is required to set a balanced budget and set the Council Tax rates for the County Borough. A net revenue budget of £319.514 million was approved for 2022-23 as well as a Medium Term Financial Strategy based on a four-year period from 2022-23 to 2025-26, ensuring that resources are aligned to the Corporate Plan. Taking into account expenditure funded by specific grants and fees and charges, the Council's gross budget was around £459 million for 2022-23. The Council's annual revenue budget covers the day-to-day running costs of the Council including staff, waste collection, schools, care workers, foster carers and leisure services. The final revenue outturn, including transfers to earmarked reserves, shows the Council overall spend within its available resources.

Directorate	Net Budget £ million	Net Expenditure £ million	(Under)/ overspend £ million	(Under)/ overspend %
Chief Executives	23.498	21.446	(2.052)	(8.70)
Social Services & Wellbeing	85.387	96.255	10.868	12.70
Education & Family Support	138.368	138.245	(0.123)	(0.10)
Communities	31.040	30.601	(0.439)	(1.40)
Council Wide Services and transfers to Earmarked Reserves	41.221	33.741	(7.480)	(18.10)
Directorate outturn subtotal	319.514	320.288	0.774	0.20
Funding and Financing	319.514	320.288	(0.774)	(0.20)
Total Council outturn	-	-	-	-

The Council's net budget and net expenditure by Directorate is shown in the graph below.

Directorate Outturn 2022-23



The Council received Revenue Support Grant from the Welsh Government of £179.595 million. The net Non-Domestic Rates (NDR) collectable on behalf of Welsh Government by the Council for the year was £43.123 million. The Council's amount of NDR due for the year towards the cost of its services was £52.773 million.

How the Revenue budget was funded



2022-23 has been a challenging year for the Council's finances. The Council made additions to earmarked reserves of £17,816 and drew down or unwound £31.440 million, a net reduction in reserves of £13.624 million. No transfer has been made to or from the Council Fund this year. The Council's outturn report for the year can be found on the Council's website [here](#).

Capital Expenditure and Funding

Capital investment forms a large part of the Council's spending. The Council's original capital programme for 2022-23, approved by Council on 23 February 2022, was £69.979 million.

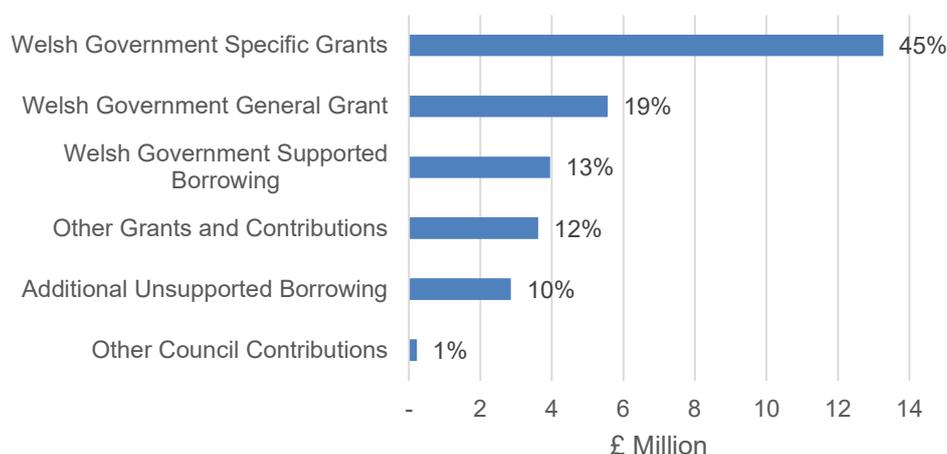
Directorate	Original approved budget £'000	Revised budget £'000	Outturn £'000	Variance £'000
Education and Family Support	10,589	8,614	5,037	3,577
Social Services and Wellbeing	2,374	4,109	2,901	1,208
Communities	50,924	39,015	17,807	21,208
Chief Executives	2,720	6,169	3,485	2,684
Corporate/unallocated	3,372	853	-	853
TOTAL	69,979	58,760	29,230	29,530

Budget adjustments take place during the year to reflect new schemes added to the Capital Programme, schemes being removed from the programme and slippage of schemes to future years. Due to slippage across a number of schemes the final outturn for 2022-23 was £29.230 million. Schemes undertaken during the year included;

- Brynmenyn Children's Hub, which will provide a specifically designed and purpose built residential placements hub, from which the newly implemented children's residential service model can be effectively delivered, enabling better outcomes for young people;
- Active Travel Bridgend to Pencoed Phase 3 – installing improved cycle- and walk-ways;
- Carriageway resurfacing and renewal of footways across the borough
- Redevelopment of Porthcawl Cosy Corner site providing improved facilities for community groups, marina users and the wider community. Facilities will include a children's play area, public seating, landscaping and an outdoor event space.

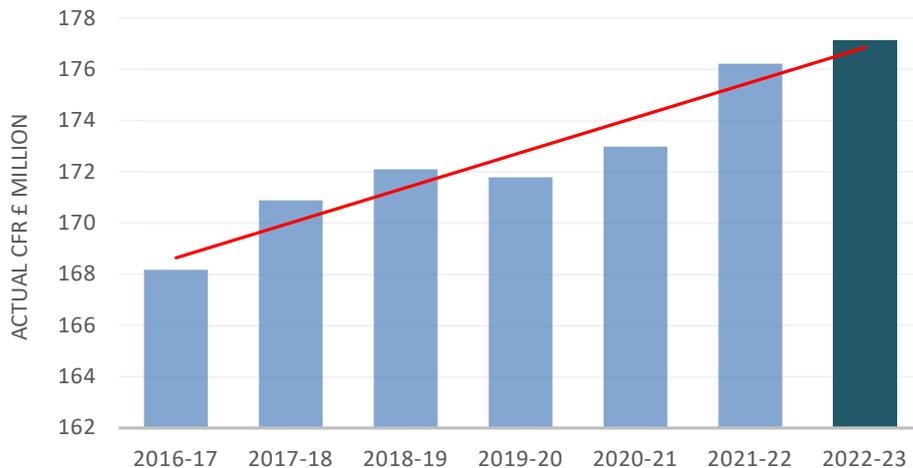
The Council pays for its capital expenditure from a number of sources. The local government capital settlement for 2022-23 provided the Council with £12.235 million of capital funding, of which £3.951 million was supported borrowing and £8.282 million was capital grant. An analysis of the capital funding is shown below.

Sources of Capital Financing



Capital expenditure funded historically by borrowing but to be paid for from future revenue or capital income is termed the Capital Financing Requirement (CFR). The CFR over the last 7 years is shown below with the red line representing the trend over that period. Revenue amounts are set aside each year to repay the borrowing, which is known as Minimum Revenue Provision (MRP), and is put aside over a 40-year period in line with the Minimum Revenue Provision Policy.

Capital Financing Requirement Trend



It is expected that the CFR and associated financing costs - interest and repayment (MRP) - of capital investment will increase in the short term as borrowing is required to fund the Capital Programme at least over the short-term. Borrowing will be managed in line with the Council's Capital and Treasury Management Strategies, which set out a range of indicators for affordability, prudence and sustainability of the Council's Capital Investment plans. Each year a prudent amount of MRP is charged to the revenue budgets to reduce the CFR.

Financial position

The Council manages significant assets and cash flows. During the year the Council:

- Held £658 million of long-term assets, including £641 million of operational assets for delivering services, £5.8 million investment properties, £5.089 million long term investments, and £1.4 million of intangible assets
- Received £304.022 million in grant funding, of which £179.595 million was the Welsh Government Revenue Support Grant
- Council Tax income amounted to £107.255 million, of which £16.486 million was paid to the Police and Crime Commissioner for South Wales and £2.848 million to Community Councils.
- Generated £41.212 million of fees and charges and other service income used to deliver services

The Council maintains a strong balance sheet despite the financial challenges faced in 2022-23.

Balance Sheet Position at 31 March 2023



Unusable reserves have increased significantly primarily as a result of a reduction in the net liability of the pension fund of £213.92 million to £35.58 million as at 31 March 2023 (£249.50 million at 31 March 2022). As these are unusable they represent accounting adjustments rather than actual cash flows.

Long term assets

Property, plant and equipment are revalued on a 3-year rotation. This is a shorter period than the Code of Practice suggests but enables the Council to ensure values recorded in the accounts are materially correct. The valuation of assets involves a number of assumptions, however movements in asset values as well as accounting charges such as depreciation have no impact on the council tax, as these charges are required to be reversed out from unusable reserves. Details of the movements in assets, capital expenditure and its financing are included at note 21.

- Assets revalued during 2022-23 as part of the Council's rolling programme included cemeteries, day care centres, enterprise and business centres, depots, industrial plots, arts theatres and museums and sports centres.
- Investment properties, surplus assets and assets held for sale are revalued annually.
- Due to significant movements in asset values, assets in the top 75 assets by value, other than those above, were also revalued, to ensure the figures included in the accounts were materially correct.

Short term assets & liabilities

Short term assets include investments made in line with the approved Treasury Management Strategy, to support the short term cash flow needs of the Council. Investments and cash held for Treasury Management purposes was £74.97 million of which £69.91 million including accrued interest, were short term (less than 12 months) as at 31 March 2023. These investments are primarily temporary cash balances deposited with financial institutions and Central Government Debt Management Office. The average rate of interest earned for the year was 1.65%.

Borrowing

The Council has long-term borrowing outstanding as at 31 March 2023 of £100.028 million. This is a mixture of Public Works Loan Board (PWL) of £77.617 million, Lender Option Borrower Options (LOBOs) of £19.757 million, and £2.654 million of Salix loans to finance capital expenditure. In addition, the Council's PFI balance outstanding at 31 March 2023 was £13.902 million, of which £12.973 million was due after one year. More detail in relation to borrowing is provided in note 31. The borrowing should be seen in the context of the total value of the Council's long-term assets, which are shown in the Balance Sheet at £658 million. Borrowing is permitted in line with the Prudential Code for Capital Finance in Local Authorities as long as, in the opinion of the Chief Finance Officer, the revenue costs are capable of being met and are in keeping with prudential indicators and guidelines. Given the strength of the Balance Sheet, the Council's borrowing levels are reasonable. Should the opportunity arise for the Council to repay its LOBOs at a benefit to the Council, then it will look to do so. Whilst interest rates have started to increase, they are still relatively low. As such, it is unlikely the opportunity to repay the LOBO loans will arise in the near future.

Pensions Liability: £35.85 million

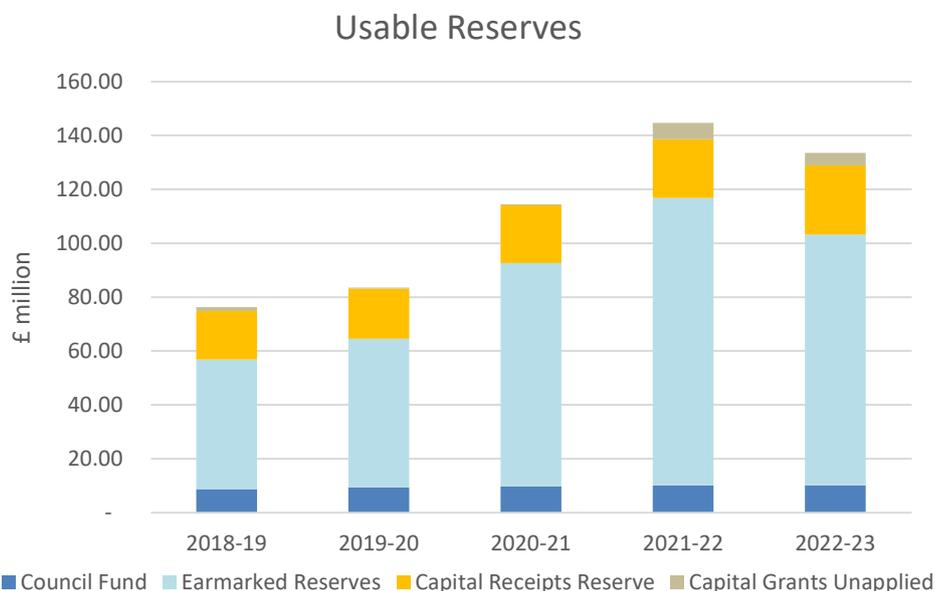
The requirements of International Accounting Standards 19 (IAS19) in relation to post-employment benefits i.e. pensions, have been fully incorporated into the Comprehensive Income and Expenditure Statement, with actuarial gains and losses being recognised in Other Comprehensive Income and Expenditure, as note 30 explains in detail. The Local Government Pension Scheme (LGPS) is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. The fund is revalued every 3 years, the last valuation being as at 31 March 2022.

A pensions reserve and a pension liability are incorporated within the Council's accounts, reflecting the amount by which the Bridgend element of the Rhondda Cynon Taff Pension Fund is under-funded compared with the

assessed payment liabilities to pensioners now and in the future. The cost to the Council during the year for pension liabilities was £19.35 million. The overall pensions' liability of the Council at 31 March 2023 was £35.85 million, a reduction of £213.65 million from 31 March 2022 when the liability was £249.50 million. This reduction is as a result of changes in the financial assumptions used by the actuary informing the valuation. Primarily the discount rate used has increased by 2%. Other assumption changes are CPI rate reduced by 0.3% and the salary increase assumption by 0.3%. This has resulted in a more positive balance sheet position as at the 31 March 2023. The liability takes into account the potential 'underpin' liability as a result of the outcome of the McCloud/Sargeant case that the impact of transitional protection arrangements put in place when firefighters' and judges' pension schemes were reformed were age discriminatory.

Balances and Reserves

Balances and Reserves are sums of money put aside for specific purposes or for general contingencies and cash flow management. Their use, creation and assessment of sufficiency also considers risks to financial resilience. During the last year the Council has faced significant financial challenges and the opportunity to set aside new earmarked reserves for specific purposes has been limited. Earmarked revenue and other usable reserves are detailed in note 28 of the accounts, whilst unusable reserves are shown in note 29.



Addressing future challenges

The Council faces significant challenges moving forward. These include demographic pressures, such as an ageing population, increasing dementia rates, an increasing number of young people with complex disabilities living into adulthood and the long-term impact of Covid-19 adding progressively to the demand for care. Children Services has seen an exponential increase in need for children's social care as evidenced through increasing contacts, increasing numbers of assessments and high numbers of children on the child protection register. There has been significant pressure placed on the Multi Agency Safeguarding Hub and Information, Advice and Assistance Service, safeguarding localities and the Care Experienced Children's Team and the Children's Social Work Team in children's social care. In addition to this there are inflationary pressures arising from specific contractual commitments, the impact of the cost-of-living crisis and potentially significant increases in staffing costs arising from the pay award for all staff and above inflation increases in the national living wage, and the implementation of the real living wage. There is also the need to focus on climate change and the need to meet the 2030 decarbonisation target. The published Welsh Government settlement for Bridgend for 2023-24 is an increase of 7.7% against an all-Wales average of 7.9%. However, this needs to be taken in the context of higher than anticipated pay increases in recent years, unprecedented levels of inflation and significant pressures arising across all Directorates. The indicative settlement from Welsh Government for the next two financial years is an

increase of 3.5% for 2024-25 and 2.4% for 2025-26 however due to the pressures outlined above forward planning is difficult particularly in the current economic climate.

Whilst the Council continues to face increasing pressures on its budget, it approved a balanced budget for 2023-24. The uncertain economic climate will require the Council to continually review its priorities and budgets.

Decarbonisation 2030

Welsh Government declared a Climate Emergency in April 2019. Following this the Welsh Government committed to achieving a carbon neutral public sector by 2030. In June 2020 Bridgend County Borough Council's Cabinet approved a report that set out the crucial role the Council has to play through the management of its own resources, as well as its work with other organisations and businesses and the Council declared its own climate emergency in June 2020. Cabinet approved the Council's 2030 Net Zero Carbon Strategy on 13 December 2022. The Strategy includes six priority actions aimed at reducing the organisation's greenhouse gas emissions to achieve a net zero position by the 1 April 2030. The Action Plans include carbon management, buildings, transport, procurement, land use and waste. This strategy will be an integral part of the Council's Corporate Plan and Wellbeing Plan, whilst policies, strategies and ongoing plans will all reflect the commitment to Net Zero. This will ensure it is fully embraced across the organisation. Whilst Council has agreed £0.4 million capital allocation per annum to 2030-31, the level of resources to deliver 2030 Net Zero will be substantially more than this. Whilst there is some funding available within Directorates to delivery initiatives, significantly more will be needed to accelerate the Council's transition to Net Zero. Development of feasibility studies will be necessary to quantify scheme costs and funding applications submitted to external funding sources wherever possible. The Council has already progressed schemes including solar panels, energy efficient lighting, electric vehicle charging points and ultra low emission vehicles. The Council's Re:fit programme, which has been run in partnership with energy experts Ameresco, has seen schools and public buildings fitted with a range of measures including LED lighting, lighting controls, Building Management Systems and solar PV systems.

The Financial Statements

The Statement of Accounts are included in this document, and consist of the following financial statements:

The Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Council and the Section 151 officer for the preparation and approval of the Statement of Accounts.

The Comprehensive Income and Expenditure Statement (CIES)

This records all of the Council's income and expenditure in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements, which may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Movement in Reserves Statement (MiRS)

The Movement in Reserves Statement shows the movement from the start of the year to the end of the year on the different reserves held by the Council, analysed into 'usable reserves' - those that can be used to fund expenditure - and 'unusable' reserves, which must be set aside for specific purposes. Unusable reserves would include unrealised gains and losses (such as the Revaluation Reserve), where amounts would only become available if the assets are sold, and reserves that reflect 'adjustments between accounting basis and funding under regulations'. The surplus or deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance for council tax

setting purposes. The Net Increase/Decrease line shows the statutory Council Fund balance movements in the year following those adjustments.

Balance Sheet

This records a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council.

Cash Flow Statement

The Cash Flow Statement shows the reason for changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Notes to the Financial Statements

These set out the Accounting Policies adopted for the Statement of Accounts and disclosures relating to the financial statements and include pensions and financial instruments disclosures. These include the Expenditure and Funding Analysis which shows how annual expenditure is used and funded from resources (government grants, fees and charges, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Directorates and Council wide areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The Statement of Responsibilities for the Statement of Accounts

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Financial Officer's Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2023 and of its income and expenditure for the year ended 31 March 2023

Signed: _____

18 July 2023



Comprehensive Income and Expenditure Statement

2021-22					2022-23				Notes
Gross Expenditure £'000	Govt Grants £'000	Other Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Govt Grants £'000	Other Income £'000	Net Expenditure £'000	
172,989	(42,877)	(6,592)	123,520	Education and Family Support	205,641	(37,660)	(8,364)	159,617	
114,644	(17,113)	(18,746)	78,785	Social Services and Wellbeing	140,653	(11,077)	(20,790)	108,786	
62,341	(14,959)	(7,527)	39,855	Communities	62,506	(8,922)	(9,099)	44,485	
78,347	(52,016)	(2,802)	23,529	Chief Executives	76,735	(45,176)	(2,626)	28,933	
29,573	(5,506)	(206)	23,861	Council Wide Services	21,007	(2,130)	(333)	18,544	
483	(432)	(269)	(218)	Cardiff Capital Region City Deal (CCRCD)					
458,377	(132,903)	(36,142)	289,332	Cost Of Services	506,542	(104,965)	(41,212)	360,365	
				Other Operating Expenditure					
18,490			18,490	Precepts payable	19,334			19,334	7
7,774			7,774	Levies payable	7,981			7,981	7
573			573	(Gain) / loss on disposal of non current assets			(971)	(971)	
26,837			26,837	Other Operating Expenditure	27,315	-	(971)	26,344	
				Financing and Investment Income and Expenditure					
4,558			4,558	Interest payable on debt	4,624			4,624	31
32			32	Interest element of finance leases (lessee)	22			22	31
1,145			1,145	Interest payable on PFI unitary payments	1,084			1,084	13
6,100			6,100	Net Interest on Net Defined Benefit Liability	6,470			6,470	30
		(840)	(840)	Investment Income & Other Interest Receivable			(2,503)	(2,503)	31
		(495)	(495)	Changes in fair value of investment properties			(260)	(260)	22
		(16)	(16)	Interest & Investment Income CCRCD					
11			11	Change in Fair Value of Investment Properties CCRCD					
11,846	-	(1,351)	10,495	Financing and Investment Income and Expenditure	12,200	-	(2,763)	9,437	
				Taxation and Non-Specific Grant Income					
	(166,107)		(166,107)	Revenue Support Grant		(179,595)		(179,595)	8
		(48,787)	(48,787)	National Non-Domestic Rates			(52,773)	(52,773)	9
	(1,151)	(106,566)	(107,717)	Council Tax			(107,255)	(107,255)	10
	(18,844)		(18,844)	Recognised capital grants and contributions		(19,462)		(19,462)	11
	(489)		(489)	Recognised capital grants and contributions CCRCD					
46			46	Tax Expenses CCRCD					
46	(186,591)	(155,353)	(341,898)	Taxation and Non-Specific Grant Income	-	(199,057)	(160,028)	(359,085)	
				(Surplus) or Deficit on Provision of Services					
497,106	(319,494)	(192,846)	(15,234)		546,057	(304,022)	(204,974)	37,061	

		(61,794)	(61,794)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(27,750)	(27,750)	29a
1,669			1,669	Impairment losses on non-current assets charged to the Revaluation reserve	2,212			2,212	29a
		(79,020)	(79,020)	Actuarial (gains) / losses on pension liabilities			(243,050)	(243,050)	30
			(139,145)	Other Comprehensive (Income) and Expenditure				(268,588)	
			(154,379)	Total Comprehensive (Income) and Expenditure				(231,527)	

Movement in Reserves Statement

	Council Fund Balance	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	CCRCD Usable Reserves	Total Usable Reserves	CCRCD Unusable Reserves	Total Unusable Reserves	Total Council Reserves Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2021 brought forward	9,772	82,848	21,519	288	933	115,360	3,218	66,989	182,349
<u>Movement in Reserves during 2021-22</u>									
(Surplus)/deficit on the provision of services	14,568				666	15,234	-	139,145	154,379
Adjustments between accounting basis & funding basis under regulations (Note 20)	9,655		254	5,759	(235)	15,433	235	(15,433)	-
Transfers to Earmarked Reserves (Note 28)	(23,885)	23,885							-
Increase/(Decrease) in 2021-22	338	23,885	254	5,759	431	30,667	235	123,712	154,379
Balance at 31 March 2022 carried forward	10,110	106,733	21,773	6,047	1,364	146,027	3,453	190,701	336,728

	Council Fund Balance	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	CCRCD Usable Reserves	Total Usable Reserves	CCRCD Unusable Reserves	Total Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022 brought forward	10,110	106,733	21,773	6,047	1,364	146,027	3,453	190,701	336,728
<u>Movement in Reserves during 2022-23</u>									
(Surplus)/deficit on the provision of services	(37,061)					(37,061)		268,588	231,527
Adjustments between accounting basis & funding basis under regulations (Note 20)	23,436		3,955	(1,536)		25,855		(25,855)	-
Transfers to Earmarked Reserves (Note 28)	13,625	(13,625)	-	-		-			-
Increase/(Decrease) in 2022-23	-	(13,625)	3,955	(1,536)		(11,206)		242,733	231,527
Balance at 31 March 2023 carried forward	10,110	93,108	25,728	4,511	1,364	134,821	3,453	433,434	568,255

Balance Sheet

31 March 2022 £'000		31 March 2023 £'000	Notes
607,335	Property, Plant & Equipment	640,932	21c
220	Heritage Assets	220	
5,585	Investment Property	5,845	22
2,733	CCRCD Investment Property	2,733	22
189	CCRCD Equity	189	
1,910	Intangible Assets	1,428	21d
-	Long term Investments	5,089	30
1,538	CCRCD Long Term Debtors	1,538	
619,510	Long Term Assets	657,974	
45,525	Short Term Investments	48,333	31
2,500	Assets Held for Sale	65	24
469	Inventories	345	
68,789	Short Term Debtors	61,851	23
38,580	Cash and Cash Equivalents	21,574	31
6,205	Cash CCRCD	6,205	
126	Deferred Tax CCRCD	126	31
283	Financial Assets CCRCD	283	31
162,477	Current Assets	138,782	
(3,372)	Bank overdraft	(2,926)	31
(1,291)	Short Term Borrowing	(1,338)	31
(56,749)	Short Term Creditors	(56,131)	25
(4,610)	Provisions due in 1 year	(4,222)	26
(66,022)	Current Liabilities	(64,617)	
(4,277)	Provisions due after 1 year	(4,522)	26
(100,074)	Long Term Borrowing	(100,028)	31
	Other Long Term Liabilities		
(14,129)	PFI & Other Long Term Liabilities	(13,023)	27
(2,385)	Long term creditors (CCRCD)	(2,385)	27
(249,500)	Net Pensions Liability	(35,850)	30
(8,872)	Capital Receipts in Advance	(8,076)	21h
(379,237)	Long Term Liabilities	(163,884)	
336,728	Net Assets	568,255	
	Usable reserves		
10,110	Council Fund	10,110	28b
106,733	Earmarked reserves	93,108	28b
21,773	Capital Receipts Reserve	25,728	28a
6,047	Capital Grants Unapplied	4,511	
1,364	Usable Reserves CCRCD	1,364	
	Unusable Reserves		29
203,699	Revaluation Reserve	222,430	29a
(249,500)	Pensions Reserve	(35,850)	29b
240,672	Capital Adjustment Account	251,983	29c
(687)	Financial Instruments Adjustment Account	(677)	
(3,484)	Short-term Accumulating Compensated Absences Account	(4,453)	
1	Unusable Reserves CCRCD	1	
336,728	Total Reserves	568,255	

Cash Flow Statement

2021-22 £'000		2022-23 £'000	
(15,234)	Net (surplus)/deficit on the Provision of Services	37,061	
(40,687)	Adjustments to net deficit on the provision of services for non-cash movements	(55,370)	35
19,099	Adjustments for Items included in the net deficit on the provision of services that are investing and financing activities	23,296	
(36,822)	Net Cash Flows from Operating Activities	4,987	36
21,610	Investing Activities	30,240	37
(23,289)	Financing Activities	(18,668)	38
38,501	Net (Increase) / Decrease in Cash & Cash Equivalents	16,559	
(3,195)	Cash & Cash Equivalent at the beginning of the Reporting Period	(41,696)	
(41,696)	Cash & Cash Equivalent at the end of the Reporting Period	(25,137)	

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.



Notes to the Financial Statements

Note		Page Number
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1. Accounting Policies

1.1 General principles

The Statement of Accounts summarises the Council's transactions for the 2022-23 financial year and its position at the year end of 31 March 2023. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 and the Accounts and Audit (Wales) (Amendments) Regulations 2018, in accordance with proper accounting practices. These practices comprise the *Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2022-23* and the *Service Reporting Code of Practice 2022-23* supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Standards that have been issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2022-23 requires that the Council discloses information relating to the anticipated impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. At the balance sheet date there are no new relevant standards or amendments to existing standards that have been published but not yet adopted by the Code that will have any impact on the financial statements. However, the following details are provided for information purposes.

Standard	Effective date	Further details
IFRS 16 Leases	01 April 2024	The Standard removes the previous lease classifications of operating and finance leases and will require local authorities that are lessees to recognise all leases on their balance sheet as right-of-use assets (there are exemptions for short-term and low value leases) with a corresponding lease liability representing the lessee's obligation to make lease payments for the asset. However, it should be noted that CIPFA/LASAAC have again deferred implementation of IFRS 16 for local government to 1 April 2024.
Infrastructure Assets	01 January 2023	CIPFA issued temporary relief with an update to the Code on infrastructure assets. These are shown separately to other non-current assets to exclude gross cost and accumulated depreciation.
IAS 8	01 January 2023	Amendments in relation to the Definition of Accounting Estimates issued in February 2021
IAS 1 and IFRS Practice Statement 2	01 January 2023	Amendments in relation to the Disclosure of Accounting Policies. Issued in February 2021
IAS 12	01 January 2023	Amendments in relation to Deferred Tax related to Assets and Liabilities arising from a Single Transaction. Issued in May 2021.
IFRS 3	01 January 2023	Updating a reference to the Conceptual Framework. Issued in May 2020.

1.3 Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Investment income and interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may be impaired, the balance of debtors is written down by the difference between the carrying amount and revised future cash flows and a charge made for the impairment to revenue.

1.4 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.5 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, employee and retirement benefits and are 'Unusable' reserves as set out in Note 29 to the accounts.

1.6 Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grant / contribution will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.7 Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlement earned by employees but not taken before the financial year-end which employees can carry forward into the next financial year. The accrual is charged to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, when the Council is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are members of two separate pension schemes. Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The *Teachers' Pension Scheme*, administered by Teachers' Pensions on behalf of the Department for Education (DfE). The arrangements for this scheme mean that liabilities for benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Education and Family Support line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The *Local Government Pension Scheme* - other employees are entitled to be members of the Rhondda Cynon Taf County Borough Council Pension Fund. The Local Government Scheme is accounted for as a defined benefit scheme:

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate.
- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Property – market value
- The change in the net pensions liability is analysed into the following components:
 - Current service cost – the increase in liabilities as result of the number of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to the number of years of service earned in earlier years – debited to Central Services in the Comprehensive Income and Expenditure Statement
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
 - Re-measurements comprising:
- The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve and Other Comprehensive Income and Expenditure

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions reserve and Other Comprehensive Income and Expenditure:
 - Contributions to the pension fund – cash paid as employer’s contribution to the pension fund in settlement of liabilities; not accounted for as an expense.
- In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners for any amounts payable to the fund but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.
- The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.8 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty’s Revenue and Customs. VAT receivable is excluded from income.

1.9 Overheads and Support Services

In line with the Code of Practice on Local Authority Accounting overheads and support services are shown in the relevant service where they are incurred and are not recharged out to supported service areas. Any internal income as a result of transactions between departments is shown in the supplying service line with the corresponding charge being shown in the recipient service line.

1.10 Intangible Assets

The Council accounts for software as intangible assets to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The most significant intangible asset is the Wales Community Care Information System (WCCIS) software development costs and licence.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful life used by the Council for the WCCIS is 8 years. Amortisation of the intangible asset is charged on a straight line basis over the useful life and is charged to the Social Services and Wellbeing line in the Comprehensive Income and Expenditure Statement.

1.11 Property, Plant and Equipment

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset’s potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

All expenditure on Property, Plant and Equipment is recognised irrespective of value. Expenditure below £40,000 is considered non-enhancing and is immediately impaired unless cumulatively over more than one year the expenditure would amount to more than this value.

Measurement

Assets are initially measured at cost, comprising its purchase price and all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the balance sheet using the following measurement bases:

- **Land and buildings** – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- **Non-specialised operational properties** – existing use value (EUV)
- **Specialised operational properties (such as schools)** – depreciated replacement cost (DRC)
- **Vehicles, plant and equipment** – depreciated historical cost
- **Community assets** – historical cost
- **Assets under construction** – historical cost (until they become operational)
- **Infrastructure assets** – depreciated historical cost
- **Surplus assets and investment properties** – fair value
- **Assets held for sale** – lower of carrying amount and fair value less costs of sale

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flow of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council. The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Revaluations

Assets included in the Balance Sheet at fair value or current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value or current value at the year-end. Revaluations of the Council's property assets are undertaken on a 3 year rolling programme basis. Additional asset valuations have been undertaken in 2022-23 to ensure that the values held in the balance sheet are materially correct. Revaluation gains since 1 April 2007 only are recognised in the Revaluation Reserve, the date of its inception. Previous revaluation gains have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where there have been previous revaluation gains against the asset held in the Revaluation Reserve, any subsequent loss is firstly written out against the accumulated Revaluation Reserve with any balance being charged against the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is provided for on Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Exceptions are made for:

- Heritage assets
- Assets without a determinable finite useful life such as freehold land
- Assets that are not yet available for use i.e. assets under construction, and assets held for sale.

Depreciation is calculated on the value of the asset at the start of the year and on the following bases:

Asset	Policy	Life
Land	No depreciation charged	N/A
Buildings	Straight line depreciation on estimated remaining life	As advised by Valuer (between 1 - 79 years)
Vehicles, plant and equipment	Straight line depreciation on estimated remaining life	3 - 10 years
Infrastructure - Bridges	Straight line depreciation on estimated remaining life	30 years
Infrastructure - Roads	Straight line depreciation on estimated remaining life	15 years
Infrastructure - Other	Straight line depreciation on estimated remaining life	1 - 30 years

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Assets purchased or revalued during the year are reviewed to confirm whether any part of the asset will have a significantly different useful life and a material impact on depreciation. Where this is the case the asset will be componentised and the differing parts will be depreciated over their respective useful lives. Within the Council's asset portfolio there are a number of asset classes where componentisation is not considered, including:

- Equipment – as this is considered immaterial.
- Asset classes which are not depreciated – such as land, investment property, heritage assets, community assets and assets held for sale.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The criteria for recognising assets as being held for sale are:

- Available for immediate sale in present condition
- Sale highly probable
- Actively marketed
- Sale completion expected within 12 months.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

1.12 Heritage Assets

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical worth. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. The Council recognises its Civic Regalia and a number of paintings in the Balance Sheet at insurance value. The value of the paintings were added to the Balance Sheet during 2017-18 based on an insurance valuation carried out by professional valuers during the year. According to the Code there is no prescribed minimum period between valuations and the Council does not intend to revalue its Heritage Assets in the near

future unless there is evidence of impairment such as physical deterioration or damage, or doubts to their authenticity arise.

1.13 Charges to revenue for non-current assets

Services are debited with the following amounts to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Council is not required to raise council tax to fund depreciation, revaluation or impairment losses or amortisation. However, it is required to make an annual prudent provision from revenue to contribute towards the reduction in its overall borrowing requirement. This is detailed in the Council's Annual Minimum Revenue Provision Statement, and differentiates between supported capital expenditure, unsupported capital expenditure, and Finance Leases / PFI. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by this *Minimum Revenue Provision* (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. The Council charges MRP on a straight line basis over 45 years. This ensures that the costs of supported capital expenditure are spread evenly over the lifetime of assets, and that the debt is fully extinguished within forty-five years.

1.14 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Examples of such expenditure include home improvement grants, such as Disabled Facilities Grants, town improvement grants and land feasibility studies. Where the Council has determined to meet the cost of these from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax. Where this expenditure is funded by grants or contributions, this is also taken to the relevant service area where the expenditure has been charged.

1.15 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as a Lessee

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent-free period at the commencement of the lease).

The Council as a Lessor

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.16 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash-flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost as they are held solely for payment of principal and interest.

Financial Assets held at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value, which is normally the transaction cost. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) represent investment and interest income receivable. For the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued investment and interest income).

Any gains or losses that arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all its financial assets held at amortised cost, either on a 12 month or lifetime basis. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assumed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council. Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure Section of the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable together with any accrued interest and interest charged to the Comprehensive Income and Expenditure Statement for the year according to the loan agreement.

The Council has three Lender's Option Borrower's Option loans (LOBOs) with stepped interest rates. An effective interest rate has been used for these so that these are re-measured amounts for the LOBOs on the Balance Sheet.

The Council does not hold any financial assets or liabilities at Fair Value, however it is required to provide fair value information as appropriate. The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs – unobservable inputs.

1.17 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Work in progress is subject to an interim valuation at the year end and recorded in the Balance Sheet at cost plus any profit reasonably attributable to the works.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

1.18 Private Finance Initiatives (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under the PFI scheme and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under these contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current Assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed as follows:-

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement
- payment towards the liability – applied to write down the Balance Sheet liability towards the PFI operator

PFI assets are subject to MRP. The Annual MRP Policy for the Council has deemed this charge to be equivalent to the finance lease liability written down for the year.

1.19 Joint Arrangements

The Council is part of a number of joint arrangements including the Joint Committee for the Cardiff Capital Region City Deal (CCRCD) which consists of 10 Partner Authorities: Blaenau Gwent; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda-Cynon-Taf; Torfaen; the Vale of Glamorgan and Bridgend. The Joint Committee has been established to oversee delivery of a range of programmes designed to secure sustainable economic growth for the region in order to improve the lives of all in the community, including increasing connectivity and improving physical and digital infrastructure. The contributions to the Joint Committee are classified as Revenue Expenditure Funded from Capital Under Statute (REFCUS). The Council has consolidated the income and expenditure, and the assets and liabilities of the Joint Committee. The Council continues to have administrative responsibilities for Coychurch Crematorium and independent financial statements continue to be prepared and reviewed for this joint committee. The activities of the Coychurch Crematorium joint arrangement are excluded from the Council's single entity financial statements on the basis of materiality of both assets and population.

1.20 Council Tax Income

All Council Tax income is shown in the Comprehensive Income and Expenditure Statement of the Council with the major preceptors' precepts (principally Police and Crime Commissioner for South Wales) being included as expenditure. Council Tax Income is shown gross in the Comprehensive Income and Expenditure Statement with any amounts allocated as a result of the Council Tax Reduction Scheme recognised as an expense within net costs of services.

1.21 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

1.22 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of notice of not more than 24 hours. Cash equivalents are investments that mature in no more than a month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.23 Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.24 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

The Council instructed external valuers Cooke & Arkwright to provide valuations annually as at 31 December for all of the Council's investment portfolio in line with IFRS13. When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (that is **Level 1 inputs**), their fair value is measured using the following valuation techniques:

Level 2 inputs: quoted prices for similar assets or liabilities in active markets at the valuation date

Level 3 inputs: based on most recent valuations, adjusted if necessary through the use of indexation and impairment review

The majority of the investment properties were valued at Level 2 inputs with a number valued at Level 3 inputs.

Rentals received in relation to investment properties are credited to the net Cost of Services and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.25 Local Authority Schools

The Code of Practice on Local Authority Accounting confirms that the balance of control for local Council maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Council. The Code also stipulates that those schools' assets, liabilities and cash flows are recognised in the Council's financial statements (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements as if they were of the Council.

2. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a high degree of uncertainty about future levels of funding for local government. Whilst the Welsh Government has issued indicative funding allocations for the next year, this is at an all-Wales not a local authority level. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

The Council is deemed to control the services provided under the outsourcing agreement for the provision of a Comprehensive School in Maesteg and also to control the residual value of the school at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the School has been recognised as Property, Plant and Equipment on the Council's Balance Sheet and is separately identified under note 21c. The school is the Council's only PFI asset.

The Council has a number of interests in other entities however these are not sufficiently material to include within the consolidated financial statements when reviewing both quantitative and qualitative information. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts.

3. Assumptions made about the future and other major sources of estimated uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Plant, Property and Equipment

Revaluation of the Council's assets is undertaken on a 3-year rolling programme. The value of those assets is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance, and in accordance with IFRS. Revaluation takes account of the value and condition of the asset, relevant components and also de-recognition where appropriate. Additional valuations have been undertaken in the current year to ensure that the assets in the balance sheet are materially correct.

Depreciation of Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate may result in spending on repairs and maintenance having to be reduced thus bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets will fall.

Investment Properties, Surplus Assets and Assets Held for Sale

Fair Value estimations:

The Council instructed external valuers Cooke & Arkwright to provide valuations as at 31 December 2022 for all of the Council's investment portfolio and these were valued in line with IFRS13.

When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (**Level 1 inputs**), their fair value is measured using the following valuation techniques:

Level 2 inputs: quoted prices for similar assets or liabilities in active markets at the balance sheet date;

Level 3 inputs: valuations based on the most recent valuations adjusted to current valuation by the use of indexation and impairment review.

Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value. The external valuers used the most appropriate valuation techniques to determine fair value.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.

4. Expenditure and Funding Analysis

2021-22				2022-23		
Net Expenditure Chargeable to the Council Fund Restated	Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the Council Fund	Adjustments between the Funding and Accounting Basis & transfers to Earmarked Reserves (Note 5)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
128,118	(4,598)	123,520	Education and Family Support	138,246	(21,371)	159,617
70,395	8,390	78,785	Social Services & Wellbeing	96,846	(11,940)	108,786
28,456	11,399	39,855	Communities	30,601	(13,884)	44,485
18,184	5,345	23,529	Chief Executives	20,856	(8,077)	28,933
47,096	(23,235)	23,861	Council Wide Services	23,606	5,062	18,544
	(218)	(218)	Cardiff Capital Region City Deal (CCRCD)			
292,249	(2,917)	289,332	Net Cost Of Services	310,155	(50,210)	360,365
(292,587)	(11,530)	(304,117)	Other income and Expenditure	(310,155)	13,149	(323,304)
	(449)	(449)	Cardiff Capital Region City Deal (CCRCD)			
(338)	(14,896)	(15,234)	Surplus or Deficit	-	(37,061)	37,061
9,772			Opening Council Fund Balance	10,110		
338			Surplus or (Deficit) on Council Fund for year	-		
10,110			Closing Council Fund Balance as at 31 March	10,110		

5. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2021-22				
Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£'000	£'000	£'000	£'000
Education and Family Support	(6,290)	9,060	(7,368)	(4,598)
Social Services & Wellbeing	29	7,452	909	8,390
Communities	7,763	3,634	2	11,399
Chief Executives	1,565	3,504	276	5,345
Council Wide Services	(4,659)		(18,576)	(23,235)
Cardiff Capital Region City Deal (CCRCD)			(218)	(218)
Net cost of services	(1,592)	23,650	(24,975)	(2,917)
Other income and expenditure from the Expenditure and Funding Analysis	(18,766)	6,100	1,136	(11,530)
Cardiff Capital Region City Deal (CCRCD)			(449)	(449)
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(20,358)	29,750	(24,288)	(14,896)

Adjustments between Funding and Accounting Basis 2022-23				
Adjustments from Council Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total Adjustments
	£'000	£'000	£'000	£'000
Education and Family Support	(3,541)	(9,003)	(8,827)	(21,371)
Social Services & Wellbeing	(1,066)	(7,194)	(3,680)	(11,940)
Communities	(8,441)	(3,262)	(2,181)	(13,884)
Chief Executives	(3,611)	(3,470)	(996)	(8,077)
Council Wide Services	2,889	-	2,173	5,062
Cardiff Capital Region City Deal (CCRCD)				
Net cost of services	(13,770)	(22,929)	(13,511)	(50,210)
Other income and expenditure from the Expenditure and Funding Analysis	20,693	(6,470)	(1,074)	13,149
Cardiff Capital Region City Deal (CCRCD)				
Difference between Council Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	6,923	(29,399)	(14,585)	(37,061)

Note 1 - Adjustments for Capital Purposes

The adjustments for capital purposes column adds in depreciation and impairment, revaluation gains and losses and Revenue Expenditure Funded by Capital under Statute (REFCUS) in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing (i.e. the Minimum Revenue Provision) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note 2 - Net Change for the Pensions Adjustments

The net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs
- For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Note 3 - Other Differences

Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute:

- For financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.
- The charge under Taxation and Non-Specific Grant Income represents the difference between what is chargeable under statutory regulations for council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices.

6. Expenditure and Income Analysed by Nature

This table sets out how the funding to the Council has been used in providing services in line with generally accepted accounting practices. This will include cash and non-cash transactions including accounting adjustments in line with International Financial Reporting Standards. **A segmental analysis of fees, charges and other service income is presented on the face of the Comprehensive Income and Expenditure Statement.**

2021-22 £'000		2022-23 £'000
	Expenditure	
227,131	Employee expenses	256,568
224,812	Other services expenses	231,802
6,491	Depreciation, amortisation, impairment	18,172
11,835	Interest payments	12,200
26,264	Precepts and levies	27,315
573	(Gain)/Loss on disposal of assets	-
497,106	Total expenditure	546,057
	Income	
(36,142)	Fees, charges and other service income	(41,212)
(155,353)	Income from council tax, non-domestic rates	(160,028)
(319,494)	Government grants and contributions	(304,022)
(856)	Investment Income and other Interest Receivable	(2,503)
-	(Gain)/Loss on disposal of assets	(971)
(495)	Other income	(260)
(512,340)	Total income	(508,996)
(15,234)	(Surplus) or Deficit on the provision of services	37,061

Notes to the Comprehensive Income and Expenditure Statement

7. Precepts and Levies

Precepts are the amounts paid to non-billing authorities (e.g. community councils) by billing authorities so that they can cover their expenses. Levies are the amounts payable when services are operated over areas covering more than one Council, either on a joint service basis, where one Council administers the service and other Councils contribute to the costs, or by external bodies who levy on the appropriate Councils. The amounts paid were as follows:

2021-22 £'000		2022-23 £'000
15,632	Precepts Police and Crime Commissioner for South Wales	16,486
2,858	Community Councils	2,848
18,490	Total Precepts	19,334
7,364	Levies South Wales Fire and Rescue Authority	7,544
286	Coroners Service	347
106	Archive Service	116
18	Swansea Bay Port Authority	18
-	Margam Joint Crematorium	(44)
7,774	Total Levies	7,981
26,264	Total Precepts and Levies	27,315

8. Revenue Support Grant (RSG)

This is the principal source of finance towards revenue expenditure received from Welsh Government. The amount received in 2022-23 was £179.595 million (£166.107 million for 2021-22).

9. National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government (WG) specifies the rate in the pound to be charged (the multiplier) and, subject to the effects of transition arrangements, local businesses pay rates calculated by multiplying their rateable value by the rate in the pound (the multiplier). The multiplier was 53.5p in 2022-23 (53.5p in 2021-22). The total rateable value of the Council equalled £97,646,775 on 31 March 2023 (£97,485,244 on 31 March 2022). The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NNDR pool administered by WG. WG then redistributes the sums payable back to local authorities pro rata to adult population in each Council's area.

The Council receives a contribution directly from the NNDR pool. The income from this is reflected separately in the Comprehensive Income and Expenditure Statement. This amount was £52.773 million in 2022-23 (£48.787 million in 2021-22).

10. Council Tax

Council Tax Income derives from charges raised from residential properties, which have been classified into ten valuation bands based on the value the property is estimated to have been on 1 April 2005. Charges are calculated by taking the amount of income required for Bridgend County Borough Council, each Community Council and the Police and Crime Commissioner for South Wales and dividing this by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a factor to convert the number to a Band D equivalent, which is then adjusted for discounts. The gross tax base is then multiplied by the estimated collection rate to give the net tax base on which the budget is set – this was 54,568.51 Band D equivalents for 2022-23 (54,329.46 in 2021-22). The average charge for a Band D property is £1,951.31 in 2022-23 (£1,937.33 in 2021-22 on average) and this is multiplied by the factor specified for the band to give the individual amount due.

Council Tax bills were based on the following multipliers for bands A* to I and the number of properties in each band were as follows:

Band	A*	A	B	C	D	E	F	G	H	I
Factor	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
Chargeable Dwellings	27	10,261	14,988	14,415	10,717	7,738	4,271	1,436	290	89

A* - in Band A but affected by disability reduction. Analysis of the net proceeds from Council Tax is as follows:

2021-22 £'000		2022-23 £'000
(106,566)	Council Tax Collectable	(107,255)
(1,151)	Welsh Government Hardship Fund	-
	Less:	
2,858	Payable to Community Councils	2,848
15,632	Payable to Police and Crime Commissioner for South Wales	16,486
1,273	Provision for non-payment of Council Tax increase/(decrease)	1,051
(87,954)		(86,870)

The Welsh Government Hardship Fund did not provide local authorities with any funding for loss of council tax income in 2022-23 (£1.151 million in 2021-22).

11. Grants

In addition to the Revenue Support Grant, the Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement.

2021-22 RESTATED £'000	Specific Grants credited to Services	2022-23 £'000
(34,347)	Housing Benefit Subsidy	(32,287)
(6,895)	Post 16 Grant	(7,887)
(4,963)	Education Improvement Grant	(4,976)
(6,067)	Pupil Development Grant	(5,953)
(7,427)	Housing Support Grant (previously Supporting People)	(7,954)
(13,565)	Other Education & Family Support	(10,196)
(4,546)	Other Social Services & Wellbeing	(3,904)
(13,204)	Others	(9,398)
-	Homelessness Prevention – No one left behind	(2,364)
(3,041)	Concessionary Fares Grant	(2,304)
(3,205)	Flying Start	(3,444)
(3,574)	Recruit Recover & Raise Standards (inc. Accelerated Learning Programme)	(1,394)
(2,916)	Social Care Recovery Fund	-
(2,221)	Social Care Pressures Grant	-
(2,221)	Social Care Workforce Grant (previously Sustainability Grant)	(1,999)
(456)	Housing/Council Tax Benefit Administration	(390)
(2,304)	Regional Integrated Fund (previously Integrated Care Fund)	(1,912)
(1,690)	Families First	(1,776)
-	Home for Refugees - Ukraine	(1,781)
(13,527)	Covid Grants	(3,500)
(1,236)	Cost of Living	(259)
(39)	General Capital Grant	(550)
(5,027)	Other Capital Grants	(737)
(432)	Cardiff Capital Region City Deal (CCRCD)	-
(132,903)	Total Specific Grants Credited to Services	(104,965)

2021-22 £'000	Other Government Grants credited to Taxation and Non-specific Grant Income	2022-23 £'000
(18,844)	Capital Grants and Contributions	(19,462)
(489)	CCRCD	-
(19,333)	Total Other	(19,462)
(152,236)	Total Grants	(124,952)

The tables above includes £3.363m Covid-19 grant income (£13.527m in 2021-22). This includes an element of Hardship Funding which is now ending and a couple of small grant streams still funded throughout 2022-23. This is made up of the following:

2021/22 £'000	Covid Grants	2022/23 £'000
(12,864)	Hardship Funding	(3,411)
(421)	Test, Trace & Protect	(89)
(242)	Other Covid Support Grants	-
(13,527)	Total	(3,500)

In addition to this, the Council administered a number of other grants on behalf of the Welsh Government, which because the authority was acting in the role of an agent for the Welsh Government, did not pass through the Comprehensive Income and Expenditure Statement. These can be found in the table below.

2021/22 £'000	Agency Grants	2022/23 £'000
(1,729)	Winter Fuel	(3,571)
-	Unpaid Carers	(1,325)
(3,603)	Social Care Bonus Scheme	(5,615)
(183)	Statutory Sick Pay Enhancement Scheme	(119)
(1,737)	Self Isolation Payments Scheme	(607)
-	Energy Bill Support	(425)
-	Alternative Fuel	(81)
(7,252)	Total	(11,743)

12. Leases

Council as a Lessee

Operating Leases

The future minimum lease payments due under non-cancellable leases in future years are:

2021-22 £'000		2022-23 £'000
(376)	Not later than one year	(376)
(968)	Later than one year but less than five years	(765)
(6,319)	Later than five years	(6,146)
(7,663)	Total	(7,287)

Expenditure charged in the year to the Service areas was £0.383 million made up of minimum lease payments of £0.008 million and £0.375 million for contingent rents (2021-22: £0.428 million made up of £0.016 million minimum lease payments and £0.412 million contingent rents).

Council as a LessorOperating Leases

The Council leases out property for economic purposes to provide affordable accommodation for local businesses. The future rentals receivable under operating leases are:-

2021-22 £'000		2022-23 £'000
102	Not later than one year	107
159	Later than one year but less than five years	156
1,689	Later than five years	1,741
1,950	Total	2,004

13. Private Finance Initiative (PFI)

During the 2008-09 financial year, the Council commenced payment under a Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg – this contract was entered into in 2007-08 and will run until August 2033. There is a commitment of £30.5 million (Net Present Value) over the duration of the contract, which is to be funded by Revenue Support Grant agreed by the Welsh Government, and Council / Delegated School Budget.

The total unitary payment is divided into the service charge element, the repayment of the liability element and the interest element. The charges are shown below:

2021-22 £'000	Unitary Charge	2022-23 £'000
703	Service Charge Element	766
1,145	Interest Element	1,084
801	Finance Lease Liability	863
2,649	Total	2,713

These payments will be made over the life of the PFI contract and estimates for subsequent years are as detailed below at current prices.

Unitary Charge	2023-24 £'000	2024-25 to 2028-29 £'000	2029-30 to 2033-34 £'000	TOTAL £'000
Service Charge Element	502	2,512	2,504	5,518
Interest Element	1,018	3,895	1,288	6,201
Finance Lease Liability	929	5,839	7,134	13,902
Total	2,449	12,246	10,926	25,621

14. Pooled Fund Arrangements

There are a number of formal pooled budget arrangements between the Council and Cwm Taf Morgannwg University Health Board under Section 33 NHS (Wales) Act 2006.

Purpose of Partnership	Partner	Year	Gross Income Of Partnership £'000	Gross Expenditure of Partnership £'000	Council's Contribution £'000
Provision of day opportunities for people recovering from mental health problems.	Cwm Taf-Morgannwg University Health Board	2021-22	(644)	644	322
		2022-23	(691)	691	345
Provision of specified community equipment for service users to enable them to continue to live in their own homes. Rhondda Cynon Taf are the lead partner	Rhondda Cynon Taff CBC Merthyr Tydfil CBC Cwm Taf Morgannwg University Health Board	2021-22	(3,272)	3,436	761
		2022-23	(3,168)	3,164	851
Provision of integrated community support services	Cwm Taf-Morgannwg University Health Board	2021-22	(4,795)	4,795	2,133
		2022-23	(5,275)	5,275	2,473
Cwm Taf Morgannwg Care Home Accommodation	Rhondda Cynon Taff CBC Merthyr Tydfil CBC Cwm Taf Morgannwg University Health Board	2021-22	(52,717)	52,704	9,692
		2022-23	(60,544)	60,484	12,044

15. Officers' Remuneration

Four separate disclosures are required to ensure compliance with the Accounts and Audit (Wales) Regulations 2014, the Accounts and Audit (Wales) (Amendments) Regulations 2018 and the CIPFA Code.

Disclosure 1 – Ratio of the Remuneration of the Chief Executive to the median remuneration of all the Council's employees

The ratio of the remuneration of the Chief Executive to the median remuneration of all the Council's employees was 5.89 (2021-22 6.30). The median remuneration of all employees was £24,948 (2021-22: £23,023).

Disclosure 2 – Table of Officers' Remuneration over £60,000

The number of employees (including teachers) whose remuneration, excluding pension contributions, was £60,000 or more for the year is as follows.

2021-22 including Redundancy Costs	Remuneration Band	Number of Employees			
		2022-23 inc Redundancy Costs (Note 1)	2022-23 exc Redundancy Costs (Note 2)	Number of Teachers inc in Figures exc Redundancy (Note 2)	Number of Non-Teachers inc in Figures exc Redundancy (Note 2)
41	£60,000 - £64,999	50	49	39	10
21	£65,000 - £69,999	26	24	17	7
16	£70,000 - £74,999	13	13	12	1
5	£75,000 - £79,999	17	16	16	-
5	£80,000 - £84,999	4	4	4	-
7	£85,000 - £89,999	6	6	4	2
1	£90,000 - £94,999	5	5	2	3
3	£95,000 - £99,999	3	3	1	2
3	£100,000 - £104,999	2	2	2	-
2	£105,000 - £109,999	1	1	1	-
2	£110,000 - £114,999	3	3	3	-
2	£115,000 - £119,999	4	4	1	3
1	£120,000 - £124,999	-	-	-	-
-	£125,000 - £129,999	-	-	-	-
-	£130,000 - £134,999	-	-	-	-
-	£135,000 - £139,999	-	-	-	-
-	£140,000 - £144,999	-	-	-	-
1	£145,000 - £149,999	1	1	-	1
110		135	131	102	29

Note 1: These costs include redundancy costs and payments in lieu of notice at time of departure as well as any applicable pension strain costs, which are the costs of the early payment of benefit payable by the Council to the Pension Fund when a member of staff over 55 is made redundant.

Note 2: These are officers still in post, of which there are 162 individuals with remuneration of £60,000 or more, including:

- a) 102 Headteachers, Deputy Headteachers and Assistant Headteachers
- b) 52 Senior Managers of the Council, including the Senior Officers shown in Disclosure 3 below, and Heads of Service.

Disclosure 3 – Table of Senior Officers’ Remuneration (including Pensions Contributions)

Job Title	Salary		Pension Contributions (note 1)		Total Remuneration including Pension Contributions	
	2021-22 £	2022-23 £	2021-22 £	2022-23 £	2021-22 £	2022-23 £
Chief Executive Officer & Head of Paid Service (Note 2)	145,099	147,024	28,730	29,111	173,829	176,135
Corporate Director - Education and Family Support	115,188	117,113	22,807	23,188	137,995	140,481
Corporate Director - Communities	112,741	117,113	22,323	23,188	135,064	140,346
Corporate Director - Social Services & Wellbeing	115,188	117,113	22,807	23,188	137,995	140,301
Chief Officer – Finance, Performance and Change (Note 3)	30,400	99,113	6,019	19,624	36,419	119,176
Chief Officer – Legal and Regulatory Services, Human Resources and Corporate Policy	91,785	99,113	17,685	19,624	109,470	121,609

Notes

- Note 1 No ‘Taxable Expenses’ or ‘Benefits in kind’ were paid in the year. Pension Contributions relate to actual payments made.
- Note 2 The Chief Executive Officer figures excludes payment for Election Duties which amounted to £14,166 for the Bridgend County local elections (£12,837 for the Senedd and Police and Crime Commissioner elections in 2021-22) and £407 for Bridgend County By-elections in 2022-23.
- Note 3 The Chief Officer – Finance, Performance and Change post was appointed to on 6 December 2021. Prior to this appointment the role was undertaken on an interim arrangement which ended 16 December 2021. The Interim Chief Officer – Finance, Performance and Change was appointed under a contractual arrangement with the Welsh Local Government Association. The costs incurred in this arrangement during 2021-22 were £101,960.

Disclosure 4 – Table on Exit Packages

The number of exit packages approved in the year with total cost per band (£'s) and total cost of compulsory and other redundancies are set out in the table below:

Exit Package Cost Band (including Special Payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2021-22 £	2022-23 £	2021-22 £	2022-23 £	2021-22 £	2022-23 £	2021-22 £	2022-23 £
£0 - £20,000	3	5	2	9	5	14	22,161	159,450
£20,001 - £40,000	3	5	1	-	4	5	96,970	162,241
£40,001 - £60,000	1	2	-	-	1	2	57,306	102,498
£60,001 - £80,000	1	-	-	-	1	-	60,860	-
	8	12	3	9	11	21	237,297	424,189

16. Members' Allowances

The allowances for Councillors are shown in the table below.

2021-22 £'000		2022-23 £'000
580	Basic Salary (all Members)	665
492	Senior Salary	563
52	Civic Salary	59
1,124	Total	1,287

Full details of the 'salary' arrangements are available on the Council's website, and details of all Member earnings are also published annually on the Council's website.

<https://www.bridgend.gov.uk/my-council/democracy-and-elections/councillors-remuneration/>

17. External Audit Costs

Bridgend County Borough Council incurred the following fees relating to external audit and inspection.

2021-22 £'000		2022-23 £'000
188	Financial Statement Audit	209
101	Performance Audit	102
289	External Audit Services	311
34	Grant Claims and Returns	34
323	Total	345

18. Participation in Joint Committees and Joint Arrangements

The Council participated in a number of Joint Committees and Joint Arrangements during the year. The amounts contributed by the Council are set out below.

	2021-22 £'000 RESTATED	2022-23 £'000
Cardiff Capital Region City Deal (CCRCD)	109	115
Central South Consortium Joint Education Service	549	554
Joint Adoption Service	949	976
Shared Regulatory Service	1,685	1,673
Shared Internal Audit Service	138	209
Glamorgan Archives	106	116
Joint Vehicle Maintenance	124	120
Coychurch Crematorium	-	-
Margam Crematorium	-	-
Total	3,660	3,763

The Council participated in Joint Committee's for Coychurch and Margam Crematorium and received a cash payment from Margam Crematoria in 2022-23 of £44,800. There was no contribution in 2021-22.

19. Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have been able to limit another party's ability to bargain freely with the Council.

Welsh Government

Welsh Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates; provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills). Grants received from government departments are set out in Notes 8 and 9 above.

Members

Members of the Council have direct control over the Council's financial and operating policies. Members' external interests are maintained in a register, which is available for inspection on the Council's website. The total of members' allowances paid is shown in Note 16. Payments made to organisations where Members had an interest included Care and Repair (Bridgend) £1,256,323 (£1,438,302 in 2021-22), Bridgend County Borough Citizens Advice Bureau £303,519 (£275,112 in 2021-22) and Bridgend Association of Voluntary Organisations £618,256 in 2022-23 (£749,780 in 2021-22). In all instances, the grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Other payments made to organisations where members declared interests totalled £2,177,328 (£684,834 in 2021-22). Balances owed by the Council as at 31 March 2023 included Care & Repair £28,376 (£176,075 in 2021-22) and Bridgend Lifesavers Credit Union Ltd £9,035 (Nil 2021-22). Amounts owed to the Council as at 31 March 2023 included Welsh Local Government Association £103,370 (nil in 2021-22), Sarn Centre Association £8,318 (£8,318 in 2021-22), Maesteg Town Council £nil (£29,437 in 2021-22) and Porthcawl Town Council £5,568 (£10,094 in 2021-22).

Chief Officers

During 2022-23 the Head of Adult Social Care sat on the Board of WSP Glamorgan Consultancy (previously known as Capita Glamorgan Consultancy Ltd). The Council owns 14.7% of the shares of the company and holds voting rights to this value on the Board. During 2022-23 the Council was charged £1,229,566 (2021-22: £958,936) in respect of goods, services and capital works. The balance owed by the Council at the 31 March 2023 was £232,604 (£37,647 in 2021-22). In addition the Head of Operations Community Services sits on the Board of CSC Foundry Ltd, a special purpose vehicle which is a wholly owned subsidiary of the City Deal Joint Committee. Details of the payments made to the Cardiff Capital Region City Deal are included in note 18 to the accounts.

Other Joint Committees

Details of the amounts paid under Joint Committees is shown in Note 18.

Glamorgan Archives Joint Committee

The Glamorgan Record Office is managed and administered by the Glamorgan Archives Joint Committee under powers conferred by the Local Government (Wales) Act 1994.

Coychurch Crematorium

Coychurch Crematorium is subject to the control of a Joint Committee of Members from Bridgend CBC, Rhondda Cynon Taf CBC and the Vale of Glamorgan CBC. Financial statements for this Joint Committee are available on the Bridgend CBC website (www.bridgend.gov.uk).

Margam Crematorium

Margam Crematorium is subject to the control of a Joint Committee of Members from Neath Port Talbot County Borough Council, who manage the Crematorium. Financial Statements for this Joint Committee are available on the Neath Port Talbot CBC website (www.npt.gov.uk)

Other Public Bodies

The Council has a number of pooled budget arrangements with Cwm Taf Morgannwg University Health Board as detailed in Note 14. It also pays a management fee to the Awen Trust for cultural related services which is a not for

profit organisation. The amount paid to Awen in 2022-23 was £2,817,529 (2021-22: £3,732,670). The balance owed by the Council to Awen as at 31 March 2023 is £27,263 (2021-22 - nil) and a balance outstanding of £15,723 was owed to the Council at the 31 March 2023 (2021-22 - £61,151). The Board of Awen Cultural Trust has two Councillors as Board members.

Notes to the Movement in Reserves Statement

20. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

Council Fund Balance

This is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the Council Fund Balance, which is not necessarily in accordance with proper accounting practice. The Council Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit or resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure, or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Unusable Reserves

This includes the Revaluation Reserve which contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment; the Pensions Reserve which absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions; the Capital Adjustment Account which absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing and acquisition, construction or enhancement of those assets under statutory provisions; the Financial Instruments Adjustment Account which absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions; and the Short-term Accumulated Compensated Absences Account which absorbs the differences that would otherwise arise on the Council Fund Balance from accruing holiday entitlements earned but not taken in the year.

The tables below detail the adjustments for 2021-22 for comparative purposes and the adjustments for 2022-23.

2021-22	Usable Reserves			Unusable Reserves £'000
	Council Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustment to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	29,750			(29,750)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(10)			10
Holiday Pay (transferred to the Accumulated Absences Reserve)	273			(273)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (those items are charged to the Capital Adjustment Account)	7,084			(7,084)
Total Adjustments to Revenue Resources	37,097	-	-	(37,097)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(254)	254		
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(7,324)			7,324
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(1,020)			1,020
Total adjustments between Revenue and Capital Resource	(8,598)	254	-	8,344
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure				-
Application of capital grants to finance capital expenditure	(18,844)			18,844
Cash payments in relation to deferred capital receipts			5,759	(5,759)
Total adjustments to Capital Reserves	(18,844)	-	5,759	13,085
CCRCD	(235)			235
Total Adjustments	9,419	254	5,759	(15,433)

2022-23	Usable Reserves			Unusable Reserves £'000
	Council Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustment to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	29,400			(29,400)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(10)			10
Holiday Pay (transferred to the Accumulated Absences Reserve)	969			(969)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (those items are charged to the Capital Adjustment Account)	22,541			(22,541)
Total Adjustments to Revenue Resources	52,900			(52,900)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(3,834)	3,834		-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(5,912)			5,912
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(256)			256
Total adjustments between Revenue and Capital Resource	(10,002)	3,834		6,168
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure		29		(29)
Application of capital grants to finance capital expenditure	(19,462)			19,462
Cash payments in relation to deferred capital receipts			(1,536)	1,536
Other amounts		92		(92)
Total adjustments to Capital Reserves	(19,462)	121	(1,536)	20,877
CCRC				
Total Adjustments	23,436	3,955	(1,536)	(25,855)

Notes to the Balance Sheet

21. Non-current Assets

a) Capital commitments

As at 31 March the Council had the following material capital commitments.

2021-22 £'000		2022-23 £'000
	Porthcawl Metrolink	3,261
-	Cosy Corner	2,439
-	Maesteg Town Hall	1,851
-	Total	7,551

b) Notes on Non-current Assets

Voluntary-aided & Voluntary-controlled Schools

The Council recognises the only Voluntary-controlled School on its Balance Sheet. This is Pen-y-Fai Church in Wales Primary School. The four voluntary-aided primary schools and one voluntary-aided comprehensive school are not assets of the Council and therefore not included in the Balance Sheet.

c) Non-current Assets valuation

Non-current Assets are included in the Balance Sheet on the valuation basis set out in the Statement of Accounting Policies. All assets are valued on a rolling 3-year basis as at 31 December with a review to 31 March, which confirmed no significant changes in value during that period. For 2022-23 additional valuations were carried out to ensure that the assets as stated in the Balance Sheet are materially correct. These valuations were undertaken by Council Surveyors in accordance with the Statements of Asset Valuation, Practice and Guidance Notes of the Royal Institution of Chartered Surveyors for non-investment assets, investment assets being valued independently by Cooke & Arkwright. Cooke & Arkwright also valued a number of surplus assets.

Summary of Property, Plant & Equipment (PPE) Restated	Other Land and Buildings £'000	Vehicle, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE Assets £'000	PFI Assets Included in PPE £'000
Cost or Valuation							
At 1 April 2021	449,340	14,929	4,987	14,090	2,332	485,678	22,868
Additions	7,819	1,156	38	5	3,410	12,428	
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(25,450)	-	-	-	-	(25,450)	(3,635)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	60,230	-	-	(76)	-	60,154	6,783
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	13,938	-	-	-	-	13,938	9
Derecognition - Disposals	(842)	-	-	-	-	(842)	
Derecognition - other	(1,335)	-	-	-	-	(1,335)	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-
Other Movements in Cost or Valuation	(3,562)	-	-	(29)	3,591	-	-
CCRCD Assets		394			(159)	235	
At 31 March 2022	500,138	16,479	5,025	13,990	9,174	544,806	26,025
Accumulated Depreciation and Impairments							
At 1 April 2021	(18,777)	(7,086)	(36)	-	-	(25,899)	(2,429)
Depreciation Charge for the year	(10,674)	(1,821)	(3)	-	-	(12,498)	(1,213)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	25,450	-	-	-	-	25,450	3,635
Accumulated impairment written off (where no account balance at 1 April)	-	-	-	-	-	-	-
Acc. Depreciation WO to GCA	-	-	-	-	-	-	-
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(28)	-	-	-	-	(28)	-
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(2,103)	-	-	-	-	(2,103)	-
Derecognition - disposals	15	-	-	-	-	15	-
Derecognition - other	1,335	-	-	-	-	1,335	
Other Movements	42	1	-	-	(42)	1	
CCRCD Depreciation		(56)				(56)	
At 31 March 2022	(4,740)	(8,962)	(39)	0	(42)	(13,783)	(7)
NBV as at 1 April 2021	430,563	7,843	4,951	14,090	2,332	459,779	20,439
NBV as at 31 March 2022	495,398	7,517	4,986	13,990	9,132	531,023	26,018

Summary of Property, Plant & Equipment (PPE)	Other Land and Buildings £'000	Vehicle, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE Assets £'000	PFI Assets Included in PPE £'000
Cost or Valuation							
At 1 April 2022	500,138	16,479	5,025	13,990	9,174	544,806	26,025
Additions	4,854	1,990	68	7	8,041	14,960	
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	(10,914)					(10,914)	(1,315)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	26,749			(1,211)		25,538	2,380
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	3,234		(83)	(94)		3,057	
Derecognition - Disposals	(166)	(87)		(205)		(458)	
Derecognition - other	(1,535)					(1,535)	
Assets reclassified (to)/from Held for Sale				(65)		(65)	
Other Movements in Cost or Valuation	1,012				(1,012)	-	
CCRCD Assets							
At 31 March 2023	523,372	18,382	5,010	12,422	16,203	575,389	27,090
Accumulated Depreciation and Impairments							
At 1 April 2022	(4,740)	(8,962)	(39)	0	(42)	(13,783)	(7)
Depreciation Charge for the year	(11,868)	(1,982)	(3)			(13,853)	(1,316)
Accumulated Depreciation and Impairment written out to Gross Carrying Amount	10,913					10,913	1,316
Accumulated impairment written off (where no account balance at 1 April)							
Acc. Depreciation WO to GCA							
Impairment Losses/(Reversals) recognised in the Revaluation Reserve							
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services							
Derecognition - disposals	8	87				95	
Derecognition - other							
Other Movements							
CCRCD Depreciation							
At 31 March 2023	(5,687)	(10,857)	(42)	0	(42)	(16,628)	(7)
NBV as at 1 April 2022	495,398	7,517	4,986	13,990	9,132	531,023	26,018
NBV as at 31 March 2023	517,685	7,525	4,968	12,422	16,161	558,761	27,083

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

2021-22 £'000	Infrastructure	2022-23 £'000
69,593	Net Book Value at 1 April	76,312
11,919	Additions	11,217
-	Derecognition	(84)
(5,181)	Depreciation	(5,274)
(19)	Impairment	-
76,312	Net Book Value at 31 March	82,171

The Council has determined in accordance with Regulation 24L of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Summary of Property, Plant & Equipment (PPE)

2021-22 £'000	Property, Plant & Equipment (PPE) Reconciliation	2022-23 £'000
76,312	Infrastructure Assets	82,171
531,023	Other PPE assets	558,761
607,335	Total PPE Assets	640,932

d) Intangible Assets.

The Intangible asset refers to the Wales Community Care Information System, WCCIS. As at 31 March 2023 the remaining life of the asset was 3 years.

2021-22 £'000		2022-23 £'000
	Cost or valuation	
6,040	At 1 April	6,040
6,040	At 31 March	6,040
	Accumulated amortisation and impairments	
(3,569)	At 1 April	(4,130)
(561)	Amortisation for year	(482)
(4,130)	At 31 March	(4,612)
2,471	Net Book Value at 1 April	1,910
1,910	Net Book Value at 31 March	1,428

e) Sources of finance for Capital Expenditure

2021-22 £'000		2022-23 £'000
(10,569)	Loans	(6,811)
(17,830)	Government grants	(21,073)
-	Reversal of previous funding of capital receipts	29
(1,020)	Revenue contribution	(256)
(322)	Other contributions	(1,119)
(29,741)	Total	(29,230)

f) Revenue Expenditure Funded from Capital under Statute

These relate to capital expenditure that does not result in a tangible non-current asset. They include renovation grants and contributions towards capital expenditure incurred by other parties.

2021-22 £'000	2021-22 CCRCD £'000	2021-22 Total £'000		2022-23 £'000	2022-23 CCRCD £'000	2022-23 Total £'000
5,394	37	5,431	Revenue Expenditure Funded from Capital Under Statute	3,054		3,054
(5,066)	(37)	(5,103)	Grants and Contributions	(1,287)		(1,287)
328	-	328	Total	1,767		1,767

g) Capital financing requirement and the financing of capital expenditure

2021-22 £'000	Capital Financing Requirement	2022-23 £'000
172,971	Opening Capital Financing Requirement	176,216
	Capital Investment	
24,347	Property, Plant and Equipment and Intangible Assets	26,176
5,394	Revenue Expenditure Funded from Capital under Statute	3,054
	Sources of Finance	
(18,152)	Grants & Contributions	(22,192)
-	Capital receipts applied	29
(1,020)	Revenue Contributions	(256)
(2,970)	Minimum Revenue Provision	(2,917)
(3,553)	Unsupported Borrowing MRP	(2,132)
(801)	PFI School MRP	(863)
176,216	Closing Capital Financing Requirement	177,115
	Explanation for Movements in Year	
983	Increase/(Decrease) in Underlying Need to Borrow (supported by government financial assistance)	1,036
3,063	Increase/(Decrease) in Underlying Need to Borrow (unsupported by government financial assistance)	726
(801)	Assets acquired under PFI Contract	(863)
3,245	Increase/(Decrease) in Capital Financing Requirement	899

h) Capital Receipts In Advance

This includes a combination of capital grants received in advance in respect of proposed capital schemes for 2022-23, which was £0.579 million (2021-22: £2.649 million) plus section 106 contributions received from developers which will be committed to, and used to fund, current and future schemes in line with the specific requirements of the agreements of £7.497 million (2021-22: £6.223 million).

i) Capital Grants Unapplied

This includes a combination of capital grants received where the expenditure to be financed from the grants has yet to be incurred, therefore it is held for future use. This value of grants held is £4.511m 2022-23 (£6.047m 2021-22).

22. Investment Properties

The following table summarises the movement in the fair value of investment properties over the year:

2021-22 £'000	CCRCD £'000	Total £'000		2022-23 £'000	CCRCD £'000	Total £'000
5,090	2,731	7,821	Opening Balance at 1 April	5,585		5,585
495	2	497	Net gain / (loss) from fair value adjustments	260		260
5,585	2,733	8,318	Balance as at 31 March	5,845		5,845

23. Short Term Debtors

These represent the monies owed to the Council after making provision for debts that might not be recovered and are analysed as follows;

2021-22 £'000		2022-23 £'000
9,236	Trade Receivables	8,814
5,169	Prepayments	2,934
53,803	Other Receivable Amounts	49,523
581	CCRCD	581
68,789	Balance as at 31 March	61,852

The Council collects NNDR payments on behalf of Welsh Government. As at 31 March 2023, the Council had paid over more cash than it collected, this excess was included in the Balance Sheet as a debtor of £2.280 million. The equivalent for 2021-22 was a debtor of £1.829 million.

24. Assets Held for Sale

2021-22 £'000		2022-23 £'000
2,500	Balance at 1 April	2,500
-	Assets newly classified as held for sale: Property, Plant & Equipment	65
-	Assets Sold	(2,500)
2,500	Balance as at 31 March	65

25. Short Term Creditors

These represent monies owed by the Council and are analysed as follows:

2021-22 £'000		2022-23 £'000
(4,694)	Trade Payables	(7,495)
(47,421)	Other Payables	(44,001)
(4,635)	CCRCD	(4,635)
(56,749)	Balance as at 31 March	(56,131)

26. Provisions

The Council has provisions as detailed below:

	Insurance £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2022	5,154	3,500	8,654
Additional provisions made in 2022-23	827	-	827
Amounts used/released in 2022-23	(970)	-	(970)
CCRCD		233	233
Balance at 31 March 2023	5,011	3,733	8,744

Provisions < 1 yr	722	3,500	4,222
Provisions > 1 yr	4,289	233	4,522
Balance at 31 March 2023	5,011	3,733	8,744

Insurance Provision (Self-funding / MMI)Self-Fund

The Council has a self-insurance fund. This Insurance Provision has been set aside to meet the estimated cost to the Council of outstanding liability for policy years up to 2022-23 for Employer's Liability, Public Liability and Property. However the actual cost of individual claims and the timing of payments is uncertain. The Council also has an earmarked reserve for Insurance which acts as an additional contingency for the fund, over and above the total outstanding liability, to allow for unexpected events, worse than anticipated deterioration in the current reserves and higher than anticipated future losses both in frequency and cost.

Other Provisions

In August 2019 the Court of Appeal in *Brazel v The Harper Trust* handed down a ruling regarding the calculation of annual leave entitlement impacting permanent staff employed on a term time contract, stating that their basic statutory annual leave entitlement could not be pro-rated to reflect the number of weeks actually worked. The Council has been reviewing its current and past contracts to ensure it is compliant with the new ruling and has setup this provision to cover the potential financial liability associated with any backdated adjustments.

27. PFI and Other Long Term Liabilities

2021-22 £'000		Moved to Short Term Creditors £'000	2022-23 £'000
13,902	Maesteg School PFI Lease	(929)	12,973
127	Innovation Centre	(127)	-
100	Waste Contract	(50)	50
2,385	CCRCD		
16,514	Balance as at 31 March	(1,106)	13,023

The PFI Finance Lease Liability matches the fair value of the fixed asset for the PFI School as at the date the asset came onto the Council's Balance Sheet being £21.898 million (July 2008). This will be written down over the life of the PFI contract by the value of the unitary payment deemed to be the finance lease element each year. For 2022-23, the amount written down was £863,000 and £929,000 has been transferred to Short Term Creditors leaving an outstanding long term liability of £12.973 million on the PFI scheme at year end.

The Innovation Centre Financial Liability of £0.917 million was recognised in 2009-10 as a loan in substance. This is being written down over the remaining fourteen years of the loan. The amount written down in 2022-23 was £116,000 and £127,000 was transferred to Short Term Creditors resulting in no long-term financial liability outstanding at 31 March 2023.

The Waste Contract liability is repayable in instalments of £50,000 per annum.

28. Usable Reserves

The following notes detail the Usable Reserves of the Council:

a) Usable Capital Receipts Reserve

This represents capital receipts available to finance capital expenditure in future years.

2021-22 £'000		2022-23 £'000
21,519	Balance at 1st April	21,773
254	Capital Receipts Received	3,926
-	Receipts Used to Finance Capital Expenditure	29
21,773	Balance as at 31 March	25,728

b) Earmarked Reserves

The Earmarked Reserves in the Balance Sheet as at 31 March 2022 are detailed below:

Opening Balance 2021-22 £'000	Reserve	Movement during 2022-23		Closing Balance 2022-23 £'000
		Additions/ Re-classification/ Unwound £'000	Drawdown by Directorates £'000	
10,110	Council Fund	-	-	10,110
	Corporate Reserves:			
40,042	Capital Programme Contribution	9,106	-	49,148
3,706	Major Claims Reserve	(1,575)	(1,582)	549
3,592	Service Reconfiguration	-	(700)	2,892
11,855	Other Corporate Reserves	4,898	(8,017)	8,736
59,195	Total Corporate Reserves	12,429	(10,299)	61,325
	Other Reserves:			
18,094	Directorate Reserves	3,552	(9,022)	12,624
5,970	City Deal Reserve	588	-	6,558
24,064	Total Directorate Reserves	4,140	(9,022)	19,182
14,228	Delegated Schools Balance		(7,330)	6,898
97,487	Total Reserves excluding Equalisation Reserves	16,569	(26,651)	87,405
9,245	Equalisation and Grant Reserves	1,247	(4,789)	5,703
106,732	TOTAL EXCLUDING COUNCIL FUND	17,816	(31,440)	93,108
116,842	TOTAL INCLUDING COUNCIL FUND	17,816	(31,440)	103,218

Council Fund

There was no transfer to the Council Fund for 2022-23. This has resulted in the balance on the Fund remaining at £10.110 million at 31 March 2023 (£10.110 million at 31 March 2022).

Other Earmarked Reserves

The balance on Earmarked Reserves excluding the Council Fund Balance was a net decrease of £13.624 million in 2022-23 (net increase of £23.885 million in 2021-22). An overview of each earmarked reserve is explained below.

Corporate Reserves

Capital Programme Contribution

This earmarked reserve has been set up as a revenue contribution to the capital programme, to enable schemes to be progressed more quickly to alleviate pressure on the revenue budget and accelerate the realisation of capital receipts.

Major Claims Earmarked Reserve

This reserve has been created to mainly cover the deficit on the pension fund, major capital contractual claims and mitigate against potential other claims against the Council.

Service Reconfiguration / Severance Costs

This reserve has been established to meet potential costs relating to service remodelling and consequential severance costs.

Directorate Reserves

City Deal Reserve

This reserve is to provide the necessary funding for the Council's capital contribution to the Cardiff City Region City Deal programme.

Directorate Issues

These reserves relate to specific Directorate issues anticipated in 2022-23. Examples include reserves to support pressures within Social Services and Care Experienced Children; and wider regeneration investment.

Delegated School Balances

These balances represent the cumulative effect of over and under-spending on school delegated budgets not available to the Council.

Analysis of Delegated Schools Balance

2021-22 Closing Balance £'000	School Types	No's in Category	2022-23 Funding Available £'000	2022-23 Spend £'000	2022-23 Closing Balance £'000
6,994	Primary Schools	48	59,822	56,947	2,875
6,524	Secondary Schools	9	59,779	56,045	3,734
710	Special Schools	2	12,234	11,945	289
14,228	Total	59	131,835	124,937	6,898

The 2021-22 Closing Balance figure is included within the 2022-23 Budget. This accounting treatment of including the prior year's closing balance in the current year's 'Funding Available' applies solely to Schools and does not apply in any other area of the accounts.

Equalisation and Grant Reserves

This includes grant reserves where under proper accounting practice, all grants and contributions should be analysed to see whether there are specific conditions attached to them. When the conditions are actually satisfied the grant is credited to the Comprehensive Income and Expenditure Statement regardless of whether the actual expenditure has been incurred. In these cases the Council can decide to transfer the grant monies to an earmarked reserve to fund future expenditure. In 2022-23 there were £1.247 million (2021-22 - £5.422 million) of grants that have been transferred to earmarked reserves, to ensure the funding is protected in accordance with the original terms and conditions of the grant or contribution. In addition there are a small number of equalisation reserves that ensures expenditure that is incurred in a particular future year is smoothed over the period of the MTFS. These include the costs of elections, the Special Regeneration Fund, the preparation of the Local Development Plan and the Building Control Earmarked Reserves. £4.789 million of the reserves were drawn down during the year.

29. Unusable Reserves

The following notes detail the Unusable Reserves of the Council.

a) Revaluation Reserve (RR)

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The Revaluation Reserve contains only revaluation gains accumulated since 1 April 2007. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2021-22			2022-23	
£'000	£'000		£'000	£'000
61,794	148,639	Balance at 1 April		203,699
		Upward Revaluation of Assets	27,750	
(1,669)		Downward Revaluation of Assets and Impairment Losses not charged to the Surplus/Deficit on the Provision of Services	(2,212)	
	60,125	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of services		25,538
(4,244)		Difference between fair value depreciation and historical cost depreciation (charged to the Capital Adjustment Account)	(5,326)	
(821)		Accumulated gains on assets sold or scrapped	(1,481)	
	(5,065)	Amount written off to the Capital Adjustment Account		(6,807)
	203,699	Balance as at 31 March		222,430

b) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts

for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021-22 £'000		2022-23 £'000
(298,770)	Balance at 1 April	(249,500)
79,020	Actuarial gains or losses on pensions assets and liabilities	243,050
(46,870)	Reversal of Items relating to Retirement Benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(48,750)
17,120	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	19,350
(249,500)	Balance as at 31 March	(35,850)

c) Capital Adjustment Account (CAA)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains going forward.

2021-22			2022-23	
£'000	£'000		£'000	£'000
	217,810	Opening Balance		237,220
	3,215	CCRCD Balance		3,452
	221,025	Total Balance at 1 April		240,672
		Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(18,239)		Charges for depreciation and impairment of non-current assets	(19,608)	
11,816		Revaluation gain/(losses) on Property, Plant and Equipment	1,437	
(328)		Revenue Expenditure funded from Capital Under Statute	(1,767)	
		Other amounts including Mortgage Payments		
		Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,382)	
(6)				
	(6,757)			(21,320)
	4,244	Adjusting amounts written out to the Revaluation Reserve		5,327
	(2,513)	Net written out amount of the cost of non-current assets consumed in the year		(15,993)
		Capital financing applied in the year:		
-		Use of the Capital Receipts Reserve to finance capital expenditure	(29)	
13,085		Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that has been applied to capital financing	20,905	
7,323		Statutory provision for the financing of capital investment charged against the Council Fund	5,912	
1,020		Capital expenditure charged against the Council Fund	256	
	21,428			27,044
	495	Movement in the market value of Investment Properties credited to the Comprehensive Income and Expenditure Statement		260
	237	Movement in CCRCD Capital Adjustment Account balance		
	240,672	Balance as at 31 March		251,983

30. Pensions Liabilities, IAS 19 disclosures

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

This Council participates in the Rhondda Cynon Taf County Borough Council Pension Fund, which is administered under the Regulations governing the Local Government Pension Scheme. This is a defined benefit scheme, meaning that the Council and employees pay contributions into a fund, at a rate determined by the Fund's Actuary based on triennial actuarial valuations, which aims to balance 100% of pension liabilities with investment assets. The last triennial valuation took place on 31 March 2022

Further information can be found in Rhondda Cynon Taf CBC Pension Fund's Annual Report which is available upon request from the Director of Finance, Rhondda Cynon Taf County Borough Council, Bronwydd, Porth, Rhondda, Rhondda Cynon Taf. Information is also available at: <http://www.rctpensions.org.uk>

Any award of discretionary post-retirement benefits upon early retirement is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. No investment assets are built up to meet these pension liabilities, and cash has to be generated to meet the actual pension payments as they fall due.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields, and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Council Fund with the amounts required by statute as described in the accounting policies note.

The disclosures required for 2022-23 include information provided by the pension administrators, Rhondda Cynon Taff CBC and Aon Hewitt Associates Limited as the pension fund scheme's actuary.

All mortality assumptions are based on an analysis of the Fund's recent mortality experience that was carried out in advance of the 2022 Valuation. There is likely to be an initial 'experience gain' to pension Funds from excess deaths in 2020 and 2021 from Covid 19. This effect will be captured this year as part of the update of employer accounting figures to the results of the 2022 valuation with no further allowance being proposed for after 31 March 2022.

McCloud Judgement

In December 2018, the Court of Appeal held that transitional protection provisions contained in reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, amounted to direct age discrimination and were therefore unlawful. On 27 June 2019 the Supreme Court denied the Government's application for leave to appeal the decisions. The calculation of the liability incorporates the impact of the 'McCloud' judgement.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against Council Tax is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund balance via the Movement in Reserves Statement during the year.

Restated Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Restated Total	Comprehensive Income & Expenditure Statement	Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
				Cost of Services :				
				Service cost comprising:				
40.74	-	-	40.74	Current service cost	42.20	-	-	42.20
-	-	0.03	0.03	Past service costs	0.08	-	-	0.08
				Financing & Investment Income & Expenditure :-				
5.90	0.14	0.06	6.10	Net interest expense	6.25	0.16	0.06	6.47
				Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	48.53	0.16	0.06	48.75
				Other Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement				
				<i>Remeasurements of the net defined benefit liability comprising:</i>				
(2.23)	-	-	(2.23)	Return on plan assets (excluding the amount included in the net interest expense)	86.68	-	-	86.68
(69.39)	(0.15)	(0.05)	(69.59)	Actuarial (gains) / losses due to changes in financial assumptions	(393.85)	(1.01)	(0.28)	(395.14)
(10.47)	(0.10)	(0.05)	(10.62)	Actuarial (gains) / losses due to changes in demographic assumptions	(0.38)	0.01	-	(0.37)
3.39	0.02	0.01	3.42	Actuarial (gains) / losses due to liability experience	65.04	0.53	0.21	65.78
(78.70)	(0.23)	(0.09)	(79.02)	Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	(242.51)	(0.47)	(0.07)	(243.05)
				Movement in Reserves Statement:-				
(46.64)	(0.14)	(0.09)	(46.87)	Reversal of net charges made for retirement benefits in accordance with IAS 19	48.53	0.16	0.06	48.75
				Actual amount charged against the Council Fund Balance for pensions in the year				
16.35	0.47	0.30	17.12	Employer's Contributions payable to the scheme	18.59	0.47	0.29	19.35
(26.21)	(0.47)	(0.30)	(26.98)	Retirement Benefits Paid Out	(25.71)	(0.47)	(0.29)	(26.47)

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amounts included in the Balance sheet arising from the Council's obligation in respect of its defined benefit plan are as follows:-

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
2021-22 £m	2021-22 £m	2021-22 £m	2021-22 £m		2022-23 £m	2022-23 £m	2022-23 £m	2022-23 £m
(1,036.77)	(6.14)	(2.48)	(1,045.39)	Present value of defined benefit obligation	(757.64)	(5.36)	(2.18)	(765.18)
795.89	-	-	795.89	Fair Value of Plan Assets	729.33	-	-	729.33
(240.88)	(6.14)	(2.48)	(249.50)	Net liability arising from defined benefit obligation	(28.31)	(5.36)	(2.18)	(35.85)

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets

2021-22 £m		2022-23 £m
782.07	Opening fair value of scheme assets at 1 April	795.89
16.38	Interest income on assets	21.48
2.23	The return on plan assets, excluding the amount included in the net interest expense	(86.68)
17.12	Contributions by Employer	19.35
5.07	Contributions by Participants	5.76
(26.98)	Net Benefits Paid Out	(26.47)
795.89	Balance as at 31 March	729.33

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total		Local Govt Pension Scheme	LGPS Unfunded Benefits	Teachers' Unfunded Benefits	Total
2021-22	2021-22	2021-22	2021-22		2022-23	2022-23	2022-23	2022-23
£m	£m	£m	£m		£m	£m	£m	£m
1,071.36	6.70	2.81	1,080.87	Opening balance at 1 April	1,036.77	6.14	2.48	1,045.39
40.74	-	-	40.74	Current Service Cost	42.20	-	-	42.20
22.28	0.14	0.06	22.48	Interest Cost	27.73	0.16	0.06	27.95
5.07	-	-	5.07	Contributions from scheme participants	5.76	-	-	5.76
				<i>Remeasurement (gains) and losses:</i>				
(69.39)	(0.15)	(0.05)	(69.59)	Actuarial gains / losses arising from changes in financial assumptions	(393.85)	(1.01)	(0.28)	(395.14)
(10.47)	(0.1)	(0.05)	(10.62)	Actuarial gains / losses arising from changes in demographic assumptions	(0.38)	0.01	-	(0.37)
3.39	0.02	0.01	3.42	Actuarial gains / losses arising from changes in liability experience	65.04	0.53	0.21	65.78
-	-	-	-	Past Service Cost	0.08	-	-	0.08
(29.21)	(0.47)	(0.3)	(26.98)	Benefits Paid	(25.71)	(0.47)	(0.29)	(26.47)
-	-	-	-	Liabilities extinguished on settlements				
1,036.77	6.14	2.48	1,045.39	Balance as at 31 March	757.64	5.36	2.18	765.18

Local Government Pension Scheme assets comprised:

Restated Fair Value of Scheme Assets 2021-22 £m	Asset Split 2021-22 %		Fair Value of Scheme Assets 2022-23 £m	Asset Split 2022-23 %
536.43	67.4	Equities	496.67	68.10
58.1	7.30	Property	56.89	7.80
95.51	12.00	Government bonds	76.58	10.50
102.67	12.90	Corporate bonds	90.44	12.40
3.187	0.40	Cash and cash equivalents	8.75	1.20
795.89	100.00	Total assets	729.33	100.00

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme (LGPS) and discretionary benefits liabilities have been estimated by Aon Hewitt, an independent firm of actuaries, in accordance with IAS 19.

The significant assumptions used by the Actuary were:

2021-22 % pa		2022-23 % pa
2.7	Discount rate	4.7
3.0	CPI Inflation	2.7
3.0	Rate of pension increases	2.0
4.25	Rate of salary increases	3.95
	<i>Mortality Assumptions:</i>	
	Longevity at 65 for current pensioners :-	
21.6	Men	21.6
23.9	Women	24.2
	Longevity at 65 for future pensioners :-	
22.6	Men	22.9
25.4	Women	25.7

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies of the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Increase in Assumption 2021-22 £m	Decrease in Assumption 2021-22 £m		Increase in Assumption 2022-23 £m	Decrease in Assumption 2022-23 £m
(20.74)	20.74	Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(12.88)	12.88
2.07	(2.07)	Rate of increase in salaries (increase or decrease by 0.1%)	0.76	(0.76)
18.66	(18.66)	Rate of increase in pensions (increase or decrease by 0.1%)	12.12	(12.12)
36.29	(35.25)	Longevity (increase or decrease in 1 year)	19.70	(20.24)

Impact on the Council's Cash Flows

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. The current Employer's contribution rate to achieve a funding level of 100% of scheme liabilities will be reviewed at this point. Consequently, whilst there is a significant shortfall (liability) between the benefits earned by past and current employees and the resources the Council has set aside to meet them, the statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The expected employer's contributions to the Local Government Pension Scheme for the accounting period ending 31 March 2024 are:

	2023-24 £m
Local Government Pension Scheme	20.14
LGPS Unfunded	0.24
Teachers Unfunded	0.09
Total	20.47

The weighted average duration of the defined benefit obligation for the scheme members is 20.47 years.

Teachers

In 2022-23, the Council paid £14.186 million (£13.348 million for 2021-22) to the Teachers Pensions Agency in respect of teachers' pension costs. In addition, the Council is responsible for all pension payments relating to added years awarded, together with the related increases. In 2022-23, these amounted to £0.368 million (£0.341 million for 2021-22).

31. Financial Instruments Disclosures

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial Assets

31 March 2022					31 March 2023			
Current		Non-current			Current		Non-current	
Investments £'000	Debtors £'000	Investments £'000	Total £'000		Investments £'000	Debtors £'000	Investments £'000	Total £'000
80,732	9,236	-	89,968	Amortised Cost	66,981	8,814	5,089	80,884
6,488	-	-	6,488	CCRCD	6,488	-	-	6,488
87,220	9,236	-	96,456	Total financial assets	73,469	8,814	5,089	87,372
-	-	5,585	5,585	Non-financial assets	-	-	5,845	5,845
-	-	2,733	2,733	CCRCD	-	-	2,733	2,733
-	-	8,318	8,318	Total Non-financial assets	-	-	8,578	8,578
87,220	9,236	8,318	104,774	Total	73,469	8,814	13,667	95,950

The current investments figure above includes accrued income receivable for long term investments in addition to short term interest.

The £8.814m (2021-22: £9.236 million) debtors figure in the table above relates to trade debtors for goods and services delivered and is included in the overall debtors figure of £61.851 million (2021-22: £68.789 million) included in the balance sheet. More information in relation to debtors can be found at note 23.

Financial Liabilities

31 March 2022					31 March 2023			
Current		Non-current			Current		Non-current	
Borrowings £'000	Creditors £'000	Borrowings & Other Long Term Liabilities £'000	Total £'000		Borrowings £'000	Creditors £'000	Borrowings & Other Long Term Liabilities £'000	Total £'000
(1,291)	(5,176)	(114,203)	(120,670)	Amortised Cost	(1,338)	(7,913)	(113,051)	(122,302)
		(2,385)	(2,385)	CCRCD			(2,385)	(2,385)
(1,291)	(5,176)	(116,588)	(123,055)	Total	(1,338)	(7,913)	(115,436)	(124,687)

The current borrowings figure above includes £0.269 million of accrued interest payable for the year.

The current creditors figure of £7.913 million (2021-23: £5.176 million) relates to trade creditors for goods and services received of £7.495 million (2021-22: £4.694 million) and £0.418 million (2021-22: £0.482 million) monies held by the Council on behalf of third parties and is included in the overall creditors figure of £56.131 million (2021-22: £56.749 million) on the balance sheet. More information in relation to creditors can be found at note 25.

Offsetting financial assets and liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet.

31 March 2022 Gross Assets (Liabilities) £'000	Offsetting of Financial Assets and Liabilities	31 March 2023 Gross Assets (Liabilities) £'000
6,303	Bank Accounts in Credit	4,282
6,303	Total Financial Assets	4,282
(9,302)	Bank Overdrafts	(6,933)
(9,302)	Total Financial Liabilities	(6,933)
(2,999)	Net Position	(2,651)
(373)	Bank uncleared amounts	(275)
(3,372)	Net position in Balance Sheet	(2,926)

Income, expense, gains and losses

The income, expense, gains and losses recognised in the Comprehensive Income and Expenditure Statement for financial instruments are shown below:

31 March 2022				31 March 2023		
Financial Liabilities Amortised Cost £'000	Financial Assets Amortised Cost £'000	Total £'000		Financial Liabilities Amortised Cost £'000	Financial Assets Amortised Cost £'000	Total £'000
5,735	-	5,735	Interest Expense	5,730		5,730
	(840)	(840)	Investment Income and Other Interest Receivable		(2,503)	(2,503)
	(16)	(16)	CCRCD		(16)	(16)
5,735	(856)	4,879	Net (gain)/loss for the year	5,730	(2,519)	3,211

Fair Values of Financial Assets and Liabilities that are not measured at Fair Value

The Council does not have any financial assets or liabilities that are carried at fair value. In addition, there are no assets held at amortised cost for 2022-23.

31 March 2022		Financial Liabilities	31 March 2023	
Carrying amount £'000	Fair Value £'000		Carrying amount £'000	Fair Value £'000
		Financial liabilities held at amortised cost:		
(77,617)	(98,909)	PWLB	(77,617)	(75,568)
(19,774)	(29,400)	LOBOs	(19,757)	(22,561)
(2,683)	(2,436)	Salix Loans	(2,654)	(2,573)
(14,129)	(19,325)	PFI and other long term liabilities	(13,023)	(19,419)
(114,203)	(150,070)	Total	(113,051)	(120,121)

The fair value of **Financial Liabilities** is higher than the carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date.

The fair value of liabilities is calculated using other significant observable inputs (Level 2) as follows:

- PWLB – Public Works Loan Board – market rates for local authority loans of the same remaining term to maturity as at the Balance Sheet date
- LOBO – Lender's Option Borrower's Option – increased by the value of the embedded options. Lender's options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudian cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual rate.
- Other financial liabilities – discounted contractual cash flows at the appropriate AA-rated corporate bond yield.

Nature and extent of risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks including:

- **Credit risk** – the possibility that other parties may fail to pay amounts due to the Council;
- **Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments;
- **Market risk** - the possibility that unplanned financial loss may arise for the Council as a result of changes in such measures as interest rates movements.

The Council's overall risk management strategy is approved by Council and set out within its annual Treasury Management Strategy. The Strategy sets out the parameters for the management of risks associated with financial instruments which covers specific areas such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The risk is minimised through the Annual Investment Strategy included in the Council's Treasury Management Strategy, which is available on the Council's website via the Council agenda Item 9 – Treasury Management and Capital Strategies 2022-23 [here](#).

The Council's credit risk management practices are set out within the Investment Strategy. In determining whether the credit risk of financial instruments has increased since initial recognition, the Council has reviewed the creditworthiness of its investments and has concluded that there has not been a significant increase in credit risk.

The Council's primary objective is to give priority to security and liquidity prior to consideration of yield. Counterparty limits are constantly reviewed and where market conditions dictated, limits are reduced. During the year there were no changes that required the Council to consider any investments having an increased credit risk.

Credit risk exposure

As at 31 March 2023 the Council had the following exposure to credit risk. £53 million of the £74.50 million investments outstanding at 31 March 2023 were invested with other Local Authorities, where an expected loss allowance is not required. For those financial assets where a 12-month expected credit loss is calculable, the calculated credit loss is £3,596. This has been calculated by reference to historic default data published by credit rating agencies as advised by our Treasury Management Advisors. Due to the immateriality of the expected credit loss, no adjustment has been made in the accounts for this.

	Credit risk rating (as used by the Council)	Gross carrying amount £'000
12 month expected credit losses	AA+	-
	AA-	(10,500)
	AA	(3,000)
	A+	(5,000)
	A	(3,000)
Simplified approach	LA	(53,000)
TOTAL		(74,500)

Council does not generally allow credit for its customers (trade debtors) such that all the trade debtors are recognised as short term, however, £3.482 million balance of debtors is past due date for payment. These are not included in the credit risk table above.

Liquidity Risk

The Council manages its liquidity risk through its cash-flow management to ensure that cash is available when required. It has ready access to instant access deposit accounts, overdraft facilities and borrowing from the Money Markets or other local authorities to cover any day to day cash flow need. In addition the Council can access Public Works Loan Board (PWLB) borrowing. The Council arranges fixed term loans and investments with a range of maturity dates within the framework and indicators approved each year. There is no perceived risk that the Council will be unable to raise finance to meet its commitments, instead the risk relates to replenishing a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the maturity structure of fixed rate borrowing such that no more than 50% of loans are due to mature in any one year through careful planning of new loans taken out and (where it is beneficial to do so) making early repayments. The maturity analysis of financial liabilities is as follows:

31 March 2022 £'000	Maturity Analysis Financial Liabilities	31 March 2023 £'000
(7,495)	Less than 1 year	(5,451)
(1,459)	Between 1 and 2 years	(4,932)
(13,570)	Between 2 and 5 years	(5,444)
(24,027)	Between 5 and 10 years	(7,660)
(18,934)	Between 10 and 20 years	(13,026)
(36,389)	More than 20 years	(36,389)
(19,774)	Uncertain date*	(19,757)
(121,648)	Total Financial Liabilities	(92,659)

* This refers to the Lender's Options Borrower's Options which may be rescheduled in advance of their maturity date of 2054, however, the Council does not anticipate this will occur due to the current low interest rates.

All trade and other payables are due to be paid in less than one year.

Market Risk

The Council is exposed to the risk that financial loss could potentially occur as a result of changes in such measures as interest rate movements, market prices or foreign currency exchange rates.

Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates – the fixed rate protects the Council from increased interest charges as an equivalent loan would now cost more. The fair value of the borrowing (liability) will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fixed rate prevents the Council from receiving higher investment income from the same principal invested. The fair value of the asset will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investment will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance.

The Council monitors market and forecast interest rates within the year to adjust exposures appropriately, to allow any adverse changes to be accommodated. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses. According to this strategy, at 31 March 2022, if there had been a 1% change in interest rates with all other variables held constant, the financial effect would be approximately:

	Estimated £'000 + 1%	Estimated £'000 -1%
Interest payable on variable rate borrowings	133	0
Interest receivable on variable rate investments	(501)	(501)
Impact on Surplus or Deficit on Provision of Services	(368)	501

The figures for an approximate impact of a 1% fall in interest rates for borrowing are not the same figures as the 1% increase (but reversed) as the variable rate borrowing relates to our LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates.

Price risk

As the Council has not invested in instruments that are subject to price risk, such as bank certificates of deposit and Government Bonds, it is not subject to price risk.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Transition to IFRS9 Financial Instruments

The Council adopted the IFRS9 Financial Instruments accounting standard with effect from 1 April 2018. The main changes include the reclassification and re-measurement of financial assets and the earlier recognition of the impairment of financial assets.

The nature of the Council's financial instruments has meant no changes to the Council's balance sheet on transition.

32. Events after the Reporting Period

Where an event or information arises after the reporting period (i.e. after 31 March 2023) that relates to conditions existing at 31 March 2023, certain figures in the financial statements and notes would be adjusted if necessary, in all material respects, in order to reflect the impact of the event or information. There have been no such events after 31 March 2023 that have required reporting.

33. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. As at 31 March 2023 the Council was not aware of any contingent liabilities.

Notes to the Cash Flow Statement

35. Adjustments for Non-cash Movements

2021-22 £'000		2022-23 £'000
(6,480)	Depreciation & Impairment of Assets	(18,172)
(294)	Movement in Inventories, Debtors & Creditors	(5,338)
(29,570)	Pension Fund Adjustments	(29,400)
(4,740)	Provisions	143
(827)	Disposal of Non Current Asset	(2,863)
484	Changes in Fair Value of Investment Property	260
920	CCRCD Revenue and Capital contributions recognised in CIES	
(40,687)	Adjustments to net deficit on the provision of services for non-cash movements	(55,370)

36. Operating Activities

The cash flows for operating activities include the following items:

2021-22 £'000		2022-23 £'000
(41,674)	Cash Flow on Revenue Activities	1,324
4,552	Interest Paid	4,594
1,178	Interest element of finance lease and PFI rental payments	1,106
(856)	Interest Received	(2,037)
(22)	CCRCD	
(36,822)	Net Cash Flows from Operating Activities	4,987

37. Investing Activities

The cash flows for investing activities include the following items:

2021-22 £'000		2022-23 £'000
24,590	Purchase of Property, Plant and Equipment and Intangibles	26,176
(3,021)	Purchase / (Proceeds) from Short Term Investments	7,897
(254)	Proceeds from sale of Property, Plant and Equipment and Investment Property	(3,833)
295	CCRCD Long Term Debtors/Investments	
21,610	Net Cash Flows from Investing Activities	30,240

38. Financing Activities

The cash flows for financing activities include the following items:

2021-22 £'000		2022-23 £'000
(3,401)	Cash Receipts of short and long term borrowing	(1)
(19,731)	Other Receipts from financing activities	(18,667)
2,000	Repayments of short and long term borrowing	-
(2,157)	CCRCD – HMT and other grants received	
(23,289)	Net Cash Flows from Financing Activities	(18,668)

The independent auditor's report of the Auditor General for Wales to the Members of Bridgend County Borough Council

Opinion on financial statements

I have audited the financial statements of Bridgend County Borough Council for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

Bridgend County Borough Council's financial statements comprise the Expenditure and Funding Analysis, Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

In my opinion the financial statements:

- give a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Council [and its group] in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements,

I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.
- The information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Bridgend County Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report nor the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 14, the responsible financial officer is responsible for the preparation of the statement of accounts, which gives a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statements of accounts, the responsible financial officer is responsible for assessing Bridgend County Borough Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Council's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and biases in accounting estimates.
- obtaining an understanding of the Council's framework of authority as well as other legal and regulatory frameworks that the Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Bridgend County Borough Council.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Council;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all the audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Bridgend County Borough Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales

24 Cathedral Road, Cardiff CF11 9LJ

XXXX 2023

The maintenance and integrity of Bridgend County Borough Council's website is the responsibility of the Accounting Officer/Client Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Glossary Of Terms

Accrual

An accrual is a sum shown in the accounts representing income or expenditure for the accounting period but which was not actually received or paid as at the date of the balance sheet.

Actuary

An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

Amortisation

Reduction in value of capital expenditure which has not created an asset, through charges to revenue.

Audit

An audit is an independent examination of the Council's accounts.

Balance Sheet

This is a statement of our assets, liabilities and other balances at the date of the end of the financial year, 31 March.

Budget

A budget (or estimate) is a plan of income and spending, based upon which council tax is set. Actual expenditure and income is subsequently monitored against this plan.

Capital expenditure

Capital expenditure is spending on fixed assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

Capital receipt

Capital receipts are proceeds from the sale of fixed assets such as land or buildings.

Cash flow Statement

This is a statement that summarises the movements in cash during the year.

Comprehensive Income and Expenditure Statement

This account records day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Contingent liabilities

A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence of uncertain future events.

Corporate and Democratic Core (CDC)

CDC is a service defined by the Best Value Accounting Code of Practice representing costs relating to Member activity (Democratic Representation and Management) and costs that provide the infrastructure to ensure that services can be provided (Corporate Management).

Creditor

A creditor is an organisation / someone owed money by the Council at the end of the financial year for goods / services received during the financial year or previous years.

Current assets

These are short-term assets that are available for the Council to use in the following accounting year.

Current liabilities

These are short-term liabilities that are due for payment by the Council in the following accounting year.

Debtor

A debtor is an organisation / someone who owed the Council money at the end of the financial year for goods / services received during the financial year or previous years.

Delegated schools balances

Under the Local Management of Schools provisions, any balances accrued at year end are delegated to individual schools. These funds are held outside of the Council's Council Fund balances.

Depreciation

Depreciation is the estimated loss in value of fixed assets that are presented in the Balance Sheet.

Earmarked reserves

These are reserves set aside for a specific purpose.

Escrow account

Escrow is a legal arrangement whereby money is delivered to a third party (called an escrow agent) to be held in trust pending a contingency or the fulfillment of a condition or conditions in a contract.

Expenditure and Funding Statement

This statement brings together local authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the Council Fund.

Financial Year

This is the accounting period. For local authorities it starts on 1 April and finishes on 31 March of the following year.

Finance leases

Finance leases are used to finance purchases where the Council takes on most of the risks associated with owning the asset.

Government grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in form of cash or transfers of assets to a Council in return for past or future compliance with certain conditions relating to the activities of the Council.

International Financial Reporting Standard (IFRS)

Financial regulations to be followed as set by the Accounting Standards Board (ASB).

International Financial Reporting Standards Interpretations Committee (IFRICs)

The interpretative body of the International Accounting Standards Board (IASB) designed to help the IASB improve financial reporting through timely identification, discussion and resolution of financial reporting issues within the framework of IFRS.

Inventories

Inventories are raw materials purchased for day to day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the balance sheet.

Leasing

This is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years.

Liability

A liability is an amount payable at some time in the future.

Minimum Revenue Provision (MRP)

This is an amount that has been set aside to repay loans. This should be a prudent amount.

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on different reserves held by the Council.

National Non-Domestic Rates (NNDR)

The NNDR, or Business Rate, is the charge to occupiers of business premises. The money collected is paid to the Welsh Government and redistributed to individual authorities in proportion to their adult population.

Net Realisable Value

The selling price of an asset, reduced by the relevant (direct) cost of selling it.

Non Distributable Costs (NDC)

NDC is a category of costs defined by the Best Value Accounting Code of Practice and cannot be allocated to specific services. It represents:

- costs of unused I.T. facilities,
- costs of long term unused, unrealisable assets,
- certain pension fund costs

Open Market Value in Existing Use (OMVEU)

OMVEU is a basis for valuation of fixed assets.

Operating assets

These are assets used in the running / provision of services.

Operating leases

These are leases where risks of ownership of the asset remain with the owner.

Post balance sheet events

Post balance sheet items are those that arise after the Balance Sheet date. These are items that did not exist at the time the Balance Sheet was prepared but should be disclosed if they are relevant to the fair presentation of the accounts.

Precepts

This is the amount paid to a non-billing Council (for example a community council) so that it can cover its expenses (after allowing for its income).

Prior year adjustment

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors.

Provision

A provision is an amount we set aside in our accounts for expected liabilities which we cannot measure accurately.

Private Finance Initiative (PFI) – a central government initiative which aims to increase the levels of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage authorities' participation.

Public Works Loan Board (PWLB)

This is a loan facility provided by the Government Debt Management Office (DMO), which provides longer term loans to local authorities.

Related party transactions

These are the transfer of assets or liabilities or the performance of services by, to or for a related party no matter whether a charge is made.

Revaluation Reserve

This represents the non-distributable increase/decrease in the valuation of fixed assets.

Revenue account

This is an account which records our day to day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

Service Reporting Code of Practice (SeRCOP)

The Service Reporting Code of Practice provides a consistent framework for reporting local authority data. SeRCOP is reviewed annually by the appropriate regulating body to ensure that it develops in line with the needs of modern local government, Transparency, Best Value and public services reform.

Temporary borrowing or investment

This is money borrowed or invested for an initial period of less than one year.

Trust fund

Trust funds hold money on behalf of an individual or organisation. Trustees administer the funds for the owners.

Work in progress (WIP)

Work in progress is the value of work undertaken on an unfinished project at the end of the financial year, which has not yet been charged to the revenue account.

Picture back cover: Bryngarw Country Park



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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	ANNUAL GOVERNANCE STATEMENT 2022-23
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	The Annual Governance Statement (AGS) is prepared in line with the requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018), to review and report on the Council’s Governance and internal controls.
Executive Summary:	<ul style="list-style-type: none"> • The draft AGS sets out officer’s assessment of the Council’s governance arrangements and of its internal controls. • The AGS has been reviewed by Corporate Management Board and the Leader of the Council. • The Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2022-23 is one of reasonable assurance. • It will be reviewed as part of the external audit of the Statement of Accounts by Audit Wales, and should reflect any governance issues up to the date the Auditor General for Wales signs the Statement of Accounts.

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the Annual Governance Statement 2022-23 (AGS) for approval and inclusion within the unaudited Statement of Accounts 2022-23. The AGS is attached at **Appendix A**.

2. Background

- 2.1 Regulation 5 (2) of the Accounts and Audit (Wales) Regulations 2014 requires an authority to undertake, as part of its arrangements for corporate governance, an annual review of governance and report on internal control.

2.2 In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) published its new '*Delivering Good Governance in Local Government: Framework (2016)*', which positions the attainment of sustainable economic, social and environmental outcomes as a key focus of governance processes and structures. Guidance notes relating to the new framework were also published for Welsh Local Authorities. The Guidance has considered the requirements of the Well-being of Future Generations (Wales) Act 2015 and embedded the five ways of working into the CIPFA framework.

2.3 The CIPFA '*Code of Practice on Local Authority Accounting in the United Kingdom 2022/23*' (the Code) states that the preparation and publication of an Annual Governance Statement in accordance with '*Delivering Good Governance in Local Government: Framework (2016)*' would fulfil the statutory requirements across the UK for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its statement of accounts.

3. Current situation / proposal

3.1 Good corporate governance requires the active participation of Members and officers across the Council. These arrangements are reviewed on an annual basis and the findings used to update the AGS. This helps to ensure the continuous improvement of the Council's corporate governance culture. The inclusion of the AGS within the Statement of Accounts provides an overall appraisal of the controls in place to manage the Council's key risks and identifies where improvements need to be made.

3.2 The draft AGS 2022-23 has been reviewed by Corporate Management Board (CMB) and the Leader of the Council.

3.3 The AGS will be reviewed as part of the external audit on the Statement of Accounts and should reflect any governance issues right up to the date that the Auditor General for Wales signs off the Statement of Accounts 2022-23.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no Safeguarding or Corporate Parent implications as a result of this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 It is recommended that the Governance and Audit Committee approves the draft Annual Governance Statement at **Appendix A** and agrees its inclusion within the unaudited Statement of Accounts 2022-23.

Background documents

None

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Annual Governance Statement



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1 Foreword

“Delivering together”

The Council’s [Corporate Plan 2023-28](#), approved by Council in March 2023, sets out what the Council’s long-term well-being objectives are so that amongst all of the complexity of increased demand and reduced resources the Council can keep a clear focus on what is really important for our communities.

The plan is about the people of Bridgend. The Council worked with residents, staff, trade unions, elected members and businesses to shape our ambitions for everyone over the next 5 years. The plan responds to the short- and medium-term issues, like the financial crisis, while protecting the natural environment and helping young people meet their potential for the long-term. Sustainability is at the centre of all we do, including our commitment to achieving net-zero carbon status by 2030.

The Corporate Plan sets out the Council’s 7 Wellbeing Objectives:

- A County Borough where we protect our most vulnerable
- A County Borough with fair work, skilled, high-quality jobs and thriving towns
- A County Borough with thriving valleys communities
- A County Borough where we help people meet their potential
- A County Borough that is responding to the climate and natural emergency
- A County Borough where people feel valued, heard and part of their community
- A County Borough where we support people to live healthy and happy lives

It is necessary to ensure that our communities and those that use and pay for our services, those who deliver our services, and our partners and suppliers, have confidence in our governance arrangements. They must be assured that our services are provided effectively and efficiently and delivered on a consistent basis, that public money is safeguarded and properly accounted for and that decisions are taken transparently and lawfully. This is especially the case given the challenges arising from the cost-of-living crisis and the ramifications arising from the current conflict in Ukraine.

The Council has a duty to set well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and the Local Government Elections (Wales) Act 2021 to make arrangements and keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and to ensure its governance is effective for securing these performance requirements. Our governance arrangements operate effectively in supporting the Council in meeting its challenges and responsibilities and have continued to do so in the current uncertain times. Improvements are continually being made and opportunities to do so going forward have been identified. These will be monitored during 2023-24 to ensure that the necessary improvements are made.



Cllr Huw David
Leader of the Council



Mark Shephard
Chief Executive

2 Governance Framework

What is Corporate Governance?

Corporate governance comprises the systems, processes, culture and values by which the Council is directed and controlled, led and held to account, and how it engages with stakeholders. It is also about the way that Councillors and employees think and act.

The Governance Framework enables the Council to monitor the achievement of its strategic objectives and to consider whether they have led to the delivery of appropriate, cost-effective services.

What this Statement tells you

This Statement describes the extent to which the Council has complied with its Code of Corporate Governance and the requirements of the Accounts and Audit (Wales) Regulations 2014 and the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the year ended 31 March 2023.

It also sets out how the Council has responded to governance issues identified during 2022-23 and actions to be undertaken during 2023-24 following an annual review of the Governance Framework.

The Statement has been prepared in accordance with the 2016 guidance: '[Delivering Good Governance in Local Government Framework](#)' produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).



Bridgend Market

The Council's Governance Responsibilities

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Council must consider the longer-term impact of any decisions it makes, and should work collaboratively with other public bodies to improve well-being in Wales.¹

As a public body the Council has to ensure it delivers sustainable social, cultural, environmental and economic outcomes as a key focus of its governance process and structures. This is achieved by:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- ensuring openness and comprehensive stakeholder engagement

The Council's Code of Corporate Governance sets out its commitment to, and responsibility for, ensuring that there is a sound system of governance in place. The [Code of Corporate Governance](#) is on the Council's website.

The Council's Code of Corporate Governance sets out the seven principles of good governance in line with CIPFA's 'Delivering Good Governance in Local Government: Framework'.

Bridgend County Borough Council Code of Governance The Council's Governance Principles are based on the following:	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability



¹ Well-being of Future Generations (Wales) Act 2015

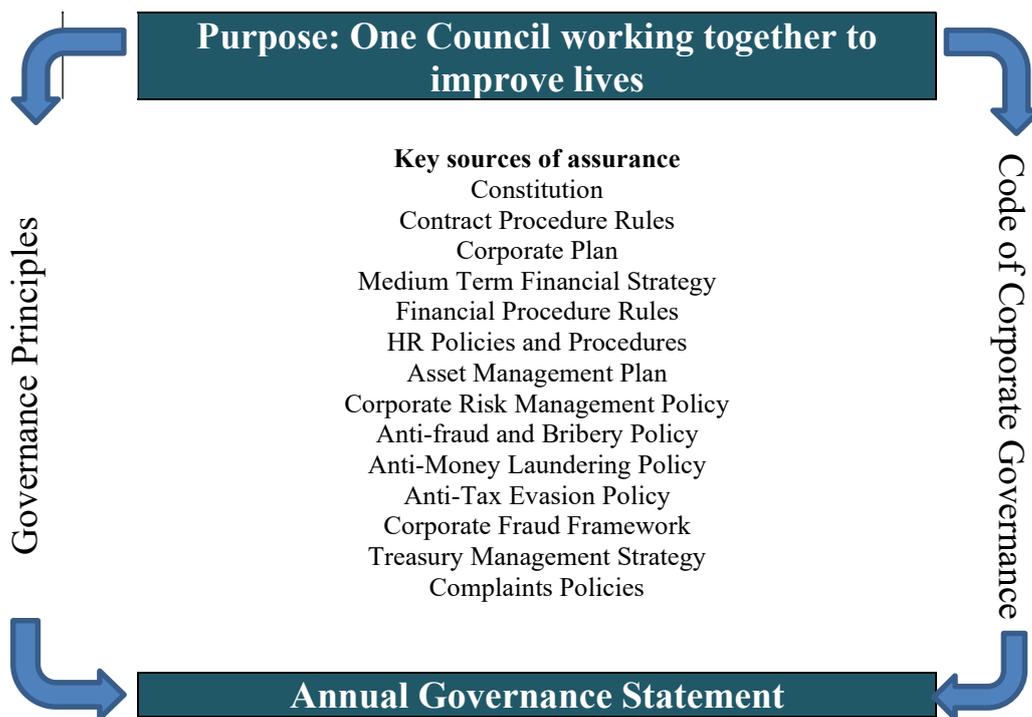
The Council's Governance Framework

The Governance Framework comprises the systems, processes and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to make appropriate use and prevent loss of public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all the risk; the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and manage their impact.

In order to review the effectiveness of the governance framework, assurances are provided to, and challenged by, the Governance and Audit Committee, Scrutiny Committees, Standards Committee, Council, Cabinet and Corporate Management Board as appropriate. In addition the Section 151 Officer promotes and delivers good financial management and the Monitoring Officer promotes and delivers legal and ethical assurance.

Some of the key elements of the governance framework are highlighted below.



More widely, as part of its partnership and joint working arrangements, the Council is involved in bespoke external governance arrangements driven by the different partnership and delivery arrangements in place. Examples of these include the following:

- The Council is one of ten Councils jointly delivering the Cardiff Capital Region City Deal (CCRCD), which has in place joint Scrutiny and Cabinet to ensure governance in its implementation. The CCRCD aims to raise economic prosperity, job prospects and improve digital and transport connectivity and is a significant investment into the South Wales economy. The Council is

committed to contributing to the delivery of these objectives across the region to ensure that the community and business within the Borough can benefit from this investment

- The Local Government and Elections (Wales) Act provides Ministers with the powers to establish Corporate Joint Committees covering the four functions of economic wellbeing, transport, strategic planning and school improvement. The Welsh Government's South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Deal region (CCRCD) and provided that the three core functions (economic well-being, transport and strategic planning) would be conferred on the South East Wales CJC. A transition plan has been developed and regular updates on progress are presented to the Cabinet of the CCRCD and to the Corporate Joint Committee.
- The Council works closely with Health and there is in place regional arrangements managed by the Cwm Taf Regional Partnership Board. The Regional Safeguarding Board and Regional Partnership Board provide leadership across the region for safeguarding and integrated planning of health and social care services though the Adoption Service continues to operate on the previous 'Western Bay' footprint.
- The Council is a participant in a number of shared services, with other local authorities, such as the Shared Regulatory Services with Cardiff and the Vale of Glamorgan Councils, and Central South Consortium, a joint education service for five local authorities. These are governed by joint committees which comprise elected members from each of the local authorities. The Council also is a partner in the Regional Internal Audit Shared Services with Vale of Glamorgan, Rhondda Cynon Taf County Borough Council and Merthyr Tydfil County Borough Council.

Decision Making and Responsibilities

The Council consists of 51 elected Members (a reduction of 3 members), with an elected Leader and Cabinet who are supported and held to account by Scrutiny Committees. The Council's constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business and sets out a list of functions and decisions exercisable by officers. It also contains the rules and protocols by which the Council, Members and officers operate.



Through the [Constitution](#), along with the Member's Code of Conduct, Standards Committee and role of Internal Audit, the Council operates with **integrity**, **ethical values** and within its **legal** powers. The Constitution has been updated to take into account the new legislative requirements placed on local authorities under the Local Government and Elections (Wales) Act 2021. It was approved by Council on 19 October 2022 and implemented from 1 December 2022. A [guide to the Constitution](#) has also been produced and published on the website, which will enable a better understanding of the Constitution for members of the public.

All Council and Committee meetings' agendas, papers and minutes can be viewed on-line and pre-pandemic all meetings were open to the public unless exempt or confidential matters were being discussed. Since the pandemic meetings are held virtually and recorded and placed on the Council's website for the public to access. The Council's forward work programme contains information about all matters that are likely to be the subject of a decision taken by full Council or Cabinet during the forthcoming period. They also include information regarding Scrutiny Committees. To further enhance

openness and **comprehensive stakeholder engagement** the Council has a Citizen's Panel, which takes part in surveys on a range of issues. The Council also uses social media to promote services and engage with the public and makes information available in a range of formats to maximise the opportunity for information sharing and to enable residents to communicate with the Council.

Local Government and Elections (Wales) Act 2021

The Local Government and Elections (Wales) Act received Royal Assent on 20 January 2021. The Act is a substantial piece of legislation covering electoral reform, public participation, governance and performance and regional working. There are many reforms within the Act, however, in summary the Act introduces:

- Reform of electoral arrangements for local government, including extending the voting franchise to 16- and 17-year olds;
- Introduction of a general power of competence;
- Reforming public participation in local government;
- Reforms around democratic governance and leadership;
- Collaborative working;
- Reform of the performance and governance regime;
- Powers to facilitate voluntary mergers of principal councils.

In order to provide local authorities with certainty as to what legislative changes are being implemented when, and ensure the required preparations can be made, Welsh Government has made three Commencement Orders, which will be accompanied by other relevant subordinate legislation, which brought the relevant provisions into force on a series of dates between March 2021 and 5 May 2022.

The Act will continue to have a wide-ranging impact on the organisation, powers, performance measurement and governance of the Council. From May 2022 the composition of the Governance and Audit Committee has changed, and one-third of its members are required to be lay members, including the Chair of the Committee. For the Council the Governance and Audit Committee now comprises 8 elected members and 4 lay members. New responsibilities, some of which the Committee has already started to assume, include:

- a role in reviewing the Council's self-assessment report and making any recommendations for change;
- consideration of the outcome and response to a panel performance assessment of the Council, and;
- responsibility for making reports and recommendations in relation to the authority's ability to handle complaints effectively.

Role of the Governance and Audit Committee

The **Governance and Audit Committee** provides independent assurance on the Council's internal control environment. It is a statutory Committee for the duration of 2021-22 consisted of 11 Councillors and 1 Lay Member. Following implantation of the Local Government and Elections Act, from 2022-23 it consists of 8 Councillors and 4 Lay Members. Its main functions are:

- Review and scrutinise reports and recommendations in relation to the Council's Financial Affairs
- Review and scrutinise reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements
- Oversee the Council's internal and external audit arrangements
- To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies
- To monitor the Council's Anti-Fraud and Bribery Strategy, Anti-Money Laundering Policy and Anti-Tax Evasion Policy
- To review and approve the Council's Annual Governance Statement and the Annual Statement of Accounts
- To review and consider reports from the External Auditor and Inspectors
- To review and assess the Council's ability to handle complaints effectively and make recommendations in this respect
- To review the Council's draft self assessment report on its performance and, if deemed necessary, make recommendations for changes to the conclusions



Tremains Wood

3 Assessing Performance

Under the Local Government and Elections (Wales) Act 2021 the Council has a duty to report on its performance through an [annual self-assessment report](#). This is a wider assessment than the previous [Annual Report](#), which was an annual self-evaluation of progress against the Council’s Corporate Plan. The Annual Report looked back on the progress made during the year on the steps to meet the well-being objectives. The self-assessment report is much wider and must set out the Council’s conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements. The duty includes a requirement for Governance and Audit Committee to review the draft report, which they did in June 2022, and for the final report to be submitted to at least the Auditor General for Wales, His Majesty’s Chief Inspector of Education and Training in Wales and Welsh Ministers.

The Corporate Plan

The Corporate Plan 2023-28, approved in March 2023 sets out the Council’s ambition: ‘**Delivering Together**’. The Plan defines the Council’s seven well-being objectives and its organisational values and principles that underpin how it will work to deliver its priorities. Over the next 5 years the Council wants to invest in the right things, the things that make the biggest difference and are most valued by its customers. However, the Council faces difficult choices in how it prioritises spending and will not be able to do everything for everyone. The Plan sets out how the Council will work.



		Your Council’s Wellbeing Objectives						
		Protecting our most vulnerable	Fair work, skilled, jobs and thriving towns	Creating thriving valleys communities	Helping people meet their potential	Responding to the climate and nature emergency	Making people feel valued, heard and part of their community	Supporting people to be healthy and happy
National Wellbeing Goal	A prosperous Wales		●	●	●	●	●	●
	A resilient Wales	●	●	●	●	●	●	●
	A healthier Wales	●		●		●	●	●
	A more equal Wales	●	●	●	●		●	●
	A Wales of cohesive communities	●		●			●	
	Vibrant culture and thriving Welsh language		●	●	●			●
	A globally responsible Wales		●	●		●	●	●

Underpinning the Council’s Corporate Plan and throughout its decisions-making process, the principles of the Well-being of Future Generations (Wales) Act 2015 are applied. The table shows how the Council’s well-being objectives contribute to the seven well-being goals.

In addition to the seven well-being goals, the Well-being of Future Generations (Wales) Act 2015 puts in place the sustainable development principle and defines the five ways of working that public bodies must adopt to demonstrate they have applied the sustainable development principle. The five ways of working are:

Long-term: thinking of future generations and of our natural resources.

Prevention: this is the step before any issues arise and is aimed at making sure that solutions and interventions are targeted and available to stop statutory services being required.

Integration and Collaboration: with colleagues and partners. Ensure decisions are joined up across services and work more closely with partners in the public, private and third sectors.

Involvement: consult and involved local people in planning and delivering services.

5 Ways of Working	Long term	Prevention	Integration	Collaboration	Involvement
Our Principles					
To support communities and people to create their own solutions and reduce dependency on the Council.					
To focus diminishing resources on communities and individuals with the greatest need.					
To use good information from service users and communities to inform its decisions.					
To encourage and develop capacity amongst the third sector to identify and respond to local needs.					
To not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies.					
To work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches.					
To transform the organisation and many of its services to deliver financial budget reductions as well as improvements.					

Welsh language – Wales has two official languages, Welsh and English, and services and information should be equally available in both. The Council has a statutory duty under the Welsh Language (Wales) Measure 2011 to promote the Welsh language and to facilitate the use of the Welsh language more widely within the Borough. The Council has a [Welsh Language Promotion Strategy 2021 to 2026](#) as required under the Measure. The Council’s internal business language is English, but all the services and information we provide for local people will be equally available in either language.

The Corporate Plan identifies a number of key principles which underpin its Well-being objectives and has adopted a set of values that represent what the Council stands for and influences how it works. The key principles are set out below.

- Wherever possible the Council will support communities and people to create their own solutions and reduce dependency on the Council
- The Council will focus diminishing resources on communities and individuals with the greatest need
- The Council will use good information from service users and communities to inform its decisions
- The Council will encourage and develop capacity amongst the third sector to identify and respond to local needs
- The Council will not let uncertainty over the future of public services prevent meaningful and pragmatic collaboration with other public sector bodies
- The Council will work as one Council and discourage different parts of the organisation from developing multiple processes or unnecessarily different approaches
- The Council will transform the organisation and many of its services and in so doing will deliver financial budget reductions as well as improvements

Future Service Delivery

The UK has emerged from the COVID-19 pandemic and although the virus still is in circulation, its impacts are much reduced. A Future Service Delivery Model for the Council has been developed, which outlines plans for future service delivery going forward. The Council has introduced a Hybrid Working Policy for many staff, which offers a blended approach that can take account of the wide range of services delivered by the Council. The application of hybrid working is dependent on the demands and needs of the role undertaken by the employee and the service within which the role is based. It also offers employees greater flexibility in their work practices, promoting a better work-life balance. The Council has also implemented a new Flexitime Working Hours Scheme which works alongside the Hybrid Working Policy and enables employees to have an element of flexibility in relation to working hours where this meets the operational requirements and needs of the service.

Cost of Living crisis

The rising costs of fuel, food and other essentials and inflation at the highest levels in many years, households in the Borough and across the UK are facing significant financial pressures. On 15 February 2022 the Welsh Government announced a package of measure to help people with support towards the increased cost of living. This included a £150 cost-of-living payment which would be provided to those living in council tax bands A-D and all households who were recipients of the Council Tax Reduction Scheme in properties in council tax bands A-I. Welsh Government also announced a discretionary support scheme would be available to be used by each local authority to support other households who were outside the criteria for the main scheme that it considered to be in need of assistance with their living costs. The discretionary scheme included £60 payments to households in council tax bands E to F and £50 vouchers for each pupil entitled to free school meals. A total of £1,260,415 was paid out including £729,390 for Council Tax, £499,440 for free school meals and £31,585 for homelessness and food banks/warm banks. The Council and its partners have also actively worked to provide support to residents in need. This includes the provision of food support, warm spaces and financial support. All Awen libraries in the county borough are taking part in Awen's Warm Welcome Programme with free tea, coffee, hot chocolate and cup-a-soup and an enhanced activity programme. Financial support from the Council includes the Council Tax Reduction benefit for people on low incomes; various grants for education support including free school meals; and supporting the delivery of the Welsh Government's Fuel Support Scheme and HM Government Energy Bills Support Scheme Alternative Funding and Alternative Fuel Payment Alternative Fund schemes.

The rate of inflation increases has also had a significant effect. The annual rate of inflation reached 11.1% in October 2022, a 41-year high, before easing in subsequent months. It rose again however from 10.1% in January 2023 to 10.4% in February. Not only is this impact felt by households, but it is also affecting businesses as they struggle with increasing costs and the pressures that places on businesses.

Decarbonisation 2030

Welsh Government declared a [Climate Emergency](#) in April 2019. Following this the Welsh Government committed to achieving a carbon neutral public sector by 2030. In June 2020 Bridgend County Borough Council Cabinet

approved a report that set out the crucial roles that the Council has to play through the management of its own resources, organisations and businesses to respond to the challenges set out in the United Nations Intergovernmental Panel on Climate Change (IPCC) October 2018 report.

The Council declared its own climate emergency in June 2020 and set up its [Climate Emergency Response programme](#), which has a commitment to achieve net zero carbon emissions by 2030 across its operations. The Council developed its [2030 Net Zero Carbon Strategy](#) over the period April 2021 to August 2022. The Council undertook a series of officer workshops to contribute to the draft strategy, and a 12-week public consultation during June to August 2022. The final strategy was approved by Cabinet on 13 December 2022. It is recognised that the resource challenge faced by all public bodies in Wales to achieve net zero carbon by 2030 is significant. The delivery of the Strategy is a corporate responsibility and all Directorates will have a role to play in achieving net zero. Delivery will also require an on-going partnership with external stakeholders and a wide range of funders. Council agreed a specific annual 2030 Decarbonisation capital budget of £0.4 million each year to 2030-31 as part of the Medium-Term Financial Strategy 2023-24 to 2026-27, however the level of resources to deliver 2030 Net Zero will be substantially more than this. Schemes to deliver 2030 Net Zero will require feasibility funding to finalise detailed costs and delivery profiles, and proposals will be submitted wherever possible to funding sources to secure external resources to fund initiatives. There are existing schemes that contribute to the 2030 Net Zero targets including the provision of electric vehicle charging points; energy efficient lighting and LED street lighting; and installed roof-mounted solar panels. The Council has undertaken coastal protection, extended areas of local nature reserves and tree-planting and approved a socially responsible [Procurement Strategy](#).

Inspections

Care Inspectorate Wales carry out regulatory inspections of the Council's registered care provision. The Council is a significant provider of adult and children's regulated care services. In the last year leadership has been strengthened through the appointment of dedicated Responsible Individuals for children's and adults social care registered provision. Responsible Individuals have legal responsibilities in accordance with the Regulation and Inspection of Care (Wales) Act (2018). There have been a number of regulatory inspections in 2022-23. There have been regular meetings between senior officers and Care Inspectorate Wales during 2020-21 to provide assurance in respect of the safety and wellbeing of people during the COVID-19 pandemic. An assurance check was carried out by Care Inspectorate Wales in April 2021, this was followed by a Performance Evaluation Inspection of Children's Services in May 2022 and an improvement check in November 2022. The Cabinet has approved a 3 year strategic plan to improve outcomes in children's social care, and the improvements in this plan, and the Care Inspectorate Wales inspection, are being overseen by a board chaired by the Chief Executive and advised by an independent expert in children's social care. There is also a Social Services Member Improvement Panel which is chaired by the Deputy Leader, which is also advised by an independent advisor.

The findings of the performance evaluation inspection and follow up check are set out below:

Principle	Areas of improvement identified from PEI – May 2022	Progress identified from improvement check – November 2022
People	Seeking, hearing (including the use of direct work) and recording the voice of the child	Significant improvements made and must be sustained
People	People consistently feel listened to and treated with dignity and respect	Some improvements made; further action is required
People	Workforce recruitment and retention	Some improvements made; further action is required

People	Management oversight	Significant improvements made; further action is required
People	Staff support, supervision and training	Some improvements made; further action is required
Prevention	Provision of information, advice, and assistance. People receive the right support at the right time	Some improvements made; further action is required
Partnerships	Thresholds for early help and statutory services	Some improvements made; further action is required
Partnerships	Learning from reviews and audits	Some improvements made; further action is required
Well-being	Compliance with statutory responsibilities	Some improvements made; further action is required
Well-being	Arrangements for supervised contact between children and their families	Some improvements made; further action is required
Well-being	Identification and response to child exploitation	Some improvements made; further action is required

The Inspection noted that many of the pressures experienced by the Council's Children's Services reflected recovery from the Covid pandemic, including high levels of demand and increased complexity of people's needs. Critical defects in the number of social workers, because of recruitment and retention issues, along with staff absences and a highly competitive market, had resulted in the loss of experienced staff and a reliance on newly qualified and agency social workers. Recruitment and retention remain a significant pressure point for the service. The inspection noted that the workforce position remains fragile.

As part of the response to the inspection, the Council set up the Improving Outcomes for Children Board, which was set up in March 2022 and is chaired by the Chief Executive. Care Inspectorate Wales noted that this Board has made a positive impact through improved oversight of Children's Services and early help services, ensuring there is sufficient information about, and scrutiny of, performance.

There continues to be a strong focus and considerable work to make improvements. The Council has commissioned external expertise to support with identifying how well services are working, and how they can be improved or refined to maximise their impact and outcomes for children and families.

On 24 November 2022 the Cwm Taf Morgannwg Safeguarding Board published the Child Practice Review in relation to the tragic death of Logan Mwangi. The Board has accepted in full the findings of the Child Practice Review and the Safeguarding Board and the Council will implement the review recommendations. Care Inspectorate Wales will monitor the Council's progress through their ongoing review of performance.

Annual Improvement

Audit Wales², our External Auditor, assesses the Council's arrangements for delivering continuous improvement and subsequent performance, the results of which are published in their [Annual Audit Summary 2022](#). In March 2023 they reported that the 'Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2021-22, as served by an order made under the Local Government and Elections (Wales) Act 2021'. The auditor also noted as part of its Springing forward review that the Council made positive progress in delivering

² Since 1 April 2020 the Wales Audit Office and Auditor General are branded as Audit Wales. The statutory names remain Wales Audit Office and Auditor General for Wales.

its previous asset management strategy and needs to ensure future strategic asset plans are fully shaped by the sustainable development principle. The review did identify, however, that workforce challenges are impacting on the Council's ability to plan more strategically and critically, to ensure its buildings meet statutory safety requirements. The review identified that the Council needs to develop a corporate workforce plan shaped by the sustainable development principle, to address these workforce challenges and strengthen its resilience.

To ensure that the outcomes of all audits, reviews and inspections, and the specific recommendations for the Council are recorded, a regulatory tracker has been developed. This includes the outcome of inspections by Estyn, Care Inspectorate Wales and HM Inspectorates for Probation and Prisons as well as Audit Wales work. The purpose of the tracker will be to ensure that relevant recommendations and actions therefrom are reported and monitored, including by elected members, and then reviewed by the relevant Scrutiny committees. Actions are considered and scrutinised at Directorate Management Teams and considered by the Corporate Management Board and Cabinet on a regular basis to ensure corporate and political oversight. Governance and Audit Committee will receive 6-monthly updates each January and July.

Audit Wales have undertaken and reported on a number of reviews during the year, the key outcomes of which are set out below.

Report	Key outcomes
Direct Payments for Adult Social Care (April 2022)	<p>Whilst not specific to Bridgend, this review looked at how local authorities provide Direct Payment services to adults, examining their impact and value for money.</p> <p>The overall conclusion was that Direct Payments support people's independence and are highly valued by service users and carers, but inconsistencies in the way they are promoted and managed by local authorities mean services are not always equitable and it is difficult to assess overall value for money.</p>
Springing Forward – Strategic Workforce Management – Bridgend County Borough Council (October 2022)	<p>Audit Wales reviewed the Council's arrangements for managing its workforce with a primary focus on how well the Council strategically plans the use of its workforce, how it monitors the use of its workforce assets and how it reviews and evaluates the effectiveness of its arrangements. The review noted:</p> <ul style="list-style-type: none"> • Like many other councils, Bridgend is experiencing significant workforce challenges, and years of continued service restructures and staffing cuts to deliver savings are impacting on its ability to plan and maintain service performance. • The Council is taking action to respond to its significant workforce issues, but needs to develop a corporate workforce plan shaped by the sustainable development principle and needs capacity to effectively shape solutions for its significant workforce challenges in the medium to long term • The Council has focussed on addressing short term critical workforce pressures particularly in Social Services, but in the absence of a strategic Workforce Plan to guide and inform approaches to managing these challenges we have emerging concerns about the Council's resilience to continue to respond to critical issues. • The Council has arrangements to monitor workforce issues and it has not yet developed a framework to effectively benchmark, measure success and affordability of its future services delivery model but has acted on lessons learnt. <p>A number of recommendations were identified:</p>

	<ul style="list-style-type: none"> • The Council needs to urgently develop its strategic workforce approach, embedding the sustainable development principle at its core, to enable it to address the significant workforce issues it faces. • The Council should develop a suite of strategic quantitative and qualitative measure to enhance its ability to understand the impacts and affordability of its workforce plans and actions • The Council should also explore opportunities to benchmark its own performance over time and its arrangements with other bodies to provide a different dimension to its performance management data. Whilst also offering an insight to how other bodies are performing and discovering notable practice elsewhere. <p>The Council has progressed the following actions:</p> <ul style="list-style-type: none"> • The draft Strategic Workforce Plan has been shared with Cabinet & Corporate Management Board, Heads of Service and the Trade Unions. • Strategic Workforce Planning training for Senior Leadership Teams is due to be delivered by the LGA to HR Managers (in August) and Corporate Management Board (in September), before considering wider training across the organisation. • Delivery plans will be developed in response to the workforce themes, which will identify what the Council has done and what it plans to do next. • Service workforce planning will also be developed and will be taken forward through close collaboration between Directorate managers and the respective HR Business Partners.
<p><u>Springing Forward – Strategic Asset Management – Bridgend County Borough Council</u> (October 2022)</p>	<p>Audit Wales reviewed the Council’s arrangements for managing its assets with a primary focus on office accommodation and buildings from which the Council delivers services to its residents. Audit Wales looked at how the Council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements. Overall, the review found that the Council made positive progress in delivering its previous asset management strategy and now needs to ensure future strategic asset plans are fully shaped by the sustainable development principle. However, workforce challenges are impacting on its ability to plan more strategically and critically, to ensure its buildings meet statutory safety requirements.</p>
<p><u>Assurance and Risk Assessment Review – Bridgend County Borough Council</u> (October 2022)</p>	<p>This work was to find the level of audit assurance and/or where further audit work may be required in future years in relation to risks the Council putting in place proper arrangements to secure value for money in the use of resources. It also helped in assessing the extent to which the Council is applying the sustainable development principle in taking steps to meet its well-being objectives. The work focussed on the following areas:</p> <ul style="list-style-type: none"> • Financial position • Implications of the Local Government and Elections (Wales) Act 2021 • Carbon reduction plan • Disabled Facility Grants • Statutory Building Compliance <p>The key findings were:</p>

	<ul style="list-style-type: none"> • The Council continues to be well placed to maintain its financial resilience. However, this will be tested by challenges being posed by the current economic climate. • The Council is developing and implementing aspects of the Local Government and Elections (Wales) Act • The Council has a draft carbon reduction strategy but has not yet fully determined the resources needed to deliver it nor how others will contribute to its delivery • The Council has been slow to respond to Audit Wales proposals for improvement in relation to Disabled Facilities Grants and performance remains poor, worsened by the pandemic. The Council is developing a new operating model for 2023-24 which is intended to be simpler, better co-ordinated and more responsive to service user needs. • The Council has improved its statutory building compliance targets in asbestos surveys and fire risk assessments where compliance remains at higher levels. However, it is not meeting its targets for gas servicing and legionella testing and therefore not mitigating all the significant risks associated with non-compliance. <p>The Council has progressed the following actions:</p> <ul style="list-style-type: none"> • Work is nearing completion on the development of a contractor framework for Disabled Facilities Grants to improve the time taken to procure agreed works • Staff vacancies have been an issue for this service. Posts are now covered with agency staff but the service will continued to seek permanent staff • Time taken to complete Disabled Facilities Grants for children has increased in the last year
<p><u>Transformational Leadership Programme Board – Baseline Governance Review – Cwm Taf Morgannwg Regional Partnership Board</u> (January 2023)</p>	<p>The review sought to gain assurance that the health board [Cwm Taf Morgannwg University Health Board] and the three councils [Rhondda Cynon Taf County Borough Council, Merthyr Tydfil County Borough Council and Bridgend County Borough Council] are working together effectively through the aegis of the Transformation Leadership Programme Board to support regional integrated working across the Cwm Taf Morgannwg region. The review sought to answer the question: ‘Are the Transformation Leadership Programme Board arrangements supporting the four bodies to develop effective and sustainable approaches to regional workings?’ Overall Audit Wales found that the Transformation Leadership Programme Board is well-placed to develop stronger regional working building on the productive relationships over the past 18 months. However, it needs to ensure its planning is more integrated and longer term, strengthen aspects of its governance arrangements and be more ambitious in using its combined core resources to have a greater impact on the Cwm Taf Morgannwg region.</p>
<p><u>Performance Management Review – Bridgend County Borough Council</u> (February 2023)</p>	<p>The review sought establish how well the Council’s performance management arrangements inform the Council of progress in meeting its priorities. The review found that the Council’s performance management arrangements do not consistently enable it to effectively evaluate and manage its performance. The report noted that weaknesses in performance information are limiting the Council’s awareness of its own performance and its ability to manage its performance effectively. The Council’s focus on collecting, rather than analysing data and ensuring its accuracy, limits the impact of its performance management arrangements.</p>

Managing Risk

The Council faces a range of risks as would be expected from the broad range of services it delivers and activities it is engaged with. On a day-to-day basis operational risk arises from the challenge of ensuring sufficient capacity and capability to advise on, and to deliver, the key policy objectives of the Council.

The Council has developed a robust approach to the management of risk. The Corporate Risk Management Policy is aligned with Directorate Plans and the Council's performance management framework. The Council defines risk as: 'Any potential development or occurrence which, if it came to fruition, would jeopardise the Council's ability to:

- achieve its well-being objectives
- provide services as planned
- fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement.'

Risks are viewed from both a Service and Council-wide perspective which ensures the key risks are distilled in the [Corporate Risk Assessment](#). The Risk Assessment sets out how the Council is addressing these risks and the mitigating actions it will put in place to reduce them. It is regularly reviewed and challenged by both senior management and the Governance and Audit Committee. It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of reasonable assurance.

During 2021-22 detailed Risk Management Guidance was developed for use by all departments across the Council. It enables staff to identify risks, prioritise them and implement actions to mitigate them, in a consistent and timely manner. Training was rolled out to all directorate management teams and the roles and responsibilities at each stage of the process outlined. Directorate Business Plans were revised to ensure that processes and actions are aligned with the corporate risk management process.

In early 2023 the Council purchased risk management software to improve the monitoring and reporting of risk. This software will enable a single point of storage for all compliance and risk related records, with a simple to use interface and is aligned to Enterprise Risk Management standards. It will enable the Council to monitor progress and provide easy to understand risk reports for users and Committees in the role in managing and assessing risks. It is in the early stages of implementation and roll-out will take place through 2023.

Financial Management

The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. The Council has in place Financial Procedure Rules, Contract Procedure Rules, a specific Financial Scheme for Schools, and the scheme of delegation also provides the framework for financial control. The Section 151 Officer is responsible for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration.

The Council's ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of uncertain

funding levels and cost pressures, the impact of Cost-of-Living crisis and the current conflict in the Ukraine. The Council estimates that it will need to generate approximately £17 million of savings over the period 2023-24 to 2026-27. The Medium-Term Financial Strategy has taken account of known cost pressures and priority areas in line with the Corporate Plan and undertaken extensive consultation to ensure a robust process. To ensure greater involvement of stakeholders in the development of the Medium Term Financial Strategy a five week consultation 'Shaping Bridgend's Future' was undertaken between 19 December 2022 and 22 January 2023, the emphasis of which was to seek views on the priority areas for residents, in order to enable us to review and prioritise the budget and make Bridgend 'Fit for the Future'. It was recognised that budget planning for 2023-24 is more uncertain than ever before, and that the Council is facing even more cost pressures than experienced in previous years, as a result of the cost-of-living crisis, conflict in Ukraine and worsening economic circumstances. We needed to know what has worked well, and where we need to continue to make changes or improvements to ensure that the Council is able to deliver sustainable and effective services for the next five to ten years. The consultation included an online survey, attendance at engagement events, a social media / web campaign and via the Authority's Citizens' Panel and targeted a range of stakeholders. The results were collated and presented to Cabinet on 7 February 2023 in order to further inform decisions on the Medium-Term Financial Strategy. The Medium Term Financial Strategy can be found on the Council's website [here](#). Welsh Government has given all-Wales indicative funding level for the 2024-25 financial year, but no indication of likely funding for Bridgend and no indication of funding levels for future years. Given this uncertainty, the Council has developed detailed budgets for year one of the Strategy with indicative budgets thereafter based on a range of funding scenarios.

The Council has in place robust arrangements for effective financial control through the Council's accounting procedures, key financial systems and the Financial Procedure Rules. The Financial Procedure Rules were reviewed during 2021-22 to better reflect current working practices and were approved by Cabinet in November 2021. Arrangements in place to demonstrate good financial control include established budget planning procedures and regular budget monitoring reports to Cabinet and Scrutiny Committee, as well as detailed information to budget holders. The Council prepares its Annual Accounts as required by the Accounts and Audit (Wales) Regulations and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

The Council follows the CIPFA Code on Treasury Management and Welsh Government's Guidance on Local Authority Investments to ensure that funds invested are secure, accessible when necessary and attract an appropriate return and any borrowings needed are in line with the Council's Treasury Management Strategy, as approved by Council. As a number of local authorities in England have faced financial concerns and following a number of members' concerns regarding some investments this Council had made, the duration and limit of investments the Council can make to other local authorities was reviewed during the year and revised for the Treasury Management Strategy 2023-24. The revised limits are 2 years and £10 million. The Council has been able to invest monies across its wider investment options in line with the Council's [Treasury Management Strategy](#) and enable it to reduce its reliance on the Debt Management Office, though this remains a key investment option for the Council.

CIPFA issued a revised Treasury Management Code of Practice in December 2021, with full implementation from 2023-24. CIPFA also issued a new edition of the Prudential Code for Capital Finance in Local Authorities in December 2021. The Code requires local authorities to determine a Capital Strategy, to be approved by Council, which demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. A significant change in the Code is that, to comply with the Code, an authority must not borrow to invest primarily for financial return. The Code does not require existing commercial investments, including property, to be sold. However, it does set out that authorities that have a need to borrow should review options for exiting their financial investments for commercial purposes. The Council is unlikely to invest for commercial purposes but will focus on delivering schemes that meet its service objectives. New indicators have been included on

affordability, and a 'Liability Benchmark' replaces the prudential indicators on gross debt and the capital financing requirement. The [Capital Strategy 2022-23](#) has been revised to reflect the changes in the Prudential Code. The Strategy continues to evolve to provide a robust, medium to long term capital plan for the Council.

Compliance with the CIFPA Financial Management Code of Practice

The Chartered Institute of Public Finance and Accountancy (CIPFA) launched the Financial Management Code of Practice (FM Code) in November 2019. The FM Code was developed in the context of increasing concerns about the financial resilience and sustainability of local authorities.

The FM Code sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve. It clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972 and emphasises the collective financial responsibility of the whole leadership including the relevant elected members.

By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability. Whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out. The first full year of compliance with the Code was 2021-22 but the Council has demonstrated its compliance with the Code since the 2020-21 financial year. In its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*) CIPFA stated that the Annual Governance Statement should include the overall conclusion of an assessment of the organisation's compliance with the principles of the FM Code. Also, that where there are outstanding matters or areas for improvement, these should be included in the action plan.

The Council's assessment of its compliance with the 19 Standards outlined in the FM Code for 2022-23 identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2023-24. These actions were included in the Action Plan for 2022-23 and were to:

- Provide additional training to full Council on Capital Strategy and Earmarked Reserves
- Provide Finance Training to Schools on Closing of Accounts procedures and requirements
- Rationalisation of Earmarked Reserves and develop timescales for usage
- Continue to review consistent under and overspends and re-align budgets accordingly
- Continue to develop budget reduction proposals for the full life of the MTFS

Progress against these are included in Section 5 – Improving Governance.

4 Audit Assurance

Audit and Audit Assurances

The Council is audited externally by the Auditor General for Wales, supported by Audit Wales. The objectives of this are to obtain assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; that the accounts have been prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom; and to issue an opinion thereon. They also assess our arrangements for securing economy, efficiency and effectiveness in the use of resources.

In 2022 the External Auditor gave an unqualified audit opinion on the financial statements 2021-22.

Audit Wales also audit a number of grant claims and in the year completed 5 audits of grants and returns. One claim – Housing Benefits - was qualified, due to a number of errors but these were not significant and no changes to the claim were made.

In addition Audit Wales undertake reviews of various services and also performance reviews throughout the year, the outcome of which are reported to the Governance and Audit Committee.

The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022-23 is:

“Reasonable Assurance”

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.

Many council staff are continuing to work remotely, and systems and processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally as well as face to face where appropriate. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

Of the 9 audits that were deferred from 2021-22, 5 have been completed, 2 areas were covered within other audits whilst 2 have been deferred to 2023-24. Although in total 10 audits have been deferred into 2023-24 the successful recruitment into six posts during 2022-23 should assist in improving this moving forward.

The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.

Bridgend Bus Station

5 Improving Governance

A number of significant issues were identified in the Council's 2021-22 Annual Governance Statement. The progress made on the significant issues is shown below:

Issue	Governance Principle	Action	Update
Self-Assessment	F	The requirement to introduce a comprehensive 'self-assessment' of the Council's performance is progressing satisfactorily. The first Corporate Performance reporting and meeting of 2022/23, reflecting on quarter 4 performance of 2021/22, introduced self-assessment across all Directorates on Key question one, 'performance and outcomes'. It is anticipated that the process will evolve and continue to improve, additionally focussing on key question 2, 'use of resources', and also utilising the Annual Governance Statement to demonstrate effective reporting and assessment of governance. A series of workshops are planned in June and July 2022 to progress this, with the aim of reporting comprehensively on the Council's performance based on a process of consistent self-assessment, in September 2022.	The Council's first self-assessment was published in October 2022. Work is now underway to develop a self-assessment for 2022-23, with draft findings expected to be reported to Corporate Performance Assessment in June 2023, Corporate Overview and Scrutiny Committee and Governance and Audit Committee in July 2023, and Cabinet in September 2023. The Corporate Self-Assessment is available on the Council's website.
Corporate Joint Committees (CJCs)	A	The interim arrangements to establish a Corporate Joint Committee (CJC) for these areas of service has been progressed by the Cardiff Capital Region and reported to Cabinet.	The Cardiff Capital Regional Cabinet approved the transfer of its existing functions, which are principally in respect of the City Deal agreement to the South East Wales Corporate Joint Committee on 28 February 2022. Since this time a Transition Plan has been developed and is being progressed.
Financial Sustainability	F	Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances. Earmarked reserves will be reviewed and maintained to support specific pressures. Benefits and support payments, such as council tax support, winter fuel payments and cost of living	The MTFs was updated as part of the budget setting process for 2023-24 and was based on the financial information available at that time. to reflect the current position. The financial position for the Council was shared with members as part of the budget setting Council

		payments will be publicised widely and paid promptly.	meeting on 1 March 2023. The impact in the current year is being reported to Scrutiny (revenue monitoring), Cabinet and/or Council via the revenue and capital monitoring reports. A review of Earmarked Reserves is ongoing. The Council completed a second tranche of winter fuel payment and the discretionary Cost of Living Scheme to support residents. Information regarding the support available for residents is being publicised via the Council's website and social media accounts
Commissioned / Contracted Services	F	There is increasing evidence that both our existing contractors and those tendering for work are reflecting significantly increased costs in their submissions. The Council will need to respond to this proportionately and responsibly, recognising the very real pressures but managing the impact on the Council's contractual position and resources effectively, but at the same time ensuring that essential Council services are maintained. Additionally, the significant workforce issues impacting on our ability to recruit and retain staff in many parts of the Council are compromising our ability to deliver services effectively and reducing our capacity and resilience. A whole series of initiatives are being implemented to help mitigate the impact and address the most acute issues.	A key part of ensuring management of these cost risks within contracts has been the implementation of robust risk and contingency elements into the contract sum of new contracts. Where existing contracts are experiencing cost increases, an element of value engineering is taking place to deliver the project within the envelope. Where this is not possible additional financial resources will be required and prioritised dependent on the stage the project has reached. Where tender submissions are substantially above expected levels or capital allocations, then decisions are now being taken as to the priority and urgency of work against the backdrop of ensuring that essential Council services are maintained. All changes to the Capital Programme are submitted to Council for approval.
Review of Code of Corporate Governance and associated schedule	A	Last updated in 2017, needs review to ensure it reflects current governance framework. Work commenced on this during 2021-22 but this will be completed and ratified in 2022-23.	The updated Code of Corporate Governance was approved by Cabinet 7 February 2023.

Member Development	E	<p>The Member Induction Programme 2022-23 to support new and returning elected members was presented to Council on 9 February 2022. In addition to the ongoing Elected Members Learning and Development Programme, a Training Needs Analysis Questionnaire will be compiled and distributed during December 2022 – January 2023. All Members' responses will be analysed and, from this, the ongoing Programme will be developed and presented to the Democratic Services Committee.</p>	<p>The full Member Induction Programme has taken place following the election in May, and a number of additional events & training sessions have been held. This includes the Members Marketplace on the 5 September 2022, which provided the opportunity for Members to meet key officers from across the Council.</p> <p>Drop in events have been arranged by individual Directorates to give Members the opportunity to meet officers and discuss key issues.</p> <p>Member Development remains a regular agenda item of the Democratic Services Committee.</p> <p>Members will be invited to undertake a Personal Development Review which will identify any training needs for the next 12 month period.</p>
Impact on the Social care sector of the COVID-19 pandemic and the ending of the hardship funding to the sector	C	<p>A market stability plan has been developed to ensure that there are clear plans to deliver sufficiency of quantity and quality of provision in Bridgend.</p>	<p>The Market Stability Report was approved by Council in July 2022. It identified a significant number of actions to address sufficiency and sustainability of social care provision across a range of different sectors.</p> <p>A new planning group structure is being implemented to take forward the recommendations from the market stability work.</p> <p>In addition there are specific priority pieces of work progressing in the areas of children residential provision, foster care sufficiency, cost of care of adult care home provision and adult community care capacity.</p>
GDPR issues with new ways of working	A	<p>As the Hybrid Policy is implemented additional guidance will be developed on issues such as</p>	<p>The Information Governance Board meets quarterly to ensure that the Authority</p>

		<p>communicating securely, keeping software updated, safeguarding personal data and the need to use the Council's approved technology.</p> <p>The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate) continues to meet quarterly ensuring information security remains a top priority during this time.</p> <p>All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.</p>	<p>remains compliant with data protection laws.</p> <p>A Bridgenders was circulated to all staff providing guidance on data protection whilst working from home.</p> <p>The new Hybrid Working policy set out responsibilities relating to ICT and equipment and the need for compliance with the ICT Code of Conduct. It also covers GDPR, confidentiality and data security in relation to working at home as well as in the office.</p>
Hybrid Meetings	A	A Multi-location Meetings Policy will be presented to Council for approval.	The Multi-locations Meetings Policy was approved by Council on 15 June 2022.

Based on a review of the governance framework, and an assessment of compliance with the CIPFA Financial Management Code, the following significant issues identified in 2022-23 will be addressed in 2023-24 with the links to the [Governance Principles](#) on page 5:

Issue	Governance Principle	What the issue is	Proposed Actions to address issue
Workforce Development	E	Like many other Councils Bridgend is experiencing significant workforce challenges particularly in Social Services. Audit Wales identified that the Council did not have in place a strategic Workforce Plan to guide and inform approaches to managing short term critical workforce pressures and ensuring future resilience within the workforce.	The Council's Strategic Workforce Plan is being developed and will embed sustainable development principles, to enable the Council to address the significant workforce issues it faces. The Plan will be considered by Corporate Management Board/Cabinet Corporate Management Board and the Trade Unions before implementation.
Strategic Asset Management	E	An Audit Wales review identified workforce challenges are impacting on the Council's ability to plan strategically and to ensure the Council's buildings meet statutory safety requirements.	Whilst not all workforce issues have been resolved, additional staff have been appointed, including a dedicated Legionella Officer. The statutory compliance figures are now significantly improved, with the 5 major areas (gas, electricity, fire,

			asbestos and legionella) now showing compliance in the 90% level.
Disabled Facility Grants (see AW report referred above)	F	The Council has been slow to respond to Audit Wales proposals for improvement in relation to Disabled Facilities Grants and performance remains poor. The council is developing a new operating model for 2023-24 which is intended to be simpler, better coordinated and more responsive to service user needs.	The Council will implement a contractors' framework during 2023-23, which will provide the Council with end-to-end ownership of the process from referral to completion.
Decarbonisation 2030	D	Whilst the Council has in place a Decarbonisation 2030 strategy, it has not fully identified the resources needed to implement the strategy nor how partners may help to deliver the strategy ambitions.	A detailed 2030 Action Plan is being prepared, which will set out the resources required to deliver the expected carbon reductions. This will be approved by Cabinet and will include details of partners and projects of mutual benefit that will contribute to the Councils Net Zero Ambitions.
Long to medium term financial management	F	<p>The Council has robust financial management process in place, but there are some areas where improvements can be made:</p> <ul style="list-style-type: none"> • provide additional training to full Council on Capital Strategy and Earmarked Reserves • provide finance training to schools on closing of accounts procedures and requirements • rationalisation of earmarked reserves and developing timescales for usage • continue to review consistently under and overspends and realign budgets accordingly • continue to develop budget reduction proposals for the full life of the Medium Term Financial Strategy 	<p>Treasury Management training was provided to members on 10 February 2023.</p> <p>Training with regards to the Capital Strategy is being provided to Councillors on 18 May 2023.</p> <p>A briefing note was shared with elected members in relation to reserves and how they have been built up and how they can be utilised.</p> <p>Earmarked reserves were reviewed throughout the year. A larger scale review has commenced in 2023-24.</p> <p>The budget was reported to Cabinet on a regular basis through the year with explanations included in the reports in relation to variances.</p> <p>The MTFS is reviewed during the financial year. Work has commenced early in 2023-24 to identify further areas for</p>

			possible budget reductions going forward.
Additional Training for Members to support their role in ensuring proper financial management of the Council	E	As new members have joined the Council it is crucial that they develop the skills and knowledge to undertake their role competently. There may be knowledge gaps in some areas particularly in relation to the Capital Strategy, Earmarked Reserves and Statement of Accounts.	Training to be provided on Capital Strategy, Earmarked Reserves and Statement of Accounts for all members.
Performance Management Arrangements	F	A review of the Council's performance management arrangements have identified that they do not consistently enable it to effectively manage its performance.	A performance management improvement plan has been developed and discussed with Corporate Management Board, Cabinet/Corporate Management Board and Governance and Audit Committee in May 2023. The plan covers the performance management framework, data quality and accuracy, culture, roles and responsibilities, performance management capacity and the performance management system. Many of the issues in the report will be addressed by the new Corporate Plan Delivery Plan to be approved by Council in July.

These issues will be monitored via a detailed action plan during 2023-24, with the responsible officer and deadline for implementation identified for each action and reported to Cabinet/Corporate Management Board and to the Governance and Audit Committee.

6 Assurance Statement

The Council reacted quickly to the Covid-19 pandemic to put in place controls to ensure that a record was maintained of decisions made to ensure that appropriate governance arrangements were in place. Given these arrangements no significant internal control or governance issues have arisen, and the Council continues to have in place appropriate internal control and governance arrangements.

Subject to the above issues being resolved, we can provide an overall reasonable assurance that Bridgend County Borough Council's governance arrangements remain fit for purpose.

Steps to address the matters referred to above will be taken to further enhance our governance arrangements.

Signed: _____ Date: _____
(Leader)

Signed: _____ Date: _____
(Chief Executive)

Picture back cover: Bryngarw Country Park



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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	PORTHCAWL HARBOUR RETURN 2022-23
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	The preparation of the Porthcawl Harbour Return is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018)
Executive Summary:	<ul style="list-style-type: none"> • The Porthcawl Harbour Return has been completed and reviewed by Internal Audit. • The return is produced in accordance with International Financial Reporting Standards. • The Harbour achieved a balanced position as at 31 March 2023. • The return is required to be signed by the Responsible Financial Officer and the Chair of the Governance and Audit Committee prior to submission to Audit Wales for the annual audit of the Statement.

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the unaudited Porthcawl Harbour Return for 2022-23 attached at **Appendix A** for approval.

2. Background

- 2.1 The preparation of the Harbour Return is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's '*Code of Practice on Local Authority Accounting in the United Kingdom*' (the Code).
- 2.2 In accordance with these regulations, the Porthcawl Harbour Return 2022-23 requires certification by the responsible finance officer and approval by the Governance and Audit Committee, by 31 May 2023, certifying that it presents a true and fair view of the financial position of the Harbour finances. If the Return is not able to be signed and published by this date, then the Council must publish a Regulation 10 notice setting out the reasons why. If no amendments are identified during the audit, no

further approval is needed. However, should any amendments be needed, the audited Porthcawl Harbour Return should be approved by 31 July 2023 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference.

- 2.3 As a result of delays in approving the 2021-22 Statement of Accounts, which were certified by the Auditor General for Wales on 27 January 2023, there has been a consequential impact on the preparation of the 2022-23 Statement of Accounts and Annual Returns. As a result the Council was unable to meet the 31 May 2023 deadline and, in line with the requirements of the Regulations, a Regulation 10 notice was issued advising of this. The signed Porthcawl Harbour Return will be passed to Audit Wales once approved.
- 2.4 Should any amendments be needed as a result of the audit then the Porthcawl Harbour Return will be presented to the next Governance and Audit meeting following completion of the audit for approval. The audit of the Return is unlikely to be completed by 31 July 2023 so a further Regulation 10 notice will be issued in line with the Accounts and Audit (Wales) Regulations.

3. Current situation / proposal

- 3.1 The Council's unaudited Porthcawl Harbour Return for the financial year ended 31 March 2023 is attached at **Appendix A**.
- 3.2 The Return is produced in accordance with International Financial Reporting Standards (IFRS) rather than the amount to be funded in cash terms when the budget is set. Therefore, these statements include items such as depreciation on property, plant and equipment, the estimated cost of the shortfall on the pension scheme and other technical adjustments.
- 3.3 The Harbour achieved a balanced position as at 31 March 2023. It generated £258,986 in fees, primarily for boat berthing/mooring. The main items of expenditure are staffing costs (£87,836) and depreciation of the Harbour assets (£113,518). The value of the Harbour and associated assets, including the kiosk and slipway, as at 31 March 2023 was £2,829,744.
- 3.4 The Porthcawl Harbour Return has been reviewed by Internal Audit and no amendments were identified.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no Safeguarding or Corporate Parent implications as a result of this report.

8. Financial Implications

8.1 These are reflected in the body of the report.

9. Recommendation

9.1 It is recommended that the Governance and Audit Committee approves the unaudited Porthcawl Harbour Return 2022-23 at **Appendix A**.

Background documents

None

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Minor Joint Committees in Wales

Annual Return for the Year Ended 31 March 2023

Accounting statements 2022-23 for:

Name of body: PORTHCAWL HARBOUR

	Year ending		Notes and guidance for compilers
	31 March 2022 (£)	31 March 2023 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	0	0	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	0	0	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	327,029	258,986	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	(80,762)	(87,836)	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	(113,518)	(113,518)	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	(132,749)	(57,632)	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	0	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	39,893	0	Income and expenditure accounts only: Enter the value of debts owed to the body.
9. (+) Total cash and investments	0	0	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	(39,893)	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	0	0	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	2,943,262	2,829,744	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

Annual Governance Statement

We acknowledge as the members of the Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2023, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	<input type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
<p>3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Committee to conduct its business or on its finances.</p>	<input type="radio"/>	<input type="radio"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
<p>4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.</p>	<input type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
<p>5. We have carried out an assessment of the risks facing the Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	<input type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
<p>6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.</p>	<input type="radio"/>	<input type="radio"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
<p>7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Committee and, where appropriate, have included them on the accounting statements.</p>	<input type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	<input type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Additional disclosure notes*

The following information is provided to assist the reader to understand the accounting statements and/or the Annual Governance Statement

1.

2.

3.

* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statements and/or the annual governance statement.

Committee approval and certification

The Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

<p>Certification by the RFO</p> <p>I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2023.</p>	<p>Approval by the Council/Board/Committee</p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:</p>
<p>RFO signature:</p>	<p>Minute ref:</p>
<p>Name:</p>	<p>Chair of meeting signature:</p>
<p>Date:</p>	<p>Name:</p>
<p>Date:</p>	<p>Date:</p>

Annual internal audit report to:

Name of body: PORTHCAWL HARBOUR

The Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2023.

The internal audit has been carried out in accordance with the Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Porthcawl Harbour utilises the Council's main financial ledger system and no issues were identified relating to this during audit testing.
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	All payments are through the Council's financial system. Sample testing of payments on ledger confirmed payments were supported by invoices, correctly authorised and VAT had been accounted for correctly.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Corporate Risk Management Policy and a Corporate risk assessment is in place. Risk Assessment procedure guidance for risks available to all Council departments.
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	No annual precept payment. Central monitoring of budget and reserves carried out.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Invoices raised and monitored on central system. Sample of invoices selected, and all had correctly charged VAT.
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	None identified within financial reports for the year.
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Salaries are paid through Council's central payroll system on NJC agreed pay scales.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The Harbour is recorded on the Council's asset register.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Council's main bank account and ledger used and subject to central checks.
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Centralised main accounting audit performed regularly, and no relevant issues identified.

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:					
	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
11. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Insert text

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

[My detailed findings and recommendations which I draw to the attention of the Committee are included in my detailed report to the Committee dated _____.] * Delete if no report prepared.

Internal audit confirmation

I/we confirm that as the Committee's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2021-22 and 2022-23. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Nathan Smith – Audit Assistant Manager
Signature of person who carried out the internal audit: 
Date: 28th June 2023

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	TREASURY MANAGEMENT OUTTURN 2022-23
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE
Responsible Officer:	NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	Para 22.5 of the Financial Procedure Rules requires the Chief Finance Officer to prepare an annual report to Council summarising borrowing and investment activity and indicating compliance with any statutory or Council approved guidelines.
Executive Summary:	<ul style="list-style-type: none"> • This report provides the outturn position for Treasury Management activities for the year ending 31 March 2023. • It confirms that the Council has complied with the statutory and the Chartered Institute of Public Finance and Accountancy’s Code of Practice. • As at 31 March 2023 the Council had £99.93 million of long term borrowing, £114.06 million of other long term liabilities, primarily Private Finance Initiative, and £74.50 million of treasury investments. • The average interest rate of debt as at 31 March 2023 (excluding Salix borrowing which is interest free) was 4.69% and for investments 2.55%. • The Council is required to set and report against Treasury Management Indicators, details of which are included in Appendix A. These show that the Council operated within the approved limits throughout the year.

1. Purpose of Report

- 1.1 The purpose of this report is to update the Governance and Audit Committee on the outturn position for treasury management activities for 2022-23, the Treasury Management Indicators for 2022-23, and to highlight compliance with the Council’s policies and practices.

2. Background

- 2.1 Treasury Management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 2.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 edition (the TM Code), which requires the Council to approve a Treasury Management Strategy (TMS) before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. The TM Code also requires the Council to set a number of Treasury Management Indicators, which are forward looking parameters, and enable the Council to measure and manage its exposure to treasury management risks, and these are included in **Appendix A** to this report. In addition, Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Council to approve an Investment Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the TM Code and the Welsh Government Guidance.
- 2.3 In 2021 CIPFA published an updated version of the Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The updated Prudential Code includes a requirement for Local Authorities to provide a Capital Strategy, which is a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The definition of investments in the revised 2021 Prudential Code covers all the financial assets of the Council as well as other non-financial assets which the authority holds primarily for financial return. The Council's Capital Strategy 2022-23 complied with CIPFA's requirement and included the Prudential Indicators along with the details regarding the Council's non-treasury investments. The Capital Strategy and Treasury Management Strategy should be read in conjunction with each other as they are interlinked, as borrowing and investments are directly impacted upon by capital plans and both were approved together by Council on 23 February 2022.
- 2.4 The Council's treasury management advisors are Arlingclose. The current services provided to the Council include:
- advice and guidance on relevant policies, strategies and reports
 - advice on investment decisions
 - notification of credit ratings and changes
 - other information on credit quality
 - advice on debt management decisions
 - accounting advice
 - reports on treasury performance
 - forecasts of interest rates
 - training courses.

3. Current situation / proposal

3.1 External Context – Economic Background

- 3.1.1 During 2022-23 the war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during January to March 2023 continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.
- 3.1.2 Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.
- 3.1.3 The Consumer Prices Index (CPI) rose to 10.1% in the 12 months to March 2023. This was an increase from 5.5% at the start of the financial year, but slightly down from February 2023 which was 10.4%, At its highest CPI reached 11.1% in October 2022. Whilst fuel costs have seen some reductions, food, recreation and culture costs have contributed to higher inflation.
- 3.1.4 Following the decision by the current UK government to reverse some of the support to household energy bills announced under the previous administration, further support in the form of a cap on what energy suppliers could charge households was announced in the March 2023 Budget to run from April until the end of June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.
- 3.1.5 The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate for January to March 2023 increased by 0.1% on the quarter to 3.9%. The increase in unemployment was driven by people unemployed for over 12 months.
- 3.1.6 The bank rate in the UK started the year at 0.75% and increased 8 times during the year to 4.25% as at 31 March 2023. This was as a result of continued higher than expected inflation rate compared to the Bank of England's target set by the Government to keep inflation at 2%.

3.2 Public Works Loan Board (PWLB) Lending Facility Advice, Revised CIPFA Codes

- 3.2.1 The Council continues to undertake its duties in line with the current guidance for the PWLB lending facility, which was significantly revised by HM Treasury in August 2021. Authorities that are purchasing or intending to purchase investment assets primarily for yield, or financial return, will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
- 3.2.2 The Council's treasury management activities are undertaken in line with CIPFA's 2021 Prudential Code for Capital Finance and CIPFA's Treasury Management in the Public Services - Code of Practice. The key changes in the two codes are around

permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. In line with CIPFA requirements the Codes will be fully implemented in the 2023-24 financial year. To comply with the Prudential Code authorities must not borrow to invest primarily for financial return. The Prudential Code also states it is not prudent for local authorities to make investment or spending decisions that will increase the Capital Financing Requirement (CFR) unless directly and primarily related to the functions of the authority. Existing commercial investments are not required to be sold, however, authorities with existing commercial investments who expect to need to borrow should review the options for exiting these investments. The Council will implement in full the requirements of the code when reporting the 2023-24 financial year activities.

3.3 Treasury Management Outturn 2022-23

3.3.1 The Council has complied with its legislative and regulatory requirements during 2022-23. The TMS 2022-23 was approved by Council on 23 February 2022 with the half year report presented to Council on 16 November 2022. Quarterly reports were also presented to Cabinet and the Governance and Audit Committee for scrutiny during 2022-23.

3.3.2 A summary of the treasury management activities for 2022-23 is shown in **Appendix A**. The Council's external debt and investment position for 1 April 2022 to 31 March 2023 is shown in Table 1 below, and more detail is provided in **Appendix A** Section 2 - Borrowing Strategy and Outturn, and Section 3 - Investment Strategy and Outturn. As in the previous year, the Council secured small amounts of Salix interest free loans over a period of between 2 and 10 years for specific energy efficiency schemes. No other long-term debt (of more than 1 year) was taken out, and no debt rescheduling was undertaken as there were no significant savings to be made. However, should the opportunity arise to reschedule any loans at a preferential rate, this would be done. Favourable cash flows have provided surplus funds for investment and the balance on investments at 31 March 2023 was £74.50 million, with an average interest rate of 2.55%. The total of balances held has decreased in comparison to those held at 31 March 2022, when the balance held was £84.07 million, however the weighted average interest rate has increased in comparison to 2.55% as compared with 0.43% for the previous year. Table 4 in **Appendix A** details the movement of the investments by counterparty types and shows the average balances, interest received, original duration and interest rates for 2022-23.

Table 1: Council's external debt and investment position 1 April 2022 to 31 March 2023

	Principal 01/04/2022 £m	Average rate 01/04/2022 %	Principal 31/03/2023 £m	Average rate 31/03/2023 %
External Long-Term Borrowing				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option Borrower's Option	19.25	4.65	19.25	4.65
Salix Loans	2.68	0.00	3.06	0.00
Total External Borrowing	99.55	4.69*	99.93	4.69*
Other Long-Term Liabilities (LTL)				
Private Finance Initiative (PFI)*	14.77		13.90	
Other LTL	0.39		0.23	
Total Other Long Term Liabilities	15.16		14.13	
TOTAL Gross External Debt	114.71		114.06	
Treasury Investments				
Local Authorities	45.50	0.54	53.00	4.05
Debt Management Office	30.20	0.37	7.50	2.19
Banks	8.37	0.53	14.00	3.94
TOTAL Treasury Investments	84.07	0.43	74.50	2.55
NET DEBT	30.64		39.56	

* Excluding Salix loans, which are interest free

** PFI for the provision of a Secondary School in Maesteg with 11 years remaining term

- 3.3.3 The £19.25 million under external long-term borrowing in Table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, though these may be rescheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending on the prevailing rates at one of the bi-annual trigger points (these being July and January) and, as a result, the Council being given the option to accept the increase or repay the loan without incurring a penalty. There have been significant interest rate rises over the last year, with an expectation that they may rise further thus the lender could still exercise this option in a future interest rate environment.
- 3.3.4 The Total Other Long Term Liabilities figure of £14.13 million at 31 March 2023 includes £13.90 million for the Council's Private Finance initiative (PFI) arrangement for the provision of a Secondary School in Maesteg. The other long-term liability relates to the provision of vehicles for the waste contract, which will end on 31 March 2024.
- 3.3.5 Both the TM Code and Welsh Government (WG) Guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return. Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard and Poor's to ensure that this lies within the Councils' agreed minimum credit rating.
- 3.3.6 The Council defines high credit quality as organisations and securities having a credit rating of A- (A3 for Moody's) or higher and the Council does not invest in any organisation below this level. **Appendix B** shows the equivalence table for credit ratings for Fitch, Moody's, and Standard and Poor's and explains the different investment grades.

3.3.7 There was one long-term investment (original duration of 12 months or more) outstanding at 31 March 2023 for £5 million with Medway Council. This investment is for a period of 2 years and will mature in July 2024. All other investments at 31 March 2023 were short term deposits including instant access and notice accounts.

3.3.8 The Treasury Management Code requires the Council to set and report on a number of Treasury Management Indicators. The indicators either summarise the expected activity or introduce limits upon the activity. Details of the estimates for 2022-23 set out in the Council's TMS compared to the actual at year end are shown in **Appendix A** and these show that the Council operated within the approved limits throughout the year.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report.

6. Climate Change Implications

6.1 The Climate Change implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment because of this report.

7. Safeguarding and Corporate Parent Implications

7.1 The Safeguarding and Corporate Parenting implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon Safeguarding and Corporate parenting because of this report.

8. Financial Implications

8.1 The financial implications are reflected within the report.

9. Recommendation

9.1 It is recommended that the Committee:

- Note the annual treasury activities for 2022-23
- Note the actual Treasury Management Indicators for 2022-23 against those approved in the Treasury Management Strategy 2022-23.

Background documents

None

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SUMMARY OF TREASURY MANAGEMENT ACTIVITIES 2022-23

1. External Debt and Investment Position

On 31 March 2023, the Council held £99.93 million of external long-term borrowing and £74.50 million of investments. The Council's external debt and investment position for 1 April to 31 March 2023 is shown below in Table 1; more detail is provided in section 3 - Borrowing Strategy and Outturn - and section 4 - Investment Strategy and Outturn. The debt position includes Salix loans which are interest free and were formally show as Long Term Liabilities.

Table 1: External debt and investment position 1 April 2022 to 31 March 2023

	Principal 01/04/2022 £m	Average rate 01/04/2022 %	Principal 31/03/2023 £m	Average rate 31/03/2023 %
External Long-Term Borrowing				
Public Works Loan Board	77.62	4.70	77.62	4.70
Lender's Option Borrower's Option	19.25	4.65	19.25	4.65
Salix Loans	2.68	0.00	3.06	0.00
Total External Borrowing	99.55	4.69*	99.93	4.69*
Other Long-Term Liabilities (LTL)				
Private Finance Initiative (PFI)*	14.77		13.90	
Other LTL	0.39		0.23	
Total Other Long Term Liabilities	15.16		14.13	
TOTAL Gross External Debt	114.71		114.06	
Treasury Investments				
Local Authorities	45.50	0.54	53.00	4.05
Debt Management Office	30.20	0.37	7.50	2.19
Banks	8.37	0.53	14.00	3.94
TOTAL Treasury Investments	84.07	0.43	74.50	2.55
NET DEBT	30.64		39.56	

* Excluding Salix loans, which are interest free

** PFI for the provision of a Secondary School in Maesteg with 11 years remaining term

Where a Council finances capital expenditure by debt, it must put aside revenue resources to repay that debt in later years and this amount charged to revenue is called the Minimum Revenue Provision (MRP). The Local Authority (Capital Finance and Accounting) (Amendment) (Wales) Regulations 2008 requires the Council to produce and approve an annual Minimum Revenue Provision (MRP) Statement before the start of the financial year that details the methodology for the MRP charge and this is detailed in the Council's Capital Strategy. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to delay the need to borrow externally by temporarily using cash it holds for other purposes such as earmarked reserves. This is known as internal borrowing. This strategy is prudent as investment returns are low and counterparty risk is relatively high. Going forward, the CFR is forecast to increase from 2022- 23 levels due to the amount of prudential borrowing in the

capital programme in future years. The Loans CFR (which excludes PFI & Other Long Term Liabilities) as at 31 March 2023 was £163.21 million as shown in Table 2 below.

The liability benchmark measures the Council's projected net debt requirement plus a short-term liquidity allowance in the form of minimum cash and investment balances. The purpose of the benchmark is to set the level of risk which the Council regards as its balanced or normal position. The liability benchmark, or level of debt, as at 31 March 2023 was £32.29 million, which is lower than the estimate within the Treasury Management Strategy (TMS). Long-term borrowing as at 31 March 2023 was £99.93 million. As the Council has available reserves it can use them to fund capital expenditure in the short term, which is a prudent approach to managing its cash resources. Table 2 below has been produced using actual capital spend and usable reserves for the 2022-23 financial year. Reserves are higher than had been expected due to slippage in the capital programme and contributions to new and existing reserves during the year. The Loans CFR ignores cash balances and may be too high if the authority benefits from long term positive cash flows which this Council does benefit from. The benchmark assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	2021-22 Actual	2022-23 Estimate TMS	2022-23 Actual
	£m	£m	£m
Loans Capital Financing Requirement	162.31	180.02	163.21
Less: Usable reserves	(141.69)	(76.29)	(140.93)
Plus: actual/minimum investments	10.00	10.00	10.00
Liability Benchmark	30.62	113.73	32.29

2. Borrowing Strategy and Outturn for 1 April 2022 to 31 March 2023

At 31 March 2023, the Council held £99.93 million of long-term loans. The TMS 2022-23 forecast that the Council would need to borrow £9.36 million in 2022-23 however, as a result of both slippage in the capital programme and the level of reserves during the year, the Council did not need to take out new borrowing during 2022-23. Long-term borrowing increased slightly, but this was as a result of schemes funded via Salix interest free borrowing. The amounts are relatively low and have repayment periods of up to 10 years. More detail on forecast capital spend is provided in the Capital Strategy 2022-23 which was approved by Council on 23 February 2022 and the Capital Monitoring outturn report to Cabinet on 20 June 2023.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective. The major objectives followed in 2022-23 were:

- To minimise the revenue costs of debt
- To manage the Council's debt maturity profile i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing
- To secure funding in any one year at the cheapest cost commensurate with future risk
- To monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movements
- To reschedule debt if appropriate, in order to take advantage of potential savings as interest rates change
- To optimise the use of all capital resources including borrowing, both supported and unsupported, usable capital receipts, revenue contributions to capital and grants and contributions.

Given the impact of high inflation on the economy and public finances in general, as well as affecting local governments spending ability, and the uncertainty going forward in the financial market, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. There continues to be increasing uncertainty over future interest rates which increases the risks associated with treasury activity. As a result, the Council will take a cautious approach to its treasury management strategy.

The Council's primary objective for the management of its debt is to ensure its long-term affordability. The majority of its loans have therefore been borrowed from the Public Works Loan Board (PWLB) at long term fixed rates of interest, but we will also investigate other sources of finance, such as Welsh Government and local authority loans and bank loans that may be available at more favourable rates. Following the increase in the numbers of local authorities taking out PWLB loans to buy commercial properties for yield, a UK government consultation by HM Treasury issued revised lending terms for PWLB borrowing by local authorities in November 2020. As a condition of accessing the PWLB, local authorities will be asked to confirm that there is no intention to buy investment assets primarily for yield in the current or next two financial years. Local authorities' Section 151 Officers, or equivalent, will be required to confirm that capital expenditure plans are current and that the plans are within acceptable use of the PWLB. Whilst this in itself does not preclude the Council from investing in commercial activities, investing in assets for yield would preclude the Council from accessing PWLB borrowing. In December 2021, CIPFA published a new edition of the Prudential Code for Capital Finance in Local Authorities. A significant change to the Code is that, in order to comply with the Code, an authority must not borrow to invest primarily for financial return. It goes further to clarify that "it is not prudent for local authorities to make any investment or spending that will increase the capital financing requirement, and so lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

The last time the Council took out long term borrowing was £5 million from the PWLB in March 2012. Should there be a need to borrow it is likely to be from

the PWLB. For estimate purposes it has been assumed that this would be over 30 years. The Council may also take short term loans (normally for up to one month) to cover unexpected cash flow shortages. Market conditions have meant that there has been no rescheduling of the Council's long-term borrowing during 2022-23. The loan portfolio will continue to be reviewed for any potential savings as a result of any loan rescheduling in conjunction with the Council's Treasury Management advisors.

The £19.25 million in Table 1 above relates to Lender's Option Borrower's Option (LOBO) loans which have a maturity date of 2054, however these may be re-scheduled in advance of this maturity date. The LOBO rate and term may vary in the future depending upon the prevailing market rates, the lender exercising their option to increase rates at one of the bi-annual trigger points (the trigger dates being July and January) and, therefore, the Council being given the option to accept the increase or to repay the loan without incurring a penalty. The lender did not exercise their option on 20 January 2023 and the next trigger point is 21 July 2023. There still may be a chance that the lender may exercise their option as interest rates are still expected to rise, therefore, an element of refinancing risk remains. The Council would take the option to repay these loans at no cost if it has the opportunity to do so in the future. The current average interest rate for these LOBO's is 4.65% compared to the PWLB Loans average interest rate of 4.70%. The premiums payable to renegotiate the Council's Lender's Option Borrower's Option (LOBO) continues to be cost prohibitive. The Treasury Management indicator shown in Table 3 below is for the Maturity Structure of Borrowing and is set to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing and has been set to allow for the possible restructuring of long-term debt where this is expected to lead to an overall saving or reduction in risk. It is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. The upper and lower limits on the maturity structure of borrowing set out in the TMS 2022-23 and the outturn for 2022-23 are:

Table 3 Treasury management Indicator maturity Structure of Borrowing 2022-23

	TMS 2022-23 Upper limit %	TMS 2022-23 Lower limit %	Actual 31/03/2023 %
Under 12 months	50	-	19.67
Over 12 months and within 24 months	25	-	5.98
Over 24 months and within 5 years	25	-	9.04
Over 5 years and within 10 years	40	-	15.75
Over 10 years and within 20 years	50	-	13.15
20 years and above	60	25	36.42

The 19.67% shown in Table 3 above includes the £19.25 million LOBO loans which may be re-scheduled in advance of their maturity date of 2054, as detailed above. The TM Code requires the maturity of LOBO loans to be shown as the earliest date on which the lender can require payment, i.e. the option/call dates in 2023-24, so the maturity date is actually uncertain but is shown in the "Under 12 months" category as per the TM Code. The short-term element of

the Salix loans calculated at £0.4 million is also reflected within the 19.67%.

3. Investment Strategy and Outturn 1 April 2022 to 31 March 2023

Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, balancing the risk of incurring losses from defaults against receiving unsuitably low investment income.

The major objectives during 2022-23 were:

- Maintain capital security
- Maintain liquidity so funds are available when expenditure is needed
- Achieve a yield on investments commensurate with the proper levels of security and liquidity

The Annual Investment Strategy incorporated in the Council's TMS 2022-23 includes the credit ratings defined for each category of investments and the liquidity of investments. The Council's investments have historically been placed in mainly local and central government and short-term bank and building society unsecured deposits. However, investments may be made with any public or private sector organisations that meet the minimum credit criteria and investment limits specified in the Investment Strategy. During the year the majority of the Council's surplus cash has been invested in Money Market Funds, Debt Management Office (DMO) and with other local authorities, but the Council will continue to look at investment options in line with the limits detailed in the Investment Strategy. The Council takes into account updated advice from its advisors before making any investment decisions.

The Council holds surplus funds representing income received in advance of expenditure plus balances and reserves and as shown in Table 1 above, the balance on investments at 31 March 2023 was £74.50 million with an average investment return rate at that date of 2.55%.

Table 4 details these investments by counterparty type. The weighted average investment rate for investments over the period 1 April 2022 to 31 March 2023 was 1.65%.

Table 4: Investments Profile 1 April 2022 to 31 March 2023

Investment Counterparty Category	Balance 01 April 2022	Investments raised	Investments Repaid	Balance 31 March 2023	Investment Income received*	Average original duration of the investment	Weighted average investment balance Ap 2022 – Mar 2023	Weighted average interest rate Apr 2022 – Mar 2023
	£m	£m	£m	£m	£'000	Days	£m	%
Government DMO	30.20	435.10	457.80	7.50	575.90	21	29.36	1.93
Local Authorities	45.50	63.00	55.50	53.00	129.44	276	43.39	1.21
Banks (fixed maturity)	3.00	18.00	18.00	3.00	46.58	36	3.00	2.28
Banks instant access/notice account	5.38	90.70	85.09	11.01	80.55	-	7.96	1.39
Money Market Funds	-	44.95	44.95	-	462.65	-	21.82	2.16
Total/average	84.08	651.75	661.34	74.51	1,295.12	83	105.53	1.65

* actual income received in year including accruals

The Treasury Management indicator shown below in Table 5 is for Principal Sums Invested for periods longer than a year. Where the Council invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of long-term investments. The limit on the long-term principal sum invested to final maturities beyond the period end are set out in the TMS 2022-23.

Table 5: Treasury Management Indicator Principal Sums Invested for periods longer than a year

Price Risk Indicator	TMS 2022-23 £m	Actual 31/03/23 £m
Limit on principal invested beyond financial year-end	15	5

All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements and advice from Arlingclose will be sought as necessary.

There was only one investment for a period longer than a year (original duration of 12 months or more) outstanding at 31 March 2023. This was with Medway Council and is due to be repaid in July 2024. All other investments at 31 March 2023 were short term deposits including Local Authorities, Government Debt

Management Office (DMO) and instant access and notice accounts. Table 6 details these investments by counterparty type based on the remaining maturity period at 31 March 2023:

Table 6: Investments Outstanding Maturity Profile 31 March 2023

Counterparty Category	Instant Access £m	Deposits maturing within 1 month £m	Deposits maturing within 2-3 months £m	Deposits maturing within 4-12 months £m	TOTAL £m
Government DMO	7.50	-	-	-	7.50
Local Authorities	-	4.00	44.00	5.00	53.00
Banks	8.00	3.00	3.00	-	14.00
Total	15.50	7.00	47.00	5.00	74.50

Investment decisions are made by reference to the lowest published long-term credit rating from a selection of external rating agencies to ensure that this lies within the Council's agreed minimum credit rating. Where available the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered. **Appendix B** shows the equivalence table for credit ratings for three of the main rating agencies: Fitch, Moody's, and Standard & Poor's, and explains the different investment grades. The Council defines high credit quality as organisations and securities having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

The pie chart below summarises Table 6 by credit ratings and shows the £74.50 million of investments at 31 March 2023 by percentage. Most local authorities do not have credit ratings, whilst the remainder of the investments all had a credit rating of A or above. The Debt Management Office (DMO) is the UK sovereign government and rated AA as at 31 March 2023.



4. Interest Rate Exposure – Borrowing and Investments

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council depending on how variable and fixed interest rates move across differing financial instrument periods. Short term and variable rate loans expose the Council to the risk of short-term interest rate rises and are therefore subject to the Treasury Management indicator in Table 7 below to manage Interest Rate Exposures.

Table 7: Treasury Management Indicator Interest Rate Exposures

Interest Rate Risk Indicator	Indicator 2022-23 £'000	Actual 31/03/23 £'000
One year revenue impact of a 1% rise in interest rates	(537)	(553)
One year revenue impact of a 1% fall in interest rates	726	745

This has been set as an indicator (not a limit) to measure the net impact over one year on the revenue account of both a 1% rise and a 1% fall in all interest rates for borrowing net of treasury investments. This is calculated at a point in time on the assumption that maturing loans and investments will be replaced at rates 1% higher or lower than they would otherwise have been on their maturity dates and that the treasury investment and borrowing portfolios remain unchanged over the coming year.

The figures for the 1% fall in interest rates indicator are not the same figures as the 1% rise in interest rates (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would not exercise their option if there was a fall in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates.

Table 8: Interest Expenditure & Receipts

A comparison of interest expenditure against income for the period 1 April 2022 to 31 March 2023 is shown below

	2022/23 £'000
Interest expenditure payable on long term borrowing	4,538
Interest income received in period	(1,761)
Net interest cost	2,777

The figures in the table above include accrued interest. Actual payments may occur after this date.

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Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
INVESTMENT GRADE	Extremely strong	AAA		Aaa		AAA	
	Very strong	AA+	F1+	Aa1	P-1	AA+	A-1+
		AA		Aa2		AA	
		AA-		Aa3		AA-	
	Strong	A+	F1	A1	P-2	A+	A-1
		A		A2		A	
	Adequate	A-	F2	A3	P-3	A-	A-2
		BBB+		Baa1		BBB+	
		BBB		Baa2		BBB	
SPECULATIVE GRADE	Speculative	BBB-	F3	Baa3	Not Prime (NP)	BBB-	A-3
		BB+		Ba1		BB+	
		BB		Ba2		BB	
	Very speculative	BB-	B	Ba3		B	
		B+		B1			B+
		B		B2			B
	Vulnerable	B-	C	B3		C	
		CCC+		Caa1			CCC+
		CCC		Caa2			CCC
		CCC-		Caa3			CCC-
CC		Ca		CC			
Defaulting	C				C		
	D	D	C		D	D	

Standard & Poor's (S&P), Moody's and Fitch are the three most significant rating agencies in the world. These agencies rate the creditworthiness of countries and private enterprises.

"AAA" or "Aaa" is the highest rating across all three rating agencies and indicates the highest level of creditworthiness. A "D" rating ("C" rating from Moody's) indicates poor creditworthiness of a company or government. A difference is made between short-term and long-term ratings.

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	ANNUAL CORPORATE FRAUD REPORT 2022-23
Report Owner / Corporate Director:	CHIEF OFFICER FINANCE, PERFORMANCE AND CHANGE AND HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
Responsible Officer:	SIMON ROBERTS – SENIOR FRAUD INVESTIGATOR AND JOAN DAVIES – DEPUTY HEAD OF REGIONAL INTERNAL AUDIT AND AUDIT MANAGER
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	<ul style="list-style-type: none"> • The Annual Corporate Fraud Report summarises the work undertaken in respect of counter fraud by the Fraud Department and Internal Audit. • It provides an update to the Governance and Audit Committee on the arrangements in place to manage the risk of fraud. • The ongoing measures the council has in place to reduce fraud are shown in this report. • The report provides an update on The National Fraud Initiative. • The report provides details of the monetary value of any fraud or error identified throughout 2022-23.

1. Purpose of Report

- 1.1 The purpose of this report is to present members of the Governance and Audit Committee with the Annual Corporate Fraud Report 2022-23 which summarises the actions undertaken in respect of counter fraud and provides an update on the National Fraud Initiative (NFI) exercise.

2. Background

- 2.1 One of the core functions of an effective Governance and Audit Committee is:

- To consider the effectiveness of the Council’s Risk Management arrangements, the control environment and associated anti-fraud and corruption arrangements.

- 2.2 Therefore, this report updates the Committee on the arrangements in place for managing the risks of fraud with the aim of prevention, detection and subsequent investigation and reporting of fraud.
- 2.3 The impact of fraud should never be underestimated. Fraud leaves the Council with less to spend on services for residents and costs taxpayers' money. Fraud against a local council is not a victimless crime. There is not only the lost/stolen money to consider but also the loss of working time investigating and correcting issues, liaising with police and lawyers, any subsequent court costs, increased insurance premiums, reputational damage for individuals or the Council as a whole and poor staff morale.
- 2.4 The Council sets high standards for both Members and Officers in the operation and administration of the Council's affairs and has always dealt with any allegations or suspicions of fraud, bribery, and corruption promptly. It has in place policies, procedures, and reporting mechanisms to prevent, detect, and report on fraud, bribery, and corruption. These include the Fraud Strategy and Framework, a Whistleblowing Policy, ICT Code of Conduct, Anti-Fraud and Bribery Policy, Anti-Tax Evasion Policy, and Anti-Money Laundering Policy. A Fraud Risk Register is also in place.
- 2.5 The Fraud Strategy and Framework underpins the Council's commitment to prevent all forms of fraud, bribery, and corruption, whether it be attempted externally or from within.

3. Current situation / proposal

- 3.1 The Annual Corporate Fraud Report is at **Appendix A** which summarises the counter fraud work undertaken within the Authority during 2022-23.
- 3.2 The Council's Fraud Strategy and Framework includes reactive and proactive work and sets out the measures the Council proposes to take over the medium-term to further improve its resilience to fraud, bribery, and corruption. The report at **Appendix A** outlines the progress made against these measures. For example, a fraud risk register has been developed and a Fraud Prevention E-Learning module is now available for relevant staff and Members to complete. Fraud awareness training sessions have also been delivered and are available to both staff and Members as and when required. The ongoing measures to reduce fraud are shown at **Annex 1** of **Appendix A**.
- 3.3 One activity included within these ongoing measures is the National Fraud Initiative (NFI). This is a biennial exercise co-ordinated in Wales by Audit Wales whereby data is extracted from the Council's systems and reports. These are matched against data submitted from other bodies such as other Local Authorities, Department for Work and Pensions (DWP), NHS & Trusts, Police and Housing Associations etc. It is important to note that where a match is found, it is not in itself evidence of fraud, it may be an error or an inconsistency that requires further investigation.
- 3.4. **Appendix A** provides details of the most recent biennial data matching exercise which was based on data extracted in October 2022 with the matches released in January 2023. This exercise is still in the early stages of completion but, so far, a

total of 4 frauds or errors have been identified equating to £3,742.08 of recoverable funds. This sum is currently only attributable to council tax reduction or housing benefit matches. More detailed results are included at **Annex 2 of Appendix A**. The next biennial data matching exercise will be due to commence towards the end of 2024 with data extracted in October 2024 and the new matches returned in the early part of 2025. **Appendix A** also provides details of the most recent, annual Single Person Discount data matching exercise, which was based on data extracted at the end of 2021 for review in 2022. A total of 171 frauds or errors were identified equating to £69,359.66 of recoverable funds. More detailed results relating to this exercise are included at **Annex 4 of Appendix A**.

- 3.5 The Annual Report at **Appendix A** also provides detail of the internal counter fraud work undertaken by Internal Audit and the Council's Senior Fraud Investigator, including internal investigations, council tax reduction investigations and blue badge investigations.
- 3.6 Joint working was also undertaken during 2022-23 with Bridgend County Borough Council (BCBC) working with the Single Fraud Investigation Service (SFIS) on any appropriate benefit investigations. Local networking is also in place which has enabled intelligence to be shared, particularly in respect of new scams that have materialised during the cost-of-living crisis.
- 3.7 The Authority took part in a national study which was to review the effectiveness of counter fraud arrangements in the Welsh public sector. The resulting report was published in July 2020. The recommendations from this report, made by Audit Wales, have been used to form the new Fraud Strategy and Framework. This will ensure that the work being undertaken in relation to counter fraud continually improves.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. This is an information report; therefore, it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

- 6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 The financial implications are reflected within this report as any fraud impacts on the resources available to the council.

9. Recommendations

9.1 It is recommended that the Committee note the Annual Corporate Fraud Report 2022-23, the measures in place, the work being undertaken to prevent and detect fraud and error and the update on the National Fraud Initiative (NFI).

Background documents

The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (Wales) Regulations 2013

<http://www.legislation.gov.uk/wsi/2013/588/contents/made>



ANNUAL CORPORATE FRAUD REPORT

2022/2023

Section 1 – Introduction

- 1.1 The challenge presented to Councils by fraud is significant. The latest edition of the Fighting Fraud and Corruption Locally Strategy ‘*A Strategy for the 2020s*’ produced by local government, for local government states that; Local Authorities continue to face a significant fraud challenge and, while the official figures are dated, the argument about protecting funds and vulnerable people remains. The National Fraud Authority estimated local authorities face the threat of £2.1bn fraud in a year in 2013. In fact, the Annual Fraud Indicator produced by Crowe Clark Whitehill estimates that figure may be as high as £7.8bn in 2017, out of a total of £40.4bn for the public sector as a whole. More recent estimates from the Auditor General for Wales in June 2019 noted that the sums lost annually in Wales to fraud and error are significant – *“and could be anywhere between £100 million and £1 billion.”* The Crime Survey for England and Wales recognises fraud as being one of the most prevalent crimes in society today with 3.4 million incidents of fraud recorded between 2016 – 2017.
- 1.2 The impact of fraud should never be underestimated. Fraud leaves the Council with less to spend on services for residents and costs taxpayers’ money. Fraud against a local council is not a victimless crime. There is not only the lost/stolen money to consider but also the loss of working time investigating and correcting issues, liaising with police and lawyers, any subsequent court costs, increased insurance premiums, reputational damage for individuals or the Council as a whole and poor staff morale.
- 1.3 The Council sets high standards for both Members and Officers in the operation and administration of the Council's affairs and has always dealt with any allegations or suspicions of fraud, bribery, and corruption promptly. It has in place policies, procedures, and reporting mechanisms to prevent, detect, and report on fraud, bribery, and corruption. These include the Fraud Strategy and Framework, a Whistleblowing Policy, ICT Code of Conduct, Anti-Fraud and Bribery Policy, Anti-Tax Evasion Policy, and Anti Money Laundering Policy. A Fraud Risk Register is also in place.
- 1.4 The Fraud Strategy and Framework underpins the Council's commitment to prevent all forms of fraud, bribery, and corruption, whether it be attempted externally or from within. This was reviewed by Governance and Audit Committee in April 2021 and endorsed by Cabinet in March 2022.
- 1.5 The current cost of living crisis together with the after-effects of the Covid-19 pandemic, have continued to have a major impact on everyone during 2022-23. One consequence has been that many organisations, including Councils, are being targeted by an increase in potential scams. This growing trend has placed more importance on the roll out of fraud awareness which aims to ensure that staff are equipped to identify such threats and avoid becoming a victim of fraud.

Section 2 – Proactive Work

- 2.1 The Fraud Strategy and Framework includes reactive and proactive work and sets out the measures the Council proposes to take over the medium-term future to further improve its resilience to fraud, bribery, and corruption. These measures are shown at **Annex 1** and the progress that has been made against the headings is described below.

Fraud Risk Register

- 2.2 The Council can be exposed to fraud and corruption through a variety of internal and external sources. These include:
- Council Tax Reduction Scheme (including Discounts and Exemptions)
 - Housing benefits
 - Parking concessions (Blue Badge Scheme)
 - Grants
 - Procurement
 - Employees (For example: fraudulent claiming by employees of flexi, mileage expenses and misuse of corporate credit cards).
- 2.3 These areas, and others, can be regularly subject to attack by individuals / groups intent on committing fraud, which means that there is less money and resources available for those in genuine need. It is therefore important that the Council acknowledges the risk of fraud and undertakes an assessment on how it prevents, detects, and pursues monies or assets obtained fraudulently. Consideration should also be made as to how services that are more susceptible manage that risk.
- 2.4 A detailed fraud risk register has been produced and was presented to Governance and Audit Committee in April 2021 and approved by Cabinet in March 2022. It is envisaged that this will provide a robust tool to assist in ensuring resources are targeted correctly. The Fraud Risk Register will be monitored by the Corporate Management Board on a quarterly basis and any significant risks identified will be escalated to the Corporate Risk Register, scored accordingly, and reported to the Governance and Audit Committee where necessary.

Policies

- 2.5 There are a number of Council policies in place to assist and support the raising of fraud awareness and to help tackle fraud, bribery, and corruption within the authority. These policies will dovetail and ensure that the public, Members, and staff have clear guidance on how to identify and report suspected or known fraud, bribery, or corruption.
- 2.6 In January 2021, a new policy was drafted and added to the current suite to deal with Tax Evasion. The Governance and Audit Committee approved this in April 2021.

2.7 Below are some of the relevant policies currently in operation which assist in the overall fraud awareness strategy.

- Whistleblowing Policy
- Anti-Fraud and Bribery Policy
- Anti-Money Laundering Policy
- Anti-Tax Evasion Policy
- ICT Code of Conduct
- Financial Procedure Rules
- Grants Financial Management Policy
- Various HR policies

Develop Fraud Awareness

2.8 The Bridgenders intranet pages have been improved and fraud information has been made available to staff. It is the intention that fraud information will also be made available on the external website, which will provide guidance on how reports of fraud can be made to the council by the public.

2.9 The proposed ongoing measures state that alerts and newsletters will be produced to raise awareness and notify readers of new and potential fraud risks. When alerts are received from the National Anti-Fraud Network or other relevant organisations, they are shared with those departments affected, and schools where necessary, to ensure they are aware of any potential threats. In addition, when the Council receives information from outside organisations concerning potential fraud that may have a direct consequence to members of the public or staff, this information is shared with the Communications Team to ensure details are published on the Council's social media platforms.

2.10 Fraud awareness training continues to be delivered by the Senior Fraud Investigator. During 2022-23 training was delivered to staff within Benefits, Creditors, Payroll and Customer Services. Fraud awareness also continues to form part of the induction process for all new Benefits staff. A fraud awareness training session was presented to all existing Members in February 2022 with further training provided as and when required.

Training

2.11 A Fraud Prevention e-learning module has been developed to support the Anti-Fraud and Bribery, Anti-Money Laundering and other relevant policies that have been approved by Cabinet. The Council promotes a zero-tolerance approach to fraud and corruption and the training will enhance staff understanding of how fraud may occur, encourage prevention, and promote detection of suspicious activities. This will enable staff to act with integrity and to respond effectively when incidents do occur. The e-Learning module has been rolled out across the council and is a mandatory requirement for identified services and teams. The council does however promote its completion by everyone.

Data Analytics

- 2.12 Data analytic tools and techniques continue to be developed during the year to enable data held within the financial systems to be extracted and analysed. This has enabled increased testing within planned audits and has provided an opportunity to identify any trends that may be occurring.

Section 3 – National Fraud Initiative Data Matches 2022 - 2023

- 3.1 The National Fraud Initiative (NFI) is included as one of the ongoing measures to reduce fraud. This is a biennial exercise coordinated in Wales by Audit Wales whereby data is extracted from the Council's systems and reports. This data is matched against data submitted from other bodies such as other Local Authorities, DWP, NHS & Trusts, Police and Housing Associations etc. It is important to note that where a match is found, it is not in itself evidence of a fraud; it may be an error or an inconsistency that requires further investigation.
- 3.2 Internal Audit together with the Council's Senior Fraud Investigator facilitates the upload of data and user account management and provides assistance, training and advice to officers reviewing the data matches.
- 3.3 The current data matching exercise began in October 2022 with data being extracted and forwarded to the NFI. The resulting matches were released to the Council in January 2023 and will be due for finalisation and completion during October 2024. A total of 7,192 matches across areas including housing benefit, council tax reduction scheme, payroll, blue badges, creditors, and licencing were identified. A review of 108 of these data matches during the accounting year 2022/23 has so far resulted in 4 frauds or errors being identified. Table 1 summarises the results and more details are provided in **Annex 2**.

Table 1 – National Fraud Initiative Data Matching Exercise Results 2022/23

Type	Fraud/ Error Number	Fraud/ Error Value	Recoverable	NFI Projected Savings*
Housing Benefit	1	£1,919.82	£1,919.82	£351.75
Council Tax Reduction Scheme	3	£1,822.26	£1,822.26	£442.57
Total	4	£3,742.08	£3,742.08	£794.32

*Refer to paragraph 3.6

- 3.4 Work on the matches released in January 2023 has only just started but so far this exercise has resulted in a total of £3,742.08 being identified as potential fraud or error with £3,742.08 being recoverable.
- 3.5 The next biennial NFI data matching exercise will be due to commence in October 2024 when data will once again be extracted and forwarded to the NFI. These new matches will then be due for release in January 2025.

- 3.6 NFI projected savings are a Cabinet Office defined methodology, which predicts the potential or projected loss if the fraud/error had not been identified. Audit Wales also publish the projected savings in their fraud related reports. It is not 'real' money to the authority and cannot be reflected in bottom line savings. **Annex 3** provides a summary of the Cabinet Office methodology.

Single Person Discount (SPD)

- 3.7 The NFI also produce an annual exercise relating to SPD, generated within the Council Tax system. These matches highlight where there may be more than one adult at a property currently in receipt of SPD.
- 3.8 In total, 3,984 households were produced for review during 2022. The review of these data matches resulted in 171 frauds or errors being identified. Table 2 summarises the results and more detail is provided in **Annex 4**.

Table 2 – NFI Single Person Discount Results 2022

Type	Fraud/ Error Number	Fraud/ Error Value	Recoverable	NFI Projected Savings
Single Person Discount	171	£69,359.66	£69,359.66	£126,330.76

- 3.9 Further SPD data was extracted and forwarded to the NFI in December 2022 and these matches were released for review in January 2023. In total a further 1,681 matches have been produced for investigation during 2023 and work has commenced on these.

Section 4 – Counter Fraud & Corruption Work

- 4.1 Under the Public Sector Internal Audit Standards (PSIAS), internal audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is widely recognised that effective internal audit is good practice and provides support to the Council's Section 151 Officer in discharging their responsibilities as contained in legislation. As part of the assurance gathering process used to prepare the Council's Annual Governance Statement, the Head of Audit provides an annual report, which gives an opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control. The Head of Internal Audit's annual opinion for 2022/23 was "Reasonable Assurance" with no significant cross-cutting control issues identified that would impact on the Council's overall control environment.
- 4.2 Two potential fraud or irregularity matters were referred directly to Internal Audit for review during 2022/23. This work can be generated in several ways, by whistleblowing or complaint referrals; by managers who may have concerns over a

certain issue or individual or as a result of an audit review. These are listed in Table 3.

Table 3 – Counter Fraud & Corruption Work

Counter Fraud & Corruption Work	Outcome
Recruitment Process	Fraud not proven, audit undertaken, and areas for improvement identified
Accuracy of Data & Caseloads	Fraud not proven, areas for improvement identified and a subsequent audit found improvements had been made

- 4.3 Both matters were fact finding exercises and, in both cases reports were presented to Senior Officers to consider the next course of action. As stated, where necessary recommendations were made to improve controls where any weaknesses were identified, these were agreed and have been implemented.
- 4.4 As a result of the current cost of living crisis, scams have been circulating. All staff, as well as residents, are made aware of these by information being circulated through the Council's Communication Team or, via the Council's Senior Fraud Investigator. For example, information relating to fake invoices and purchase orders is sent to the Creditors and Procurement Team, information relating to employment fraud is shared with the Council's Human Resources and Payroll Department and any potential fraud that could have a direct impact on schools is shared directly with them. Any information received relating to scams that could have a direct effect on the public are publicised internally to staff but also externally on the Council's social media channels and via the local media where necessary to ensure both staff and the public are aware and to remind them to remain vigilant.

Council Tax Reduction (CTR) Fraud

- 4.5 In 2015, investigation work for Housing and Council Tax Benefit transferred to the Department for Works and Pensions (DWP) Single Fraud Investigation Service (SFIS) but the responsibility to provide support for council tax, and the funding associated with it, was devolved to the Welsh Government.
- 4.6 The Council's Fraud Investigation department, based on information received regarding claimants' circumstances, undertakes investigations in respect of cases of fraud in CTR. Table 4 below, illustrates the source of fraud referrals received during the period 2022/23.

Table 4 – Source of Referrals 2022/23

Source of Referrals	2022/23
NFI	0
Benefit/Taxation Staff	31
HBMS* data match	0
Department of Work and Pensions (DWP)	3
Claim Review	5
Anonymous (letter/telephone/email)	39
Verify Earnings and Pensions (VEP) alerts**	6
Other organisation/department	5
Total	89

*DWP Housing Benefit Matching Service

**A data match with HMRC

4.7 A proportion of the referrals received related to DWP benefits or housing benefits, and consequently these were forwarded to DWP's SFIS to investigate. Fraud referrals are normally forwarded to SFIS in the following circumstances:

- The referral relates to the entitlement to a DWP benefit such as Income Support, Jobseeker's Allowance or Employment and Support Allowance
- The Housing Benefit overpayment is expected to exceed £5,000 (the DWP's threshold for criminal action)
- It is in the public's interest that a prosecution should result.

4.8 During 2022/23 the Council's Fraud Investigation department referred 39 cases to the DWP; the DWP do not provide feedback on the outcome of the referrals.

4.9 Table 5 illustrates a breakdown of the types of allegations that were referred to the Fraud Investigation department during the period 2022/23.

Table 5 – Type of Allegation 2022/23

Type of Allegation	2022/23
Undeclared income	23
Undeclared increase in income	5
Undeclared capital/savings	8
Living together	27
Non-residency	9
Discrepancy – non-dependant	10
Discrepancy – household occupants (e.g., SPD*)	2
Other (e.g., DLA**/Tax Credits/Contrived)	5
Total	89

*Single person discount

** Disability Living Allowance

- 4.10 During 2022/23, 35 cases were closed. The closure categories are detailed in Table 6 below.

Table 6 – Reason for Closure 2022/23

Reason for closure	2022/23
No fraud	0
Not investigated	29
Fraud proven*	6
Total	35

*i.e., sufficient evidence to instigate legal proceedings

- 4.11 Cases closed not investigated either lacked sufficient details to instigate an investigation, or there was no evidence of fraud (e.g., the person was not claiming benefits).
- 4.12 Table 7 below provides the CTR and incidental housing benefit savings that have been achieved as a result of the fraud investigations concluded during 2022/23.

Table 7 – Savings Achieved 2022/23

Savings	2022/23
CTR excess reduction	£13,112.15
Future CTR saving	£3,862.32
Council Tax Benefit	£0.00
Housing Benefit	£2,811.10
Total	£19,785.57

- 4.13 Once a case has been closed as fraud proven and the CTR adjustment (known as an excess reduction) is calculated, the case is referred to the Benefits and Financial Assessments Manager to determine whether a sanction is appropriate. The sanctions available to the Council are prosecutions, issuing a financial penalty or a fine.
- 4.14 The level of a financial penalty, which is offered as an alternative to prosecution, is prescribed in the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (Wales) Regulations 2013. The amount of the penalty is 50% of the amount of the excess reduction subject to a minimum amount of £100, and a maximum amount of £1,000. As an alternative to this type of penalty, fines may be issued as follows:
- £100 – may be offered as an alternative to prosecution for acts or omissions that could have led to an incorrect award of CTR
 - £70 – may be imposed for:
 - an incorrect statement, information or evidence that leads to a CTR award that is greater than entitlement; or
 - a failure to notify of a change in circumstances meaning that a CTR award is greater than entitlement

- 4.15 Table 8 illustrates the penalties and fines issued in the relevant period. It also provides information on the number of successful prosecutions in 2022/23:

Table 8 – Successful Sanctions 2022/23

Successful sanctions	2022/23	Amount
Prosecutions	1	N/A
Penalties	4	£3,291.20
Fines	1	£70.00
Total	6	£3,361.20

- 4.16 In addition to the penalties and fines, administration penalties are raised on behalf of the DWP, following their investigations into claims for Housing Benefit and Council Tax Benefit. During 2022/23, £1,424.84 was raised as a result of these DWP investigations.

CTR Prosecutions 2022/23

- 4.17 One CTR investigation undertaken by the Senior Fraud Investigator led to a successful prosecution in 2022/23. The court imposed on the defendant 100 hours community service and ordered them to pay £1,000 in legal costs and a £95 victim surcharge. As the defendant was also an employee of the authority, an internal disciplinary investigation followed which resulted in their dismissal.

Blue Badge Misuse

- 4.18 The Council's Fraud Department undertakes work on blue badge misuse. During 2022/23, nine reports were received. Eight of these reports involved people dishonestly displaying another person's badge with one report relating to a deceased person's badge being used by a relative. Lack of evidence in these cases resulted in four being closed, with no further enforcement action taken however five were taken forward for further investigation. Of these, four cases were closed following an official warning letter being issued to the badge holder and one was closed with an official warning letter and the badge being removed from use.
- 4.19 Specialist training has now been provided to the Council's Civil Enforcement Officers and Parking Manager. This will enable them to correctly identify and deal with potential blue badge misuse at street level. It is the intention of the Council's Fraud Department to now work jointly with the Parking Services Department to conduct regular enforcement days and fraud drives within the Bridgend Borough. Any cases of misuse identified would then be taken forward by the Fraud Department for investigation and where appropriate, official warnings issued and prosecutions instigated against offenders.
- 4.20 In response to an increase in Blue Badge misuse across Wales, Welsh Government has a vision for a consistent approach to blue badge enforcement and are actively looking into funding options to support Local Authorities in this work. The outcome of their research will help shape the progression of this area of work within Bridgend County Borough Council.

- 4.21 The work of the Fraud Department continued to be impacted during 2022/23 because of the previous COVID-19 pandemic. Whilst a new Fraud Investigator was appointed in April 2021, to assist the Senior Fraud Investigator with his duties, new burdens placed on the authority, because of emergency financial packages implemented by Welsh Government, resulted in their redeployment soon after commencing in the role. This was necessary to help in the assessment of claims and distribution of these funds. Following the cessation of these measures in June 2022 the Fraud Investigator was able to resume fraud work in July 2022. This has however had a detrimental effect on the results obtained. The Fraud Investigator has now completed all necessary training and has begun to build a case load of investigations.

Section 5 – Joint Working & Partnerships

- 5.1 Bridgend CBC became part of a joint counter fraud initiative with SFIS in April 2019. During 2022/23, two suitable investigations have been referred to the Council by SFIS and these joint investigations are currently ongoing. One investigation was referred to SFIS by the council during the same period, and this case is currently with the Crown Prosecution Service (CPS) awaiting prosecution action.
- 5.2 The authority is an active member of the Wales wide network of Local Authority Fraud Investigators, which provides the opportunity to share knowledge, intelligence, and best practice. The group has been meeting virtually during 2022/23 and various training sessions have also been arranged and provided to the group, by relevant organisations, throughout this period.
- 5.3 The authority has a good working relationship with the Police and other outside agencies which all share information and intelligence. In addition, as new grants and emergency financial packages have become available, due to the current cost of living crisis, intelligence, procedures, local risks, and threats have been shared with other local authorities to actively try to prevent fraudulent claims.

Section 6 – National Studies

- 6.1 During 2019/20, the authority took part in a national study, the objective being to review the effectiveness of counter fraud arrangements in the Welsh public sector. Information including policies, resources, and good practice in respect of counter fraud work was provided which was supplemented by more in-depth questioning and information gathering by Audit Wales.
- 6.2 The resulting Audit Wales report, '*Raising Our Game - Tackling Fraud in Wales*' was published in July 2020. The report and any recommendations, along with the '*Fighting Fraud and Corruption Locally a Strategy for the 2020's*' guidance will be fully considered and integrated into future action. The reports have formed the basis for the revised Fraud Strategy and Framework.

Annex 1

Ongoing Measures to Reduce Fraud

	Action
1	Development of a fraud risk register, which will be reviewed quarterly by the Corporate Management Board. Any significant risks identified will be escalated to the Corporate Risk Register and reported to the Governance and Audit Committee
2	Ensuring that there is a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing, and responding to fraud risks.
3	To be an active participant in the bi-annual National Fraud Initiative (NFI) exercise and to robustly investigate suspected cases of fraud identified through NFI. The Investigation Officer is responsible for the co-ordination of the exercise including ensuring that the data sets comply with specification and are securely uploaded to the Cabinet Office. Management is responsible for the review of matches that are returned and for referring suspicions of fraud and corruption to the Investigation Officer.
4	Raising awareness of fraud, bribery, and corruption by developing an effective online fraud awareness training programme for Members and Officers and providing ongoing training.
5	Producing an end of year report to those charged with governance covering all reactive and proactive fraud initiatives.
6	With the number of new grant funding opportunities that have been introduced by Welsh Government during the COVID 19 pandemic, which Local Authorities have been required to administer, there has been a consequent increase in attempts by fraudsters to obtain public funds via false applications. Also, there is a developing trend for individuals to make multiple applications across different authorities. Data analytics and data matching will be used to match electronic data to enable us to detect and prevent fraud in these areas.
7	Maximising the use of data analytics and data matching to match electronic data to detect and prevent fraud.
8	Developing a newsletter that promotes awareness of fraud and provides alerts and information to staff and members across the Council at regular intervals throughout the duration of the action plan.

Annual Corporate Fraud Report 2022/23

9	Conducting a “Fraud Health Check” across school establishments to attain assurance over the controls and governance in place to mitigate the potential for fraud.
10	Actively maintaining the authority’s membership of the Welsh Fraud Officers Group, The Chartered Institute of Public Finance and Accountancy (CIPFA), and all other enforcement partners including the Police and HMRC. Also, being open to new and innovative anti-fraud projects.
11	Producing fraud investigation outcome reports for management which highlight the action taken to investigate the fraud risks and the outcome of the investigations e.g., sanction and recommendations to minimise future risk of fraud.
12	Exploring with Human Resources the possibility of including management responsibility for managing fraud and corruption risks within all managerial role profiles.
13	Enabling a clear and concise point of reference for necessary information on fraud and irregularity maximising the potential of digital to enhance the user experience. Maintaining the fraud internet/intranet pages to ensure they are kept up to date.

Annex 2

National Fraud Initiative Data Matching Exercise Results Breakdown 2022-2023

NFI	Type / Area	NFI	Frauds/ Errors	Fraud/Error Amount	Recoverable	NFI Projected Savings
2	Housing Benefit to Student Loans	Yes	1	£1,919.82	£1,919.82	£351.75
			1	£1,919.82	£1,919.82	£351.75
436	Council Tax Reduction Scheme to Payroll	Yes	1	£1,773.14	£1,773.14	£415.59
436.1	Council Tax Reduction Scheme to Pensions	Yes	2	£49.12	£49.12	£26.98
			3	£1,822.26	£1,822.26	£442.57
		Totals	4	£3,742.08	£3,742.08	£794.32
Colour Coding:						
Recoverable by DWP over an undefined period.						
Recoverable by BCBC over an undefined period.						
Cabinet Office projected savings during financial year						

Annex 3

Cabinet Office Methodology

Data Match	Basis of Calculation of Estimated Savings
Welfare Benefits	Value of sanctions applied plus weekly benefit reduction multiplied by 21
Pensions	Annual pension multiplied by the number of years until the pensioner would have reached the age of 85
Blue Badges	Number of badges confirmed as deceased multiplied by £575 to reflect lost parking and congestion charge revenue
Concessionary Travel	Number of passes cancelled multiplied by £24, based on the cost of reimbursement to bus operators for journeys made under the concessionary pass scheme
Tenancy Fraud	£93,000 per property recovered based on average four-year fraudulent tenancy. Includes: temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies
Right to Buy	£65,000 per application withdrawn based on average house prices and the minimum right to buy discount available
Payroll	£5,000 per standard case - £10,000 for an immigration case
Council Tax SPD	Annual value of the discount cancelled multiplied by two years
Housing Waiting Lists	£3,240 per case, based on the annual cost of housing a family in temporary accommodation and the likelihood a waiting list applicant would be provided a property
Personal Budgets	Monthly reduction in personal budget payment multiplied by three months
Residential Care Homes	£7,000 per case based on the average weekly cost of residential care multiplied by 13
Other Immigration	£50,000 for a removal from the UK case.

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	REGULATORY TRACKER UPDATE
Report Owner / Corporate Director:	CHIEF OFFICER- LEGAL, HR AND REGULATORY SERVICES
Responsible Officer:	ALEX RAWLIN POLICY AND PUBLIC AFFAIRS MANAGER
Policy Framework and Procedure Rules:	The regulatory tracker forms part of the Council’s Performance Management Framework.
Executive Summary:	<ul style="list-style-type: none"> • The regulatory tracker has been updated for quarters 3 and 4 of 2022/23. • Improvements requested by Governance and Audit Committee (GAC) have been completed. • Since the previous report to GAC in January – <ul style="list-style-type: none"> ○ 7 inspections have been added ○ 33 recommendations have been closed ○ 82 recommendations are on the tracker • The committee is asked to consider how best to improve follow-up mechanisms for regulatory reports and reduce the tracker’s size.

1. Purpose of Report

1.1 The purpose of this report is to provide an update to the Governance and Audit Committee on the Regulatory Tracker.

2. Background

2.1 A report to the Governance and Audit Committee (GAC) on 10 November 2022 set out issues raised by Audit Wales about the use of their reports and recommendations, and a need to improve the way findings are logged, scrutinising them and using them to improve the Council’s activities. It was proposed that a ‘regulatory tracker’ be created to cover all regulators and all completed inspections and their recommendations for the Council. It was proposed that this ‘regulatory tracker’ be considered at GAC twice yearly. This report covers quarters 3 / 4 of 2022/23.

2.2 At the Committee’s meeting on 26 January 2023, members asked the performance team to address the following issues

- Adding a reference if an inspection has been considered by Scrutiny
- Naming a lead officer for each recommendation on the tracker
- Adding target dates for completion against each recommendation
- Providing definitions of Blue, Red, Amber, Yellow, Green (BRAYG) status

2.3 Updated Blue, Red, Amber, Yellow, Green definitions are included below.

	What does this Status mean?		
	How are we doing	Commitments, projects or regulatory improvements	Performance Indicators
COMPLETE	Not applicable	Project is completed	Not applicable
EXCELLENT	Very strong, sustained performance and practice	As planned - within timescales, on budget, achieving outcomes	On target AND performance has improved / is at maximum
GOOD	Strong features, minor aspects may need improvement	Minor issues. One of the following applies – deadlines show slippage, project is going over budget or risk score increases	On target
ADEQUATE	Needs improvement. Strengths outweigh weaknesses, but important aspects need improvement	Issues – More than one of the following applies - deadlines show slippage, project is going over budget or risk score increases	Off target (within 10% of target)
UNSATISFACTORY	Needs urgent improvement. Weaknesses outweigh strengths	Significant issues – deadlines breached, project over budget, risk score up to critical or worse	Off target (target missed by 10%+)

3. Current situation / proposal

3.1 The improvements and changes requested by Governance and Audit Committee (summarised in paragraph 2.4) have been addressed in the regulatory tracker included at **Appendix 1**. In terms of improving the link / referral process to Scrutiny Committees, it was advised that scrutiny forward planning considers the regulatory tracker, and this is currently underway for the year ahead. If additional referrals are needed, it is recommended that

Governance and Audit Committee refer specific audits / recommendations to the relevant subject overview and scrutiny committee. Alternatively, GAC could request an update be added to their own forward work plan for 6 months after any new audit or inspection is reported to the committee.

3.2 Since the previous report to GAC on 26 January 2023, 7 audits / inspections have been added to the tracker –

- Audit Wales Performance Management Review (4 recommendations)
- CIW Improvement Check for Children’s Services (10 recommendations)
- Bryn Y Cae Residential Home Priority Action Notices (October 2022 – 1 recommendation)
- Bryn Y Cae Residential Home Priority Action Notices (March 2023 – 1 recommendation)
- Ty Llwynderw Residential Home and Extracare Priority Action Notice (1 recommendation)
- Breakaway Short Stay Services Priority Action Notices (2 recommendations)
- Domiciliary Services Priority Action Notices (2 recommendations)

3.3 Since the previous report, 33 recommendations have been closed (including 7 recommendations from new audits / inspections). They are –

- Audit Wales, Review of ‘Digital Council’ (1 recommendation closed, 2 remain open)
- HM Inspectorate of Probation, Inspection of Youth Offending Services in Bridgend (4 closed, 1 remains open)
- CIW Inspection of Children’s Services (further 10 recommendations closed, 10 remain open)
- CIW Improvement Check (1 closed, 9 recommendations remain open)
- Ty Cwm Ogwr Residential Home Priority Action Notices (PAN) (1 closed, all 4 now closed)
- Maple Tree House Childrens Home PANs (9 closed, all 14 now closed)
- Bryn Y Cae Residential Home PANs (October 2022, 1 closed)
- Ty Llwynderw Residential Home and Extracare PANs (1 closed)
- Breakaway Short Stay Services PANs (2 closed)
- Domiciliary Services PANs (2 closed)
- Integrated Leadership Board – Baseline Governance Review – Cwm Taf Morgannwg Regional Partnership Board (1 closed, 6 remain open)

3.3 There are now 82 regulator recommendations for the Council.

Date	Recommendations	Open	Closed	% Open
10/11/2022	37	36	1	97.30
12/01/2023	66	48	18	72.73
15/07/2023	82	38	44	46.34

3.5 A breakdown of red, amber, green, blue status for recommendations is below.

Date	Recommendations	Blue	Green	Amber	Red	None
10/11/2022	37	1	18	11	0	7
12/01/2023	66	18	26	14	1	7
15/07/2023	82	44	22	15	1	0

3.6 The tracker is becoming increasingly large. It is recommended that GAC consider whether there are options to reduce the length of updates (potentially by cross referencing other documents or mandating maximum word counts), exclude some inspections from the tracker, or change the mechanism for closing down audits / recommendations.

4 Equality implications (including Socio-economic Duty / Welsh Language)

4.5 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 This report forms part of the measurement of progress against the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015 that form part of the Council's Corporate Plan 2023-28:-

1. A county borough where we protect our most vulnerable
2. A County Borough with fair work, skilled, high-quality jobs and thriving towns
3. A County Borough with thriving valleys communities
4. A County Borough where we help people meet their potential
5. A County Borough that is responding to the climate and nature emergency
6. A County Borough where people feel valued, heard and part of their community
7. A County Borough where we support people to live healthy and happy lives

6. Climate Change Implications

6.1 There are no specific implications of this report on climate change.

7. Safeguarding and Corporate Parent Implications

7.1 There are no specific implications of this report on safeguarding or corporate parenting.

8. Financial Implications

8.1 There are no financial implications associated with these arrangements.

9. Recommendation

9.1 Governance and Audit Committee is recommended to: -

- Consider the summary points and detailed regulatory tracker and raise any issues of concern for follow-up.
- Consider the proposed mechanisms for referring inspections and recommendations in paragraph 3.1
- Consider the options for reducing the tracker's size in paragraph 3.6

Background documents

None.

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Directorate	Oversight and Date	Report issued	Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2022-23	RAG Q4	Open/ Closed
SSWB	SOSC2 FWP 19 Jan 2024	Mar-23	CIW Bryn Y Cae Residential Home Priority Action Notices	The Provider must ensure Fire Safety work is carried out promptly to reduce the risk of fire at the services	Group Manager, Residential Manager, Corporate Landlord	Sep-23	Survey completed. Required works are currently in progress and are scheduled to be completed week commencing 29th May 2023.	AMBER	Open
CEX	COSC FWP 23 Oct 2023	Feb-23	Audit Wales, Performance Management Review	R1 Ensure that service level business plans are complete, having a full range of performance indicators to support its wellbeing objectives.	Alex Rawlin	Aug-23	Corporate Plan was signed off by Council 1 March 2023. Delivery Plan to follow in July and Business Plans in August.	GREEN	Open
				R2 Ensure that all performance indicators are meaningful, outcome focused and have clear links to the Council's wellbeing objectives	Alex Rawlin	Jul-23	Corporate Plan Delivery Plan has been designed to do exactly this. Template and criteria were agreed March 23. Draft will go to CMB in June, COSC in July, and Cabinet and Council later in July	GREEN	Open
				R3 Put robust and consistent verification processes in place to ensure that performance information is accurate.	Alex Rawlin	Aug-23	A new data calculation and verification form has been developed which will need to be completed for all Corporate plan performance indicators by August 2023. Also, see info on performance framework below	GREEN	Open
				R4 Make better use of the performance information collected by prioritising more data analysis and a broader range of information to help understand performance	Alex Rawlin	Aug-23	A performance framework has been developed to clarify deadlines, and roles and responsibilities. This will allow time for better analysis. Broader information point has already been addressed through self-assessment	GREEN	Open
SSWB	SOSC2 8 Dec 2022	Oct-22	CIW Bryn Y Cae Residential Home Priority Action Notices	Regulation 12 - The Service Provider must ensure appropriate policies and procedures are in place and that these are kept up to date.	Group Manager, Provider Services & Policy Officer	Mar-23	PAN - A policies and procedures programme is in place to update and meet compliance; inspection completed in March and Priority Action Notice removed due to evidence of sufficient progress	BLUE	Closed
SSWB	SOSC2 27 March 2023	Nov-22	CIW Improvement Check Children's Social Care Services	Pe9 - Continue to work towards ensuring a sufficient and sustainable workforce, with the capacity and capability to consistently meet statutory responsibilities	Director and Workforce Board	Continuou s	Fortnightly workforce planning meetings take place to closely monitor the workstreams and their impact. The challenges continue with ongoing reliance on agency staff (and their turnover). Some of the positive impacts will not be achieved until the medium/long terms e.g. 'grow our own', full team of international recruits etc.	RED	Open
				Pe10 - Continue to monitor the quality of social care records ensuring recording in relation to siblings, ethnicity, language, religion is strengthened, and a consistent approach taken	PO Training	Apr-23	No update currently Audit tools to be reviewed to ensure these factors are captured and monitored April 2023	AMBER	Open
				Pe11 - Ensure people consistently feel listened to and treated with dignity and respect	HoS	Sep-23	Discussions are underway regarding a regional charter being developed with input from a third sector advocacy provider.	GREEN	Open
				Pr6 - Continue to closely monitor the position of children's social services and early help services to ensure any indicators of risks to achieving and sustaining improvement and compliance with statutory responsibilities, and pressure/ gaps in service provision are quickly identified and the required action is taken	Director/HoS/Depu ty HoS	Jun-23	Bronze silver and gold meetings are taking place as indicated where comprehensive data/dashboards are presented by every part of the service. In addition, monitoring and analysis of cross directorate activity and performance is monitored by the shared dataset that is presented at every EH and SG Board meeting	GREEN	Open
				PR7 - The local authority should ensure systems are in place to provide all staff, with up-to-date information regarding availability and accessibility of early help services and records relating to intervention of early help services	GM Early Help	n/a	The Early Help web pages on the BCBC website were updated in August 2022 to improve awareness of services available to support children and families. These pages are regularly reviewed to add new services or resources that may assist children, families, and professionals.	BLUE	Closed
				PR8 - Ensure children are not placed in unregistered services and must continue its efforts to identify suitable, registered placements	GM Commissioning	Continuou s	Children's commissioning strategy to be finalised which will include placement/sufficiency. Children are only placed in unregistered services in exceptional circumstances and when this does happen the arrangements are closely monitored and reported to CIW for consideration by their enforcement panel. The process of developing a BCBC Strategic Commissioning Plan, which will be drafted by end of March and taken into Scrutiny in May 2023, prior to wider engagement and finalisation. This plan covers both Early Help and regulated Children's Services. A key element of the plan will be the updating of the Placement Sufficiency Strategy – which will be a standalone document with the key findings included in the above strategic plan.	GREEN	Open
				Pi4 - Ensure clarity and consistency of thresholds for access to early help and statutory services. The local authority must prioritise this work to ensure children and families access the right support at the right time and ensure smooth access to services, and where required smooth transition between early help / preventative and statutory services	Director/Head of Service	Jun-23	The project will involve considering services currently delivered in the education, social care and wellbeing, communities, finance, and performance directorates, and it will address key questions in the following areas: Whether front door arrangements and pathways protocols and systems can be more effective in delivering outreach, assessment, referral, signposting, and support for families. This will include whether there should continue to be multiple front doors for children, families, and professionals for IAA Whether and how more effective joint working across Directorates can be achieved at each levels of the continuum of need above. Whether more can be done to deliver and co-ordinate services in locality hubs and clusters to better support schools and other universal services Whether Council resources are best targeted and will meet future demand Whether commissioning and joint work with partners can be improved.	GREEN	Open

Directorate	Oversight and Date	Report issued	Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2022-23	RAG Q4	Open/ Closed
				W6 - Performance indicators in relation to timeliness of meeting statutory requirements - maintain focus and scrutiny on ensuring compliance with all its statutory responsibilities	Director/GM Business	Continuou s	Performance framework and associated monitoring mechanisms to be embedded across the Directorate. A Performance framework is in place and ensures that monitoring takes place through the regular meetings with the Director and Heads of Service and scrutiny by the Improvement Board.	GREEN	Open
				W7 - Implement and embed consistent practice regarding identifying and responding to child exploitation, progress work as a matter of urgency	GM Practice improvement	Jun-23	Regional exploitation strategy has been signed off A referral pathway for identifying and assessing exploitation has been developed – this includes a MASH screening tool and an exploitation assessment these are in use. Testing of these processes for inclusion on WCCIS is underway. A direct intervention working tool to support social work teams in intervention with children who are being exploited or at risk of being exploited has been presented to teams The use of this tool is included in the exploitation training. The concept of the Exploitation Prevention Panel has been presented to partners; further work is ongoing to develop the Terms of Reference for the Panel which will meet monthly, the first Panel meeting is scheduled for May 2023. 2 senior practitioner posts have been appointed in March 2023 one to be based in the IAA and one in the localities. These officers will be responsible for screening. A Social work support officer role is being developed for advert to support the exploitation lead and 2 senior practitioners in this area of work. Training – all teams have been trained in the use of the screening and assessment documents, a presentation to all teams on the BCBC exploitation strategy was completed in Nov 22. A further half day training on exploitation and direct intervention will be supported by SCDWP and delivered to the Youth Justice team, as well as Education and Family Support colleagues together with Social Care staff to ensure that there is a common understanding of how services manage exploitation.	AMBER	Open
				W8 - Closely monitor contact arrangements for children and their families	GM Case management and transition	Jun-23	Short term – a report went to CMB in November 2022, the recommendations in this report were implemented and alleviated some of the short-term pressure. Long term- This is part of the review by IPC currently awaiting final report.	GREEN	Open
Cex	COSC	Oct-22	Audit Wales, Springing Forward – Strategic Workforce Management	R1 The Council needs to urgently develop its strategic workforce approach, embedding the sustainable development principle at its core, to enable it to address the significant workforce issues it faces.	Kelly Watson	Jun-23	Draft corporate workforce strategy now completed and being shared for feedback before final approval	GREEN	Open
				R2 The Council should develop a suite of strategic quantitative and qualitative measures to enhance its ability to understand the impacts and affordability of its workforce plans and actions.	Kelly Watson	Sep-23	Work to develop appropriate measures is ongoing aligned to the new workforce strategy	AMBER	Open
				R3 The Council should also explore opportunities to benchmark its own performance over time and its arrangements with other bodies to provide a different dimension to its performance management data. Whilst also offering an insight to how other bodies are performing and discovering notable practice elsewhere.	Kelly Watson	Jun-23	Work is ongoing to explore the way in which other organisations manage performance data and learn from best practice, in particular, how we measure and manage the new corporate plan commitments and also the way in which we are able to articulate to the public the most relevant performance issues, potentially, setting out more clearly what we do and what they can do, to jointly help our overall performance. Many LAs have set this out as a sort of a 'deal' between the Council and the public.	GREEN	Open
COMM	SOSC3	Oct-22	Audit Wales, Springing Forward Asset Management	R1 The Council needs to ensure the sustainable development principle is driving and shaping its approach to all its assets as it develops its strategy during 2022.	n/a	n/a	This is a key cornerstone of the Council's 2030 Strategy and within its commitments and action plan are significant areas where management of the council's assets should follow a sustainable approach in order to reach net zero by 2030.	BLUE	Closed
				R2 The Council should address as a priority its health and safety related statutory building compliance performance so that it is meeting its statutory duties relating to electrical, gas, asbestos, legionella, and fire risk testing.	Kjustin Kingdon	Sep-23	Corporate Landlord have increased capacity by appointing a compliance officer and Schools Surveyor. In Q4 statutory compliance will be over 90% for the first time on 4 of the 5 Big Risk areas (Gas, Electricity, Fire and Asbestos). A new Legionella Officer has been appointed and it is expected that compliance in this area will also improve rapidly in 2023-24. A new Integrated Works Management Package (IWMS) is being procured.	GREEN	Open
				R3 The Council should develop a suite of strategic quantitative and qualitative measures to enhance its ability to understand the impacts of its assets plans and actions as part of its strategy development during 2022.	Janine Nightingale	Apr-23	This is still being undertaken as part of the review of the Self-Assessment, Communities Business Plan and Asset Management Strategy and should be in place by August 2023	AMBER	Open
				R4 To strengthen its arrangements, during the next 12 months, the Council should explore how it can compare its data, arrangements, and the learning from other organisations, for example through existing professional networks.	n/a	n/a	This is being achieved by the procurement of a new Integrated Works Management Package (IWMS). Working with colleagues regionally in the CCR and specifically at Cardiff Council to assist with this.	BLUE	Closed

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SSWB	SOSC2 FWP 19 Jan 2024	Oct-22	CIW Domiciliary Services Priority Action Notices	Reg 12 - The Service Provider must ensure appropriate policies and procedures are in place and that these are kept up to date.	Group Manager, Providers Services Manager, Registered Managers & SCDWP	Apr-23	Area of improvement - Inspection in progress	BLUE	Closed
				Reg 60 – The provider must ensure regular supervision, appraisal and training to all staff in all parts of the service	Group Manager, Providers Services Manager, Registered Managers & SCDWP	Apr-23	PAN - Inspection in progress	BLUE	Closed
SSWB	SOSC2 8 Dec 2022	Sep-22	CIW Breakaway Short Stay Services Priority Action Notice	Reg 12 - The Service Provider must ensure appropriate policies and procedures are in place and that these are kept up to date.	Provider Services Manager & Registered Manager	Mar-23	PAN - Inspection completed by CIW on 18/04/23, Group Manager met with Inspector for feedback and service is awaiting report Achieved and removed as a PAN	BLUE	Closed
				Reg 36 - Care staff need to be up to date in mandatory training in order to provide the best possible care	Provider Services Manager & Registered Manager	Mar-23	Achieved	BLUE	Closed
SSWB	SOSC2	Aug-22	Transformational Leadership Programme Board – Baseline Review – Cwm Taf Morgannwg Regional Partnership Board	R1 Strategic planning and applying the sustainable development principle Our work found opportunities for the TPLB to strengthen its planning arrangements and demonstrate how it is acting in accordance with the sustainable development principle (as set out in the Well-being of Future Generations (Wales) Act). The principle should be integral to the TPLB's thinking and genuinely shaping what it does by: A) taking a longer-term approach to its planning beyond five years, b) ensuring greater integration between the long-term plans of the four statutory bodies of the TPLB, and c) improving involvement of all members of the TPLB to ensure an increased voice for non-statutory partners and a better understanding of the purpose of the RPB more generally.	Head of Regional Commissioning Unit	2023-24	Welsh Government has an ambition to deliver 'Further, Faster' – Our mission to build an Integrated Community Care Service for Wales accelerating Integrated Community Services activity and plans to jointly develop and put in place a community care service and workforce model to make a significant positive impact on our system ahead of Winter 2023/24. Establishing a comprehensive community care model ensuring a full range of preventative and early intervention services are available locally. This will involve new delivery structures, moving the workforce and creating new roles so that, for example, community first responder services, more therapy and reablement workers, enhanced domiciliary care roles, community nursing and allied health professionals are the priorities for service and workforce development. Building on successful models service specifications will be developed nationally upon which to benchmark and model regional delivery. A Partnership Leadership Team (PLT), made up of Directors, was established to support and oversee development for CTM.	AMBER	Open
				R2 Governance Arrangements The Cross-Cutting Programme Board is yet to be established. It is intended to oversee the development and delivery of regional cross-cutting services and could have a role ensuring a more coherent and impactful integrated community model. The TPLB should establish the programme board to ensure that decision making arrangements are in place to help resolve cross-cutting issues and risks brought to the attention of the RPB	Head of Regional Commissioning Unit	2023-24	In response to 'Further, Faster' – building an Integrated Community Care Service for Wales Implementation the RPB governance has been refreshed. A Partnership Leadership Board has been established of Directors from Across LA and Health board to drive integration at pace and under the Adult board an Integrated Community Care Group established aligning a number of programmes; •6 goals for urgent and emergency care •Work under the 1000 bed days •Accelerated Cluster developments	AMBER	Open
				R3 Performance Management The outcomes and performance framework was still being finalised at the time of our review. The TPLB needs to finalise and implement the framework, ensuring it contains quantitative and qualitative measures that will enable the RPB to demonstrate outcomes and impact	Head of Regional Commissioning Unit	n/a	CTM piloted new performance framework for Q4. Performance presented to Adult board and Leadership Team meetings on 22nd May.	BLUE	Closed
				R4 Risk Management Our work found areas of risk management that need to be improved, particularly in relation to regional workforce planning. The TPLB should strengthen regional risk management arrangements by improving the identification and prioritisation of shared risks and ensuring mitigating actions are robust and clearly articulated.	Head of Regional Commissioning Unit	ongoing	Further Faster will establish a comprehensive community care model ensuring a full range of preventative and early intervention services are available locally. This will involve new delivery structures, moving the workforce and creating new roles so that, for example, community first responder services, more therapy and reablement workers, enhanced domiciliary care roles, community nursing and allied health professionals are the priorities for service and workforce development. Building on successful models service specifications will be developed nationally upon which to benchmark and model regional delivery. Risk registers are maintained centrally and reported to Leadership Board.	AMBER	Open
				R5 Regional Commissioning Unit Our work found that the lack of capacity within the RCU was leading to some delays in progressing actions. The work of the RCU is crucial to the continuing success of the TPLB. The TPLB needs to consider how it can build capacity and maximise resources to support the TPLB and minimise overreliance on a small team.	Head of Regional	2023-24	To deliver the integration agenda at pace a Director for Integration post has been agreed at Chief Executive level between the health board and Local Authorities. RCTCBC have agreed to host the post on a two-year fixed term. The grading for the post will need to reflect the expectation of the role. In addition to the Director role consideration has been given to existing infrastructure that can be realigned to support as well as top slicing additional infrastructure and wider RIF resource. External Consultant short term capacity has also been considered however determined that local knowledge of existing service configuration is critical. Costed staffing structure to be developed as a priority.	AMBER	Open

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				R6 Use of Resources Improving the health and social care outcomes of the region will require efficient and effective use of combined resources. Our work found that there had been some limited examples of pooled budgets and other arrangements for sharing resources. The TPLB needs to explore more innovative ways of sharing and pooling core resources across the region to maximise its impact and outcomes for the Cwm Taf Morgannwg population	Head of Regional Commissioning Unit	2023-24	Welsh Government officials are currently working to review Part 2 and Part 9 Codes of Practice (Social Services and Wellbeing Act 2014) which will further strengthen partnership arrangement and collaborative service delivery (Consultation planned Autumn 2023). As part of the amendments to codes of practice the duty to co-operate will be established as lying equally on Local Authorities and Health Boards and the role of the RPB as a key vehicle through which that duty should be exercised. Furthermore, within chapter 5, pooled funds positioned more clearly within joint commissioning context and greater flexibility given in relation to pooling resources at Regional, sub-regional pan cluster, cluster and individual levels. Section 33 agreement in Bridgend.	AMBER	Open
				R7 Regional workforce planning Like many parts of the public sector, the region is experiencing significant workforce challenges. The TLPB needs to consider how it can facilitate a regional and strategic approach to addressing these challenges and to help it deliver its priorities.	Head of Regional Commissioning Unit	ongoing	One of the four quadruple aims outlined in the document, 'A Healthier Wales: Our Plan for Health and Social Care', is to have a motivated and sustainable health and social care workforce that delivers a truly seamless system of health and care, and calls for a fundamental shift in our understanding of who constitutes the workforce, and how we support the contribution that each individual makes. Requiring not only 'greater parity of esteem' between health and social care professionals, but also recognising and supporting the vital role played by the informal workforce of unpaid carers and of volunteers. To support new models of care, health and social care services must strengthen the support, training, development and services available to the workforce, with a focus on building skills across a whole career and supporting their health and wellbeing. New seamless models of health and care that emerge, require a clear and coherent approach to developing and planning the whole workforce. To meet this need, WG commissioned Health Education and Improvement Wales (HEIW) and Social Care Wales (SCW) to develop a long-term workforce strategy, in partnership with NHS and Local Government, the voluntary and independent sectors, as well as regulators, professional bodies, and education providers. The workforce strategy aims to address the Parliamentary Review's call for joint regional workforce planning. The workforce strategy also identifies dynamic leadership will be needed to instigate change, empower others and lead by example, as well as create conditions for continuous innovation and improvement, to drive up the quality and value of services	AMBER	Open
SSWB	SOSC2 8 Dec 2022	Jun-22	CIW Ty Cwm Ogwr Residential Home Priority Action Notices	Regulation 80 - The responsible individual must prepare a report to the service provider including and assessment of the standards of care and support and recommendations for improvement at the service.	n/a	n/a	Complete	BLUE	Closed
				Regulation 60 - The Service Provider must notify CIW of events specified under Part 1 Schedule 3	n/a	n/a	Complete	BLUE	Closed
				Regulation 12 - The Service Provider must ensure appropriate policies and procedures are in place and that these are kept up to date.	Group Manager, Provider Services & Policy Officer	Mar-23	Complete	BLUE	Closed
				Regulation 19 - The service Provider must ensure the written guide is dated, reviewed and updated as needed. It also needs to include information about how to make a complaint and availability of advocacy support.	n/a	n/a	Complete	BLUE	Closed
				Regulation 69 - The service provider has made arrangements for the manager to manage a second service without discussing or agreeing this with CIW	n/a	n/a	The MTH Residential Manager will not be responsible for a second service (Hillsboro) as a Residential Manager is being recruited specifically for that home.	BLUE	Closed
				Regulation 18 - The service has not ensured the provider assessments are routinely reviewed and updated.	n/a	n/a	All Provider Assessments updated. Staff training delivered in respect of Provider Assessments including regulatory requirements. 3 monthly checks of Provider Assessment to be undertaken by the Responsible Individual	BLUE	Closed
				Regulation 80 - The responsible individual has not put suitable arrangements in place to monitor, review and improve the quality of care of care provided in the home.	Group Manager, Placements & Provider Services	Mar-23	The Quality Assurance Framework has been reviewed throughout the services and a new system implemented.	BLUE	Closed
				Regulation 8 - The responsible individual has not established and maintained suitable performance and quality assurance systems, completed a review of the quality of care at the required intervals and has not consulted with individuals as part of the quality-of-care arrangements.	n/a	n/a	The Quality-of-Care Report has been completed. The Quality Assurance Framework across children's residential care homes to be reviewed and updated.	BLUE	Closed
				Regulation 36 - The service provider has not ensured care staff receive adequate training to be able to provide care and support for children.	Group Manager, Placements & Provider Services	Mar-23	The induction for care staff is in the process of being reviewed with SCDWP and will be implemented in time for the new service opening in the spring.	BLUE	Closed

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SSWB	SOSC2 FWP 19 Jan 2024	Jun-22	CIW Maple Tree House Children Residential Home Priority Action Notices	Regulation 35 - The service provider has not conducted a safe or robust recruitment process	Group Manager, Placements & Provider Services	Mar-23	The introduction of an independent Responsible Individual (RI) will ensure there is oversight into the recruitment process.	BLUE	Closed
				Regulation 34 - The service has not provided a sufficient or suitably qualified team of care staff to meet the assessed care and support needs of children.	Group Manager, Placements & Provider Services	Mar-23	Due to the issues highlighted under this regulation the service was placed into dormancy and will not re-open in its current environment.	BLUE	Closed
				Regulation 43 - The service provider does not ensure the premises and facilities are safe, suitable and well maintained.	Group Manager, Placements & Provider Services	Mar-23	Work was immediately undertaken while children were still residing at the premises. Further work was completed while dormant	BLUE	Closed
				Regulation 21 - The service provider does not ensure care and support is provided to promote and maintain the safety and wellbeing of children.	Group Manager, Placements & Provider Services	Mar-23	The RI is conducting monthly QA audits across all children's residential services to ensure that a high quality of care is being provided.	BLUE	Closed
				Regulation 6 - The service does not have clear arrangements for the oversight and governance of the service.	n/a	n/a	Additional Management Capacity has been established with the implementation of a new Responsible Individual role. The Postholder will have direct line management of all Residential Managers and have the capacity to provide robust oversight and governance.	BLUE	Closed
				Regulation 7 - The service provider does not ensure a service is provided in accordance with their statement of Purpose.	Group Manager, Placements & Provider Services	Mar-23	Service is now in dormancy and will not be reopening under the auspices of the statement of purpose referred to.	BLUE	Closed
				Regulation 26 - The service provider has failed to ensure children living in the home have been safeguarded from harm.	Group Manager, Placements & Provider Services	Mar-23	The QA framework enables the RI to have systems in place to ensure oversight across all residential services.	BLUE	Closed
				Regulation 14 - The service has not ensured provider assessments are regularly updated and reviewed and risks to others suitably mitigated.	n/a	n/a	All Provider Assessments updated. Staff training delivered in respect of Provider Assessments including regulatory requirements. 3 monthly checks of Provider Assessment to be undertaken by the Responsible Individual.	BLUE	Closed
				Regulation 15 - The service has not created personal plans that promote positive outcomes, capture all necessary information and do not consult with children about their views, wishes and feelings.	Group Manager, Placements & Provider Services	Mar-23	Children and Young People's personal plans are being reviewed and we are working with the young person's panel to redesign feedback and complaints forms to ensure they are child centered.	BLUE	Closed
EFS	SOSC1	Jun-22	HM Inspectorate of Probation, inspection of youth offending services in Bridgend	1. The Chair of the YJS Management Board should: consider the membership of the board, to ensure that it is attended by representatives with the right level of seniority and put in place a plan to develop the board so that its members understand their role and responsibilities	Mark Lewis	Mar-23	Board membership has been reviewed and confirmed. The Management Board has identified a new chair and Board members. Roles and responsibilities will be reinforced and a national performance indicator on Board attendance will be in place from April 2023.	BLUE	Closed
				2. The Chair of the YJS Management Board should: review the format and purpose of the Bureau, and ensure that it has the relevant information and input from the necessary agencies so that the out-of-court disposal meets the needs of the child.	Mark Lewis	Mar-24	Bridgend Youth Justice Service has held a meeting with South Wales Police Partnership and agreed a revised Out of Court Disposal (OCD) guidance and an Enhanced Multi Agency Panel for all OCD cases. This panel will now be inclusive of victim care support, health and substance misuse, where deemed necessary, to best meet the holistic need of the child. This system has commenced May 2023.	AMBER	Open
				3. The YJS Management Board should: make sure that the partnership has a multi-agency framework in place for children who are at risk of, or subject to, child exploitation and ensure that there are clear procedures for practitioners to follow.	Mark Lewis	May-23	Bridgend Youth Justice Service now has an effective partnership in place with the Bridgend Exploitation Team. Bridgend Youth Justice Service (BYJS) is now an integral to the newly formed exploitation panel where intelligence is shared to cause disruption and improve planning for children who are being exploited. Operationally, the BYJS hold regular meetings with the newly appointed senior practitioner within the Exploitation Team and an exploitation mapping exercise has been completed by operational staff involved with cases, to help inform the exploitation case load.	BLUE	Closed
				4. The YJS service manager should: improve the quality of planning and services to manage children's safety and wellbeing	n/a	n/a	Quality assurance peer audit and training on safety and wellbeing planning for all BYJS staff has been completed. The service now aligns the BYJS plan to children's services planning.	BLUE	Closed
				5. The YJS service manager should: review the quality assurance processes and improve the effectiveness of management oversight in all cases.	n/a	n/a	A peer quality assurance group is in place and there is regular managerial oversight for BYJS assessments which is monitored via the Management Board performance framework report.	BLUE	Closed

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				PE1 - Opportunities for children's views to be consistently sought and appropriately recorded need to be strengthened	Dep HoS/GM Case Management and Transition/Corporate Parenting Officer Principal Officer Training	Mar-23	<p>Number of consultation and engagement activities, events and focus groups have taken place with care experienced children and care leavers including what makes a good parent, what it is like to be 'in care' or 'a care leaver', and identifying the most important issues for care experienced children, young people and care leavers when being supported by statutory agencies and partners. The outcome of the engagement is informing the priorities of the Bridgend Corporate Parenting Board.</p> <p>Young People Interview Panels are supporting recruitment Our young people volunteering to be Young Ambassadors with Voices from Care to discuss the future of the Care System in Wales at the Senedd with Ministers and the Children Commissioner for Wales</p> <p>Commissioned a new Specialist Participation Service contracted to run a Care Experienced Forum and a Care Leavers Forum that will both meet monthly from November 22</p> <p>The Directorate recording guidance has been reviewed. The review of this guidance contributes to embedding, in practice, a focus on identifying and supporting 'what matters' to individuals, their carers, children and families utilising their strengths, and hearing and capturing their voices in recording our involvement with them, in shaping their care and support arrangements. The guidance was produced in consultation with staff from across social work and direct care services. Guidance and accompanying documents are available on the intranet. Training on recording skills is available for direct care, social work and foster carers. Audit activity will take place 3 months after launch.</p>	BLUE	Closed
				PE2 - Limited Evidence of Direct Work	HoS/Principal Officer Training	Dec-22	Practice guidance has been reviewed. There is guidance on listening to and recording the voice of the child, and tools for practitioners to use when undertaking direct work with children and young people available on the children's social care web pages. This area will strengthen further by the development of 'lived experience of the child' practice guidance.	BLUE	Closed
				PE3 - Inconsistent use of chronologies and genograms	n/a	n/a	Completed	BLUE	Closed
				PE4 - Strengthen business support for practitioners	GM Bus Support/Bus Change Prog Manager	Mar-23	<p>New SWSO implemented 1st December 2022 Training plan completed February 2023 Implementation and completion of MoU with Team Managers March 2023 Proposed changes to the fostering service business support team -consultation complete Feb 2023 and then advertisement of posts Full implementation and transfer of roles April/May 2023</p>	GREEN	Open
				PE5 - Variable evidence of management oversight/Quality of supervision	Director/HoS/Principal Officer Training	May-23	<p>Review completed and revised policy has received cabinet approval. An external provider has been commissioned who will deliver a programme of training for supervisors and supervisees from Jan 23 onwards. Programme is underway and bi-annual audit of supervision will take place to monitor implementation/effectiveness. Training programme commenced Jan – May 2023 Training on facilitating action learning sets is available and teams are encouraged to use action learning sets to share and reflect on practice. Our QA Framework promotes a learning culture that values critical reflection and access to both formal and informal learning and development opportunities that will enhance quality champion evidence-based practice and place an emphasis on development and improvement. Our revised supervision policy outlines the core functions of supervision including the requirement to support and attend to staff wellbeing. It also describes how peer support can be facilitated through group supervisions sessions. General and specialist wellbeing support continues to be available for all staff and managers and our approaches are under continuous review to ensure the offer is the best possible</p>	BLUE	Closed
				PE6 - Practice model – implementation of Signs of Safety	n/a	n/a	Completed	BLUE	Closed
				PE7 - Review of direct payments scheme	Dep HoS/GM Commissioning	Mar-23	<p>Draft policy and strategy document has been engaged on with staff and key stakeholders. A face-to-face engagement event with those individuals/carers in receipt of Direct Payments was held on 2/3/23. The feedback from the event will now be reviewed by the project group to ensure that it is reflected in the draft strategy and policy. The Direct Payment Policy will be considered by Cabinet in May 2023</p>	GREEN	Open
				PE8 - Consistent offer of a carers assessment	Dep HoS/ GM Case Management and Transition/Cares Development Officer	Mar-23	<p>Following conclusion of the Direct Payments engagement, further engagement with carers will take place before the end of the financial year with a view to co-producing a carers strategy. As an interim measure the manager of the Disabled Children Team has reviewed paperwork to ensure that the meaningful offer of a carers assessment at the point of contact is captured and recorded within our systems</p>	GREEN	Open

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SSWB	SOSC2 3 Nov 2022	May-22	CIW, Report of Performance Evaluation Inspection of Children's Services	PR1 - Opportunities to prevent escalation of need continues to be a challenge for the local authority given the persistently high volume of referrals together with the complexity of needs of children and families, and workforce challenges	Director/Workforce Board	Mar-23	<p>Growing our own Social Work Programme - 4 staff have been seconded on the BSc Social Work Cardiff Met/Bridgend college programme commenced academic year 2022/23.</p> <p>4 social work trainees have been recruited and have commenced the BSc social work programme (as above). Trainees are super-numerary staff, each trainee has an individual programme of learning and development alongside their academic study and practice learning placements they will gain practical experience across Adults and Childrens teams.</p> <p>Further funding has been agreed for 8 trainee/secondees in the 23/24 academic year.</p> <p>A project group has been set up to oversee international recruitment and to date 8 social workers have been offered posts with prospective start dates in January 2023.</p> <p>The social work charter is in draft, and workshops have taken place with practitioners and managers to finalise a draft for launch on world social work day 2023.</p>	GREEN	Open			
					Head of Children's Social Care/ Head of Education & Family Support/GM Family Support	Jun-23	<p>Our improvement partner will undertake a whole system Childrens Services review</p> <p>The project will involve considering services currently delivered in the education, social care and wellbeing, communities, finance and performance directorates In addition the following areas have been progressed:-</p> <p>Edge of Care / IFSS</p> <p>Increase of posts to support increased demand and prevent escalation.</p> <p>Further work has been undertaken to understand specific needs within BCBC, including emotional regulation and tolerance programmes for parents, and Family Connections which focuses on conflict resolution skills for whole families</p> <p>A case tracker has been developed within edge of care services / IFSS to monitor timescales and reduce drift. This is used as a supervision tool</p> <p>Commissioning further staff to be trained in 'train the trainer' evidence-based parenting programmes so numerous groups can run simultaneously to offer support to parents.</p> <p>Family Group Conferencing</p> <p>Since October 2022 the LA has committed to funding FGC's for all families who are open to statutory services for at least 3 months</p> <p>The development of a conflict resolution programme for families who have gone through the FGC process and will require a whole family approach plan to embedded for the longer term.</p> <p>The terms of reference for the children and young people area planning groups have been finalised and meetings have been set up A priority focus of the planning group is family support services and intervention</p>					
					GM Commissioning/Contract Monitoring Officer	Jun-23	A BCBC Strategic Commissioning Plan, is currently being drafted this will be presented to Scrutiny in May 2023, prior to wider engagement and finalisation. This plan covers both Early Help and regulated Children's Services.					
							PR2 - Missed opportunities to thoroughly explore and mitigate risk and a lack of professional curiosity	n/a	n/a	Completed	BLUE	Closed
							PR3 - Placement sufficiency and support	HoS/GM Placeme	Mar-23	<p>Prior to opening, a root and branch review of the existing service delivery model will be completed to ensure the operating model in the new home is fit for purpose.</p> <p>Radical reform funding from WG has also been granted for us to commission a MYST for fostering and residential care.</p> <p>The regional children's programme board has established an accommodation workstream which is driving the development and bids for associated funding for specialist provision.</p> <p>The terms of reference for the children and young people area planning groups have been finalised and meetings have been set up. A priority focus of the planning group will be support services for children with disabilities and accommodation options for children and young people.</p> <p>There are several targeted recruitment activities for the year utilising online marketing combined with showcasing events that promote both retention and recruitment. These include, recognition awards, 3 days of scheduled events within the community to include visits to schools, leaflet drops and speaking with local businesses. Attendance at school summer fetes and delivering presentations to teaching staff.</p> <p>There has been success with online marketing - 6.9K views of the Christmas recruitment video.</p> <p>A range of other promotions including local advertising, linking with local radio and other targeted promotional aids are planned.</p> <p>We currently have 8 prospective carers being assessed and we have been approached by kinship carers, in accordance with our new financial policy – to be assessed under Form F with a view to providing respite placement</p>	AMBER	Open
			PR4 - Accessibility of information, advice and assistance	Dep HoS/GM Safeguarding	Mar-23	<p>Draft review document produced for consideration and presented to CMB. Final report to be produced on options and resource implications by Dec 22.</p> <p>IPC are progressing with this review, their draft report due February 2023</p> <p>IAA focused improvement plan is in place and is updated 6 weekly and reviewed regularly in silver meetings.</p> <p>Workforce project being progressed by CSC workforce project</p> <p>IAA focused plan implemented and continues to be reviewed 6 weekly and shared in silver</p>	BLUE	Closed				

Directorate	Oversight and Date	Report issued	Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2022-23	RAG Q4	Open/ Closed
				PR5 - Strengthening of Quality Assurance (QA) framework and alignment of performance and quality assurance systems	Director/HoS/Principal Officer Training	Mar-23	Further independent audits have been carried out in relation to case management and supervision and findings/recommendations reported to the Improvement Board Review completed Q and A activity will be reported to the Directorate performance meeting chaired by the statutory Director Internal audit and review of the framework and its impact will be carried out 12 months after implementation. Team based facilitated briefing sessions have been rolled out across the Directorate. An implementation group has been established. Teams are testing out the new audit tools within WCCIS. A formal launch of the framework will take place in March 23. A Quality assurance officer post is being recruited to in order to coordinate this work	GREEN	Open
				PI1 - Inconsistent thresholds and standards of practice	n/a	n/a	Completed	BLUE	Closed
				PI2 - The local authority will need to ensure its communication strategy is sufficiently robust to effectively communicate to staff and partners the vision for children's services and the many developments taking place/planned to take place	Director/HoS	ongoing	Partnership working has been strengthened through the Regional Safeguarding Board Executive Steering Group and the Bridgend Joint Operational Group. A follow up summit is being held to explore a vision and priorities for integrated working for children and families in Bridgend. There is strong accountability and oversight exercised through the CTM Regional Safeguarding Board, its Executive Steering Group and its sub-groups.	GREEN	Open
				PI3 - Share learning from audits and reviews with staff and partners	GM Safeguarding & IAA/ Principal Officer Training	ongoing	Learning from Child Practice Reviews is incorporated into relevant training courses. Bespoke briefing sessions for staff to take place in relation to the Bridgend Child Practice Reviews when reviews the reviews are completed, and reports published.	BLUE	Closed
				W1 - Furtherwork is required to improve the timeliness of meeting statutory responsibilities	GM Business Support	Mar-23	A performance management framework has been implemented across the Directorate which provides management oversight of key performance management data. The Children's Social Care monthly performance management report includes key national metrics as well as local operational information, such as assessments and reviews. The report follows a child / young person's pathway. To further strengthen these arrangements the dashboard presented to silver meeting has been further developed and provides management oversight of key performance information on a weekly basis. Operational service area dashboards continue to be developed to provide management oversight at weekly bronze meetings. Next steps are to prioritise the list of statutory requirements and work with the WCCIS team to build on the suite of data/performance reports to enhance automated reporting and streamline data validation arrangements Performance management mechanisms have been improved and routine meetings in place with the Director to review progress against plans	BLUE	Closed
				W2 - Facilitation of supervised contact	GM Case Management & Transition/GM Locality Hubs/Contract Monitoring Officer	Mar-23	A review will be undertaken by our improvement partner as part of their work to review the operating model, this review will be completed by March 23. In the interim the group manager is monitoring the demands placed on staff to undertake supervision of contact and deploying resource to support the teams	GREEN	Open
				W3 - Consistent high quality written records	Policy Officer	Mar-23	The guidance on the use of chronologies has been included in the revised recording policy. Fostering Policy and procedures have been reviewed and updated, the PO will work with the Policy Officer to progress approval of the policy framework. Working groups have been set up and SCDWP officers will facilitate a review of foster carer training. Policy Officer appointed and has commenced a review of policies /guidance across Childrens Social Care	GREEN	Open
				W4 - CSE and CCE – strengthen interventions and mapping	GM Locality Hbs/GM Safeguarding	ongoing	The regional steering group is established, and the Group Manager for Development and Improvement is engaged in this area of work. A referral pathway for identifying and assessing exploitation has been developed – this includes a MASH screening tool and an exploitation assessment these are in use. Testing of these processes for inclusion on WCCIS is underway. A direct intervention working tool to support social work teams in intervention with children who are being exploited or at risk of being exploited has been presented to teams The use of this tool is included in the exploitation training.	GREEN	Open
				W5 - First year of practice – ensure competence and confidence of staff and provide consistent supervision and oversight	n/a	n/a	The programme has been reviewed and revised. 14 NQSW's (including agency workers) commenced the programme in October 22. All NQSW's are required to complete a mandatory training pathway and an additional development programme. This includes reflective learning on areas relevant to social workers in both Adult and Childrens Social Care. NQSW's will have: Support from a mentor based within their team Reflective professional supervision by a qualified social worker. Weekly for the first four weeks then every 4 weeks for the remainder of their first year in practice.	BLUE	Closed

Directorate	Oversight and Date	Report issued	Name of Audit / regulator	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2022-23	RAG Q4	Open/ Closed
SSWB	SOSC2 8th Dec 2022	Mar-22	Ty Llwynderw Residential Home and Extracare Priority Action Notice	Reg 36 – Care staff need to be up to date in mandatory training in order to provide the best possible care	Group Manager, Provider Services Manager & Registered Manager	Feb-23	Area of improvement achieved	BLUE	Closed
CEX	COSC	Jun-21	Audit Wales, Review of Arrangements to Become a 'Digital Council'	P1 The Council could improve its digital strategy	Martin Morgans	Dec-23	This is the final year of the existing Digital Strategy, we have committed available resources to developing a new and more relevant revised strategy, aligned to our business priorities	AMBER	Open
				P2 The Council should strengthen some governance arrangements to deliver the strategy	Carys Lord	n/a	A Digital Transformation Board is now in place, consisting of representation from across all service areas. Updates from each Board meeting is fed back to Directorate Management Team meetings and to CMB on a quarterly basis.	BLUE	Closed
				P3 - The Council should consider improving communication with staff / members to evoke the culture necessary to change	Martin Morgans	Dec-23	A Peer assessment of our communications and marketing function was carried out during quarter 4, a part of that relates to improving communication with staff and members and will be picked up as part of the action plan	AMBER	Open

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Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	CORPORATE SELF-ASSESSMENT 2022/23
Report Owner / Corporate Director:	CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND REGULATORY SERVICES, HR AND CORPORATE POLICY
Responsible Officer:	ALEX RAWLIN, POLICY AND PUBLIC AFFAIRS MANAGER
Policy Framework and Procedure Rules:	Council priorities arising from the self-assessment inform Service Plans and the Annual Improvement Plan which form part of the Policy Framework.
Executive Summary:	<ul style="list-style-type: none"> • The report outlines the process and findings of the Council’s self-assessment for 2022/23. • The approach is considerably more embedded in regular quarterly reporting than in the previous year. • The main differences in the final report from last year’s final report are – <ul style="list-style-type: none"> ○ Challenge sessions took place earlier ○ Case studies are included ○ More comprehensive coverage of consultation and engagement through the year is included ○ Annual performance data will be published alongside the self-assessment ○ Planned consultation is more comprehensive. • The self-assessment judgements are – <ul style="list-style-type: none"> ○ Wellbeing Objective One – Good ○ Wellbeing Objective Two – Adequate ○ Wellbeing Objective Three – Good ○ Use of resources – Adequate ○ Governance – Good

1. Purpose of Report

- 1.1 The purpose of this report is to provide an update on the Council’s second corporate self-assessment report and judgements, and to seek comments on the draft report in **Appendix 1**.
- 1.2 The Welsh Government Statutory guidance on Part 6, Chapter 1, of the Local Government and Elections (Wales) Act 2021 requires the council to make a draft of

its self-assessment available to governance and audit committee, who must review the draft report and may make recommendations for change.

2 Background

- 2.1 The Local Government and Elections (Wales) Act 2021, which received royal assent in January 2021, set out a new local government improvement regime. One of the requirements of the Act is for the council to make and publish a self-assessment report once each financial year. The self-assessment report has to set out conclusions on whether the Council met the 'performance requirements' during that financial year, and actions needed to improve. The 'performance requirements' focus on -
- Are we exercising our functions effectively;
 - Are we using our resources economically, efficiently and effectively;
 - Is our governance strong.
- 2.2 The Council published its first self-assessment in October 2022 based on performance in 2021/22. The process was new, but based on existing data, reports and review / challenge meetings where possible. Feedback on the report was generally positive in terms of the honesty and transparency of ratings, length of the report and simplicity of the language. However, some Elected Members felt that annual performance data should have been published alongside self-assessment.
- 2.3 Many parts of the self-assessment process have now been embedded in the Council's regular performance management process, for example the regulatory tracker and inclusion of consultation, engagement and involvement exercises in the quarterly dashboard. By design, it was intended that the process for 2022/23 should be simpler and less resource intensive than the previous year.
- 2.4 Existing end of year performance process and timelines have been used to capture Directorate self-assessments of performance to satisfy the first performance requirement (as in 2021/22). However, this year a simpler template was designed with the previous year's information pre-populated for Directorate Management Teams (DMTs) to update. Directorates were asked provide a realistic assessment of their progress, use plain English to outline their challenges and achievements, retain the format of the information and keep contributions brief and to the point. The 4 templates were then collated by the Performance Team for scrutiny and challenge.
- 2.5 The main change to this section is the inclusion of case studies. Having reviewed all other self-assessments in Wales, this is the one feature that stood out. Around half of local authorities included case studies, and they added an extra dimension to the reports.
- 2.6 The second performance requirement, on use of resources, also followed a similar process to last year. The 7 use of resources templates were reviewed and updated by the lead officers. All of the 7 areas have been included in the work of Audit Wales in the past year, and in many cases reviewed and discussed by the

Governance and Audit Committee, or Scrutiny Committees, or are included in the year ahead, so there is significant additional evidence to draw on. These 7 were then collated by the Performance Team for scrutiny and challenge.

- 2.7 The third performance requirement, on governance, is largely covered by the Annual Governance Statement (AGS) which is scrutinised and approved by the Governance and Audit Committee. This document was summarised, and used to inform the self-assessment.

3 Current situation / proposal

- 3.1 The draft findings from each of the three performance requirements were pulled together into a single presentation for a full-day Corporate Performance Assessment (CPA) meeting on 14 June 2023 and considered alongside end of year performance. Comments and changes from CPA have been used to inform a draft self-assessment report.

- 3.2 The Council’s proposed self-assessment judgements for 2022/23 are –

Wellbeing Objective One	Good
Wellbeing Objective Two	Adequate
Wellbeing Objective Three	Good
Use of resources	Adequate
Governance	Good

- 3.3 The Committee may want to reflect on the fact that these are exactly the same scores as last year. There are numerous reasons for this, including the short time since consideration of the Council’s previous self-assessment in October 2022, turnaround time for significant improvement in use of resources, for example performance management and asset management, issues with workforce capacity and financial constraints included at the start of the self-assessment report for context. On balance therefore, while there have been improvements in some elements of the self-assessment judgements, it is felt that there has been insufficient change to alter the overall judgement.

3.4 The Committee may also want to reflect on the addition of case studies and whether this adds value to the report, and whether the publication of quarter 4 performance information alongside the report adds context and value to the self-assessment.

3.5 Following its consideration at Corporate Overview and Scrutiny Committee and Governance and Audit Committee, the Council will commence formal consultation on the draft document with the public as well as -

- discussion with Trade Unions
- discussion with Town and Community Councils at the Town and Community Council Forum
- discussion with Partners and neighbouring local authorities at the Public Services Board

3.6 Following engagement and consultation over the summer, it is proposed that the final self-assessment be presented to Cabinet and Council in September 2023.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or review of policies, strategies, services and functions. It is considered there will be no significant or unacceptable equality impacts as a result of this information report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 This report measures progress against the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015 that formed part of the Council's Corporate Plan 2018-23:-

1. Supporting a successful sustainable economy
2. Helping people and communities to be more healthy and resilient
3. Smarter use of resources

5.2 The 5 ways of working set out in the Well-being of Future Generations (Wales) Act form a key part of the key lines of enquiry for officer and member challenge of the self-assessment findings. The annual wellbeing assessment will be merged with the annual self-assessment for 2022/23, as it was for 2021/22.

6. Climate Change Implications

6.1 There are no specific implications of this report on climate change. However, the self-assessment will consider the Council's performance and progress on specific climate change related commitments and targets in the Corporate Plan 2018-23.

7. Safeguarding and Corporate Parent Implications

7.1 There are no specific implications of this report on safeguarding or corporate parenting. However, the self-assessment will consider the Council's performance and progress on specific safeguarding and corporate parenting related commitments and targets in the Corporate Plan 2018-23

8. Financial Implications

8.1 There are no financial implications associated with these arrangements.

9. Recommendation

9.1 The Governance and Audit Committee is recommended to: -

- Review and provide any recommendations for change to the corporate self-assessment report 2022/23 at **Appendix 1**.
- Consider whether the additions to the report since 2021/22 add value to the document

Background documents

None.

Appendix 1 – Corporate Self-Assessment 2022/23

1. The purpose of this report

In January 2021, the Welsh Parliament passed a new law that changed the way councils work. Every year, we must publish a self-assessment report. This report covers 6 April 2022 to 5 April 2023.

We want the report to assure Welsh Government that we are performing well. We also want it to tell them that we are using our money and other resources properly and making decisions in a sensible, open way. Most importantly, the report must tell local residents, businesses and all stakeholders how we are doing.

Welsh Government and the Welsh Local Government Association published guidance that told us how to develop our self-assessment and what evidence to use to judge ourselves.

2. The changing world for local government

The world has changed a lot since the pandemic, and it is having a big impact on the way the Council works.

The cost-of-living crisis is making things difficult for you as residents and businesses, and it is making it harder for the Council to manage too. Some of the challenges your Council faces are –

- Increasing energy costs for community centres, leisure centres and schools
- Increasing fuel costs for school transport, home carers and recycling vehicles
- Changes to the cost and availability of goods like food for residential homes and building materials for new schools
- Pay rises for our staff who provide indispensable services
- Government asking us to provide extra services like distributing cost of living payments
- Impacts on residents that add demand to services, including increased homelessness and safeguarding referrals
- Funding for the Council not increasing at the same rate as prices.

3. How is the council performing?

Every 5 years the council publishes a new Corporate Plan. This plan describes the council's priorities, why they are important and how progress will be measured. The priorities, or well-being objectives, show our commitments to our citizens and our contribution to Wales's seven well-being goals -

Well-being Goal	Priority 1: A successful sustainable economy	Priority 2: Helping people be more healthy & resilient	Priority 3: Smarter use of resources
A prosperous Wales	✓		✓
A resilient Wales			✓
A healthier Wales	✓	✓	✓
A more equal Wales	✓	✓	✓

Well-being Goal	Priority 1: A successful sustainable economy	Priority 2: Helping people be more healthy & resilient	Priority 3: Smarter use of resources
A Wales of cohesive communities	✓	✓	✓
Vibrant culture & thriving Welsh language	✓	✓	
A globally responsible Wales	✓		✓

The Future Generations Act says we must meet the needs of the present without compromising the ability of future generations to meet their needs. Based on the sustainable development principle, our well-being objectives will deliver long-term positive outcomes. We review progress every year to make sure our actions are getting us closer to our goals. This report covers the final year of the corporate plan published in 2017, (although it is refreshed and updated annually), with three priorities for the council -



When we developed this corporate plan, we thought hard about the type of organisation we wanted to be. Our vision is to act as **One Council** working together to improve lives. We have a process for measuring how we are doing on these priorities. We use –

- performance indicators,
- evidence on delivery of our projects,
- feedback from residents, businesses, and partners, and
- the views of our regulators and auditors.

Each part of the council pulls this information together and presents it to councillors who look at the data, check it and ask questions. This was done for the year 2022-23 in June 2023. We use this information to come to a judgement on each priority using this scale -

EXCELLENT	Very strong, sustained performance
GOOD	Strong features, minor aspects need improvement
ADEQUATE	Strengths outweigh weaknesses, but important aspects need improvement
UNSATISFACTORY	Important weaknesses outweigh strengths. Needs urgent improvement.

Priority One – Supporting a successful, sustainable economy

We want to build a place where people can have good jobs and careers and improve their family income. Prosperity boosts health and well-being and creates more resilient communities that need fewer services. Education is the most important part of improving the life chances of young people. Our main ways of achieving this objective are -

- **Improve learner outcomes** – Support children, adults and families to get better education outcomes;
- **Growth and prosperity** - Promote the conditions for growth and prosperity by helping people and business to succeed.

What is our judgement?

Supporting a successful, sustainable economy	GOOD
----------------------------------------------	------

- **Learner outcomes** – There is no data available for the school year 2021-2022 for comparison with previous years. We continued to align monitoring and evaluation processes with Welsh Government's 'Framework for evaluation, improvement and accountability'. Work continued with secondary schools to improve progress of Key Stage 4 learners and to retain Post-16 learners. A Post-16 Improvement Plan has been approved. Schools submitted 'Statements of Intent' for any changes to their curriculum, to share good practice, improve collaboration and avoid duplication. Unfortunately, young people in Bridgend who are engaging with support services are presenting with a wide range of social and mental health difficulties, and the majority have said the pandemic is the main contributor. We delivered the first phase of the universal primary free school meals for pupils in Reception, Year 1 and Year 2.
- **School support** – We worked with Central South Consortium to support schools on self-evaluation and assessment, continuous improvement, and implementation of the new Curriculum. Estyn resumed school inspections in spring 2022. There are currently no schools in statutory categories in Bridgend, but six schools are receiving 'enhanced monitoring'. School self-evaluation work with their improvement partners continues to identify where additional support is needed for learners after the pandemic. Officers offered enhanced support and more frequent monitoring visits to any early years non-maintained setting if concerns were identified after inspections.
- **Welsh Language Education** – The Welsh in Education Strategic Plan (WESP) has been approved by Welsh Government covering 2022-2027 and we have appointed a full-time Welsh in Education Strategic Plan Co-ordinator. All actions in the WESP for 2022-2023 have been completed. Welsh language immersion provision continued to develop and numbers of Year 1 learners in Welsh-medium primary schools has increased. Our capital schemes are helping to grow Welsh-medium school places. Construction work for the Welsh-medium childcare scheme at Bettws was completed.
- **Attendance and exclusions**– The creation of an exclusion lead within the Education Engagement Team has assisted schools in ensuring the correct processes and procedures are being followed related to fixed-term and permanent exclusion. While the percentage of school days lost due to fixed-term exclusions in primary schools, in the 2021-2022 school year (reported in 2022-2023), was static when compared to pre-pandemic levels, the situation in secondary schools was double pre-pandemic levels.
- **Regeneration** - The Town Centre Masterplan for Bridgend, including redevelopment of the Railway station are progressing. The new site for the Bridgend College Campus in the town centre is being cleared and prepared and the planning application is in. The Placemaking agenda for Porthcawl is looking at infrastructure, public realm, and green

spaces. The Aldi store at Salt Lake opened 13 July. The £6m sea defences scheme is complete at the Eastern Promenade and open to the public. The Council got an £18m grant for the Grand Pavilion, to refurbish and extend the venue and provide a wider range of events and activities. We are working with housing providers to invest in housing in the Town Centres. Maesteg Town Hall is progressing, but its completion date is delayed. We are investing in town centres and working with partners to redevelop sites and buildings. The regeneration programme delivered over £600k of improvement grants for commercial premises after covid. There is £1.36m support available for a further 3 years. Vacant properties in all town centres have decreased.

- **Business support** - The Bridgend Elevate and Prosper Project (EAP) is supporting start-ups and micro-business. Business start-ups have increased to 770, that is by a further 28% since 2021-22. The socially responsible 3-year procurement strategy and delivery plan is ensuring our spending is more accessible to local small businesses and the third sector. There is significant demand for the new commercial units at the Cosy Corner development in Porthcawl and we are working with Agents to let these new premises which will open in August 2023.
- **Support for employment** - Employability Bridgend provides support to residents and council employees, including unemployed people, and those in work but struggling with low skills or in-work poverty. The number of people from the Employability Scheme who have gone into employment is 392 in 2022-23. We have also addressed work poverty by assisting some 107 people into higher paid jobs.
- **Tourism** – We have worked with partners to put on events to increase tourism in Porthcawl, including the Senior Open Golf tournament at Royal Porthcawl. Also giving advice on the Porthcawl Triathlon, Porthcawl Truck Gathering and the Porthcawl Elvis Festival. The Cosy Corner development will provide new community facilities following a £3m investment and will be complete in late summer 2023. More people are visiting Bridgend and Porthcawl, this is up by 3% from last year and has now reached pre-pandemic levels. Tourism expenditure data will tell us more at the end of the year.

Regulators assurances

Our education services were last inspected by Estyn in [March 2019](#). Since the inspection, we have been working to address their recommendations, raising the standards of literacy in primary schools, improve outcomes for post-16 learners in sixth forms, increasing the pace of improvement in schools causing concern and strengthening the role of the Welsh Education Strategic Forum (WESF) to deliver the priorities in the WESP.

Estyn also carried out an inspection of Adult Community Learning in February 2023 and the Estyn report that was published on 7 June 2023 identified that many learners make suitable progress in their learning with the partnership offering a useful range of courses, based on the Welsh Government priorities of literacy, numeracy and digital skill, and English for speakers of other languages (ESOL) The partnership provides a range of impartial advice, guidance and support to help learners stay on track and progress in their learning and Estyn identified that the partnership worked effectively together providing advice, support and guidance to learners with honest evaluations.

Consultations and engagement activities

Consultation	Dates	Findings and Impact
WESP 2022-2032 and 5 year WESP plan.	July 2022 to March 2023	WESP was approved by the Welsh Government and workshops held with Welsh in Education Forum to create the five-year WESP plan.

Healthcare needs policy	January to March 2023	Consultation and engagement sessions held with pupils, staff and parents. Pupils felt their health care needs were being met in school and that if they voiced an opinion then they would be listened to. Pupils felt confident that staff had the knowledge and awareness to take action where needed. Information was provided to schools and parents to explain the policy. Further awareness to staff and pupil provided in regard to assisting with their health care needs.
Planning for improvement	Ongoing	School support attend and support the engagement of all primary and secondary schools leads within the 'Planning for Improvement' network. Workshops take place, alongside guest speakers / opportunities to network / share information.
Seren activities	Ongoing	Activities organised by Seren hub co-ordinators aim to provide learners with increased resilience to dealing with exam stress, workload and everyday life. Learner voice is regularly requested, and feedback has informed us that their engagement in the events has been impactful.
Higher education programme	Ongoing	Aimed across all key stages has also promoted resilience and healthy mental well-being whilst dealing with school pressures.
Bridgend Forces Festival	June 2023	We worked with 'Forces Fitness', 'YourNorth' and 'SSCE Cymru' to create the 'Bridgend Forces Festival' for service children. 100 service children, who are categorised as vulnerable learners, came together for the first time to take part in activities to improve their well-being and resilience. The festival highlighted emotional challenges that service children face in their education through interviews and questionnaires.
Local Development Plan – Examination in Public	January to March 2023	The Planning Inspector is considering the evidence, but no significant changes have been requested to date. It is anticipated the outcome will be known in late Autumn 2023.
Consultation on the Hybont Project at Brynmenyn Industrial Estate	Dec 22 ongoing	Two public exhibitions held on the 13 th and 14 th December 2022 these were followed up with a post consultation feedback public information event on the 9 th February 2023. The formal planning application has now submitted and is being determined by the LPA.
Consultation on 2030 Strategy	Dec 2022 ongoing	The Strategy is now approved by the Council and an action plan was approved by Cabinet in December of 2022.
Placemaking strategy in Porthcawl	Completed May 2023	The overarching strategy was consulted on in March 2022, and provides a framework to shape future development within the regeneration area. Flowing from that a further consultation on Public Open Space has also been taken place between to May 2023, including meetings with all schools in Porthcawl, stakeholder workshops and public consultation at the Pavilion.

What will we do to improve?

Some of the main improvements we will make for this priority are –

- Using the Post-16 Improvement Plan, we will work with schools to improve outcomes for learners in sixth forms.
- The use of permanent exclusions will be reviewed, and we will increase opportunities for managed moves in schools in Bridgend.

- We will support the ambitions of the local authority's Welsh in Education Strategic Plan (WESP) (2022-2032).
- We will deliver at least 20 more face-to-face Adult Community Learning sessions and increase learner engagement by 20%.
- That the Bridgend Business Forum delivers business support events in 2023.
- Introduce the Integrated Works Management System (IWMS) to improve the speed of work instructions and real time statutory compliance data.

Case study

Ysgol Gyfun Gymraeg Llangynwyd

Ysgol Gyfun Gymraeg Llangynwyd is a Welsh-medium secondary school that received The Recruit, Recover and Raise Standards (RRRS) grant, to help mitigate the effects of the pandemic on learners. The funding provided an opportunity to recruit a teacher to focus on Years 11, 12 and 13, to provide support and increase retention of post-16 learners. The school has also appointed a classroom assistant to help learners with welfare issues, transition and develop the use of Welsh to build learners' confidence. The school encourages learners to have confidence in speaking Welsh, by providing tutor sessions and cross-cutting activities to practice oral language, in groups or through one-to-one sessions. The school also works with parents so that they also emphasise the importance of using the language. The school has focused on addressing the needs of different learner groups and aspects of the curriculum, by setting up groups to develop literacy, numeracy and digital competency skills, as well as providing transition to learners in years 5 and 6. Learners have been graded based on their support requirements so that targeted support can be provided, which includes one-to-one work with the pastoral team, mentoring sessions and additional help with their work. Through blended learning and collaboration with other schools, resources and expertise can be shared to enhance the support provided to learners. The school plans to work in partnership with universities to utilise cross-cutting skills to develop a balanced programme of learning.

Oldcastle Primary School

Oldcastle is an English medium primary school in Bridgend with 445 learners. Well-being champions have worked with all year groups on key life skills. Learners have experienced how to cook, grow vegetables, basic sewing, and increased understanding of the importance of keeping healthy. A well-being dog is now part of the team, supporting more anxious learners arriving at school every morning, and working with target groups during 'Thrive' and well-being sessions. The 'Recruit Recover and Raise Standards' (RRRS) grant has also been utilised to employ a Family Engagement Officer trained in the Thrive approach to work with learners and their families. They address attendance issues using a mixture of approaches including one-to-one, nurture groups, attendance meetings, and linking with external agencies. A structured enrichment programme takes place every Friday afternoon delivered by the whole school staff. This offers a range of activities, skills, and experiences. Through this, all learners have access to the same opportunities. External professionals are often involved, and a network of community members now exists. As a result of the grant and the projects it has supported, there are closer relationships between the school, parents, and the community. Attendance has improved across the whole school, most notably amongst learners with anxieties around attending school. Behaviour has improved with Thrive and 1-to-1 sessions available to be booked or accessed instantly.

Corneli Primary School

In 2015, Corneli Primary School opened a savings scheme, in partnership with Bridgend Lifesavers Credit Union. Since then, Corneli Primary has won a Credit Unions of Wales award for a video entry and has been nominated for a Credit Unions of Wales School Partnership. Nearly all pupils and families now understand the benefits of regular saving and financial management. Through pupil voice, older pupils have taken ownership working alongside staff and governors to successfully manage weekly savings provision. The majority of staff, as well as members of the community, save on a weekly basis as role models for pupils. The school has created a real-life context where pupils can save for a purpose. The school has enhanced its Enterprise initiative weeks and has had an integral role in developing the 'Four Purposes' of Curriculum for Wales. Standards of financial literacy have increased across the school impacting on problem solving and thinking skills. A more positive impact has developed on attitudes towards financial management within the community, as well as enhanced life skills and social skills needed to thrive in society, and enhanced life chances and quality of life and to enable future aspirations for employment and economic well-being.

Cosy Corner Development



In October 2020 the planned regeneration of the Cosy Corner site, by CREDU, ended and the site returned to the Council as a partial commenced construction site. We wanted to develop this prominent and valuable site for a community facility. We have worked with Visit Wales to develop a design and secure funding and in May 2021, appointed architects to develop a single storey glass and stone

building containing community facilities, including accessible toilets and a changing place facility, new facilities for Marina Berth Holders and the Harbour Master, shops and restaurant. This building will be surrounded by landscaped grounds and have a children's play area and outdoor seating. Extra Welsh Government funding has been secured, planning permission granted and in May 2022 John Weaver Construction were awarded the construction contract. The site will be completed, opened and occupied by new businesses by August 2023 and will hugely enhance the tourism and community offer on the Porthcawl waterfront as well as providing business and employment opportunities.

Priority Two – Helping people and communities to be more healthy and resilient

We want to provide support to help individuals and families thrive. A focus on prevention and well-being helps us support people to lead independent lives and reduces the likelihood of them becoming dependent on council services. Our main ways of achieving this objective are -

- **Community support and services** – Provide support and services to those who need our help and help them to stay independent for as long as possible.
- **Resilient communities** – Develop innovative ways to improve well-being and deliver services.
- **Health and well-being** – Improve the physical, mental and emotional well-being of children and young people and vulnerable citizens.

What is our judgement?

Help people & communities be healthy & resilient	ADEQUATE
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- **Social services** - Increases in demand in children's social care continue, there are challenges across the health and social care system and difficulties recruiting and keeping social care staff. We have focused on improving quality and performance. Our plans to improve workforce recruitment and retention, include using agency workers to make sure we meet our statutory duties, bringing in social worker support officers to case management teams, introducing market supplements to salaries in some teams, development of a social worker charter and recruitment of an officer to promote the opportunities in social care roles. We are making progress on international recruitment. Social worker trainees and secondees are being supported to help us develop a professional social worker workforce in the long term. We are also making sure that specialist well-being support can be provided.
- **Children's services** - Delivering children's social care services is still very difficult but we are making progress on our top priorities of practice improvement, workforce, provision of services, hearing and acting on the voice of people and effective partnership working. We have worked with partners to prepare, understand and act on learning from the child practice review and our own internal reviews, including 6 week and 6 month plans for all parts of children's social care. We have retained our gold, silver and bronze governance structures to deal with continuing high levels of contacts to the multi-agency safeguarding hub (MASH) and information advice and assistance services (IAA). These services have been reviewed and a future model for the service agreed. We have appointed a lead for Social Worker Transformation who has started implementing 'Signs of Safety' model of practice to drive practice improvement. We are embedding focused learning from audits and reviews and enhanced performance data to ensure continued management oversight of the service. We have done a review of our residential provision and strengthened leadership by appointing a dedicated Responsible Individual. We have improved our Quality Assurance framework in residential children's services. The solo residential provision which was registered in November 2022 will build capacity into our residential services.
- **Adult services** - There have been challenges in meeting care and support needs in a timely way in adult services. We are improving our customer services and response times to initial inquiries through the Social Work Review Project and Corporate Front

Door project and the introduction of the new telephone systems. We are focused on strength based social work practice and quality assurance and management oversight is being strengthened. A new 'Outcome Focused, Strength Based' model of practice has been launched which will strengthen further how we understand and act on what matters to individuals. Pressures in meeting the needs of older people is a high priority. We are putting in new pathways to improve the hospital discharge processes, although capacity in community care services is still a big challenge. We are modernising in-house domiciliary care services, getting rid of 'split shifts' and recruiting to vacant posts in care and support roles. Deep dives are being done in every adult social work team and a new operating model will be approved in 2023. Where changes have been needed more quickly, they have been made. We are transferring the Council's telecare service from analogue to digital and improving the use of assistive technology to improve outcomes for people. We are reviewing our learning disability direct services to make sure we have a sustainable day opportunities and supported living model.

- **Additional Learning Needs (ALN) reform** – Our ALN implementation Plan 2022-2023 was completed and Early Years ALN processes were established and embedded. We continued the quality assurance monitoring of local authority individual development plans (IDPs) for learners and the use of Early Years ALN toolkits by Early Years settings. We held events for school staff and partners to support those involved with ALN Reform. We extended our provisions for primary-aged learners with ALN, opening two new learning resource centres in autumn term 2022 - one at Tremains Primary School for pupils with autistic spectrum disorders, one at Ysgol Cynwyd Sant for pupils with moderate learning difficulties.
- **Safeguarding** – We are accountable to the Regional Safeguarding Board for making sure we are safeguarding children and adults at risk. They are responsible for publishing child / adult practice reviews. One child and one adult practice review were published in 2022/23 about Bridgend. Four more child practice reviews will be published in the coming year. We host a Multi-Agency Safeguarding Hub (MASH) where Council officers and partner agencies work together to respond to safeguarding concerns. In the last year we have strengthened the leadership and governance of social care services by employing dedicated Responsible Individuals who oversee the safety and effectiveness of these services. We hold Corporate Safeguarding Group meetings monthly where safeguarding data is reviewed. Silver group meetings take place fortnightly / weekly chaired by the Corporate Director to consider performance data and areas of pressure so that the whole council understands what's going on. These meetings report up to a fortnightly gold command meeting chaired by the chief executive and attended by the Leader/ Deputy Leader. We have improved the way we safeguard children at risk of harm from criminal or sexual exploitation. Two officers have been appointed and an exploitation panel established bringing together partners to address the risks. We also have an Education Safeguarding Board which meets termly and examines safeguarding data and practice across the directorate. Information is about policies and procedures is shared. All schools in Bridgend have adopted the Safeguarding Board policy. Schools do audits on their safeguarding approach and 90% of schools are rated as green, 10% as amber and none are red.
- **Housing** - The Council's housing duties changed during the pandemic and we must provide accommodation for all homeless people. People presenting as homeless and numbers of people on the register for social housing have increased. We have had to rely on different options including hotels and Airbnb's to provide temporary

accommodation as the supply of suitable accommodation can't be met through our usual supply of accommodation. During 2022/2023 we have also needed to provide housing for Ukrainian citizens fleeing the war in their country. At the end of March 2023 198 Ukrainian individuals had arrived in the local authority, of which 100 individuals have found housing in the area. The Council has also worked with one of our Registered Social Landlords to bring 35 long term voids back into use.

- **Community Safety** – We have dealt with 1219 anti-social behaviour referrals and 88% were successfully addressed at stage 1. We have worked with partners to improve CCTV coverage, brighten up spaces with Street Art and employ taxi marshals so that no-one is left waiting alone after a night out. The review of regional Community Safety arrangements has been completed. Assia domestic abuse service has completed needs assessments on 2,010 referrals. We have delivered exploitation workshops for college students and tutors and training on domestic abuse awareness and coercive control. All Multi Agency Risk Assessment Conference (MARAC) representatives across the region have been fully trained in the process and understand their role. A SafeLives review resulted in us recruiting a dedicated Older Persons IDVA alongside our Male Victim IDVA. We chair and contribute to the local joint agency Events Safety and Advisory Group which advises event holders on risk assessments and general safety and good practice planning for public events.
- **Recreation, green and open spaces** – In November 2022, Council approved the Biodiversity Plan 2022-25, setting our plans to protect and enhance biodiversity. It includes new projects at the disused coal washery site at the Ogmore Washeries and the “Dune 2 Dune” Project, bringing together nature reserve managers, volunteers and landowners to sustainably manage habitats along the coastline of Bridgend. A comprehensive programme of improvements to children’s play areas is continuing with 9 playgrounds completed in 2022. There is £2.9m further investment in playgrounds throughout the Borough targeted for the next two years, including accessible play facilities, such as wheelchair friendly roundabouts. We have transferred a further 10 assets in 2022-23 through the community asset transfers programme (CAT’s). This is below target, but is reflective of the cost price inflation everyone is experiencing.
- **Youth Justice** - There was a reduction in the number of first-time entrants to the Bridgend Youth Justice Service (YJS) and a reduction of re-offending behaviour among children and young people. In line with the ‘Additional Learning Needs Code for Wales 2021’, a robust system was developed to monitor the education, training and employment (ETE) of young people engaged with the YJS and ensure education needs are met. The service continued to collect and present the views of service users to education provisions. An in-house accreditation scheme enabled ETE work undertaken by service users to be recognised and awarded accordingly.
- **Family Support** - Edge of Care services supported 527 children and prevented over 90% of them from becoming care experienced. Funding was secured to continue development of a trauma-informed approach. The ‘Rise Service’ was successfully implemented, providing practical, emotional and therapeutic support to families. Despite the increasing complexity of cases supported by the Early Help staff, 75% of Team Around the Family support plans were closed with a successful outcome, 2% higher than in 2021-2022. Inspectorate Wales categorised all of our Flying Start settings as ‘good’ or better.
- **Prevention and Well-being** – These services are steadily recovering from the pandemic with a focus on supporting the most vulnerable and preventing escalation of need. We are including working with BAVO to develop community representative

networks that support prevention and well-being, operating our National Exercise Referral scheme and developing Disability Sport, supporting the development of Age Friendly Communities and running programmes of family support including the Family Active Zone, Made for Mams and Early Years opportunities. Services for carers have been reviewed and improved including developing a carers ID card. Like other services with high energy consumption, leisure venues have significant cost pressures.

Regulators assurances

An inspection by Her Majesty’s Inspectorate of Prisons in 2022 found significant improvement in our Youth Justice Service. Since then, the Bridgend Youth Justice Service has further strengthened its management structure, partnership relationships, preventative service offer and first-time entrant system, to give good, timely services to children who need support. The service is no longer under special measures and the Youth Justice Board has removed any formal monitoring of the service.

Care Inspectorate Wales (CIW) carried out a Performance Evaluation Inspection (PEI) of children’s social care, published in May 2022. They identified a number of areas requiring improvement where they had significant concerns. The Improving Outcomes for Children Board, chaired by the Chief Executive and informed by an independent advisor, focused on delivering actions in the 3-year strategic plan to address these concerns and make improvements.

CIW undertook a follow up improvement check in November 2022 which found that improvements had been made but further actions are needed, so it remains that the Authority’s Childrens Services require improvement. Evidence from other councils who have been in similar positions tells us that 3 years is a realistic timescale to progress from being a service where there are serious concerns to one that requires improvement (at the end of year 1) to adequate and then good performance. And it requires understanding and action across the council to improve. We will test progress against our 3 year plan in coming months and present an updated plan to Cabinet in September 2023. This will be a sustainability plan, financial strategy, workforce plan and action plan.

There have also been a number of inspections of regulated care services. Where priority action notices or improvements have been identified there has been good progress made in follow up inspections in the vast majority of cases.

Consultations and engagement activities

Consultation / engagement	Dates	Impact
Engagement on the play sufficiency assessment	March 2022- Nov 2022	Diverse range of engagement exercises on play opportunities and facilities with children and young people including those with diverse needs.
Care experienced and care leavers’ Youth Forum	Ongoing	Meet regularly to inform a range of work – <ul style="list-style-type: none"> • the Director’s Annual Reports. • recruitment and selection for a variety of Children Services posts. • media clips for Member training • The Corporate Parenting brand / strategy • name of a new Childrens Residential home • consultation on the Saving Policy and evaluation of Foster Carer Reviews

Care reform	Ongoing	Two young people represent Bridgend CEC Forum as Ambassadors for Voices from Care Cymru. They have been involved in a summit meeting with Ministers to discuss reform of the care system in Wales. The result has been a declaration on radical reform to the care system and the production of a Welsh Parliament report 'If not now, when?'
Promoting advocacy	Regular Meetings	Engagement including the local advocacy attending Bridgend Locality Safeguarding & Community Safety Group, promotion of advocacy as part of routine contract monitoring with providers, Learning Disability Advocacy Service, People First Bridgend, being embedded in local stakeholder groups.
Community meetings in domiciliary care services	Quarterly	Feedback on areas including health and well-being, Health and Safety, community and 'at home' activities
People's First Bridgend, an independent advocacy group for people with learning disabilities and autism	Regular meetings	Contributions on the development of services. Including advocacy, self advocacy, easy read documentation, support for representation in planning groups and assistance with service developments.
Group for people with experience of substance misuse	Regular meetings	Link to similar regional groups. Involvement in appointments / service developments.
The young carers network	Quarterly - engaged over 280 young carers	Well-being workshops were co-produced and ran, in partnership with young carers, "You are Valued" days. Young adult carer ambassadors are leading the network group. Young Carers Network Group created and co-produced opportunities to support physical and mental well-being.
Feel good for life	August 2022	The National Lottery has provided 5 years investment to further progress the work and develop learning and insight into the Feel Good for Life programme
What Matters conversations by the carer well-being service	410 conversations	581 people received information, advice or assistance including signposting.
Consultation on service user experiences	May 2023	4 online questionnaires to inform the annual director of social services report and how to improve our services. Analysis of findings will be included in the 2022/23 annual report
Homelessness strategy	Throughout the year	Stakeholders have been engaged during the year in the development of the new homelessness strategy. This included interviews with officers and elected members, service users and partners and an online survey. The findings have been included in the homelessness strategy and action plan.

What will we do to improve?

Some of the main improvements we will make for this priority are –

- We will increase adult basic education provision by 50%.
- Working with our partners, we will take the actions within the ALN Implementation Plan for 2023-2024.
- We will develop an effective cluster working model involving ALN co-ordinators and we will train individual development plan (IDP) champions within ALN clusters.
- In partnership with Mudiad Meithrin, we aim to provide Welsh-medium childcare in Bettws and in the Ogmere Valley by September 2023.
- We will make UPFSM available for Year 1 and Year 2 pupils from April 2023 and Nursery pupils from September 2023.
- Complete the merger of the community safety partnerships to create one Cwm Taf Morgannwg Community Safety Partnership and continue to ensure local issues are considered in a timely manner
- Consult on our new draft homelessness strategy and get it agreed by members
- Work with Welsh Government and other authorities on our approach to housing refugees (including Ukrainian refugees)
- Improve our work with Registered Social Landlords to improve housing options.
- Address workforce issues in social worker and social care worker including international recruitment and 'growing our own' workforce of the future
- Improve the consistency of social work practice in children's social care, which supports improved outcomes, allows families to stay together (wherever possible) and safeguards people from harm through implementing our Signs of Safety model of social work practice.
- Improve outcomes for adults with care and support needs through implementing our 'Strength Based, Outcome-Focussed' model of social work practice
- Open our new children's residential care service and implement enhanced therapeutic support for all our residential care and inhouse fostering services
- Deliver year one of a sustainability plan for children and families
- Work with partners to deliver our Corporate Parenting Strategy
- Work on admission avoidance and discharge services with the NHS to reduce delays in people receiving care
- Develop capacity in reablement services so more people are able to be supported to retain or regain independent living skills
- Provide enhanced support for adult and young carers through carer's networks
- Enhance well-being and preventative support in all parts of the County through appointment of local community co-ordinators
- Modernise learning disability services to ensure people are supported to live as independently as possible and enjoy meaningful day time occupation
- Awareness Raising of the Bridgend Biodiversity Duty 22-25
- Continuing to progress Community Asset Transfers

Case studies

Telecare

Telecare supports people in their own homes when they need support to remain independent. It offers the security of knowing someone can help 24 hours a day, 365 days a year. Telecare packages are tailored to individual's needs, and adapt as peoples' needs

change. In 2017, BT announced plans to switch off their analogue telephone network and replace it with a digital solution. This meant we had to switch over to digital technology, and we decided to become one of the first Welsh authorities to do this. £1.4 million funding for the project was agreed as part of the budget setting process and the project team manage this budget. The project team are working with the installers - Care and Repair. At the moment, the remaining replacement installations are taking place by post code area. The next phase of the project will see new installations taking place.

Super -Agers



BCBC has led a regional project called Super-Agers, to support older adults to have healthy and active lives and to be connected to support in their community. The programme has included community based exercise and activity sessions and also the training of older adults to lead and run their own activities. The Super-Agers programme has included events such as the Olympage games including inter-generational

approaches with young people from Bridgend College and local secondary schools. £3.80 of social value has been delivered for every pound invested. People who have done the activities have valued the support provided, opportunities to have social interaction and build bonds in their communities and opportunities to gain information and advice in less formal settings.

Corporate Parenting



We have recently launched a new Corporate Parenting Strategy. The Corporate Parenting Board, chaired by the Deputy Leader, worked with care experienced children, young people, care leavers and Bridgend Youth Voice Forum to co-produce the document, working with council officers, partner agencies and elected members. The strategy focuses on addressing the needs, views and wants of our care experienced children and

young people to help them live happy, fulfilling lives. It includes a list of promises made by over forty professionals, carers and councillors, stating their own commitment to children and young people. The strategy has been welcomed by the Children's Commissioner for Wales and Deputy Minister for Social Services, both of whom visited Bridgend for the launch of the Strategy. The launch event itself was facilitated by eight representatives of Bridgend Youth Voice Forum

Signs of Safety



Children Social Care is working with Wales' only Licensed Signs of Safety Consultant, to implement the Signs of Safety framework. It is a child protection framework using a questioning approach, and focusing on the strengths in families to ensure safety and good care. The framework uses assessment, danger statements and safety goals to help professionals and families through the child protection process. Children's Social Care introduced Signs of Safety to their workforce and partner agencies during two

Launch days in March and through two multi agency workshops in April. The Leadership Team also presented their Leadership Promise, which highlighted their commitment to staff and the families they work with. Staff have been attended training and practice days to help them use the signs of safety approach. There are also workstreams that focus on meaningful measures, system alignment, leadership and management, learning and development and partner agencies. Social Workers and Social Work Assistants have provided lots of examples of where they have used a number of creative direct work tools with children to help achieve positive outcomes. Families who have been involved in using this framework, report that they feel more positive about intervention, felt more included and able to understand the process.

Community Asset Transfers (CAT)

To date the Council have spent or committed £1.38 million in improving community assets including, sports pavilions, bowling greens, children's play areas and community centers through the Community Asset Transfer (CAT) programme. This has been an investment in assets that have been or are to be handed over to community groups, sports clubs or town and community councils for future management and operation. The CAT program secures the long-term viability of assets and makes sure that future generations continue to be able to enjoy the benefits these assets bring to the community. 10 further assets were transferred in the 2022/23 financial year.

Priority Three – Smarter use of resources

We want to make the best possible use of public money. We want to make smarter use of our resources while minimising reductions in services. Over the period 2018-19 to 2022-23, the council made budget reductions of over £18.5 million. As austerity continues, it becomes harder each year to make further cuts. Our main ways of achieving this objective are -

- **Transforming our estate** – Using our land and buildings to improve service delivery, reduce running costs, minimise our impact on the environment and meet the needs of service users.
- **Corporate change** - Embracing innovation and technology, developing the skills and approaches of staff and new ways of working.
- **Environmental sustainability** - Protecting and safeguarding the environment by lowering the council's carbon footprint, looking at waste reduction, re-use and recycling and promoting environmental responsibility in communities.

What is our judgement?

Smarter use of resources	GOOD
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- **Budget reductions** - The budget for 2022-23 was agreed in February 2022, before major increases in inflation, energy costs and the cost of living. This means our service budgets have been under sever pressure during the year. We have had to pay for increases in staff pay, energy costs across all our properties, and increased cost of food in the school catering service. There also been a significant pressure on the capital budget due to inflation, supply chain issues and lack of staff.
- **Digital transformation** - Bridgend County Borough Council's Digital Strategy outlines how we aim to achieve being a Digital Council. It aligns with the ambition of the Welsh Government 'Digital First' strategy focusing on; getting smarter by understanding challenges; using resources more effectively, developing integrated solutions and planning future developments based on better evidence. End-to-end integrated digital services will be built around the people who use them, meeting our priorities to help people and their communities. The successful implementation of the digital strategy will lead to improved services, embedded community benefits, integration with well-being goals, citizen satisfaction and reduced service costs.
- **Estates** – We are looking at how our buildings will be improved / remodelled through the Future Service Delivery Model. Digital transformation will help us find ways to remodel, reduce or use our office spaces in a smarter digitally enabled way. Our capital receipts have achieved their targets, as the sale of the land at Salt Lake in Porthcawl to Aldi was completed at £3.5m. Although our buildings are classed as safe, some compliance targets have not been met, but they are significantly improved, with gas, electricity, fire safety and asbestos compliance being above 90%. We have appointed a legionella officer and have commission a new legionella contract and expect to see compliance in this area significantly improve over the next twelve months.
- **School modernisation** - Construction was completed of the Bettws Welsh-medium childcare setting, and we commenced a process to source a service provider. The statutory consultation processes concluded for the replacement Mynydd Cynffig Primary School, replacement Heronsbridge School and the replacement Ysgol

Gymraeg Bro Ogwr and we commenced the design stage for all three schools. We concluded the first stage of the design process for the Bridgend West scheme, which will provide a new English-medium primary school (that is, to replace Afon y Felin Primary School and Corneli Primary School), and replacement Ysgol y Ferch o'r Sgêr. We commenced consultation processes in respect of a proposed enlargement to Coety Primary School and a proposal to establish a Welsh-medium seedling school and childcare provision in Porthcawl. We completed a scoping exercise and commenced the tender process for kitchen pod schemes, which will form a critical element of the next implementation phase for the delivery of UPFSM.

- **Corporate change** – We developed a plan for future working with our staff and trade unions, improved staff well-being activities, and continued work on our 'grow your own' schemes to develop apprentices and graduates. The Future Services Delivery project continues to look at the hybrid working model which offers a blended approach that takes account of the wide range of services delivered. We have some new regional frameworks where we procure goods and services jointly with other authorities, for example grounds maintenance and civil engineering.
- **Waste** – Our recycling rates are 70.49%, making us one of the top recyclers in Wales. Waste generated per person has reduced by 9% over the last year. 76% of people rate waste services as very or fairly good. The new community recycling centre at Pyle is complete although the site is yet to gain its operators licence from Natural Resources Wales. We recycle 40% of Street litter. Public campaigns are ongoing around food waste recycling, reminders on what to place in recycling containers, nappies and garden waste. Anti-dog fouling messages, including on our enforcement policy have been promoted. We are out to tender for an interim waste contract for 2024 to 2026. This will use the same vehicles and waste collection methodology. Options for future waste services are being prepared for post-2026.
- **Sustainability** – We are part of the Welsh Government's net zero carbon plan for the public sector and now have an approved Bridgend 2030 – Net Zero Carbon Strategy. We are the first council in Wales to use new Welsh Government Greenhouse Gas Reporting Protocol. We have successfully implemented the £1.3m Ref-fit programme on 19 school buildings which is already savings energy and reducing utility bills. Phase 2 of the re-fit scheme is being designed. £3m of Active Travel routes have been implemented we have an additional £1.5m to continue routes throughout the borough. We have invested £1.3 million to install energy and cost saving technologies to reduce energy consumption and CO2 emissions. Including replacing all our 16,000-street lighting in the Borough with LED bulbs. We have installed a network of electric vehicle charging points across the Borough, 27 chargers are in use, 20 are awaiting power connection. We are trying to speed up our fleet transition. We have implemented a Socially Responsible Procurement Strategy to make sure our suppliers also focus on climate change and circular economy.

Regulators assurances

In August 2022, Audit Wales completed a review of the council's performance management arrangements. The review sought to answer the question: Do the Council's performance management arrangements support robust and effective decision-making and improvement? Overall, it found that: The Council's performance management arrangements do not consistently enable it to effectively evaluate and manage its performance. Following the review, we have made improvements in various areas but there is a lot more to do. A plan has been developed so that these improvements can be

agreed, communicated and monitored, including recruiting to the remaining vacant post, developing and publishing a new performance framework, improving our data quality and accuracy and improving our performance culture.

The Local Government Association (LGA) carried out a peer review of our Communications and Marketing functions during February 2023 which involved assessors spending a number of days talking to the key individuals involved in providing this service, seeking feedback from relevant stakeholders and observing how the Council communicates both within the organisation and externally with residents. As a result, we received a series of recommendations from the review and an action plan has been developed for the next year, that will help our communications to be more effective and more aligned to our priorities.

Consultations and engagement activities

Consultation	Dates	Impact
Héronsbridge School	April 2022 to May 2022	Consultation processes concluded in respect of a 300-place replacement Heronsbridge School on the Island Farm site. Engagement with staff and pupils regarding the school relocation and Cabinet approval gathered for relocation.
Ysgol Gymraeg Bro Ogwr	March 2023	Consultation processes concluded in respect of regulated alteration to Ysgol Gymraeg Bro Ogwr in the form of an enlargement of the school to 2.5 form-entry, a 90-place full-time-equivalent nursery and an 8-place observation and assessment class. The replacement school will be located on land off Ffordd Cadfan, Brackla. Consultation session held around the design of the school.
Mynydd Cynffig Primary School	July 2022 and October 2022	Consultation processes concluded in respect of regulated alteration to Mynydd Cynffig Primary School in the form of an enlargement to 2 form-entry plus a 75 full-time-equivalent nursery. Engagement sessions held with staff, pupils and governors around the design of the site.
Budget Survey	December 2022	The findings informed the final budget proposals and Corporate Plan objectives which were approved by Cabinet at the end of February and Council on March 1st. They have also informed this self-assessment.
Staff survey	December 2022	Responses are feeding into the ongoing development of the strategic workforce plan as well as informing corporate plan objectives.

What will we do to improve?

Some of the main improvements we will make for this priority are –

- A new nine-year investment programme for school modernisation will be established during this year in preparation to commence in April 2024.
- We will complete the creation and integration of key information into the new management information system and develop data reporting mechanisms to ensure

services have access to good quality data, which can be used to inform service improvements.

- Continue to address the recommendations of the Audit Wales reports on workforce planning, asset management and performance management
- Continuing to develop our Future Service Delivery approach
- Develop our budget, savings plan and Medium-Term Financial Strategy.
- Implement the provisions of the Environment (Air Quality and Soundscapes)(Wales) Bill once these are known and understood. Following completion of the public consultation, Cabinet will decide on the content of the Air Quality Action Plan for the Park Street Air Quality Management Area and implement improvement measures.
- Implement the action plan for communications following the LGA peer review
- Complete, consult on and publish a new workforce strategy
- Work with HMLR to migrate all local authority land charges data to a central register to streamline the homebuying process
- Agree a regional framework for food procurement by December 2023
- Refreshed Corporate Fleet Transition Plan to accelerate move to ULEV.
- Develop options for our future waste service model for post 2026
- Open the new community recycling facility in Pyle and realise the savings this creates.
- Design & Implement Phase 2 of the Re-fit Scheme to reduce our building energy costs
- Put in place a further 43 electric vehicle charging points by August 23

Case studies

Grow Our Own

We want to invest in people to develop future skills and secure employment. Staff development is promoted to enhance skills and our human resources teams have been encouraging the use of grow your own approaches to help with recruitment challenges. These include an apprenticeship programme which started in 2013, and focused on ICT, Procurement and Building Control. Following appointment, regular support is also in place for the learners and their managers, whilst a programme of planned workshops is established for all apprentices. With Corporate investment and coordination, there has been an increase in the number and range of apprenticeships, including in social care, highways and planning. We have now appointed 151 apprentices, with 85 securing permanent roles. This has increased capacity; helped us overcome skill shortages and helped with staff retention. The council launched the introduction of a corporately coordinated in-house graduate scheme in 2021, recognising that such roles can make an important contribution towards building capacity, skills development, and workforce planning, at a higher level. We have appointed 7 graduates across a range of services, such as planning, digital transformation, policy performance and public affairs, commissioning and civil engineering. The aim is to provide graduates with a programme where they will be exposed to genuine challenges early on in their development. They will be equipped with a base of skills to meet and manage these challenges effectively and ensure that each experience provides opportunity for personal growth.

Valleys 2 Coast

A digital platform was launched in March 2021 to allow elected members and the public to report issues with V2C homes or in their local area. Since then, 45,605 users have created an online account. There are 105 forms available via the digital platform. From May 2022

to February 2023 there were 82,343 transactions. Using this digital platform has enabled the Council to review some of its operational models of work, for example, the waste and recycling team introduced tablets for operatives to receive all fly-tipping, litter, abandoned vehicles and other waste issue reports. This has led to the team working more efficiently, as well as reducing the need to produce paper work tickets and unnecessary administrative tasks.

Empty Properties

Bridgend Council worked in partnership with Valleys to Coast to bring 35 long term empty properties back into use. This was done using over half a million pounds from Council resources. Our contribution allowed Valleys to Coast to secure an extra £2 million of funding from Welsh Government towards the refurbishment and improvement of the properties. Investment was not only focused on bringing the properties back into use but also improving the energy efficiency of the homes, reducing running costs for the future tenants.

Welsh Government Fuel Support Scheme

Welsh Government made funds available for a 2022-23 Fuel Support Scheme to help people with their living costs. Eligible households claimed a one-off £200 cash payment to provide support towards paying their winter fuel bills. The scheme was open to households where an applicant was in receipt of specific benefits between 1 September 2022 and 31 January 2023. To administer the scheme, the Council developed an on-line system that maximised automated technology to process applications quickly and accurately, with minimum data input. In just the first week of the scheme, 9,500 applications were completed (out of 10,500 applications received), with around 9,000 of these approved for payment. At the end of the scheme, 17,854 Bridgend households had received a payment – a total of over £3.57 million of support during the cost of living crisis.

Street Lighting

Between 2018 and 2023 the authority has been replacing our traditional street lights with energy efficient LED lamps. We have changed around 20,000 streetlamps. The work was funded using £2.242 million from the Salix loan programme, (Salix is a non-departmental public body, owned wholly by Government. Salix administers funds on behalf of the Department for Energy Security and Net Zero.) As well as reducing the carbon impact of the authority and contributing to the net zero 2030 ambitions, the programme is delivering annual energy cost savings of around £420,000 every year.

How is the council using its resources?

We have always had to report how well we are using our resources. For example, we must tell Audit Wales about our spending, our workforce and our buildings. Until recently, we didn't have a common process for reviewing how we are managing all of our different resources. This year, to help us judge our use of resources and write this report, we developed a new process. We held a workshop with managers and staff to look at –

- finances,
- procurement,
- corporate planning,
- performance management,
- risk management,
- workforce planning, and
- asset management.

To come to our judgements, we used

- performance indicators e.g. staff vacancy levels and building maintenance,
- evidence on delivery of our projects and improvement plans,
- feedback from customers, staff and trade unions, and
- the views of our regulators e.g. Audit Wales report on workforce planning

We asked each other questions based on the well-being of future generations act, including

- Do we focus on prevention, not just putting things right when they go wrong?
- Are we making strong long-term plans?
- Do we share ideas, plans and resources with partner organisations?
- Are we making links and doing things consistently across the council?
- Are we involving the community and customers in key plans and decisions?

Like the performance information, we presented our findings to councillors who scrutinised the information, checked it and asked questions. We used the same scale from excellent to unsatisfactory as the one used for performance. This was done in June 2023.

What are our judgements?

Use of resources	Adequate	<p>Day-to-day management of our resources is good. There are clear and agreed working models and strong, working relationships between corporate teams and directorates.</p> <p>Use of resources overall is judged as adequate again this year. Significant improvements are underway, particularly around workforce planning, asset management and performance management – with detailed improvement plans agreed following poor judgements in regulatory reviews last year. We are keen to implement these plans but to become 'good' will require additional investment in support services.</p> <p>There are still some vacancies and capacity issues both in corporate teams, and the senior managers who work alongside them. In some areas, we need to improve member engagement / challenge and develop modern, joined-up IT systems that help us with decision-making. Some directorates are better resourced than others to be able to respond and</p>
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	work with corporate teams. Those with well-resourced business teams were seen as more successful.
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Our overall judgement looks at use of resources of all types. We also have a specific judgement for each resource type, to help us with our improvement planning.

Finances	Good	Financial management is good. We successfully balance our budget and keep within budget during the year. Feedback from our regulators is positive. We have a healthy financial position, and respond quickly to new pressures, through effective management of budgets and reserves and member challenge. The cost of living crisis has impacted on our funding, with much higher than anticipated pay awards and unprecedented levels of price inflation. Our budget has faced unavoidable pressures from all services and any previous flexibility within the budget has been eroded.
Corporate planning	Good	This year we have developed a new corporate plan to reflect the ambitions of elected members, staff and partners. It also reflects the challenges we face including covid recovery and the cost-of-living crisis. It is a different, more accessible document than ones produced in the past. The development process has been more inclusive, working closely with elected members, staff, trade unions, and partners at three stages of its development. The corporate plan was agreed by council on 2 March 2023.
Risk management	Good	Risk management is good. Further improvements have been made to the identification and management of risk, through an updated Corporate Risk Management Policy. Reporting of risk is simple and accessible. The Corporate Risk Assessment is reported to Governance and Audit Committee and up to two risks are looked at in more detail, with the relevant Chief Officer, so members of the Committee can probe in more depth. A review by internal audit of our Risk Management, in March 2023, gave us a 'Substantial Assurance' opinion, and raised no findings or recommendations.
Procurement	Adequate	Commissioning is adequate. Procurement remains good. The Socially Responsible Procurement Strategy, delivery plan and updated Contract Procedure Rules have been embedded and extra training has been provided. We have some new regional frameworks, for example grounds maintenance and civil engineering. We need to work to develop a culture of forward planning and early engagement between commissioners and the corporate procurement team. This will lead to opportunities to identify and address problems and better consider things like Decarbonisation and Community Benefits. A working group will be set up with commissioners and the corporate procurement team, to help us collaborate better to meet the objectives of the Strategy.
Performance management	Adequate	Performance management is adequate. We have had an internal audit of performance indicators and an Audit Wales review of performance management which found that the Council's performance management arrangements do not consistently enable it to effectively evaluate and manage performance. Since then, we have made improvements, but there is more to do. Performance management arrangements are patchy but are good in some areas. A plan has been developed so that these improvements can be agreed, communicated and monitored, including recruiting to the

		remaining vacant post, developing a new performance framework, clarifying roles and responsibilities, improving our performance culture, data quality and accuracy.
Workforce planning	Adequate	Workforce management is good. Feedback from employees, managers, trade union representatives and internal audits is generally positive. Managers are assisted to deal effectively with people issues through appropriate and timely support from HR. The HR operating model, aims to give managers an improved service based on an increasing focus on proactive and preventative HR services and an incremental reduction in the need for and provision of reactive support services. The overall judgement is assessed as adequate as we need to improve capacity amongst managers and in the HR team, and focus on strategic workforce planning, long term workforce needs and succession planning. Following an Audit Wales review of Workforce Planning, we are developing a Strategic Workforce Plan 2023-2028, developing HR policies and procedures, co-designed and to focus on proactive HR services. We need to continue to streamline HR processes, including using automation.
Asset management	Adequate	Asset management policy is good with strong engagement from directorates. The asset management strategy for our property is dynamic and reviewed regularly. The overall judgement is adequate, based on the need to address workforce and resource challenges that result in a continued reactive approach. In response to last year's Audit Wales review we have; reviewed the 2030 Strategic Asset Management Plan, reduced our maintenance backlog, improved our management of Statutory Building Compliance, and made progress on the Integrated Works Management System (IWMS) to improve our data / benchmarking. More improvements are needed, including adopting the strategic asset management plan, continuing improvements in the maintenance backlog and statutory building compliance, implementing the IWMS and focusing on our workforce capacity. Separate reviews are in place for management of other assets including highways / streetlighting.

What will we do to improve?

Some of the main improvements we will make in our management of resources are –

- Developing and implementing a Strategic workforce plan
- Communicating and implementing the Performance Management Improvement Plan (PMIP) including developing a Corporate Delivery Plan and Performance Framework
- Asset management improvements, including adopting the strategic asset management plan, continuing improvements in the maintenance backlog and statutory building compliance, implementing the IWMS and focusing on our workforce capacity
- Making Corporate planning and updates earlier in the year
- The system we use to monitor and report risk will be improved
- We will work to identify more longer term savings options, based on agreed priorities
- A working group will be established with relevant commissioners in the authority and the corporate procurement team
- Streamline HR processes, including using automation.

4. How good is the council's governance?

Organisations that have good governance use clear decision-making processes and communicate openly about what they are doing. They work well with their stakeholders, manage the risks they face, and take responsibility for their assets.

We have always had to report on our governance, to Audit Wales. There is a clear process for developing an 'Annual Governance Statement' that has existed for many years. This year, to help us judge our governance and write this report, we have added more thinking about our consultation, engagement and involvement. We have well established and effective political governance, with Cabinet as part of regular Cabinet/Corporate Management Board meetings and formal Cabinet meetings, and with full Council when necessary. With scheduled Overview and Scrutiny meetings and an enhanced and important role for the Governance and Audit Committee. Additionally, when required separate member panels are set up to improve the governance process and make better evidenced based, informed decisions. For example, the Budget Research and Evaluation Panel (BREP) which is used to share emerging budget issues on a confidential cross party basis and the Social Care Member Panel which allows risks and issues in that service to be discussed and better understood at an earlier stage.

What is our judgement?

Governance	Good
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Organisations that have good governance use clear decision-making processes and communicate openly about what they are doing. They work well with their stakeholders, manage the risks they face, and take responsibility for their assets.

Decision making

Our governance arrangements are good, and work well. Our [Governance Framework, Code of Corporate Governance](#) explain how we work, how we are accountable and how decisions are made. In 2022 we developed a new constitution to take into account the new legislative requirements placed on local authorities under the Local Government and Elections (Wales) Act 2021. It was approved by Council on 19 October 2022 and implemented from 1 December 2022. A [guide to the Constitution](#) has also been produced and published, to help members of the public understand our constitution. Through these documents (along with the Member's Code of Conduct, Standards Committee and role of Internal Audit) the Council operates with integrity, ethical values and within its legal powers. Governance arrangements are reviewed each year to update the Annual Governance Statement (AGS). It is considered and approved by the Governance and Audit Committee. A number of significant issues were identified in the Council's 2021-22 AGS, so in the past year we have made improvements including –

- Publishing our first Corporate Self Assessment in October 2022
- Developing a transition plan for the South East Wales Corporate Joint Committee
- Updated our Medium Term Financial Strategy to reflect the current position and started a review of our earmarked reserves
- Done work to assess and address issues with increased costs in existing contracts and tenders for new contracts, including a specific piece of work for the social care sector.
- Completed a member induction programme, events, training and drop-in sessions.
- Raised awareness of roles and responsibilities for GDPR when working from home.
- Developed a multi-locations meetings policy, approved by Council on 15 June 2022.

Consultation, engagement and involvement

Consultation with our local residents and businesses is good. The corporate consultation team have a programme of future consultations and support directorates to consult in a timely and effective way. We have a range of consultation channels, mechanisms and groups, but these could be broadened. Engagement and involvement is adequate. Engagement activities take place in directorates, some using industry best practice. But engagement is patchy and the corporate team is not always involved or informed. Engagement is usually reactive rather than proactive. The pandemic has had a big impact on our capacity and ability to engage. There is not yet much activity focused on trust or relationship building between the community and BCBC and we are in the process developing our new engagement platform which offers various methods of communication tools which are being utilised for enhancing our abilities to connect with residents.

We have positive and constructive social partnership arrangements. We work with recognised Trade Unions (TU's), with clear and regular arrangements for consultation and engagement. Local and regional TU representatives meet HR officers monthly. Other officers are brought in as needed, for example the Chief Executive on future service delivery and the Section 151 Officer on the budget. Two Cabinet members attend bi-monthly so TU representatives can talk to them directly. There are separate meetings for schools. TU representatives play an important role in decision making and organisational change. They contribute different ideas and perspectives and support their members at meetings which focus on the workforce impacts of any changes. All HR policy reviews are done with full consultation with TU's.

As well as regular staff and trade union engagement, we run an annual staff survey. The last one, in December 2022 had over 1000 responses. The survey contained many questions which repeated previous surveys so we can see how we are doing over time. Overall satisfaction with BCBC as an employer has increased in recent years but reduced slightly in the last year, from 59% in 2018, 66% in 2020, 73% in 2021 and 67% in 2022. A detailed feedback report was developed, and an internal action plan is being developed to act on issues from the staff survey.

Engagement with regulators is strong and systematic. Regular meetings take place between regulators and senior officers in the Council to discuss regulators' work and the council's improvement plans.

What will we do to improve?

Some of the main improvements we will make in our governance are -

- Development of the council's strategic workforce plan
- Making improvements to strategic asset management
- Develop a contractors' framework for Disabled Facilities Grants to provide the Council with end-to-end ownership of the process from referral to completion
- Implement our Decarbonisation 2030 plans
- Improve long term financial management
- Providing training on Capital Strategy, Earmarked Reserves and Statement of Accounts for all members.
- Implementing our performance management improvement plan.
- Improving our approach to regular and ongoing engagement and involvement

- Implementing our new participation and engagement strategy for the council

5. Our Strategic Equality Plan

In developing the equality objectives, we have talked to our residents, stakeholders and employees and used relevant information, including EHRC reports, Welsh Government reports and internal strategies. In addition to this we have:

- Developed a [Strategic Equality Plan 2020-24](#) and associated action plan
- Reviewed our old Strategic Equality Plan and action plan to see how we have done;
- Developed a consultation toolkit to improve the way we engage with our communities;
- Given further consideration to each of the nine protected characteristics covered by the three main aims of the general duty and the requirement to eliminate discrimination, harassment and other actions prohibited in the Equality Act 2010;
- Looked at regional approaches to meeting the needs of Gypsy and Traveller families and people who have experienced domestic abuse and hate crime.
- Started the process for developing a new Strategic Equality Plan 2024-28

How do we identify and collect relevant information?

We are committed to collecting and using data to identify where some protected characteristic groups experience a disproportionate impact or where we could deliver services in a different way. We collect data on customers and residents via our consultation and engagement activities and on our employees via our own internal systems. We will collect and use the following equality data:

- Employment profile data for all protected characteristics;
- Service user data to understand the characteristics of our service users;
- Job applicants for all protected characteristics.

This data will be published annually as part of our Strategic Equality Plan annual reporting process. In addition we will publish annually:

- The Full Equality Impact Assessments undertaken;
- The Strategic Equality Plan action plan review;
- The Strategic Equality Plan annual report.
- Welsh language standards annual report

How effective are arrangements for identifying and collecting relevant information?

Each year we try to improve the Equality Monitoring Data we hold for employees. We encourage employees to update information through communications / appraisals.

What does this tell us about equality of access to employment, training and pay?

Every year, we report our 'equalities in the workforce' report to councillors. This tells us about our numbers of employees with protected characteristics. It also tells us about pay, recruitment and training of employees with protected characteristics. This is all put together and included in the strategic equality plan. Areas for improvement are included in the [strategic equality plan action plan](#).

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 JULY 2023
Report Title:	FORWARD WORK PROGRAMME 2023-24
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE
Responsible Officer:	DEBORAH EXTON DEPUTY HEAD OF FINANCE
Policy Framework and Procedure Rules:	There is no impact on the policy framework and procedure rules.
Executive Summary:	<ul style="list-style-type: none"> • The Governance and Audit Committee has a number of core functions and responsibilities within its remit. • It receives a number of reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority. • To enable the Committee to provide this assurance and to ensure it is covering its range of responsibilities, a Forward Work Programme is presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary. • The updated Forward Work Programme (FWP) for 2023-24 is at Appendix A. • Committee is requested to approve the updated FWP or request changes for future meetings.

1. Purpose of Report

1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2023-24.

2. Background

2.1 The core functions of an effective Governance and Audit Committee include the responsibility to:

- review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs.

- consider the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting, governance processes, performance assessment and complaints arrangements.
- seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- consider the effectiveness of the Council's anti-fraud and corruption arrangements.
- be satisfied that the Council's assurance statements properly reflect the risk environment and any actions required to improve it.
- oversee the work of internal audit (including the annual plan and strategy) and monitor performance.
- review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- receive the annual report of the Head of Internal Audit.
- consider the reports of external audit and inspection agencies, where applicable.
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- review and approve the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- review and make any recommendations for change to the Council's draft self-assessment report.
- consider panel performance assessment reports into how the Council is meeting its performance requirements.

2.2 Effective Governance and Audit Committees help to raise the profile of governance, internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.

3. Current situation / proposal

3.1 In order to assist the Committee in ensuring that due consideration is given to all aspects of their core functions the proposed Forward Work Programme for 2023-24 is attached at **Appendix A**. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item (if appropriate), and indicate whether any additional information or research is required.

3.2 Shown below are the items scheduled to be presented at the next meeting, to be held on 28 September 2023. The two reports from the Regional Internal Audit Service, due to be presented at the July meeting, have been deferred until September in order to give sufficient time to pull together the detailed information for the reports.

Proposed Agenda Items – 28 September 2023	
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports (provisional)
3	Disabled Facilities Grants
4	Ethical Investment Policy
5	Code of Corporate Governance
6	Internal Audit Progress Report
7	Internal Audit Recommendation Monitoring Report
8	Updated Forward Work Programme 2023-24

3.3 The schedule of items for discussion at specific meetings may be subject to change, to take into account other items that need to be considered, and operational factors.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 That the Committee considers and approves the updated Forward Work Programme for 2023-24.

Background documents

None

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2023-24	Frequency	01 June 2023	26 July 2023	28 September 2023	09 November 2023	25 January 2024	18 April 2024
Standing Items							
Governance and Audit Committee Action Record	Each meeting	✓	✓	✓	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓	✓	✓	✓	✓
Updated Forward Work Programme	Each meeting	✓	✓	✓	✓	✓	✓
Annual Accounts							
Statement of Accounts 2022-23 (unaudited)	Annually		✓				
Porthcawl Harbour Return 2022-23 (unaudited)	Annually		✓				
Going Concern Assessment	Annually	✓					
Audit Enquiries Letter	Annually	✓					
Audit Wales Letter On Matters Arising From The 2021-22 Audit	Annually	✓					
Audited Statement of Accounts and Annual Governance Statement	Annually				✓		
Porthcawl Harbour Return (audit letter)	Annually				✓		
Governance							
Annual Governance Statement	Annually		✓				
Half Year Review of the Annual Governance Statement	Annually				✓		
Code of Corporate Governance				✓			
Audit Wales Annual Audit Plan <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually						✓
Annual Audit Summary <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>	Annually					✓	
Internal Audit Reports							
Annual Internal Audit Report 2022-23	Annually	✓					
Internal Audit Shared Service Charter	Annually						✓
Internal Audit Annual Strategy and Audit Plan 2023-24	Annually	✓					
Self Assessment of the Governance and Audit Committee	Annually					✓	
Internal Audit Progress Reports	Quarterly			✓	✓	✓	✓
Internal Audit Recommendation Monitoring Report	Quarterly			✓	✓	✓	✓
Governance and Audit Committee Annual Report	Annually						✓
Treasury Management							
Treasury Management Outturn Report 2022-23	Annually		✓				
Treasury Management Half Year Report 2023-24	Annually				✓		
Treasury Management Strategy 2024-25	Annually					✓	
Ethical Investment Policy				✓			
Risk Assurance							
Corporate Risk Assessment	At regular intervals	✓				✓	
Counter Fraud							
Corporate Fraud Report 2022-23	Annually		✓				
Anti Tax Evasion Policy (previously considered April 2023, due April 2025)	Biennially						
Performance Related							
Complaints Process	Ad hoc	✓			✓		✓
Regulatory Tracker	6 monthly		✓			✓	
Annual Self Assessment of the Council's Performance	Annually	✓	✓				

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