

# Public Document Pack

## 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 **o bell - trwy Timau Microsoft** ar Dydd Gwener, 19 Gorffennaf 2024 am 10:00.

#### **AGENDA**

1. Ymddiheuriadau am absenoldeb  
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant  
Derbyn datganiadau o ddiddordeb 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 06/06/24.
4. Hunanasesiad 2023/24 17 - 64
5. Diweddariad Traciwr Rheoleiddio 65 - 80
6. Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 81 - 84
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8. Diweddariad Cynnydd ar Farn Sicrwydd Cyfyngedig a Gyhoeddwyd gan Archwilio Mewnol 131 - 140
9. Dychwelyd Harbwr Porthcawl 2023-24 141 - 150
10. Adroddiad Alldro Rheoli'r Trysorlys 2023-24 151 - 174
11. Adroddiad Twyll Corfforaethol 2023-24 175 - 196

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Gwefan/Website: [www.bridgend.gov.uk](http://www.bridgend.gov.uk)

Cyfnwidi testun: Rhowch 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun

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12. Blaenraglen Waith wedi'i Diweddaru

197 - 202

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:** Cynhelir y cyfarfod hwn 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 643148 / 643694 / 643513 / 643696.

Yn ddiffuant

**K Watson**

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

**Dosbarthiad:**

Cynghorwyr:

C Davies

N Clarke

S Easterbrook

R J Smith

M L Hughes

MJ Williams

RM Granville

S J Griffiths

Aelodau Lleyg:

G Chapman

A Bagley

B Olorunnisola

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A GYNHALIWDYD AR FFURF HYBRID YN SIAMBR Y CYNGOR - Y SWYDDFEYDD DINESIG, STRYD YR ANGEL, PEN-Y-BONT AR OGWR, CF31 4WB AR DDYDD IAU, 6 MEHEFIN 2024 AM 10:00

Yn bresennol

G Chapman – Cadeirydd (aelod lleyg)

M L Hughes

R M Granville

N Clarke

R J Smith

Yn Bresennol yn Rhithiol

M J Williams

S J Griffiths

Aelodau Lleyg - n Bresennol yn Rhithiol

B Olorunnisola

Ymddiheuriadau am Absenoldeb

A Bagley (aelod lleyg), C Davies a S Easterbrook

Swyddogion:

Mark Shephard  
Carys Lord  
Kelly Watson  
Lindsay Harvey  
Deborah Exton  
Nigel Smith  
Simon Roberts

Prif Weithredwr  
Prif Swyddog - Cyllid, Perfformiad a Newid  
Prif Swyddog - Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol  
Cyfarwyddwr Corfforaethol - Addysg, Blynnyddoedd Cynnar a Phobl Ifanc  
Dirprwy Bennaeth Cyllid  
Rheolwr Grŵp - Prif Gyfrifydd  
Uwch Ymchwilydd Twyll

David Williams	Archwilio Cymru
Samantha Clements	Archwilio Cymru
Andrew Wathan	Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Joan Davies	Dirprwy Bennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol
Rachel Keepins	Rheolwr Gwasanaethau Democrataidd
Michael Pitman	Swyddog Cymorth Technegol - Gwasanaethau Democrataidd
Stephen Griffiths	Swyddog Gwasanaethau Democrataidd - Pwyllgorau/ Swyddog Craffu Dros Dro

Datganiadau o Fuddiant

Dim

**146. Ethol Cadeirydd**

Penderfyniad	<u>PENDERFYNWYD:</u> Etholwyd G Chapman yn Gadeirydd.
Dyddiad y Penderfyniad	6 Mehefin 2024

**147. Ethol Is-gadeirydd**

Penderfyniad	<u>PENDERFYNWYD:</u> Etholwyd A Bagley yn Is-gadeirydd.
Dyddiad y Penderfyniad	6 Mehefin 2024

**148. Cymeradwyo Cofnodion**

Penderfyniad	<u>PENDERFYNWYD:</u> Derbyniwyd cofnodion cyfarfod 18 Ebrill 2024 fel gwir gofnod manwl gywir.
Dyddiad y Penderfyniad	6 Mehefin 2024

**149. Cofnod Gweithredu'r Pwyllgor Archwilio a Llywodraethu**

Penderfyniad	<p>Diben yr adroddiad hwn oedd darparu diweddariad i'r Aelodau ar Gofnod Gweithredu'r Pwyllgor Archwilio a Llywodraethu.</p> <p>Mynychwyd y cyfarfod gan Brif Weithredwr a Chyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl Ifanc er mwyn ateb cwestiynau ac ymateb i faterion penodol a godwyd gan Aelodau ac a amlygwyd yn Atodiad A.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"><li>• Tynnodd y Cadeirydd sylw at yr adran Argymhelliad Monitro'r Archwiliad Mewnol lle roedd Aelodau wedi gwneud cais am i benaethiaid gwasanaeth ddarparu diweddariadau ysgrifenedig i'r cyfarfod nesaf o'r Pwyllgor o ran yr holl faterion a nodir yn Atodiad B a C, gan nodi lle maen nhw arni yn eu cynllun gweithredu a phryd fydd y materion a amlinellir yn cael eu cwblhau os nad yw hynny eisoes wedi digwydd erbyn y dyddiad hwnnw. Nodwyd nad oedd y penaethiaid gwasanaeth eto wedi darparu'r diweddariadau ysgrifenedig y gwnaed cais amdanynt. Mewn ymateb, sicrhodd y Prif Weithredwr yr Aelodau bod y Bwrdd Rheoli Corfforaethol yn cymryd y pwyllgor a'i argymhellion o ddifrif. Cafodd y materion a godwyd yn y cyfarfod diwethaf eu codi yng nghyfarfod diweddar o'r Bwrdd Rheoli Corfforaethol ac mae cais wedi'i wneud am i'r penaethiaid gwasanaeth ddarparu'r ymatebion ysgrifenedig hynny.</li><li>• O ran mater Cerbydau Ysgol, nododd y Cyfarwyddwr Corfforaethol - Addysg, Blynyddoedd Cynnar a Phobl ifanc fanylion y gweithredoedd yr ymgwymerwyd â hwy, yn arbennig felly gan y tîm yswiriant a'r Gwasanaethau Fflyd, er mwyn cefnogi ysgolion wrth ymateb i'r argymhellion. Darparwyd diweddariad manwl ganddo hefyd ar y grymoedd oedd ar gael i'r awdurdod lleol a Llywodraeth</li></ul>
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	<p>Cymru lle roedd ysgolion yn methu â chydymffurfio gyda deddfwriaeth. Mynegodd yr Aelodau eu diolchgarwch i'r Cyfarwyddwr Corfforaethol am fynychu a darparu ymateb mor fanwl, a gwnaethant gais am i brawf byrfyfyr gael ei wneud er mwyn gweld faint roedd yr ysgolion yn cydymffurfio nawr, ac er mwyn mesur traweffaith yr ymyriad. Dylai'r canlyniadau gael eu hadrodd yn ôl i gyfarfod arall o'r Pwyllgor yn y dyfodol.</p> <ul style="list-style-type: none"> <li>• Pwysleisiodd y Cadeirydd bod awdurdodi Cerbydau Ysgol wedi ei ddilyn i fyny gan y Pwyllgor oherwydd bod diogelwch y disgyblion yn achos pryder mawr. Fe wnaeth hefyd dderbyn yr ymddiheuriad a gynigiwyd gan y Cyfarwyddwr Corfforaethol am beidio â bod ar gael i fynychu cyfarfod olaf y Pwyllgor.</li> <li>• Tynnodd Aelod sylw at fater recriwtio aelod llebyg, gan bwysleisio'r angen am annog mwy o fenywod i ymgeisio. Datganodd y Prif Swyddog - Cyllid, Tai a Newid bod yr hysbyseb yn fyw ac y byddai'n blaenoriaethu tynnu rhestr fer a'r broses gyfnewid cyn gynted â phosib wedi'r dyddiad cau.</li> </ul> <p><u>PENDERFYNWYD:</u></p> <p>Nododd y Pwyllgor y Pwynt Gweithredu gan ddarparu sylwadau arno, fel yr oedd yn briodol.</p>
Dyddiad y Penderfyniad	6 Mehefin 2024

**150. Adroddiadau Pwyllgor Archwilio a Llywodraethu Archwilio Cymru**

Penderfyniad	<p>Cynhyrchodd Archwilio Cymru un adroddiad i'r Pwyllgor Archwilio a Llywodraethu ei ystyried:</p> <p><b>Rhaglen Waith ac Amserlen Archwilio Cymru - (Atodiad A)</b></p> <p>Darparodd yr adroddiad fanylion y diweddariad chwarterol ar y Rhaglen Waith hyd at ddiwedd Mawrth 2024.</p> <p>Darparodd cynrychiolydd o Archwilio Cymru grynodedb o'r gwaith archwilio ariannol, oedd yn cynnwys Archwiliad o ddatganiad cyfrifon y Cyngor 2023-24, archwiliadau sicrwydd cyfyngedig cyfrifon 2023-24 Amlogfa Llangrallo a Harbwr Porthcawl, ac ardystiad hawliadau grant ac enillion y Cyngor 2022-23 (yn cynnwys y Cymhorthdal Budd-dal Tai, yr Ardrethi Annomestig Cenedlaethol, ac Enillion Pensiwn Athrawon).</p>
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	<p>Darparwyd diweddariad ar waith archwilio perfformiad ers y chwarter diwethaf gan ail gynrychiolydd o Archwilio Cymru, gan gynnwys y byddai'r crynodeb archwilio blynyddol ar gyfer 2022-23 yn cael ei gyflwyno yn y cyfarfod nesaf o'r pwyllgor ynghyd â'r cynllun archwilio ar gyfer 2024-25.</p> <p>O safbwynt 2023-24, mae'r adroddiad gosod amcanion llesiant yn cael ei ddrafftio ac maent ar amser o ran cyhoeddi'r adroddiad hwnnw fel drafft erbyn diwedd mis Mehefin. Nodwyd bod y ffocws yr adolygiad thematig, comisiynu a rheoli cytundebau wedi newid, a bod sgôp hwnnw yn awr yn edrych ar gomisiynu yn unig. Mae'r adroddiad yn codi o'r adolygiad thematig ar gynaliadwyedd ariannol yn cael ei ddrafftio; ac mae'r prosiect lleol, Adolygiad o Drefniadau Gwneud Penderfyniadau er mwyn sefydlu p'un ai a yw'r Cyngor wedi rhoi trefniadau gwneud penderfyniadau priodol yn eu lle er mwyn sicrhau gwerth am arian wrth ddefnyddio'i adnoddau, ar waith.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"> <li>• Y mecanwaith, heblaw am y Pwyllgor Llywodraethu ac Archwilio, sydd y ei le i sicrhau bod y Cyngor yn rhoi argymhellion Archwilio Cymru ar waith, a sut mae cydymffurfiaeth yn cael ei ddilyn a'i adrodd amdano yn ôl i'r Pwyllgor.</li> <li>• Yr angen am gynnwys dyddiad lle nodwyd bod adroddiad wedi'i gwblhau.</li> <li>• Y cyfleoedd sydd ar gael i gynrychiolwyr etholedig a'r Cyngor gyfrannu at adolygu trefniadau llywodraethu Awdurdod Tân ac Achub De Cymru.</li> <li>• Traweffaith a gwerth gwasanaethau diamod.</li> </ul> <p><b><u>PENDERFYNWYD:</u></b></p> <p>Nododd y Pwyllgor Adroddiadau Pwyllgor Archwilio a Llywodraethu Archwilio Cymru yn <b>Atodiad A</b>.</p>
Dyddiad y Penderfyniad	6 Mehefin 2024

**151. Asesiad Blynyddol Busnes Gweithredol**

Penderfyniad	Pwrpas yr adroddiad hwn oedd darparu gwybodaeth i'r Pwyllgor am Adran 151 (s151) Asesiady Swyddog (Prif Swyddog – Cyllid, Tai a Newid) o'r Cyngor fel 'Busnes Gweithredol' at bwrpas cynhyrchu Datganiad
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	<p>Cyfrifon 2023-24.</p> <p>Yn dilyn diwygiadau i'r Safonau Archwilio a ddefnyddir gan archwilwyr allanol y Cyngor i ymgymryd â'u harchwiliadau, mae archwilwyr y Cyngor wedi ceisio sicrwydd bod y Cyngor yn gallu darparu tystiolaeth ei fod wedi cwblhau asesiad 'busnes gweithredol', sy'n sail i baratoi'r Datganiad Cyfrifon Blynyddol.</p> <p>Mae'r adroddiad yn cadarnhau asesiad o'r Cyngor fel busnes gweithredol, fel sy'n ofynnol gan God Ymarfer Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA) ar Gyfrifo Awdurdod Lleol.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"><li>• Y gorwariant yr adroddwyd arno yn y flwyddyn ariannol bresennol a'r angen i ddefnyddio arian wrth gefn oedd wedi'i glustnodi. Ymatebodd y Prif Swyddog - Cyllid, Tai a Newid drwy nodi lle bo angen i dynnu ar arian wrth gefn oedd wedi'i glustnodi, y byddai proses o ailflaenoriaethu, gan ystyried blaenoriaethau'r Cyngor, ond hefyd blaenoriaethau o safbwynt risg.</li><li>• Y pwysau ar faterion ariannol llywodraeth leol: Bod Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr yn wynebu'r un problemau â phob awdurdod lleol arall yng Nghymru.</li><li>• Gwerth ychwanegu mwy o wybodaeth am y duedd i ddefnyddio arian oedd eisoes wedi'i glustnodi, a blaenamcan o sut allai pethau esblygu.</li><li>• Gwerth blaenamcanu manwl gywir ac amserol.</li><li>• Yr angen am eglurder wrth adrodd i'r Cabinet a'r Cyngor ynghylch o ble mae arian wedi ei dynnu (p'un ai o gronfeydd arian wrth gefn oedd wedi eu neilltuo a/neu Gronfa'r Cyngor) er mwyn gwneud iawn am y gorwariant. Nododd y Prif Swyddog - Cyllid, Tai a Newid ei bod yn cynghori'n gryf os oeddem i dynnu ar Gronfa'r Cyngor nad yw ond yn cael ei leihau os nad oedd hynny'n wirioneddol angenrheidiol. Nododd Aelod y byddai cadw'r lleihad yng Nghronfa'r Cyngor i'r isafswm yn helpu i amddiffyn ein safle fel busnes gweithredol.</li><li>• Cynlluniau'r Cyngor i ehangu ei fframwaith llywodraethu a throsolwg ariannol er mwyn atal gorwariant yn y dyfodol a sicrhau bod blaenamcanu yn fwy manwl yn y dyfodol. Mewn ymateb i hyn, nododd y Prif Swyddog - Cyllid, Tai a Newid bod y Cyngor wastad yn edrych ar ffyrdd o wella a chryfhau dulliau o reoli. Nododd fod y pwysau roedd y Cyngor yn ei wynebu yn gyfangwbl ddigynsail ac roedd wedi ymrwymo i ehangu'r monitro ar ein sefyllfa yn ystod y flwyddyn ariannol, ac y byddai'n cynnwys ymdrechion i sylwi ar amrywiadau yn gynnar iawn fel y gellid cymryd camau gweithredu gyda'r rheolwyr perthnasol cyn gynted â phosibl. Ceisiodd sicrhau'r aelodau ymhellach</li></ul>
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	<p>fod Archwilio Cymru a'r Gwasanaeth Archwilio Mewnol Rhanbarthol wastad wedi bod yn gadarnhaol iawn ynghylch strwythurau llywodraethu o fewn cyngor Pen-y-bont ar Ogwr.</p> <p><u>PENDERFYNWYD:</u></p> <p>Derbyniodd y Pwyllgor ganlyniadau'r asesiad o statws busnes gweithredol y Cyngor at bwrpas paratoi Datganiad Cyfrifon 2023-24.</p>
Dyddiad y Penderfyniad	6 Mehefin 2024

**152. Asesiad Risg Corfforaethol**

Penderfyniad	<p>Diben yr adroddiad hwn oedd darparu diweddariad i'r Aelodau ar Gofnod Gweithredu'r Pwyllgor Archwilio a Llywodraethu.</p> <p>Adolygir yr Asesiad Risg Corfforaethol gan y Pwyllgor Llywodraethu ac Archwilio fel rhan o fframwaith Asesiad Perfformiad Corfforaethol chwarterol y Cyngor.</p> <p>Mae'r Asesiad Risg Corfforaethol wedi ei ystyried a'i adolygu mewn ymgynghoriad gyda'r Bwrdd Rheoli Corfforaethol.</p> <p>Mae pob risg wedi cael eu diweddarau i adlewyrchu'r risgiau corfforaethol presennol sy'n cael eu rheoli gan yr Awdurdod.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"><li>• Y ffordd y mae'r sgôr risg amrwd a gweddilliol wedi cael eu gwerthuso a'u cyflwyno o dan yr eitem sy'n gysylltiedig gyda darparu cyllideb gytbwys a chynnal gwasanaethau i mewn i'r tymor canolog.</li><li>• Y bygythiad parhaus i fusnesau os nad yw'r Cyngor yn gallu caffael a rhoi systemau TGCh mawr ar waith sy'n cefnogi gwasanaethau hanfodol megis system amgen ar gyfer Care Director (WCCIS) a system Capita One ar gyfer addysg. Mewn ymateb i sylwadau gan y Cadeirydd, fe wnaeth y Prif Swyddog - Cyllid, Tai a Newid ymrwymo i drafod statws risg y cofnod hwn ar yr Asesiad Risg Corfforaethol gyda'r rheolwyr perthnasol.</li></ul>
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	<ul style="list-style-type: none"> <li>Bod yr Atodiad yn fersiwn print y pecyn Agenda yn rhy fach o ran maint y ffont, ac oherwydd hynny, y byddai'r ddogfen wreiddiol yn cael ei hanfon at yr Aelodau wedi'r cyfarfod.</li> </ul> <p><u>PENDERFYNWYD:</u></p> <p>Ystyriodd y Pwyllgor yr Aseiad Risg Corfforaethol (<b>Atodiad A</b>); a chytunodd i ddiwygio'r risgiau y manylir arnynt ym mharagraff 3.2.</p>
<p>Dyddiad y Penderfyniad</p>	<p>6 Mehefin 2024</p>

**153. 'Ymholiadau Archwilio i'r Rhai sy'n Gofalu am Lywodraethu a Rheoli' Archwilio Cymru ar gyfer Archwiliad 2023-24**

<p>Penderfyniad</p>	<p>Bu i adroddiad ddarparu'r Pwyllgor gyda llythyr 'ymholiadau archwilio i'r rhai sy'n gofalu am lywodraethu a rheoli' Archwilio Cymru sy'n gofyn nifer o gwestiynau mewn perthynas â threfniadau llywodraethu'r Cyngor i'w cwblhau erbyn 30 Mehefin 2024.</p> <p>Mae Archwilio Cymru yn ymgymryd ag archwiliad blynyddol Datganiad Cyfrifon y Cyngor. Fel rhan o waith cynllunio'r archwiliad, mae'n ofynnol i'r Archwiliwr Cyffredinol gael sicrwydd rhesymol bod y datganiadau ariannol yn eu cyfanrwydd yn rhydd o unrhyw gamddatgan materol boed hynny drwy dwyll neu gamgymeriad.</p> <p>Mae atodiadau 1 i 3 o'r llythyr yn gosod allan nifer o gwestiynau i'r rheolwyr a'r rhai sy'n gyfrifol am lywodraethu. Darparwyd ymatebion i bob un o'r cwestiynau, fel y'i gosodir yn <b>Atodiad A</b>.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, gan gynnwys y canlynol:</p> <ul style="list-style-type: none"> <li>Yr angen i ddiwygio'r cyfeiriad yn nogfen Archwilio Cymru i 'Bwyllgor Llywodraethu ac Archwilio', yn hytrach na dim ond 'Pwyllgor Archwilio'.</li> <li>Yr angen am hyfforddiant a briffio ychwanegol er mwyn caniatáu i Aelodau gael y wybodaeth ddiweddaraf ar y datblygiadau yn y maes gweithgaredd hwn.</li> </ul> <p><u>PENDERFYNWYD:</u></p>
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	Cytunodd y Pwyllgor i lythyr ymatebion i lythyr 'Ymholiadau Archwilio i rai sy'n gyfrifol am lywodraethu a rheoli' Archwilio Cymru fel y'i hatodir yn <b>Atodiad A</b> .
Dyddiad y Penderfyniad	6 Mehefin 2024

**154. Adroddiad Archwiliad Mewnol Blynyddol 2023-24**

Penderfyniad	<p>Diben yr adroddiad oedd darparu'r Pwyllgor Llywodraethu ac Archwilio gyda Barn Pennaeth Archwiliad Mewnol Blynyddol ar amgylchedd rheoli'r Cyngor mewn perthynas â llywodraethu, rheoli risg a rheolaeth fewnol ac i ddarparu gwybodaeth i'r Pwyllgor am waith a pherfformiad yr Archwiliad Mewnol ar gyfer blwyddyn ariannol 2023-24.</p> <p>Darparwyd gwybodaeth i'r Pwyllgor am waith a pherfformiad yr Archwiliad Mewnol ar gyfer blwyddyn ariannol 2023-24 gan yr adroddiad. Bod gwybodaeth yn cael ei ddarparu er mwyn cydymffurfio gyda Safonau Archwilio Mewnol y Sector Cyhoeddus.</p> <p>Roedd Atodiad A yn cynnwys Adroddiad yr Archwiliad Mewnol Blynyddol 2023-24 oedd yn rhoi manylion am berfformiad, barn ac argymhellion yr Archwiliad Mewnol yn ystod y flwyddyn sy'n cynorthwyo i ffurfio Barn Flynyddol Pennaeth yr Archwiliad Mewnol am amgylchedd rheoli cyffredinol y Cyngor.</p> <p>O'r gwaith yr ymgwymerwyd ag o yn ystod blwyddyn ariannol 2023-24, ac o ystyried ffynonellau eraill o sicrwydd, mae barn flynyddol Pennaeth yr Archwiliad Mewnol ar addasrwydd ac effeithiolrwydd fframwaith llywodraethu, rheoli risg a rheolaeth ar gyfer 2023-24 yn rhoi Sicrwydd Rhesymol.</p> <p>Mae'r archwiliadau hynny wnaeth ddarparu barn archwiliad yn ystod y flwyddyn yn cael eu rhestru yn Atodiad 1, gyda'r sefyllfa fanwl yn erbyn y cynllun archwilio yn cael ei gynnwys yn Atodiad 2 ac Atodiad 3 yw'r argymhelliad datganiad sefyllfa monitro.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"><li>• Adolygiadau'r archwiliad oedd yn adnabod problemau rheolaeth oedd yn golygu mai dim ond <i>Sicrwydd Cyfyngedig</i> oedd posib ei ddarparu, a'r mater ynghylch p'un ai a ddylai Aelodau dderbyn mwy o fanylion o dan yr amgylchiadau yma. Yn benodol, tynnwyd sylw at y ddau ganlynol gan</li></ul>
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Aelod Lleyg:

- Adolygu Dyfarniad a Gwerthusiad Tendr Caffael, lle roedd y ffocws ar daliadau cyflenwr nad oedd unrhyw gofnod cysylltiedig ar ei gyfer ar gofrestr cytundebau'r Cyngor; ac
- Adolygiad Ailgylchu a Rheoli Gwastraff, oedd yn nodi na chynhaliwyd unrhyw gyfrifiad annibynnol neu gysoni fel rhan o'r broses adolygu cyn i anfonebau cost amrywiol misol contractwyr gael eu talu. Arweiniodd hyn at gamgymeriadau ariannol ac i incwm beidio â chael ei adfer neu ei hawlio gan yr Awdurdod Lleol.

Mewn ymateb, pwysleisiodd Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol (RIAS) bod adolygiadau yn cael eu hysgrifennu ar gyfer rheolwyr a chyfarwyddwyr gwasanaeth o safbwynt mewnol, a dyma pam y darparwyd crynodeb ar gyfer y Pwyllgor. Y peth allweddol oedd sicrhau bod y broses yn ei lle er mwyn mynd i'r afael â gwendidau oedd wedi eu hadnabod. Pe bai Aelodau yn bryderus ynghylch adolygiad penodol, yna byddai'n bosib darparu'r camau gweithredu y cytunwyd arnynt i'r Pwyllgor.

- Y metrigau neu'r Dangosyddion Perfformiad Allweddol a ddefnyddiwyd i fesur traweffaith argymhellion. Mewn ymateb, eglurodd Pennaeth RIAS mai eu rôl oedd adnabod lle roedd gwendid neu gryfder mewn amgylchedd rheoli penodol. Fe wnaethant adnabod risg i'r gwendid hwnnw oherwydd ei fod yn achosi i'r awdurdod fod yn agored i risg os oedd yna fwlch neu wendid yn y rheoli, ac aethant ati i benderfynu p'un ai oedd hynny yn uchel, canolig neu isel. Roedd hynny'n oddrychol ond dyna fel yr oedd pethau yn achos pob archwiliad o fewn y sector cyhoeddus, ledled y DU.

Aeth y Cadeirydd ati i ddiolch ac i longyfarch Pennaeth RIAS a'i staff am yr adroddiad a'r gwaith yr ymgwymerwyd ag o yn ystod y flwyddyn. Pwysleisiodd bwysigrwydd adolygiadau'r archwiliad oedd yn adnabod problemau rheolaeth, oedd yn golygu mai dim ond *Sicrwydd Cyfyngedig* oedd posib ei ddarparu, a'r angen am i'r ymatebion gan reolwyr a chyfarwyddwyr gwasanaeth gael eu dwyn gerbron cyfarfod nesaf y Pwyllgor.

**PENDERFYNWYD:**

Rhoddodd y Pwyllgor ystyriaeth i Adroddiad yr Archwiliad Mewnol ar gyfer blwyddyn ariannol 2023-24 a'i nodi, gan gynnwys Barn Flynyddol Pennaeth yr Archwiliad Mewnol ar addasrwydd ac effeithlonrwydd fframwaith llywodraethu'r Cyngor, rheoli risg a rheolaeth fewnol.

Dyddiad y Penderfyniad	6 Mehefin 2024
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**155. Y Strategaeth Archwilio Mewnol a'r Cynllun yn Seiliedig ar Risg 2024-25**

Penderfyniad	<p>Diben yr adroddiad oedd darparu aelodau'r Pwyllgor Llywodraethu ac Archwilio gyda'r Strategaeth Archwilio Mewnol Blynyddol a Chynllun yn Seiliedig ar Risg ar gyfer 2024-25 i'w cymeradwyo.</p> <p>Yn unol â Safonau Archwilio Mewnol y Sector Cyhoeddus mae'n rhaid i Bennaeth yr Archwiliad Mewnol sefydlu cynlluniau yn seiliedig ar risg er mwyn penderfynu beth yw blaenoriaethau gweithgaredd yr archwiliad mewnol, sy'n gyson gyda nodau'r sefydliad. Mae'r cynllun archwilio yn cwmpasu amgylchedd rheolaeth cyffredinol y Cyngor, gan gynnwys risg, llywodraethu a rheolaeth fewnol cyn belled ag sy'n ymarferol bosib.</p> <p>Mae rhoi ystyriaeth i Strategaeth Archwilio a Chynllunio yn Seiliedig ar Risg Blynyddol y Gwasanaeth Archwilio Mewnol Rhanbarthol yn un o brif gyfrifoldebau'r Pwyllgor Llywodraethu ac Archwilio.</p> <p>Atodwyd y Strategaeth Archwilio Fewnol arfaethedig ar gyfer 2024-25 yn Atodiad A ac atodwyd y Cynllun yn Seiliedig ar Risg Blynyddol arfaethedig ar gyfer 2024-25 yn Atodiad B.</p> <p>Roedd y Strategaeth yn dangos sut y byddai'r Gwasanaeth Archwilio Mewnol yn cael ei ddarparu a'i ddatblygu yn unol â'i Gylch Gorchwyl. Byddai'r Strategaeth yn cael ei hadolygu a'i diweddarau'n flynyddol mewn ymgynghoriad gyda rhanddeiliaid, sef y Pwyllgor Llywodraethu ac Archwilio, y Bwrdd Rheoli Corfforaethol, Archwilwyr Allanol ac Uwch Reolwyr.</p> <p>Roedd y cynllun yn darparu'r Pwyllgor gyda throsolwg o'r gwaith oedd i'w ymgymryd ag o a fyddai'n cyflawni'n ddigonol er mwyn gallu darparu barn ar ddiwedd 2024-25.</p> <p>Mewn ymateb i'r adroddiad, pwysleisiodd y Cadeirydd bwysigrwydd yr archwiliadau blaenoriaeth uchel.</p> <p><u>PENDERFYNWYD:</u></p> <p>Rhoddodd y Cyngor ystyriaeth ac yna cymeradwyo drafft y Strategaeth Archwilio Mewnol (<b>Atodiad A</b>) a'r</p>
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	drafft o'r Cynllun Archwilio yn Seiliedig ar Risg Blynyddol ar gyfer 2024-25 ( <b>Atodiad B</b> ).
Dyddiad y Penderfyniad	6 Mehefin 2024

**156. Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol 2024-25**

Penderfyniad	<p>Diben yr adroddiad oedd cyflwyno Aelodau'r Pwyllgor Archwilio a Llywodraethu gyda Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol ar gyfer 2024-25 i'w chymeradwyo.</p> <p>Mae Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol (RIAS) yn sefydlu safle gweithgaredd yr archwiliad mewnol o fewn bob Cyngor ynghyd â llwybrau adrodd. Dogfen ffurfiol ydyw sy'n diffinio pwrpas, awdurdod a chyfrifoldeb gweithgaredd archwiliad mewnol ar hyd a lled Cyngorau Pen-y-bont ar Ogwr, Merthyr Tudful a Bro Morgannwg.</p> <p>Cafodd y Siarter ei hadolygu'n llawn a'i diwygio ar gyfer 2020-21 er mwyn bod yn gyson gyda nodau'r Gwasanaeth a Rennir, hynny yw, i gael gwared ag unrhyw ddyblygu ac i roi arfer gorau ar waith.</p> <p>Mae'r Siarter hefyd yn gosod allan awdurdodi mynediad i gofnodion, personél ac eiddo corfforol sy'n berthnasol i berfformiad gwaith archwilio ac sy'n diffinio sgôp gweithgaredd archwiliadau mewnol.</p> <p>Mae Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol ar gyfer 2024-25 wedi'i hadolygu er mwyn sicrhau ei bod yn parhau i adelwyrchu gofynion Safonau Archwilio Mewnol y Sector Cyhoeddus a'i bod yn parhau i fod yn berthnasol i'r holl bartneriaid sydd ynghlwm wrth Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol.</p> <p>Mae'r Siarter wedi cael ei diweddarau er mwyn adlewyrchu'r ffaith fod y Gwasanaeth Archwilio Mewnol Rhanbarthol yn awr yn fodel gweithredu 3 phartner. Cynhwysir cyfeiriad at y Safonau Archwilio Mewnol Byd-eang ym mharagraff 2.14, a gwneir cyfeiriad at y Polisi Gwrth-Dwyll, Llwgwrwobrwyo a Llygru yn dilyn argymhelliad a wnaed yn ystod Asesiad Allanol RIAS.</p> <p>Mae paragraff 4.11 o'r Siarter sy'n berthnasol i'r Asesiad Allanol hefyd wedi cael ei ddiweddarau i adlewyrchu bod hyn wedi'i gwblhau'n llwyddiannus ac wedi ei adrodd amdano wrth holl Bwyllgorau Llywodraethu ac Archwilio partneriaid yn ystod 2023.</p>
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	<p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau y mater canlynol:</p> <ul style="list-style-type: none"><li>• Pwysigrwydd bod aelodau etholedig a lleyg ynghyd â RIAS o fod â pherthynas weithio gadarn, a ph'un ai, ar wahân i'r cyfarfodydd ffurfiol, unrhyw gyfleoedd eraill (briffio, hyfforddiant, diwrnod i ffwrdd, mynychu digwyddiadau allanol) i gwrdd â'i gilydd ac i drafod unrhyw bryderon. Awgrymodd y Cadeirydd y gallai Pennaeth RIAS archwilio yr hyn ellid ei gefnogi gan ei dîm, gan gynnwys digwyddiad hyfforddiant blynyddol.</li></ul> <p><u>PENDERFYNWYD:</u></p> <p>Rhoddodd y Pwyllgor ystyriaeth a chymeradwyo Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol ar gyfer 2024-25 fel y'i hatodir yn Atodiad A o'r adroddiad a gwnaed cais ganddynt am i sesiwn hyfforddiant gael ei drefnu ar gyfer Aelodau ac Aelodau Lleyg er mwyn archwilio canlyniadau adolygiadau ac arfer da.</p>
Dyddiad y Penderfyniad	6 Mehefin 2024

**157. Blaenraglen Waith 2024-25**

Penderfyniad	<p>Diben yr adroddiad oedd ceisio sicrhau cymeradwyaeth i'r Flaenraglen Waith ar gyfer 2024-25 a ddiweddarwyd.</p> <p>Mewn ymateb i'r adroddiad, trafododd yr Aelodau nifer o faterion, yn cynnwys y canlynol:</p> <ul style="list-style-type: none"><li>• P'un ai a fyddai'n bosib edrych ar faes, megis rheoli'r trysorlys, er enghraifft, mewn mwy o fanylder ac er mwyn dyfnhau dealltwriaeth yr Aelodau drwy hyfforddiant ychwanegol. Roedd hyn yn arbennig o bwysig o ystyried niferoedd yr Aelodau newydd ar y Pwyllgor.</li><li>• Yr angen i archwilio p'un ai a ellid ychwanegu adroddiad ar faterion TGCh at y Flaenraglen Waith.</li><li>• P'un ai a oedd angen gwneud rhywbeth er mwyn darparu sicrwydd bod gennym broses gadarn yn ei lle o safbwynt rheoli'r rhaglen gyfalaf.</li></ul> <p><u>PENDERFYNWYD:</u></p>
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	Rhoddodd y Pwyllgor ystyriaeth a chymeradwyo'r Flaenraglen Waith oedd wedi'i diweddarau ar gyfer 2024-25, gan bwysleisio'r angen am ymatebion gan reolwyr gwasanaeth mewn ymateb i'r adolygiadau archwilio oedd yn adnabod problemau rheoli oedd yn golygu mai dim ond <i>Sicrwydd Cyfyngedig</i> ellid ei ddarparu gael eu dwyn gerbron cyfarfod nesaf o'r Pwyllgor.
Dyddiad y Penderfyniad	6 Mehefin 2024

**158. Eitemau Brys**

Penderfyniad	Dim
Dyddiad y Penderfyniad	6 Mehefin 2024

Er mwyn edrych ar y drafodaeth bellach a gafwyd ar yr eitemau uchod, cliciwch y [ddolen](#) hon

Daeth y cyfarfod i ben am 12.15pm.



<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>SELF-ASSESSMENT 2023/24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>ALEX RAWLIN POLICY AND PUBLIC AFFAIRS MANAGER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The Performance Framework (of which self-assessment is part) forms part of the Policy Framework.</b>
<b>Executive Summary:</b>	<p><b>This report seeks the Governance and Audit Committee’s view on the Council’s self-assessment 2023/24. Key points are –</b></p> <ul style="list-style-type: none"> <li>• <b>This is the first year judging performance against the Council’s new Corporate Plan and Wellbeing Objectives (WBOs).</b></li> <li>• <b>All WBO scores are yellow (good) and amber (adequate).</b></li> <li>• <b>Use of resources score is amber (adequate).</b></li> <li>• <b>Governance score is yellow (good).</b></li> <li>• <b>The draft report summarises the views of others expressed throughout the year, rather than trying to consult on the self-assessment report itself.</b></li> </ul>

## 1. Purpose of Report

- 1.1 The purpose of this report is to seek the Governance and Audit Committee’s (GAC’s) view on the draft self-assessment for 2023/24.

## 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 -

- Is the council exercising its functions effectively;
- Is the council using resources economically, efficiently and effectively;
- Is the council’s 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 the self-assessment was based on existing data, reports and meeting fora where possible. The Council published its second self-assessment in December 2023 based on performance in 2022/23. Reflecting on the first self-assessment some improvements were made. Many parts of the self-assessment process have been embedded into the council's regular performance management process, for example the regulatory tracker, inclusion of consultation, engagement and involvement exercises in the quarterly dashboard, and reporting performance against wellbeing objectives rather than directorates.
- 2.3 The first performance requirement is about how council services are performing. Existing end of year performance processes and timelines have been used to capture Directorate performance information to satisfy the first performance requirement (as in 2022/23). Through end of year performance dashboards directorates were asked to provide realistic Blue, Red, Amber Yellow, Green (BRAYG) ratings for commitments and performance indicators and use plain English to outline their performance challenges and achievements. The performance team have used this information to develop clear judgements for each aim and each wellbeing objective and a short narrative for each aim.
- 2.4 The second performance requirement, on use of resources, also followed a similar process to previous years. 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 two to three years, and in many cases reviewed and discussed by the Governance and Audit Committee, or Scrutiny Committees, so there is significant additional evidence to draw on. These 7 were then collated by the Performance Team for scrutiny and challenge.
- 2.5 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 This third self-assessment is the first that will review performance against the Council's new Corporate Plan 2023-28, so a new process for the performance element of self-assessment was required. The main changes made were reported to the Governance and Audit Committee on 18 April 2024 and are –
- Presenting a performance summary section which uses summary graphs to show performance against each wellbeing objective at a glance.
  - Using a more objective methodology (as outlined to CMB in March and approved by the Governance and Audit Committee in April) for scoring aims / wellbeing objectives based on progress on commitments and performance targets, then moderating these scores with Heads of Service,

Corporate Management Board (CMB) and Cabinet / Corporate Management Board (CCMB).

- Summarising the views of others that have been gathered and used throughout the year within in the report, rather than trying to consult on the self-assessment report itself.

3.2 The draft findings from each of the three performance requirements were pulled together into a single presentation where the narrative and judgements were tested at Heads of Service Board (26 June), CMB (3 July) and CCMB (9 July). Comments and changes from these fora have been used to inform the draft self-assessment report included at **Appendix 1**.

3.3 The Council's proposed self-assessment judgements for 2023/24 are –

1	Protecting our most vulnerable.	<b>GOOD</b>
2	Fair work, skilled, high-quality jobs and thriving towns.	<b>GOOD</b>
3	Thriving valleys communities.	<b>GOOD</b>
4	Helping people to meet their potential.	<b>ADEQUATE</b>
5	Responding to the climate and nature emergency.	<b>GOOD</b>
6	Helping people feel valued, heard & part of their community.	<b>ADEQUATE</b>
7	Supporting people to be healthy and happy.	<b>GOOD</b>

3.4 The Use of Resources judgement remains at 'Adequate'.

3.5 The Governance judgement remains at 'Good'.

3.6 GAC may want to reflect on the main changes since the 2022/23 self-assessment which are -

- 7 separate judgements for individual wellbeing objectives (based on the BRAYG status of the commitments and performance indicators that support them, tested and moderated by Heads of Service, CMB and CCMB).
- All 7 judgements being made are yellow (good) or amber (satisfactory). This reflects the cross directorate range of commitments and Performance Indicators (PIs) being measured across the Council.
- Change to the financial management judgement (beneath the overall use of resources judgement) from good to adequate based on the Council's challenging financial position and the associated risk to financial sustainability. This does not affect the overall use of resources judgement of adequate.

#### Moderation process

3.7 To test the judgements generated by the new scoring system, each of the 44 individual aims were discussed by Heads of Service, CMB and CCMB. Each

aim was subjected to a second test, comparing actions, progress against commitments and PI performance to the BRAYG key in the council's agreed and published performance framework, outlined below.

<b>EXCELLENT</b>	Very strong, sustained performance and practice
<b>GOOD</b>	Strong features, minor aspects may need improvement
<b>ADEQUATE</b>	Needs improvement. Strengths outweigh weaknesses, but important aspects need improvement
<b>UNSATISFACTORY</b>	Needs urgent improvement. Weaknesses outweigh strengths.

3.8 Heads of Service, CMB and CCMB have proposed the following changes to 3 specific aims or 6.8% of the aims (worsening or downgrading the scores) -

Aim		System score	HoS proposal
1.1	Providing high-quality children's and adults social services and early help services to people who need them	<b>Excellent</b>	<b>Good</b>
1.4	Supporting children with additional learning needs to get the best from their education	<b>Excellent</b>	<b>Adequate</b>
4.2	Improving employment opportunities for people with learning disabilities	<b>Excellent</b>	<b>Adequate</b>

3.9 They proposed the following changes to 3 specific aims or 6.8% of the aims (improving or upgrading the scores) -

Aim		System score	HoS proposal
1.5	Safeguarding and protecting people who are at risk of harm	<b>Adequate</b>	<b>Good</b>
2.3	Improving town centres, making them safer and more attractive	<b>Unsatisfactory</b>	<b>Adequate</b>
7.1	Improving active travel routes and facilities so people can walk and cycle	<b>Unsatisfactory</b>	<b>Adequate</b>

3.10 The main reasons for the proposed changes are;

- some of the aims are currently insufficiently measured by the Commitments / PIs that underpin them. This means that the judgements are being skewed when compared with a more subjective, broader service view. So, for example, in relation to the aim, 'Supporting children with

additional learning needs to get the best from their education', the system score is 'excellent' based on one performance indicator (PI) and one commitment. The actual range of services is much broader than this would suggest, and there are issues with waiting times and availability of services. For this reason, it is proposed to reduce the judgement from excellent to good.

- Some of the aims are significantly affected by use of resource issues e.g. significant overspends. It is felt that these issues should be taken into account when determining a judgement. So, for example, in relation to the aim, 'Providing high-quality children's and adults social services and early help services to people who need them', due to the significant overspend in this area, it is proposed to reduce the judgment from excellent to good.
- For consistency in reporting e.g. what we report to regulators and other council governance forums. So, for example, in relation to the aim, 'Safeguarding and protecting people who are at risk of harm' we should come to the same broad conclusions and judgements as in the annual director of social services' annual report.

### Next Steps

3.11 Following its consideration at the Governance and Audit Committee, the Council will discuss the draft document with –

- Trade unions through the Council's regular meeting programme.
- Town and Community Councils at the Town and Community Council Forum (TCCF).
- Partners and neighbouring local authorities at the Public Services Board (PSB).

3.12 Following discussions at the Governance and Audit Committee (19 July), and Corporate Overview and Scrutiny committee (25 July), the performance team will make improvements over the summer, translate and design the document and present the final draft self-assessment 2023/24 to Cabinet and Council in September 2024.

## **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. Wellbeing of Future Generations implications and connection to Corporate Wellbeing Objectives**

5.1 This report reviews the Council's 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, part of their community
7. A County Borough where we support people to live healthy and happy lives

5.2 The 5 ways of working set out in the Well-being of Future Generations (Wales) Act have also contributed to the Council developing its own five ways of working. Progress on these 5 ways of working is also summarised in the draft self-assessment.

## **6. Climate Change Implications**

6.1 There are no specific implications of this report on climate change. However, the self-assessment helps the Council to assess performance on areas including climate change.

## **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 help the Council assess performance on areas including safeguarding and corporate parenting.

## **8. Financial Implications**

8.1 There are no financial implications arising from this report.

## **9. Recommendations**

9.1 It is recommended that the Committee -

- Review the draft self-assessment at **Appendix 1** and provide comments, feedback and improvements.
- Consider the proposed alterations to scores at paragraph 3.8 and 3.9.

## **Background documents**

None

## Corporate Self-Assessment 2023/24

### 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 2023 to 5 April 2024.

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 run more services e.g. distribute 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. Our progress against last year's areas for improvement

In our 2022/23 Annual Self-Assessment we identified a series of areas that needed specific improvements in the 2023/24 year. Below is an update on the work we have undertaken in these areas. More detail is provided on actions to date, and those that are still planned in each detailed section of this report. In 2023/24 we have –

#### Priority One

- Using the Post-16 Improvement Plan (PIP), we've developed a consistent approach to post-16 education across our 9 secondary schools, including a hybrid approach to A-level subjects to improve subject choice.
- Developed an action plan with schools and an exclusions task and finish group to tackle the use of fixed term and permanent exclusions.
- Developed Welsh Medium webpages and improved communications to promote Welsh Language education.

- Delivered 53 face-to-face adult community learning sessions and increased enrolment numbers.
- The Bridgend Business Forum has delivered 6 large events, attended by a total of 293 delegates from the business community.

### **Priority Two**

- Increased the number of adult learners in Bridgend.
- We are on track with all of the actions in the Additional Learning Needs (ALN) Implementation Plan.
- Worked with ALN coordinators and headteachers to give training on ALN reform.
- Developed Welsh-medium childcare in Bettws and in the Ogmores Valley, although timescales have slipped to November 2024.
- Made universal free school meals available for nursery, Year 1 and Year 2 pupils.
- Completed the merger of the community safety partnerships.
- Developed and published a new homelessness strategy.
- Worked with Welsh Government and other authorities on our approach to housing refugees (including Ukrainian refugees)
- Improved our work with Registered Social Landlords to improve housing options.
- Improved learning and development for newly qualified social workers.
- Embedded the Signs of safety model in social care.
- Launched our Strength Based, Outcome-Focused model of social work practice.
- Opened our new children's residential care service and implemented enhanced therapeutic support for all our residential care and inhouse fostering services.
- Completed and published our new Corporate Parenting Strategy.
- Work on admission avoidance and discharge services with the NHS through the development of network multi-disciplinary team.
- Developed capacity in reablement services through a locality operating model to help people who are able to be supported to retain or regain independent living skills.
- Coproduced the new Bridgend carer's wellbeing service with unpaid carers.
- Supported 237 people via community co-ordinators, 111 via community navigators.
- Developed a learning disability transformation programme.
- Raised awareness of the Bridgend Biodiversity Duty through newsletters.
- Completed 7 Community Asset Transfers.

### **Priority Three**

- Developed and implemented a Strategic workforce Plan.
- Improved the way we manage performance.
- Embedded our new Corporate Plan, Delivery Plan and Performance Framework.
- Improved the way we manage our assets and reduced our maintenance backlog.
- Improved our Statutory Building Compliance, with Big-5 Compliance now at 94%.
- Embedded our updated Corporate Risk Management approach.
- Developed longer-term and multi-year savings options.
- Reviewed and updated the council's hybrid working policy.



- Made progress on building rationalisation with teams being transferred to the Civic Offices. Ravens Court will then become available for disposal or lease.
- Reviewed several HR protocols including on redundancy and redeployment.

#### 4. How is the council performing in 2023/24?

Every 5 years the council publishes a new Corporate Plan. A new Corporate Plan was published in April 2023 to cover a 5-year period. It 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 citizens and our contribution to Wales’s seven well-being goals –

National Well-being Goal	Your Council's Well-being 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 connected	Supporting people to be healthy and happy
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							

In line with the Future Generations Act, when we developed this corporate plan, we thought hard about how we could work differently to respond to short- and medium-term issues, like the financial crisis, while protecting our natural environment and helping young people meet their potential for the long-term. 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 2023-24 in June 2024. We use this information to make a judgement using this scale -

<b>EXCELLENT</b>	Very strong, sustained performance and practice
<b>GOOD</b>	Strong features, minor aspects may need improvement
<b>ADEQUATE</b>	Needs improvement. Strengths outweigh weaknesses, but important aspects need improvement

<b>UNSATISFACTORY</b>	Needs urgent improvement. Weaknesses outweigh strengths.
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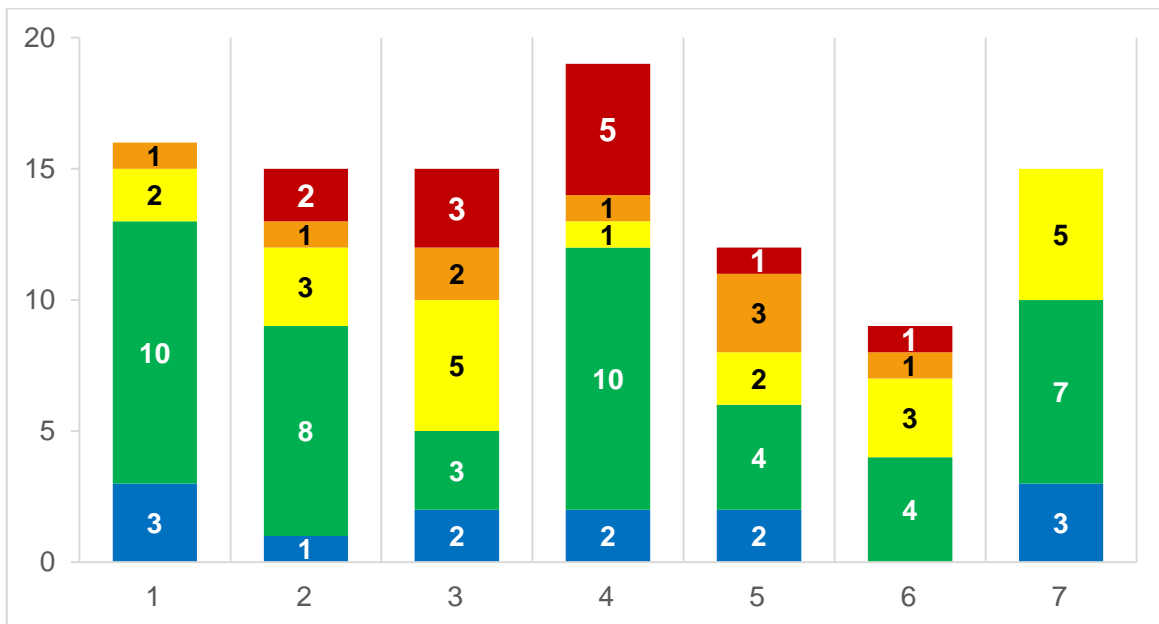
**Performance Overview**

To support the new, 5-year Corporate Plan, we developed a 1-year delivery plan for 2023/24. The plan includes –

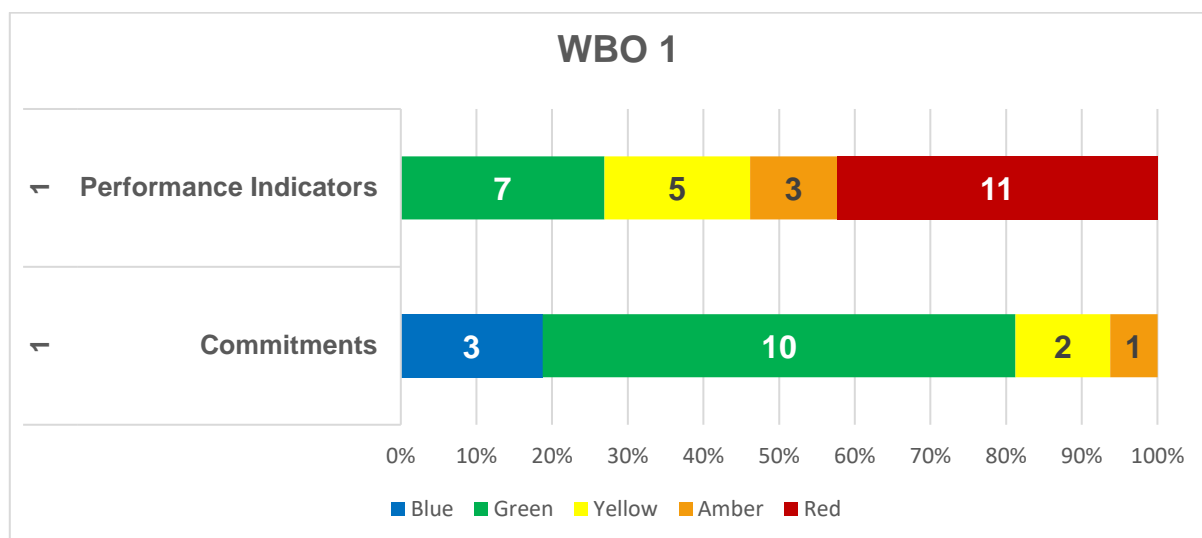
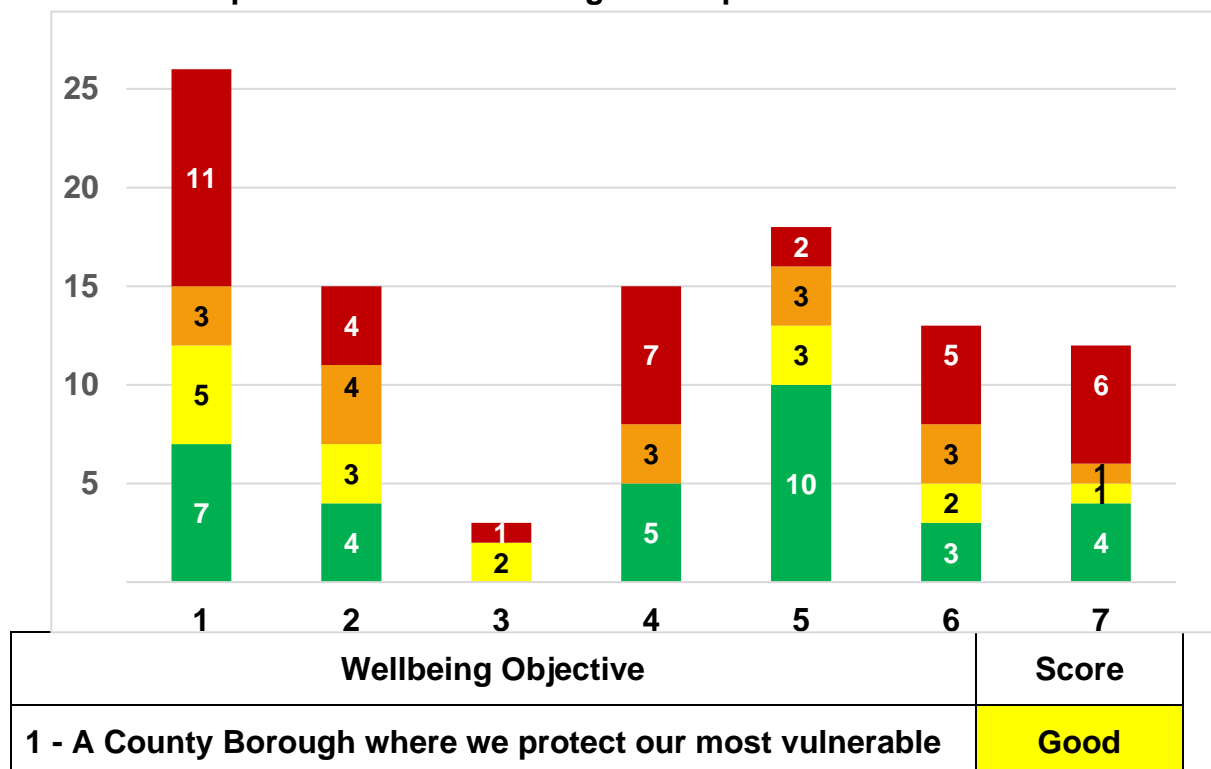
- 101 commitments (projects) the council will do to help us achieve our aims, for example, opening a new recycling centre at Pyle.
- a list of 99 performance indicators to measure our day to day activities, for example, collecting and recycling your household waste.

Each one of these has been given a blue, red, amber or green rating to show you whether they are completed, on target, or if we are struggling to achieve them.

**Graph 1 – How we are doing on our commitments / projects**



Graph 2 – How we are doing on our performance indicators.



The information below gives you more detail on how we are doing on each aim under this wellbeing objective

Aim	Status	Description
Providing high-quality children’s and adults social services and early help services to	Good	There have been some significant successes in social services this year. We are making good progress against the 3-year children’s services strategic plan, including development of an engagement framework, workforce plan, commissioning strategy, signs of safety model of social work practice, corporate parenting board and improvements to data and information. The number of children on the child protection register has

people who need them		<p>steadily reduced and is on target. We have achieved a safe reduction in the number of care experienced children. 100% of carers (in children's services) have been offered a carer's assessment. There have been improvements of the timeliness of visits to children who are care experienced and on the child protection register.</p> <p>We are making good progress in developing a 3-year plan for sustainable care and support for adults. We are embedding the new practice model. There have been several training sessions on strengths based, outcome focused practice. 377 reablement packages have been completed, supporting people to retain or regain their independence, although the percentage that mitigated the need for support has got slightly worse. Community coordinators have supported 395 people and community navigators supported 517 people to develop confidence and connect them to community-based support.</p> <p>The new carer's wellbeing service provides information, advice and assistance, and signpost to support services as well as specialist support for young carers.</p> <p>Numbers of people accessing independent advocacy both in children's and adult's social care is well below target and we are working to better promote and record interventions.</p> <p>We have completed more team around the family support plans and the percentage of plans closing with a successful outcome has increased to 83%.</p>
Supporting people in poverty to get the support they need / help they are entitled to	<b>Excellent</b>	<p>We are supporting some people with direct financial support, for example through the Energy Bill Support Scheme which ended earlier in the year, for which all payments have been made. Our Council Tax Reduction Scheme (CTRS) is efficient, with applications dealt with promptly. We also provide advice and support through our financial advice and assistance service (FASS). This service provides advice and support in managing or reducing household debt to 93% of the people who have contacted it. It is also helping people access benefits and allowances, and 92% of people using the service saw an increased income through claims for additional / increased benefits and allowances. We also work closely with citizens advice bureau (CAB) who have developed an outreach and drop in service, raising awareness of the support on offer.</p>
Supporting people facing homelessness	<b>Unsatisfactory</b>	<p>We have developed a new homelessness strategy, which outlines our priorities, objectives and what we will do with partners over the next 4 years to tackle</p>

to find a place to live		homelessness. Changes to Welsh Government legislation means there is a crisis of housing supply and demand across Wales. Demand is very high for homelessness services and our supply of accommodation (particularly specific types of accommodation like large homes and accessible homes) is very low. This means we aren't able to help people as quickly as we should, and we are relying on temporary accommodation more than we would like.
Supporting children with additional learning needs to get the best from their education	<b>Adequate</b>	<p>All schools have additional learning needs (ALN) practice embedded in their teaching and learning policies. Headteachers and ALN coordinators (ALNCOs) in all schools have had detailed training on ALN reform.</p> <p>Support and training are available from the Central South Consortium, with support material on Hwb. Training and information help make sure there is support available for children with additional learning needs.</p> <p>But significant cuts to service delivery, especially in respect of managing challenging pupil behaviour, have impacted on the level of support available. This has resulted in significant waiting lists for specialist provision across all areas. There has been a substantial increase in requests for support and specialist placements as a result of exclusions and behavioural challenges in mainstream settings. Early years settings are requiring a higher level of support for children with increasingly complex medical needs. Similarly, there are pressures on the availability of specialist home-to-school transport to meet the needs of learners.</p>
Safeguarding and protecting people who are at risk of harm	<b>Good</b>	<p>We have a regular, corporate safeguarding board. Our Annual Corporate Safeguarding Report was approved in January.</p> <p>Almost all children's safeguarding referrals decisions are made within the 24-hour target. 78% of child protection investigations are completed within required timescales.</p> <p>Average waiting time on the Deprivation of Liberty Safeguards (DoLS) waiting list has reduced to 16 days now we have got rid of the waiting list backlog. The percentage of adult safeguarding inquiries which receive initial response within 7 working days is slightly below target.</p>

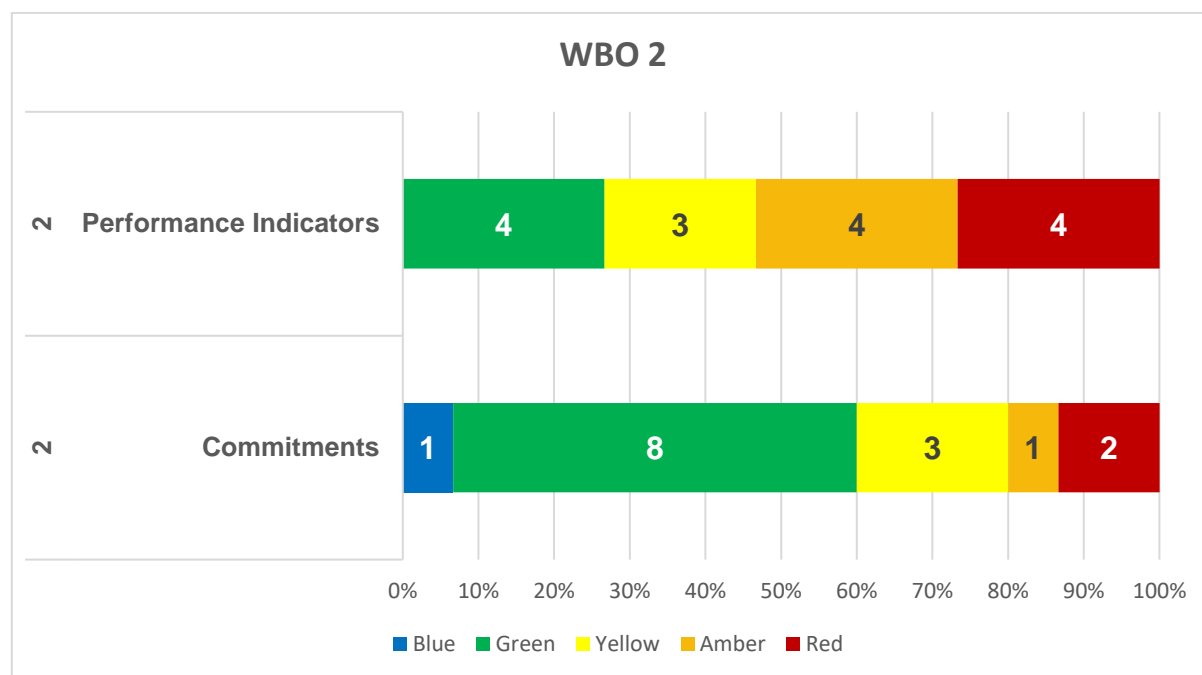
		Not all staff are using the safeguarding e-learning module, but we are changing the system to recognise prior learning.
Help people to live safely at home through changes to their homes	<b>Unsatisfactory</b>	We are still clearing a backlog of historical disabled facility grants, so the waiting times are still long. But the total number of jobs completed is high, we have spent all of our budget, streamlined the process for applying for a DFG and improved payment to contractors and budget management. A new DFG Caseworker will help coordinate progress and improve communication with the applicant. We now expect waiting times to start to reduce. All residents receiving a service were satisfied with the adaptations made to their homes and felt they helped them to remain in their own home independently and safely.
Support partners to keep communities safe	<b>Adequate</b>	<p>Safer streets funding has been used to install new fixed CCTV cameras, re-deployable CCTV cameras and new signs, to deter bad behaviour, provide evidence and reassure communities The council's CCTV system and operatives have reported 944 incidents to South Wales Police to help them deal with incidents and keep the public safe.</p> <p>We are working with partners to identify children who need support to reduce offending behaviour in a multi-agency prevention panel. A new prevention assessment tool has been created by the Youth Justice Board to help us understand the needs of children at risk of entering criminal justice services.</p> <p>Women's self-defence classes have been delivered to individuals and Independent Domestic Violence Advisors. Around 75% of council staff have completed Violence Against Women training, but this is below target.</p>

### What will we do to improve?

- Restructure the family support service
- Prevention and wellbeing service will work with an extra 380 young carers
- Bring in 'what matters' conversations and proportionate carers assessments
- Develop a young carers network group
- Review the children's services 3-year strategic plan and deliver the year 2 objectives
- Finalise and implement the adult services 3-year strategic plan
- Develop working groups on the future operating model for children's services
- Widen training for strength-based outcome focused practice to front line social care staff.
- Work with corporate procurement to deliver the actions in the commissioning plans.

- Implement the action plan from the housing support programme strategy.
- Undertake directorate self-evaluations on safeguarding competencies.
- Additional signs of safety training sessions and safeguarding training for school governors.
- Review mandatory eLearning modules for staff.
- Work with partners to develop a regional model of practice for safeguarding and exploitation
- Reducing the backlog of historical disabled facilities grants

Wellbeing Objective	Score
<b>2 - A County Borough with fair work, skilled, high-quality jobs and thriving towns</b>	<b>Good</b>



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	RAYG	Performance this year
Helping our residents get the skills they need for work	<b>Good</b>	Employability Bridgend provides support to unemployed people, and those in work but struggling with low skills or in-work poverty. This year, 366 people (above the target of 350) from the Employability Bridgend programme went into employment and 93 people (just below the target of 100) improved their Labour market position. A number of grant schemes have been launched successfully, and we continue to work in partnership with public and third sector groups to deliver the employability programme, including Careers Wales, BAVO, DWP and Bridgend Employability Network. 213 people have been referred to the employment service in Assisting Recovery in the Community (ARC) for support with mental health issues.
Making sure our young people find jobs, or are in education or training	<b>Good</b>	76 young people on the Employability Bridgend programme have been supported into education or training (against a target of 727), as we are just starting new projects and funding eligibility criteria and dealing with staff capacity issues. A marketing campaign has been developed for young people, to



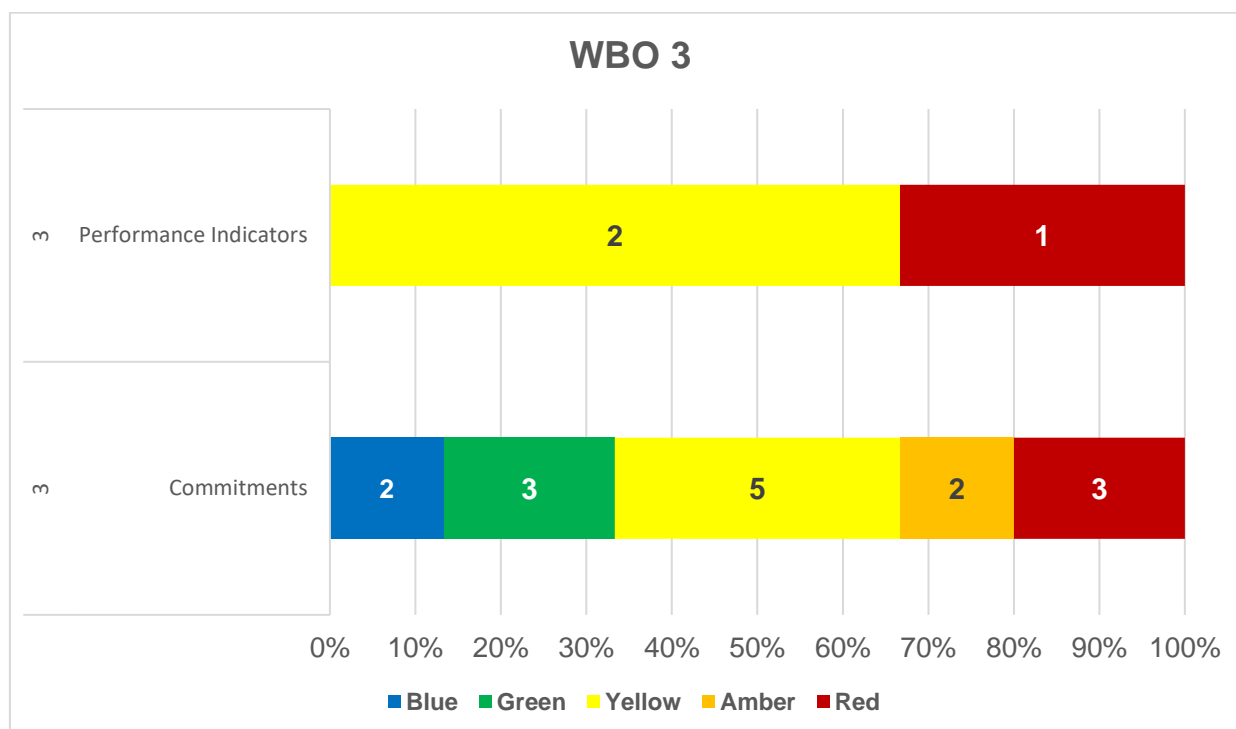
		<p>raise awareness of employment and training opportunities.</p> <p>The percentage of year 11 school leavers not in education, employment or training (NEET) is better than the Wales average, 4<sup>th</sup> in Wales and better than last year at 1.4%.</p> <p>The Council's vacancy issues have been addressed through grow your own schemes, flexible working, and leadership development. We have got 8 social work trainees into posts.</p>
Improving town centres, making them safer and more attractive	<b>Adequate</b>	<p>We have developed two placemaking plans – for Maesteg and Porthcawl – engaging with local people and businesses to reflect their priorities.</p> <p>Two commitments under this aim have not been able to progress due to lack of funding. This has had an impact on achievement against the aim as a whole. There is no progress on Penprysg Bridge as we did not receive funding from UK government. There is no progress on Bridgend Central Station improvements, but we will keep looking for sources of funding.</p>
Attracting investment and supporting new and existing local businesses	<b>Good</b>	<p>219 business startups (compared with a target of 52) have been supported through advice, grant bids, web material, face to face networking and event opportunities. 25 businesses have received support through the shared prosperity fund, which is a higher demand than we expected.</p> <p>The Council has done more of its purchasing and contracts under £100,000 through local businesses.</p> <p>Work continues on the Supplier Relation Management [SRM] project to help local businesses tender for public sector work. A new webpage has been developed but has not been promoted and supplier workshops have not yet taken place due to staffing issues.</p> <p>There has been regional engagement with Cardiff Capital Region [CCR] to monitor developments, disseminate information and progress grant funding schemes including the Metrolink and Ewenny Road, Maesteg.</p>
Making the council an attractive place to work	<b>Adequate</b>	<p>We have renewed staff policies, implemented the real living wage and continued to promote health, wellbeing and self-care.</p> <p>A new Employee Assistance Programme was launched in December 2023. Work continues on the menopause and carers protocol. Further positive progress continues with the "Grow your Own" programme. We continue to promote savings that</p>

		<p>come from Brivilege rewards to help with the Cost of Living.</p> <p>Our staff survey took place in Feb/March 2024 but had a poor response rate of only 24%. Responses were slightly less positive than in 2023 for most of the tracker questions. We will run focus groups to get underneath the headline figures and poor response rate.</p>
<p>Ensuring employment is fair, equitable and pays the real living wage</p>	<p><b>Excellent</b></p>	<p>We have worked with our supply chain, encouraging employers to offer training and working with our suppliers to find out if they are real living wage employers. 250 employers in the Borough are Real Living Wage accredited.</p>

**What will we do to improve?**

- Deliver the 2024/25 shared prosperity fund programme.
- Improve the employability offer to people with care and support needs.
- Develop a local and regional plan to help people with support needs overcome barriers to work.
- Learning and development training to support newly qualified social workers.
- Run the transforming town grant funding scheme.
- Work with Transport for Wales, Network Rail and Welsh Government to assess funding options for the Penprysg road bridge, Pencoed level crossing and Central Station redevelopment.
- Update our procurement strategy, action plan and CPRs based on the new UK government legislation.
- Run focus groups to better understand the results of the staff survey and develop an action plan to address them.
- Encourage our suppliers to become real living wage employers

Wellbeing Objective	Score
<b>3 - A County Borough with thriving valleys communities</b>	<b>Good</b>



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

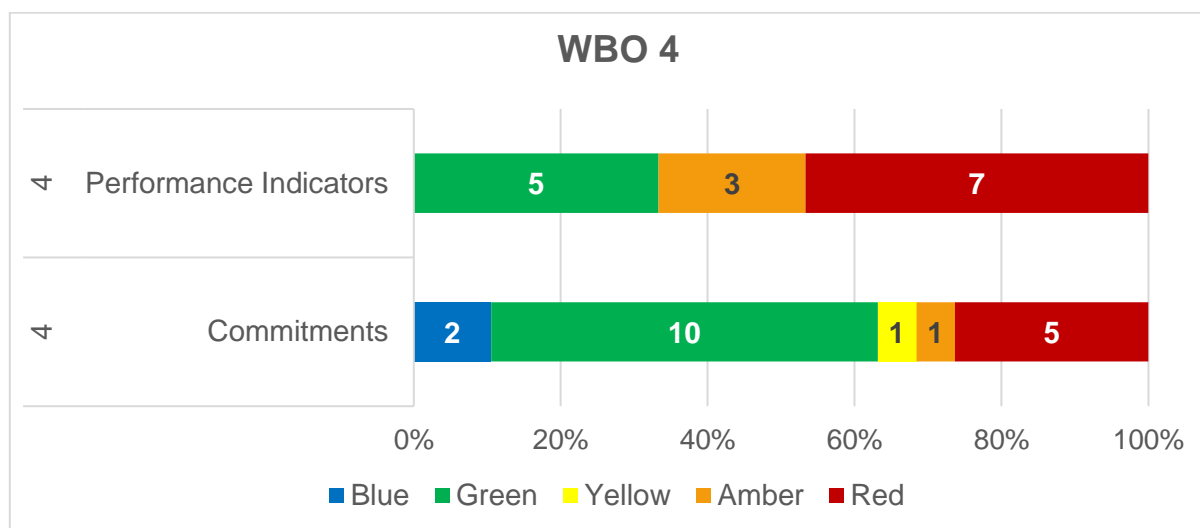
Aim	Status	Description
Investing in town centres, including Maesteg town centre	<b>Good</b>	A Placemaking Plan for Maesteg has been developed and consulted on. It will guide investment and policy decisions which will shape the town's future. The Commercial Property Enhancement Grant has been developed and marketed. 1 project is underway and we have already helped 4 commercial properties through the enhancement grant scheme.
Creating more jobs in the Valleys	<b>Amber</b>	We have bid for a large grant from the Cardiff Capital Region (CCR) Northern Valley's Initiative. If successful we will be able to develop a range of industrial premises in the Valleys.  We are working with Awen to provide new facilities for supported training for people with learning disabilities at Wood B and B-Leaf in Bryngarw. The tender was awarded and design work is progressing.
Improving community facilities and making	<b>Good</b>	Only 3 Community Asset Transfers (CATs) of our target of 5 were finalised (Bettws, Llangynwyd & Garth Park, Maesteg). The number of transfers were impacted by property issues and staff capacity issues.

<p>them more accessible</p>		<p>£296,662 has been invested with Community Asset Transfers (CATs) in Valleys.</p> <p>There has been significant progress on the redevelopment of the Ewenny Road site, with planning permission granted for a mixed-use development, (including new and affordable homes, an enterprise hub, open space and green infrastructure) and the site being marketed for sale.</p> <p>There have been 353,782 visits to Maesteg Town Hall, Garw and Ogmore Valley Life Centre, Maesteg Swimming Pool and Maesteg Sports Centre. We are increasingly trying to focus on actions that build social connections / mental wellbeing and reduce loneliness and isolation. There is a digital development plan in 5 community venues, identifying how staff / volunteers can use digital approaches including streaming activities.</p>
<p>Improving education and skills in the Valleys</p>	<p><b>Adequate</b></p>	<p>Flying Start Nurseries at Pontycymmer, Nantymoel and Ogmore Vale are now operating morning and afternoon sessions with a total of 60 children.</p> <p>There is interest from childcare providers at the Bettws and Blaengarw settings, but the lease documentation is not complete, so neither can yet be opened to tender.</p>
<p>Investing in our parks and green spaces and supporting tourism to the valleys</p>	<p><b>Excellent</b></p>	<p>There has been good progress in developing the Valley Regeneration Strategy, with engagement throughout the 3 valley areas. A draft strategy is being prepared for consultation.</p> <p>The Cwm Taf Nature Network (CTNN) completed its delivery during 23/24 and the evaluation report demonstrates the project has been a success.</p>
<p>Encourage the development of new affordable homes in the valleys</p>	<p><b>Unsatisfactory</b></p>	<p>The Council meets Registered Social Landlords (RSLs) and Welsh Government regularly to promote and encourage the development of new social housing in the valleys. A funnel of opportunities is being developed.</p> <p>Only 2 (against a target of 20) additional affordable homes have been provided by Registered Social Landlords in the Valleys this year. There have been external factors affecting the delivery of new sites, including NRW objections which we haven't been able to resolve within the year.</p> <p>There has been no progress on encouraging the development of self-build homes on infill plots, to increase the range of housing, as there are no resources or funding available.</p>

### What will we do to improve?

- Complete and publish the placemaking plan for Maesteg.
- Improve marketing for the commercial property enhancement grant.
- Bid for funding to bring premises and land forward for business growth in the Valleys
- Work with Awen to progress the new facilities for people with learning disabilities at wood-B and B-leaf.
- Increase investment in Community Asset Transfers in the Valleys.
- Sell the Ewenny Road site for a mixed-use development including new and affordable homes, an enterprise hub, open space and green infrastructure.
- Deliver additional activities in community venues in the Valleys.
- Develop and promote library use in Valleys communities.
- Implement the digital development project in 5 community venues.
- Invest in programmes that focus on social connections / mental wellbeing and reduce loneliness and isolation.
- Complete the lease document for Bettws and Blaengarw childcare facilities so they are operational in November 20224.
- Consult on a regeneration strategy for the Valleys in summer 2024.
- Implement the green spaces enhancement project.
- Work with RSLs, Welsh Government and other partners to resolve external factors affecting the delivery of new affordable housing sites in the Valleys.

Wellbeing Objective	Score
<b>4 - A County Borough where we help people meet their potential</b>	<b>Adequate</b>



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Status	Description
Providing safe, supportive schools with high quality teaching	<b>Adequate</b>	<p>Schools have been given tools to help improve Estyn inspection outcomes, including self-evaluation toolkits, reviewed school development plans, and support with post inspection actions.</p> <p>All schools have completed safeguarding audits, with 95% rated as “green”. Three schools rated amber with areas of improvement to address.</p> <p>Additional digital learning opportunities have been available to schools via Central South Consortium, including digital competency training, google classroom and digital platform training, Curriculum for Wales skills mapping, and online safety training (also provided to governors).</p> <p>The Young Editors Group have co-developed website content for an interactive youth-led website.</p> <p>Our social media channels have proved an excellent way to engage with young people. Engagement with young people has identified that “Tik Tok” is the preferred social media platform, which Bridgend Youth Support will trial in the coming months.</p>
Improving employment opportunities for people with learning disabilities	<b>Adequate</b>	<p>We are doing a review of day opportunities to give young adults with learning disabilities a chance to try activities, gain new skills and fulfil their potential.</p> <p>Links with our Employability Team are in development, and there have been a small number of volunteering opportunities in the Day Service.</p>

		A regional working group has been established for Neuro Diversity and Learning Disability, with a stakeholder meeting held in February 2024 to identify current provision and networks between providers.
Expanding Welsh medium education opportunities	<b>Unsatisfactory</b>	<p>There are a variety of groups, projects and initiatives in place to increase opportunities for children to use the Welsh language, but targets we have set have not been achieved in all areas. The percentage of year 1 learners taught through the medium of Welsh is 8.56% and continues to show an improving trend, but the percentage of learners studying for assessed qualifications through the medium of Welsh at the end of Key Stage 4 has fallen slightly to 6.62%, indicating a smaller proportion of children studying at a Welsh-medium secondary school. The number of students who were entered for an A level examination in Welsh second language remains the same as last year, although is almost double those that sat A level Welsh first language.</p> <p>The Welsh Language Promotion Strategy is on target – we have developed Welsh-medium webpages and have been planning the promotion of Welsh-medium education.</p>
Modernising our school buildings	<b>Unsatisfactory</b>	<p>Each of the five schemes are in design / development phases and have experienced delays throughout 2023-2024, including significant increases in projected costs, with a big impact on project timescales, consideration of options and decision making.</p> <p>The replacement Ysgol Gymraeg Bro Ogwr timescales have been impacted due to a review of the car park and school transport parking design layout (to ensure pupil/user safety) as well as ecological issues at the new, Ffordd Cadfan site. A strategy for undertaking the work is being developed with input from the ecologist.</p> <p>The replacement Heronsbridge School has seen significant cost increases and a delayed decision in terms of the preferred option, which has impacted on the timescale for delivery of the project.</p> <p>The replacement Mynydd Cynffig Primary School planning application is yet to be submitted, as the preferred option for the highway infrastructure needs to be confirmed.</p> <p>The PAC process for Bridgend West (the replacement Ysgol y Ferch o'r Sgêr and the new English-medium school) has concluded and a cost plan developed, reviewed in conjunction with Welsh Government / Welsh Education Partnership Company (WEPCo), and value engineering has been undertaken. Welsh Government reviews have impacted on timescales for delivery.</p>

Attract and retain young people into BCBC employment	<b>Excellent</b>	<p>We have engaged with schools through the termly Director Reports and have attended jobs fairs, options and careers events at comprehensive schools to promote the apprenticeship offer, delivering workshops on applying for apprenticeship jobs and improving interview skills.</p> <p>The number of apprentices employed by the council has increased from 36 in 22-23 to 46 in 23-24, with 90% of those concluding their apprenticeships in 23-24 going on to obtain a non-apprentice role.</p>
Offering youth services and school holiday programmes for our young people	<b>Excellent</b>	<p>130 children took part in the Food and Fun Programme, where children attended 12 sessions to support their physical health and emotional wellbeing and received a healthy breakfast and lunch.</p> <p>19,659 children in the County Borough took part in the national free-swimming initiative for 16 and under.</p> <p>Discovery programmes supported around 50 families with young people with higher levels of additional needs, with activities for the young people and respite for the families.</p> <p>22 families have been referred and 70 individuals supported in our “step up and step down” approach for low level social care.</p> <p>Programmes have been delivered with halo and community groups with youth activities for more vulnerable young people.</p> <p>Using funding from Town and Community Councils / Welsh Government there has been free holiday activity programmes for 8-11 year olds in 8 locations including leisure centres, secondary school sites and community settings.</p> <p>357 people with additional or diverse needs have taken part in targeted activities including Summer of Fun / Winter of Wellbeing.</p>
Work with people to design and develop services	<b>Excellent</b>	<p>The Feel Good for Life programme delivered by Halo Leisure has used peer review panels to engage with service users to plan for improvements. A dementia planning working group has been established to share insight and opportunities to collaborate between partner organisations.</p> <p>We work with Cwmpas and carers to make improvements to how they can access the information they need, and how use of a range of short breaks could improve their resilience to care.</p>
Supporting and encouraging lifelong learning	<b>Adequate</b>	<p>There were a number of promotional exercises to engage with residents about the Adult Community Learning (ACL) service. 53 face-to-face courses/sessions delivered, including accredited courses, one-off taster sessions and regular digital drop-ins. A successful partnership has developed with a</p>



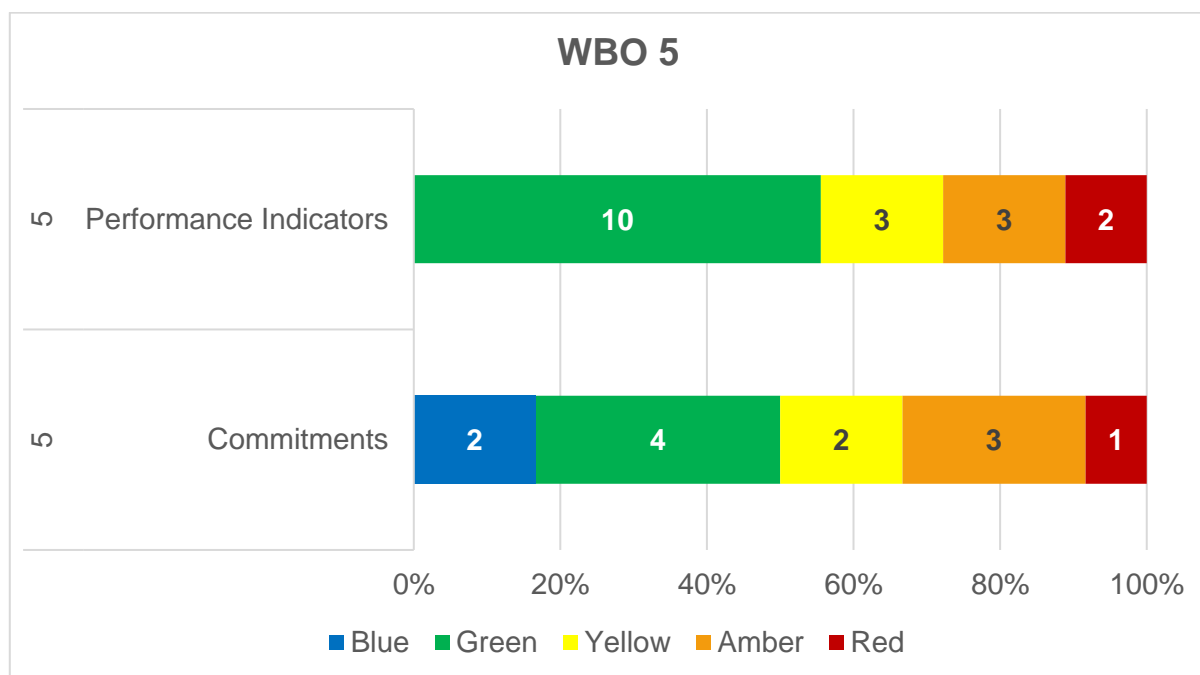
		number of primary schools and effective recruitment campaigns were run. This year has seen increased enrolment numbers compared to previous years however we did not reach our target as active engagement campaigns ended due to the approved proposal to deprioritise ACL funding in February 2024.
Being the best parents we can to our care experienced children	<b>Good</b>	<p>Joint working in the 16+ team has led to a fall in the number of care leavers who experience homelessness. Social Services and Housing are working together to provide care leavers with the skills needed for independent living.</p> <p>The number of care leavers completing 12 months consecutive employment, education or training (EET) since leaving care is improved to 68.97%, but there is a slight decrease in those completing 13-24 months. There has been a notable decline since the Basic Income Pilot was introduced.</p> <p>We have published our new Corporate Parenting Strategy with board member agencies now asked to sign up to the Welsh Government Corporate Parenting Pledge.</p> <p>We have set up a fundraising page for an awards event for care experienced children, young people and care leavers aged 5-21.</p> <p>Care experience will now be recognised as a protected characteristic to make sure their needs are taken into account in all our decision making.</p>

### What will we do to improve?

- Support schools (working with Central South Consortium) to implement Curriculum for Wales and assessment, encouraging high-quality teaching and learning.
- Implement the Trauma-Recovery Model (TRM) of practice across the Youth Justice Service to better support children and their families.
- Ensure children are diverted from the criminal justice system through appropriate interventions at the earliest opportunity (working with the police and courts).
- Streamline youth justice referrals, through Prevention and Diversion Panel, ensuring smooth handoffs to other agencies for cases where criminalisation can be avoided.
- Increase education, training and employment support to children not in education, employment, or training (NEET) or with reduced timetables.
- Develop and implement a digital platform to capture the voice of young people, especially those who have been in receipt of services.
- Complete a governor skills audit to inform their self-evaluation process.
- Organise additional safeguarding training for school staff and governors.
- Provide schools with additional digital learning training.
- Launch the new website and tiktok account to keep young people informed.
- Develop a local and regional plan for young people with learning disabilities.
- Enact the communications plan for Welsh-medium education.

- Complete the review of the car park and school transport parking design layout at the replacement Ysgol Gymraeg Bro Ogwr and develop a strategy for accessing the site and undertaking the work with input from the ecologist.
- Proceed with work on the replacement Heronsbridge School 'do maximum option (that is, school and the school's residential provision) plus a swimming pool' following Cabinet approval of the way forward in March 2024.
- Submit the planning application for the replacement Mynydd Cynffig Primary School.
- Await Welsh Government signoff for the Mutual Investment Model (that is, revenue funded) scheme for the PAC process for Bridgend West (that is, the replacement Ysgol y Ferch o'r Sgêr and the new English-medium school).
- Review the action plan on support for care experienced children through corporate safeguarding board.
- Education and Engagement team / Social Services will continue to work closely to provide care-experienced children with support and put personal education plans in place as soon as possible.

Wellbeing Objective	Score
<b>5 - A County Borough that is responding to the climate and nature emergency</b>	<b>Good</b>



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Status	Description
Moving towards net zero carbon, and improving our energy efficiency	<b>Adequate</b>	<p>Overall, a 4.3% reduction in emissions was achieved in 23-24, slightly less than our 5% target but a positive step in our 2030 obligations, with reductions in electricity and gas consumption and CO2 related energy consumption across our buildings.</p> <p>There are significant cost barriers to moving fleet vehicles from traditional petrol/diesel to Ultra Low Emission Vehicles (ULEV), but we have used Welsh Government funding to procure 6 electric vehicles, used by the Social Services Support at Home Service.</p> <p>The average nitrogen dioxide level in Park Street, Bridgend has improved. Measures in the Air Quality Action Plan (AQAP) have developed and refined, which will reduce levels further once implemented. Modelling now forecasts the likely year of compliance as 2026 with all measures in place.</p>
Protecting our landscapes and open spaces and planting more trees	<b>Good</b>	<p>The Local Places for Nature project successfully delivered its 23/24 work programme which included biodiversity enhancement schemes at Heol Y Cyw Playing Fields and land behind Pyle Swimming Pool and habitat connectivity schemes at Sarn, Brynmenyn, Newbridge Fields, Cefn Glas, Aberkenfig, Bryntirion and Newcastle.</p>

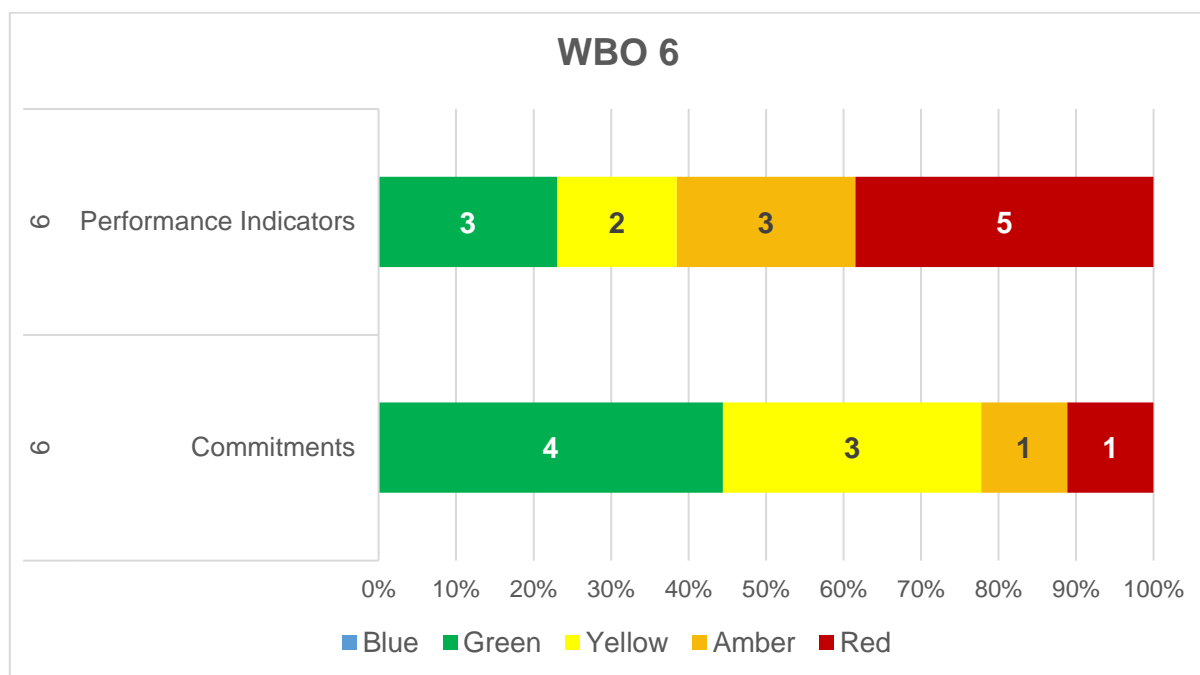
		<p>The Cwm Taf Nature Network (CTNN) project completed its delivery during 23-24 and the evaluation report demonstrated the project had been a success, improving access to green spaces for local people, improving the quality of the environment of those green spaces, and connecting up green spaces.</p> <p>Our commitment to plant a further 10,000 trees could not be achieved. Feasibility work for the schemes was completed, but further investigation of the preferred site option is needed and funding must be secured before this can progress further. 3 beaches at Rest Bay, Trecco Bay and Porthcawl Marina retained their blue flag status, and 3 parks at Bryn Garw Country Park, Coychurch Crematorium and Maesteg Welfare Park maintained their status as green flag parks / green spaces.</p>
Improve the quality of the public realm and built environment through good placemaking principles	<b>Good</b>	<p>The Local Development Plan (LDP) was adopted in March 2024 after an extensive examination in public in Spring 2023 by a Welsh Government Appointed Inspector. We will now progress work on the Supplementary Planning Guidance (SPG) which enhances the policies in the LDP.</p> <p>The Planning Department have implemented a restructure during this year resulting in new posts being created, and an improvement in the percentage of planning appeals dismissed from 64% to 87% and planning applications determined with 8 weeks from 64% to 68%, however this is still lower than target.</p>
Reducing, reusing or recycling as much of our waste as possible	<b>Excellent</b>	<p>Our high standards in recycling have continued, with the percentage of street cleansing waste being recycled increased to 41.12%, the percentage of municipal waste collected that is prepared for re-use, recycled, or biowaste that is composted increased to 71.94% and the amount of residual waste generated has decreased further to 119.8 kg per person.</p> <p>The percentage of highways land found to be of acceptable or high level of cleanliness also improved to 99.97%.</p> <p>Work has begun on our future waste services model, engaging an industry expert to outline our options based on analysis of data from our current model – potential future options.</p> <p>The new Community Recycling Centre (CRC) opened in Pyle on 14th March 2024.</p>
Improving flood defences and schemes to reduce flooding of our homes	<b>Excellent</b>	<p>New flood prevention and culvert schemes have been completed in Station Street, Nantymoel, and Queen street, Blaengarw and monitored for effectiveness over the winter period. Bids for Welsh Government funding have been approved for schemes identified for 2024/25. There was additional gully clearance work targeted at historical flooding locations, and ditch cleaning operations to improve flood risk in rural areas. More culverts have been added to monitoring</p>

and businesses		regime, with more frequent inspections of the high-risk culverts, and replacement/upgrading of warning sensors at some locations. Improvements have been made to the statutory sustainable drainage systems (SUDs) application process, with 100% of applications being processed within 7 weeks.
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### What will we do to improve?

- Review our fleet transition strategy to meet the target of 2035 for net zero
- Agree and publish the final air quality action plan (AQAP).
- Install electric car charging points at the social services support at home base
- Develop and explore funding for energy efficiency improvements for council buildings.
- Develop supplementary planning guidance to support our new LDP
- Further improvements to our landscapes and green spaces through the new Green Spaces Enhancement project.
- Further work on the future waste model and a decision on new model will be made in 2024/25.
- Decommission the outdated CRC at Tythegston.

Wellbeing Objective	Score
<b>6 - A County Borough where people feel valued, heard and part of their community</b>	<b>Adequate</b>



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Status	Description
Celebrating and supporting diversity and inclusion and tackling discrimination	<b>Adequate</b>	<p>The new Strategic Equalities Plan (SEP) for 2024-28 has been consulted on and will be approved and published early in 2024/25.</p> <p>Only 48% of council staff have completed introduction to Equality and Diversity training, below the target of 100%.</p> <p>The staff survey has identified interest in staff groups focused on groups including LGBTQ+, mental health and ethnic minority. Groups will commence in 2024.</p>
Improving the way we engage with local people, including young people, listening to their views and acting on them.	<b>Good</b>	<p>The percentage of consultation participants who believe we have been effective at meeting our aim of being citizen-focused over the last 12 months has improved slightly to 49.7% against a target of 50%.</p> <p>The level of engagement with residents, using the digital communications platform and across corporate social media accounts has increased and the targets have been achieved. The level of engagement on corporate consultations has reduced and target has been missed.</p>

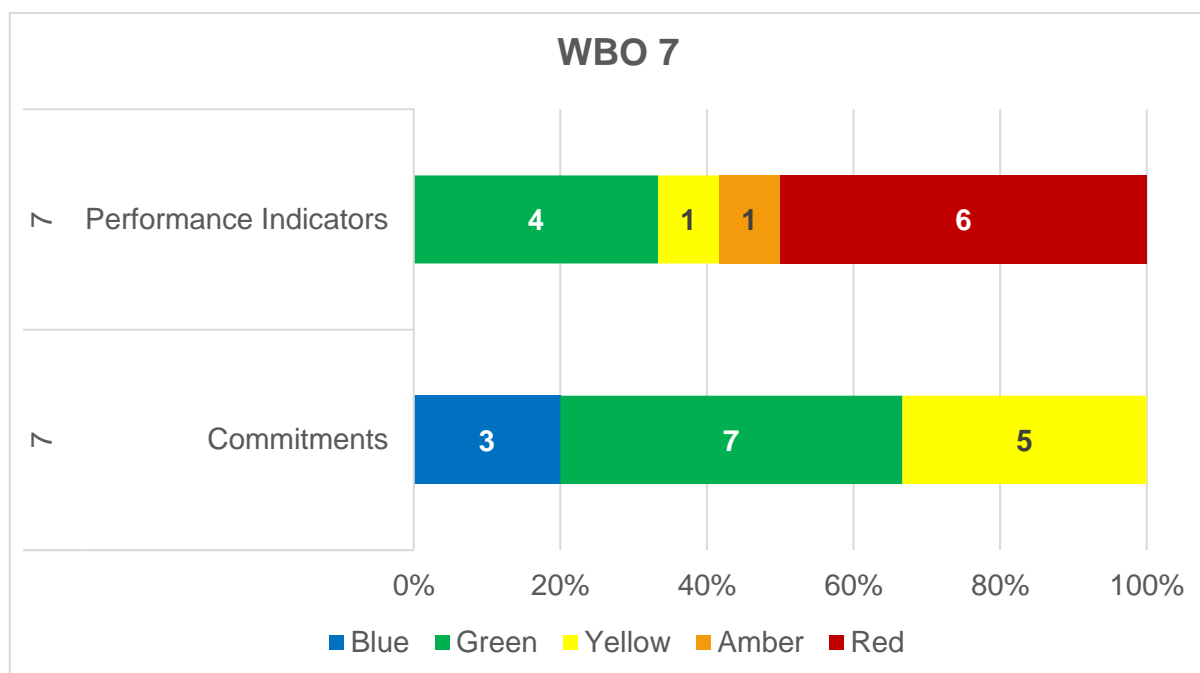
		We have not developed the Bridgend County Borough Council Climate Citizens Assembly, as this has been deprioritised.
Offering more information and advice online, and at local level, and making sure you can talk to us and hear from us in Welsh	<b>Unsatisfactory</b>	<p>We have not quite achieved our targets for first call resolutions or number of transactions using the digital platform and performance is down since last year. The number of online transactions decreased in comparison to previous years, due to the previous figures being inflated as they included the online forms that were temporarily made available to residents to apply for various cost of living schemes, especially the Winter Fuel payments. But the number of hits on the corporate website has increased and met the target, with awareness raising communications, new pages and people being directed to using the website for online transactions.</p> <p>Work continues with Awen to extend customer services in local community facilities. A pilot has been undertaken in Garw and Ogmere Valleys' libraries, but it showed that demand for the service was low.</p> <p>Staff with Welsh language speaking skills has increased to 27% but this is still below target. Only 48% of council staff have completed Welsh Language Awareness E-Learning, more than last year but still below target.</p>
Helping clubs and community groups take control of and improve their facilities and protect them for the future	<b>Good</b>	<p>Our progress with community asset transfers (CATs) is mixed. 7 CATs were completed against a target of 15 for the year, as a result of some complicated property issues and staff capacity. But the level of investment in CATs has exceeded our target as we have fully spent our own budget and brought in external funds.</p> <p>395 people have been supported to have their needs met in their communities by local community co-ordinators and community navigators. This is well above target for the new roles. Community network building approaches are being used to bring partners and stakeholders together who support people to understand services / gaps.</p>
Becoming an age friendly council	<b>Adequate</b>	Bridgend is participating in an all-Wales programme supported by Welsh Government. We are developing our baseline assessment and action plan, looking at transport, housing, community support and health services, social participation, respect and social inclusion, civic participation and employment, communication and information.

**What will we do to improve?**

- Publish our new Strategic Equalities Plan
- With our partners, develop an action plan to deliver the Strategic Equalities Plan
- Arrange staff groups for people with protected characteristics.
- Develop a communications plan, corporate narrative and public engagement.
- Engage in the 2030 net carbon agenda.
- Find ways to progress with community support in Garw and Ogmore Valley libraries.
- Continue to build community networks and grow prevention and wellbeing network meetings in partnership with Bavo and the third sector.
- Continue to work with Welsh Government and the Older People's Commissioner network to inform planning and development around age friendly councils.



Wellbeing Objective	Score
<b>7 - A County Borough where we support people to be healthy and happy</b>	<b>Good</b>



The information below gives you more detail on how we are doing on each aim under this wellbeing objective.

Aim	Status	Description
Improving active travel routes and facilities so people can walk and cycle	<b>Adequate</b>	Construction of the Metrolink bus facility has progressed well throughout the year but has not opened for commercial use within the year as planned. Welsh Government have significantly reduced the money available to implement additional Active Travel Routes, which has had a dramatic impact on schemes achieved, with only 0.4km of new route added.
Offering attractive leisure and cultural activities	<b>Excellent</b>	The Grand Pavilion refurbishment project is underway, with a specialist project management team and planning and listed building consent in place, and work on designs in progress. The tender process will commence in Summer 2024. Welsh Government and Sport Wales have supported improvements to the active leisure offer for older adults, to improve physical / mental wellbeing. We have promoted use of our leisure facilities and community settings, and activity programmes that benefit older adults. The National Exercise Referral Scheme (NERS) operated beyond capacity with referrals totalling 1658

		<p>across 20,729 sessions. 416 people completed 16-week programmes.</p> <p>Refurbishment of Pencoed library was completed. During 23-24 there have been 26,620 library visits, 2,361 children participated in the summer reading challenge, (slightly below target), and almost 56,000 children participated in children's events in libraries - slightly below previous years.</p>
Improving children's play facilities and opportunities	<b>Adequate</b>	<p>The refurbishment of play areas has not progressed as far as planned, with slow progress during the complex procurement work. Contracts have now been awarded and work has commenced on refurbishing 22 play areas across the borough working with members and Disability Wales.</p> <p>Following successful pilots in Coleg Cymunedol Y Dderwen and Cynffig Comprehensive School, the "Dare2Explore" project has been rolled out to all secondary schools.</p> <p>Bridgend Music Service developed a new training brass ensemble, senior wind band, and string ensemble and will be recruiting new members.</p>
Providing free school meals and expanding free childcare provision	<b>Good</b>	<p>Universal primary free school meals (UPFSM) were implemented for Year 3, 4 and Nursery pupils.</p> <p>There has been a further increase in children accessing Flying Start funded childcare through the expansion programme, with 272 additional children accessing childcare between in 23-24 and a total of 530 children now registered.</p> <p>The percentage of non-maintained settings judged by Care Inspectorate Wales as at least 'good' was 76.5% which was below the target of 100% we have set.</p>
Integrating our social care services with health services so people are supported seamlessly	<b>Adequate</b>	<p>104 people were delayed on the national pathway of care, which exceeds our target. Implementation of 'Discharge to Recover and Assess' pathways has not led to the improvement anticipated.</p> <p>We have worked closely with the NHS on Dementia mapping and linking needs around the Complex Dementia Day Service and the new Memory Assessment Service. CIW have evaluated this service as 'excellent'.</p> <p>We have successfully mobilised the Age Connect Morgannwg contract with the new Dementia Connector role for Bridgend, and the Alzheimer's Disease contract for the Dementia Link Workers.</p>
Improving the supply of affordable housing	<b>Yellow</b>	<p>64 additional homes were delivered, over £11.8 million Welsh Government Social Housing Grant was committed and an additional £4 million Transitional Capital secured for the year.</p> <p>The Welsh Government Leasing Scheme has been adopted with a small number of units already in use.</p>

		<p>A housing and support needs assessment was undertaken during the development of the Housing Strategy, and we have engaged with all RSL's and Welsh Government to discuss general housing needs, temporary accommodation and supported housing schemes.</p> <p>The Empty Properties Loan Scheme is nearing completion. 6 empty properties have been brought back into use through local authority intervention. By targeting the Top 20 empty properties - 2 have been sold, 3 are being renovated, and 2 completing probate. Enforcement notices have been served on 2 properties, successful prosecutions on 3 with another prosecution pending, and 1 work in default completed.</p>
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### What will we do to improve?

- Open the new metrolink bus facility.
- Start the tender process for Porthcawl Grand Pavilion.
- Improve the active leisure offer in the Valleys for older adults.
- Develop a plan for the long-term active Bridgend plan and leisure strategy.
- Develop a new play sufficiency assessment.
- Deliver phase 3 and 4 of refurbishing 22 play areas across the borough.
- Roll out free school meals for Year 4 pupils (from April 2024) and Year 5 (in June 2024) and Year 6 (in September 2024).
- A delivery plan has been submitted and agreed for a small Welsh Government funded expansion (26 additional Flying Start childcare places) in 24-25.
- Continue to develop network multidisciplinary teams with the NHS
- As part of a much larger 5-year programme, the £11.8 million committed in Social Housing Grant will deliver approximately 119 new homes.
- The £4 million secured through Transitional Accommodation Capital Funding Programme (TACP) will add approximately 33 affordable homes.

## 5. How is the council using its resources?

We have always had to report how well we are using our resources. For example, telling Audit Wales about our spending, workforce and buildings. Until recently, we did not have a process for reviewing how we are managing all our different resources. To help us write this report, we developed a process to look at:

- Finances and risk management,
- Commissioning and procurement,
- corporate planning and performance 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 regulators e.g. Audit Wales report on workforce planning

We asked 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?

We presented findings to councillors who scrutinised them, checked and asked questions, and used the same judgement scale from excellent to unsatisfactory.

### Overall judgement

<p><b>Use of resources</b></p>	<p><b>Adequate</b></p>	<p>For the third year in a row, our use of resources is adequate. Some things have got better – we have implemented our performance management improvement plan, improved our statutory building compliance in asset management, and embedded and communicated the new Corporate Plan, Delivery Plan and Performance Framework.</p> <p>Other things have got worse – due to the increased demand, increased prices and significant financial situation we are facing. We have significantly overspent on our budget and used reserves to balance the budget. The worsening financial situation, and risk to our financial sustainability, has an impact on workforce across corporate teams and staff and managers across all of our directorates, with increasing vacancies and capacity issues. We have brought in a 5-point plan to try and help us save money.</p> <p>We have got strong frameworks and robust processes for the day-to-day management of resources, with clear and agreed working models and strong, working relationships between corporate teams and directorates. But longer-term planning, proactiveness and improvement will be challenging with the resource issues we are facing.</p>
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## Theme judgements

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.

<b>Finances</b>	<b>Adequate</b>	Financial Planning is adequate. Judgements from regulators are generally positive, we balance our budget every year, and have unqualified Statements of Accounts from the Auditor General. The council's financial framework is robust, with strong governance arrangements which drive the budget and spending decisions of the Council. The financial position is set out in detail in regular reports. We have a high level of compliance with the CIPFA Financial Management Code, Principles and Standards. In recent years the Council's financial position has become more challenging, with higher than anticipated pay / price increases and service pressures. This year we have significantly overspent on our budget and used reserves to balance the budget putting the financial sustainability of the Council at risk.
<b>Corporate planning</b>	<b>Good</b>	Corporate planning is good. The new Corporate Plan is becoming more embedded, and forms part of induction and manager training, with communication activities on the plan and priorities taking place in autumn 2023. The Corporate Plan is supported by a 1-year Delivery Plan. It is also supported by Directorate Business Plans which are all accessible on the Council's intranet. An updated performance framework has also been developed. In the staff survey in February 2024, 70% of respondents strongly agree or agree that they are aware of BCBC's priorities, up from 68% in 2022.
<b>Risk management</b>	<b>Good</b>	Risk management is good. Our updated Corporate Risk Management Policy has been embedded in the Authority. Reports and the reporting process for risk are straightforward and accessible, including for members. Through a review by internal audit of the Council's Corporate Risk Management, completed in March 2024, a Reasonable Assurance opinion has been given and the recommendations for improvement will be implemented in 2024/2025.
<b>Procurement</b>	<b>Adequate</b>	Procurement is good. We have embedded the new Socially Responsible Procurement Strategy, delivery plan and updated Contract Procedure Rules. We have run training sessions to help stakeholders understand responsibilities and requirements. We have embedded the real living wage into our tender process and have a database of accredited suppliers. We have also worked with Cwmpas and suppliers around carbon reduction planning. We have made some changes to our processes including a price cap and authorisations for purchasing card spending. Our judgement is adequate based on the need for an improved and more consistent approach to commissioning.

<b>Performance management</b>	<b>Adequate</b>	Our Performance management approach is adequate but we have made significant improvements in the last 18 months. We have developed a new 5-year corporate plan and 1-year delivery plan and performance framework to support them. We have appointed a new corporate performance manager. We have improved arrangements for data quality and accuracy. Performance reporting to scrutiny has been improved with summaries and graphs. Our overall judgement is adequate as improvements to our challenge culture, roles, responsibilities and timeliness of information, data accuracy and use of service user perspectives still needs improvement.
<b>Workforce planning</b>	<b>Adequate</b>	Workforce management is good. Feedback from employees, managers, trade union representatives and internal audits is positive. Managers are assisted to deal effectively with people issues through support from the HR / Organisational Development service. We are developing an increased focus on longer-term workforce planning and engagement and retention activity as well as supporting services who have to identify staff reductions. The overall judgement is assessed as adequate based on the need for added capacity amongst managers and in the HR team, an increased focus on strategic workforce planning across the council which will consider longer range workforce needs and succession planning.
<b>Asset management</b>	<b>Adequate</b>	Asset management policy is good with good engagement from directorates. The asset management strategy is dynamic and undergoes regular reviews with services / partners. The overall judgement is adequate, as we need to address the continued resource challenges that prevent us from planning strategically, and result in a reactive approach. Over the last year we have developed and completed 4 new Net Zero Carbon assets and continued to look at ways to reduce carbon and energy usage across the whole estate. Our management of Statutory Building Compliance has improved, with Big-5 Compliance now at 94%. We have also improved collaboration with public sector partners and continued our work on the Integrated Works Management System (IWMS).

### Areas for improvement

- Continue to improve wider understanding, internally and outside of the Council, of the Council's budget including how it is set, where the funding comes from and how the funding is spent.
- Improve processes for identifying future years savings proposals.
- Wider consultation, improving engagement, to contribute towards the budget setting process.
- Closer monitoring of budget, including deep dives, to target key overspend areas.
- Review working arrangements with, and Terms of Reference of, the Budget Research and Evaluation Panel (BREP).

- Develop an approach to better communicating information about our priorities in the Corporate Plan.
- Support Governance and Audit Committee to scrutinise the Corporate Risk Assessment.
- Standardise risk reporting across directorates and integrate risk reporting with performance and finance across all service areas.
- Consider whether we are overly risk-averse at a corporate level.
- Assess the impact of the procurement price cap and changed authorisations for purchasing card spending.
- Rollout additional procurement training sessions to help stakeholders understand responsibilities and requirements.
- Update our procurement strategy, action plan and CPRs based on the new UK government legislation.
- Develop an improved and more consistent approach to commissioning across directorates, in particular in analysis and review.
- Develop a stronger challenge culture for using performance information.
- Clarify roles and responsibilities around performance information and improve timeliness of reporting.
- Improve data accuracy of performance information through PI audits.
- Enhance our use of service user perspectives to inform decision making.
- Develop Strategic workforce planning supported by the introduction of planning guidance which will support longer term planning, in a consistent manner across the council, aligned to financial planning.
- Tackle capacity issues in senior management and elsewhere and inform national discussion.
- Further development of HR policies and procedures which are co-designed and focus on proactive HR services.
- Continuation of the automation and streamlining of HR processes.
- Introduction of Leadership and Resilience development.
- Support and inform the Welsh Government work on the social care progression framework to tackle divergence in terms and conditions.
- Adopt the new strategic asset management Plan.
- Continue to make improvements in the maintenance backlog and statutory building compliance.
- Procure and implement the IWMS to improve information, data and benchmarking around assets.
- Improve asset management workforce capacity. We will also work closely with the decarbonisation team to enhance our asset management approach.

## 6. 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' (AGS) that has existed for many years. The information below summarises the Council's AGS for 2023/24.

### What is our judgement?

<b>Governance</b>	<b>Good</b>
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Our governance arrangements are good, and work well.

### Decision making

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 with a simple guide to help members of the public understand it. 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 and included within the Annual Governance Statement (AGS), which is reviewed and approved by the Governance and Audit Committee.

We are committed to ensuring we have good governance principles and management practices. These are used right across the councils to make sure we have the public's trust. The arrangements the Council has for Corporate Governance are set out below.

1	Bridgend County Borough Council Code of Corporate Governance	The Council's Code of Governance provides a public statement that sets out the way in which the Council meets and demonstrates compliance with the CIPFA Governance principles.
2	The Governance Framework	The Council's Code is underpinned by a Governance Framework which comprises the policies, procedures, behaviours and values by which the Council is governed and controlled.
3	The Annual Governance Statement	The Annual Governance Statement provides assurances regarding the Council's Governance arrangements, together with identifying areas of future focus and improvement. The purpose of the Annual Governance Statement is to



		report publicly on the extent to which the Council complies with its Code of Corporate Governance. It identifies those areas which have been identified as needing improvement following self-assessment.
4	Annual Governance Statement Action Plan	The Council continues to review the areas for improvement identified within the Annual Governance Statement which are monitored through the Annual Governance Statement Action Plan.

A number of significant issues were identified in the Council's 2022-23 AGS, to be taken forward during 2023-24, so in the past year we have made improvements including –

- Developing workforce planning activities, some that focus on specific challenge areas, for example social care and school catering. Others are more universal, like looking at new ways of working and developing a new employee assistance programme.
- Improvements to Asset management including work to improve the Council's statutory compliance in the "Big 5" areas of compliance.
- Improvements to the Disabled Facilities Grant service including new procedure guidelines, working with external surveyors to make progress with existing grant applications, the introduction of a new software system and improved tendering processes.
- Improvements to our medium to long-term financial management processes including providing Capital Strategy training for all members, training for schools on the closing of accounts process, regular reviews and reporting on the level of reserves, quarterly budget reporting and monitoring of budget reduction proposals.
- Providing additional training for Members to support their role in ensuring proper financial management of the Council including on Treasury Management and Earmarked Reserves.
- Implementing our performance management improvement plan and embedding the new Corporate Plan, Delivery Plan, Performance Framework and reporting mechanisms. Improvements to data quality and accuracy are ongoing.
- Started a review of the Decarbonisation 2030 strategy in line with Welsh Government changes.

### **Listening to the views of others**

The council provides services to all residents of Bridgend. Some of our services are universal – used by all residents – like roads and pavements, and waste and recycling. When we are developing, reviewing and changing these services, we need to try and talk to the whole population of Bridgend to help us decide what to do. We have a range of different methods for doing this, from formal consultations on major changes, public drop-in sessions and discussions, and the regular, day-to-day engagement from our social media.

Other services are more specialist – and used by smaller numbers of residents – like school transport and services for people with learning disabilities or young people leaving care. When we are developing, reviewing and changing these services, we need to try and talk to the people who rely on those services and their families to help us decide what to do. We have a range of methods for doing this, from consultation and engagement sessions, to coproducing those services directly with the users and their families.

In Spring 2023, Audit Wales reviewed the way we use service user perspectives to inform decision making. The review was published in April 2024 and concluded that, *'The Council's performance information does not enable senior leaders to understand the service user perspective and progress towards intended outcomes, restricting their ability to understand the impact of the Council's services and policies.'* We have a plan to improve this in the coming year working with, and reporting to the Council's Corporate Overview and Scrutiny Committee.

Over the last year, we have completed a huge range of activities to understand and use service user perspectives, and the opinions of our regulators. The main ones are summarised below.

### **Consultation and engagement**

Corporate consultations are promoted bilingually to the council's social media channels, shared through weekly resident bulletins and weekly staff messages throughout the consultation period. Up to three consultations a year are shared with our citizen panel to raise awareness and encourage participation. Face to face engagement sessions are held where necessary and our Youth council are involved with relevant consultations.

We consulted on a number of our key strategies and reports, for example the Director of Social Services annual report, Self-assessment, 3 Year Strategic Plan - Childrens Social Care, Housing Strategy Policy, Engagement and Participation Strategy – included face to face engagement drop-in sessions (Citizen Panel included), Strategic Equality Objectives (including public drop-in sessions and focus group with a school) – (Citizen Panel included).

Other key strategies are coproduced with service users and their families. For example, the corporate parenting strategy was co-produced with care experienced children and young people, who also led the launch of the strategy in May 2023. We are now working with Cwmpas to co-produce the carers strategy.

We also consulted on some significant proposed changes to the way the council or our services work. Some of the main consultations in 2023/24 were –

- Our **20mph Scheme** was tested in April 2023, to look at which roads should be exempt from the reduced speed limit. As a result, a small number of roads were added to the speed limit exemptions and a similar number removed, based on the sound reasons given by residents of the Borough.
- **Dog fouling** was the subject of consultation in April 2024, proposing to renew our dog control Public Space Protection Order (PSPO) where dog walkers can be fined

if they fail to pick up after their pets in public areas. There was wide support for the proposals from town councils, residents and groups including the Dogs Trust and the RSPCA, with over 379 survey responses and 77 comments on social media channels. As a result of this positive endorsement the PSPO is now progressing.

- Changes to **Community Recycling Centres** were tested July to September 2023, when the public were asked for their views on CRCs, their use of them and the potential one day a week closure of each site. Feedback from the public was mixed with 56% of the public that responded that they didn't agree that the CRC sites should be closed whilst 44% did agree. Ultimately Cabinet considered the public view alongside the need of the authority to generate the savings and approved the day closure that has since been implemented.
- **Maesteg Town Centre Placemaking Plan** was tested through consultation (including face to face engagement sessions) in September / October 2023, to assess whether the plan was robust enough to reach the town's full economic potential and encompass community well-being and cultural history. Residents and Businesses were positive about the plans and continuing support for business growth and retail improvements through the grant funding and advice. They were all positive about Maesteg Town Hall and welcomed the opening of this refurbished facility. Many asked that heritage information be more prominent to attract tourism to the Llynfi Valley. These comments and others are now being considered.
- The public were asked for their views on the **Valley Regeneration Strategy** and plans for future improvements in the Valleys (included face to face engagement sessions) in January / February 2024. Residents were keen to see improvements to the public realm, including parks, open spaces and car parking. There were conversations about transport links, including active travel and employment opportunities and training. All of this is being considered for inclusion in the Strategy, including how it will be delivered and over what timeframe.
- **Porthcawl Town Centre Placemaking Plan** was the subject of public consultation in March / April 2024 (including face to face engagement sessions). Residents and Businesses were positive about plans for the town centre and regeneration work in Porthcawl. There was some concern over parking, so we have committed to reviewing parking policies. Plans to promote the town centre offer across the waterfront and looking to increase footfall, with the development of the Dock Street Link were also well received.
- Our **Annual Budget consultation** included engagement with the Citizens Panel and face to face engagement sessions in January / February 2024. Respondents were asked about budget principles, reducing / closing services, new charges, asset review, external contracts for leisure services, council tax and citizen focus. Over 80% of respondents agreed with budget principles. Following this consultation and recommendations from scrutiny, a number of budget reduction proposals totalling £2.994 million were removed or amended, including a 3% reduction to schools delegated budgets (from 5%).

## Complaints and compliments

We have a clear and agreed two stage process for dealing with complaints -

- **Informal Complaint Stage**

Informal complaints should be dealt with quickly and where possible informally. It advises customers to contact the office responsible for the service to provide an opportunity to solve the problem. Informal complaints are logged in the Corporate Complaints office and we report on them every quarter to the Public Services Ombudsman. In 2023/24 we had the following informal complaints –

	Number	Resolved	Upheld	Discontinued / withdrawn	Ongoing
Adult Social Care	0	0	0	0	0
Benefits Administration	6	5	0	1	0
Children's Social Services	1	0	1	0	0
Community Facilities	15	13	0	2	0
Complaints handling	3	2	1	0	0
Education	23	20	0	3	0
Environment	0	0	0	0	0
Finance & Council Tax	33	29	4	0	0
Housing	22	22	0	0	0
Planning / Building Control	16	16	0	0	0
Roads & Transport	48	41	3	4	0
Various/Other	48	36	7	5	
Waste & Refuse	60	56	3	1	0

- **Formal Complaint Stage**

Formal complaints can be done by email, telephone, letter or online complaint form. All formal complaints with the exception of schools and social services (which have their own statutory procedures) are received, logged and acknowledged centrally by the Information Team within 5 working days. These complaints are sent to a Head of Service who appoints a senior officer e service to investigate the complaint and respond directly within 20 working days. The Information Team is provided with a copy of the response. We monitor numbers of complaints, time to respond, category of complaint, where in the Borough they come from, The Information Team has received, logged, acknowledged and referred a total of 67 formal complaints for the period for 2023/24 –

	Number	Resolved	Upheld	Discontinued / withdrawn	Ongoing
Adult Social Care	0	0	0	0	0
Benefits Administration	1	1	0	0	0
Children's Social Services	1	1	0	0	0
Community Facilities	4	2	2	0	0
Complaints Handling	0	0	0	0	0
Education	8	8	0	0	0
Environment	0	0	0	0	0
Finance & Council Tax	6	6	0	0	0
Housing	14	13	0	1	0
Planning & Building Control	12	12	0	0	0
Roads & Transport	8	8	0	0	0
Various/Other	10	6	3	0	1
Waste & Refuse	4	3	0	1	0

We don't currently have a way of reviewing all of our corporate complaints to see what impact they have had on our services.

### Regulator views

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. We regularly test our progress against the views and recommendations of our regulators, through a regulatory tracker. This is reported to Governance and Audit Committee every January and July. The following new reviews were published in 2023/24.

Audit Wales' review of Service User Perspectives (SUPs), published in January 2024. Summarised above.

In June 2023, Care Inspectorate Wales (CIW), His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), Healthcare Inspectorate Wales (HIW), and Estyn undertook a Joint Inspection of Child Protection Arrangements (JICPA) in Bridgend. The inspection noted a number of areas of **positive practice** and a number of **areas for improvement**. A **multi-agency action plan** was developed in September 2023. In the Council progress is overseen by the Social Services Improvement Board and the Cwm Taf Morgannwg Regional Safeguarding Board (RSB).

Care Inspectorate Wales undertook 8 inspections of regulated services. In Adult Social Care, there were 5 inspections of regulated residential establishments and domiciliary support services. All inspections identified there is a good standard of care and support provided across the services, previous areas of improvement had been addressed and no priority action notices for 2023/24 were noted. However, 1 area for improvement was identified, which is being addressed.

In Children's Social Care 3 regulatory inspections took place, 2 within residential establishments and 1 with Foster Wales Bridgend. For the residential establishments, key strengths were highlighted and no priority action notices were identified, with only 2 areas for improvement being identified which are being addressed.

In November 2023, Care Inspectorate Wales undertook an inspection of Foster Wales Bridgend. The inspection acknowledged the current context, *'the number of children who are referred to the service, outnumbers foster carers available'* but highlighted a number of key strengths. It noted 8 areas for improvement around the matching of children with complex needs, safe care arrangements, timeliness of responses to allegations and improvements to systems to ensure policies and procedures are evidenced in practice. Action plans are monitored via the fortnightly Children's Social Care Pressures meeting and quarterly performance management meetings.

### **Staff and Trade Union views**

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 February / March 2024 had 707 responses. This is lower than in recent years. 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 increased in recent years but reduced over the last two years, from 59% in 2018, 66% in 2020, 73% in 2021, 67% in 2022 and 49% in 2024. A detailed feedback report was developed, staff focus groups will be held to better understand the results and then an action plan will be developed to act on issues from the staff survey.

### **Areas for improvement**

- Implement the action plans developed to address areas for improvement in our regulator reviews.
- Develop a small suite of service user perspective performance indicators.
- Develop a new digital strategy for 2024/28
- Make improvements to the way we engage with people, including directing a new group of people to be involved with current consultations through a widget in MyAccount and developing links with organisations to reach protected groups.
- Focus better on schools / young people's voices by establishing links with schools and youth services.
- Improving the way we provide feedback to respondents (and others) following consultation and engagement.

- Respond to the internal audit review of the council's use of complaints information.
- Undertake a climate change risk assessment with the public service board.
- Working with shared regulatory service on an Empty Property Consultation.
- Work with WLGA / Data Cymru on the development and implementation of the National Residents Survey
- Develop a place narrative and communicate it widely.
- Development of staff forum for staff with protected characteristics
- Improvements to medium to long term financial management, reviewing the BREP process and starting budget setting earlier.
- Improvements to recruitment with targeted recruitment in key areas, and bespoke recruitment packages. We continue to work regionally and nationally to develop solutions that will not destabilise the job market.
- Review of the Decarbonisation 2030 strategy.
- Improvements to our use of service user perspectives information in our performance management process.
- Improved financial management including a review of financial procedures and policies, additional training for members and schools, developing budget reduction proposals and improving the reach of the budget consultation.

## 7. Our Strategic Equality Plan

Our new Strategic Equality Plan has been developed and consulted on and outlines our six strategic equality objectives, which will shape how we plan, provide, and deliver our services to reflect the diversity of our communities. We are developing a Strategic Equality Action Plan which will detail the actions we will take to realise the equality objectives. Progress on the plans is regularly reported to the Corporate Equality Network, and responsibility for operational delivery lies with all service areas and teams. Our Cabinet Committee Equalities monitors and scrutinises delivery against the objectives.

### **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 the council's arrangements for identifying and collecting relevant information?**

Each year we try to improve the Equality Monitoring Data we hold for employees, revising the data capture to include more characteristics. We encourage employees to update information regularly through communications, appraisals and other methods.

### **What do our arrangements tell us regarding the equality of access to employment, training and pay?**

Every year, we report our 'equalities in the workforce' report to Cabinet Committee Equalities. This tells us about a range of things including the numbers of employees with protected characteristics where declared. 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 development are included in the strategic equality plan action Plan.



<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>REGULATORY TRACKER UPDATE</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER- LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>ALEX RAWLIN POLICY AND PUBLIC AFFAIRS MANAGER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The regulatory tracker forms part of the Council's Performance Management Framework.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The regulatory tracker has been updated to the end of quarter 4 of 2023-24.</b></li> <li>• <b>Improvements requested by the Governance and Audit Committee (GAC) have been implemented.</b></li> <li>• <b>Since the previous report to GAC in January 2024 –</b> <ul style="list-style-type: none"> <li>• <b>2 new inspections have been added</b></li> <li>• <b>4 inspections have been removed</b></li> <li>• <b>18 recommendations have been closed</b></li> <li>• <b>67 recommendations are on the tracker</b></li> </ul> </li> <li>• <b>GAC is requested to consider the summary points and detailed regulatory tracker and raise any issues of concern for follow-up.</b></li> </ul>

## 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 updated to the end of quarter 4 of 2023-24.

## 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 monitor progress against recommendations from all inspections/audits completed by key regulators of local government services, including Audit Wales, Care Inspectorate Wales

(CIW), and Estyn. An updated 'regulatory tracker' is considered at GAC twice yearly. This report covers quarter 3 and 4 of 2023-24.

2.2 As stated within the Performance Management Framework, the performance judgement awarded to recommendations included within the regulatory tracker uses this key with clear definitions for Blue, Red, Amber, Yellow, Green (BRAYG) statuses.

	<b>What does this Status mean?</b>		
	<b>How are we doing</b>	<b>Commitments, projects or regulatory improvements</b>	<b>Performance Indicators</b>
<b>COMPLETE (BLUE)</b>	Not applicable	Project is completed	Not applicable
<b>EXCELLENT (GREEN)</b>	Very strong, sustained performance and practice	As planned - within timescales, on budget, achieving outcomes	On target AND performance has improved / is at maximum
<b>GOOD (YELLOW)</b>	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
<b>ADEQUATE (AMBER)</b>	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)
<b>UNSATISFACTORY (RED)</b>	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%+)

2.3 Since the implementation of the tracker and regular progress reports to the Governance and Audit Committee, several improvements have been implemented as a result of members' feedback and recommendations of the Committee. These include reducing the tracker size by removing completed recommendations as soon as they are closed, and providing an extract of the full tracker containing only recommendations which are red or amber, and a short summary of recommendations closed since the last report, instead of the full tracker document.

- 2.4 In addition, the committee asked that Subject Overview and Scrutiny Committees receive the report as an information report including blue and green rated recommendations twice yearly so they can scrutinise those ratings, and this has now been included on each of the relevant forward work programmes.
- 2.5 At the Committee's meeting on 25 January 2024, members were asked to make further recommendations on the process to refer specific audits / recommendations to the relevant Subject Overview and Scrutiny Committee. The Committee resolved to continue with the current referral process and receive a short update report on the outcome of the scrutiny process for the referred items every 6 months.
- 2.6 The Committee also suggested that it would be helpful if the quarterly update comments within the tracker contained reference to planned future actions and an indication of the current delivery date for the recommendation if different to the initial date stated on the tracker.

### **3. Current situation / proposal**

- 3.1 Paragraphs 3.3 to 3.7 below summarise details of the full Regulatory Tracker document at Q4, and changes since the last report to this committee in January 2024. Improvements to comments suggested by the committee in January (summarised in paragraph 2.6) have been included within the process to review and update tracker content, and have been implemented, but further work to reinforce the requirements is needed.
- 3.2 **Appendix 1** is an extract of the full tracker document showing red and amber recommendations only, and **Appendix 2** is a summary of recommendations closed in the previous period (since the last report produced for quarter 2 2023-24).
- 3.3 There are currently 67 regulator recommendations for the Council included on the full tracker report from 7 Audits/Inspections. As the Performance Team is no longer reporting the entire tracker to the Governance and Audit Committee, these are summarised on the following table –

Audit/Inspection	Recommendations
Audit Wales, Review of Arrangements to Become a 'Digital Council'	3
Care Inspectorate Wales (CIW) Performance Evaluation Inspection of Children's Services	21
Transformational Leadership Programme Board, Baseline Governance Review Cwm Taf Morgannwg Regional Partnership Board	7
Audit Wales, Springing Forward, Strategic Workforce Management	3
CIW Improvement Check Visit to Children's Social Care Services	10
CIW Inspection Report on Foster Wales Bridgend	20
Audit Wales, Use of Service User Perspective and Outcomes	3

3.4 Since the previous report to the Governance and Audit Committee on 25 January 2024, 2 new audit/inspections have been added to the tracker. They are –

- CIW Inspection Report on Foster Wales Bridgend
- Audit Wales, Use of Service User Perspective and Outcomes

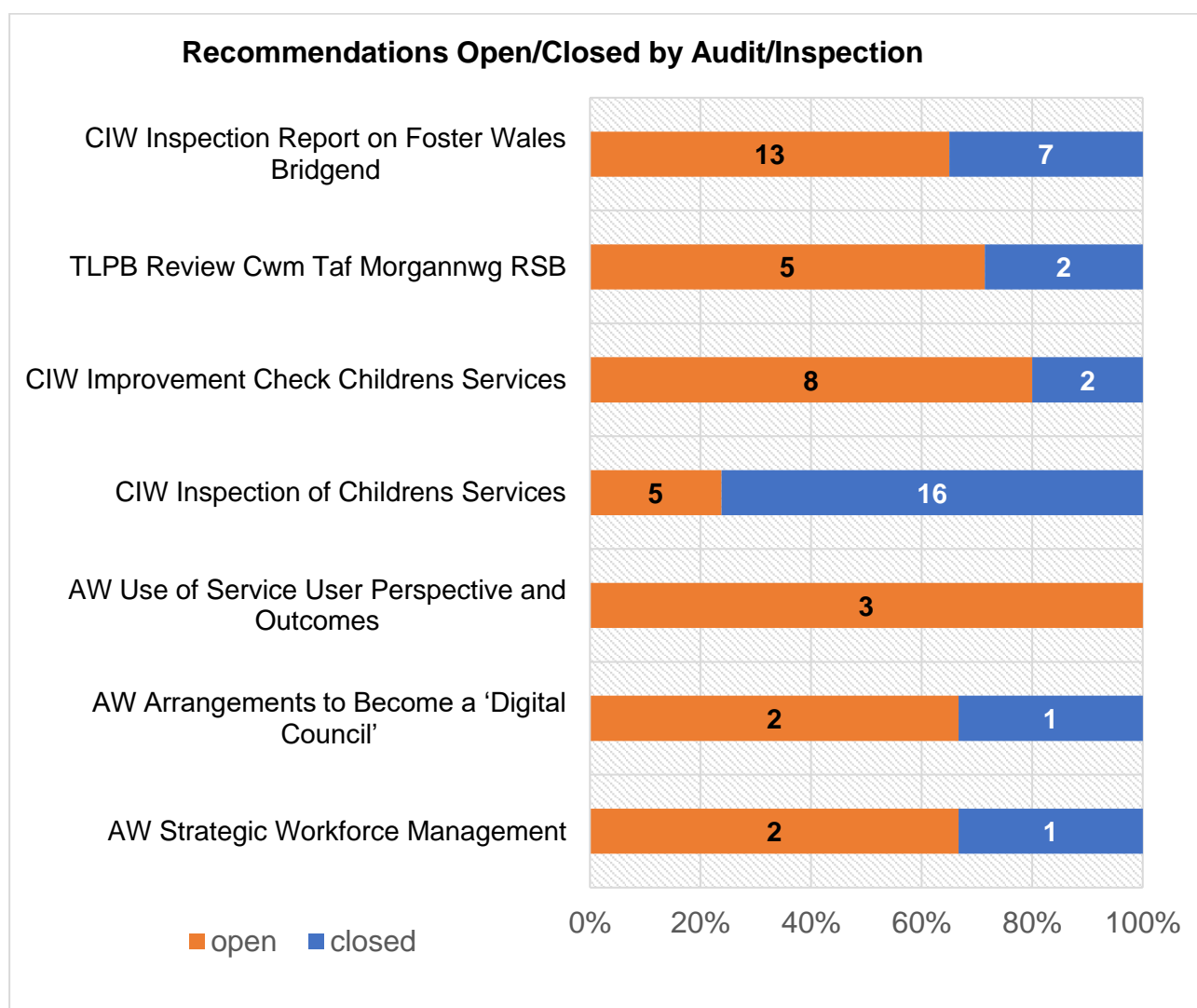
3.5 Since the previous report 18 recommendations have been closed. Final commentary is included in **Appendix 2**. They are –

- Audit Wales, Performance Management Review (final 2 of the 4 recommendations closed, and this audit/inspection will now be removed from the tracker)
- Audit Wales, Springing Forward, Strategic Workforce Management (1 recommendation closed, 2 remain open)
- HM Inspectorate of Probation, Inspection of youth offending services in Bridgend (final 1 of the 5 recommendations closed, and this audit/inspection will now be removed from the tracker)
- Audit Wales, Springing Forward Asset Management (final 1 of 4 recommendations closed, and this audit/inspection will now be removed from the tracker)
- CIW Performance Evaluation Inspection of Children's Services (3 further recommendations closed, 5 remain open)
- CIW Improvement Check Visit to Children's Social Care Services (1 further recommendation closed, 8 remain open)
- CIW, Bryn Y Cae Residential Home Priority Action Notices (single recommendation closed, and this audit/inspection will now be removed from the tracker)

- Transformational Leadership Programme Board, Baseline Governance Review Cwm Taf Morgannwg Regional Partnership Board (1 further recommendation closed, 5 remain open)
- CIW Inspection Report on Foster Wales Bridgend (7 recommendations closed, 13 remain open)

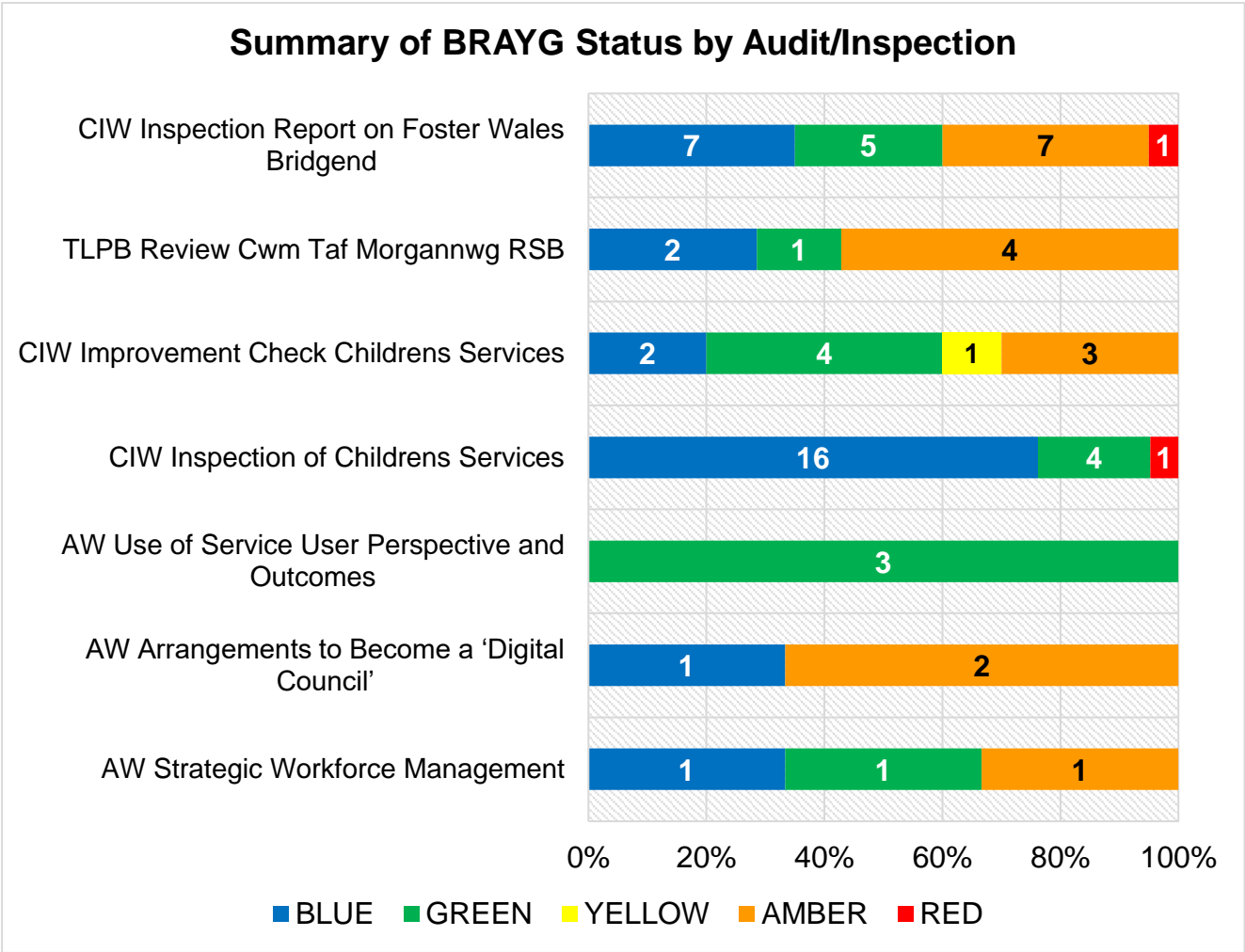
3.6 A breakdown of the open/closed status for the 67 current recommendations is below. This has also been summarised by audit / inspection to draw the Governance and Audit Committee's attention to specific areas of concern.

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
25/01/2024	58	33	25	56.90
<b>19/07/2024</b>	<b>67</b>	<b>38</b>	<b>29</b>	<b>56.72</b>



3.7 A breakdown of red, amber, yellow, green, blue status for recommendations is below. This has also been summarised by audit / inspection to draw Governance and Audit Committee’s attention to specific areas of concern.

Date	Recommendations	Blue	Green	Yellow	Amber	Red	No status
10/11/2022	37	1	18	n/a	11	0	7
12/01/2023	66	18	26	n/a	14	1	7
15/07/2023	82	44	22	0	15	1	0
25/01/2024	58	25	17	0	15	1	0
<b>19/07/2024</b>	<b>67</b>	<b>29</b>	<b>18</b>	<b>1</b>	<b>17</b>	<b>2</b>	<b>0</b>



**4. Equality implications (including Socio-economic Duty / 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 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 The Governance and Audit Committee is recommended to: -

- Consider the summary points and detailed regulatory tracker and raise any issues of concern for follow-up.

## **Background documents**

None.

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Name of Audit / regulator	Report issued	Oversight and Date	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2023-24	RAG Q4	Open/ Closed
CIW Inspection Report on Foster Wales Bridgend	Jan-24	SOSC2 TBC	R3 Safeguarding procedures are not consistently followed. Information sharing between teams, consideration of risks and decision making is not robust.	Group Manager Placement and Provider Services	Mar-24	Mandatory training on Part 5's (professional concerns referrals) took place in February 2024 with the fostering team, a Significant events form has now been introduced to record issues and decision making. Workshops to be held across children's services to support the Part 5 process. New delivery date 30/09/2024	AMBER	Open
			R7 Some children have experienced high numbers of moves, which impacts their stability and outcomes	Group Manager Placement and Provider Services	Mar-25	Placement stability support to be expanded via restructure report – awaiting sign off. Unable to secure an organisation to create the Placement support service, therefore an in-house service is being developed, however there are recruitment issues. A board is in place to oversee the project plan	AMBER	Open
			R9 As part of the matching process key information is shared during planning meetings, however, these meetings are not completed consistently.	Group Manager Placement and Provider Services	Quarterly, next due April 24.	Placement planning meetings are now a form on WCCIS to measure compliance. Need for children's teams to understand and comply with process.	AMBER	Open
			R10 Children who need long term care, are matched with carers, without a thorough assessment of their long-term needs, how these change over time, carers commitment and understanding of these needs.	Group Manager Placement and Provider Services	Mar-24	The Fostering Service will seek to collaboratively produce a local authority process for agreeing long term matches for care experienced children. New delivery date 30/09/2024	RED	Open
			R12 Feedback from foster carers has been mixed regarding the foster carer charter implementation, information sharing and decision-making needing to be improved.	Group Manager Placement and Provider Services	Jun-24	Whole service approach needed with engagement and commitment from children's teams. Liaison carer and fostering team members to attend team meetings.	AMBER	Open
			R16 Evidence of updated DBS checks for staff needs strengthening.	Group Manager Placement and Provider Services	Mar-24	There is a robust system for ensuring that DBS are current which is monitored via Corporate Safeguarding Group. In addition, DBS compliance is monitored via Supervision. New delivery date 30/09/2024	AMBER	Open
			R17 Quality assurance and learning framework has not been implemented consistently.	Group Manager Placement and Provider Services	Apr-24	Further work needed to fully embed QA Meeting to take place with QA officer re implementation in Q4 to support progress.	AMBER	Open
			R20 Additional guides for children reflecting different ages and needs to be developed.	Group Manager Placement and Provider Services	Nov-24	Will be updated following National Handbook exp. Sept 24	AMBER	Open
CIW Improvement Check Children's Social Care Services	Nov-22	SOSC2 27 March 2023	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	Continuous	Monthly workforce planning meetings take place to closely monitor the workstreams and their impact. There is an improving picture with a reduction in agency workforce from 73 to 41 children's social workers in the last year, with further reductions planned as the 'managed team' supporting the IAA service has been given notice. A number of actions have been critical in the progress made: Growing our own Social Work Programme continues with preparations for cohort graduating in June 2024 to join the permanent workforce, and advertising for further candidates for 2024-2025 academic year due to roll out. A project group continues to oversee international recruitment and to date 13 social workers have been offered posts with 11 having started in post. 8 have passed their probation period successfully with the remaining who are in post still in their probation period. Currently awaiting confirmation of 2024 team establishment to determine whether continuation of project, strong applications continue to be received. Continuous effort to reach the wider workforce market through targeted campaigns, including an online session attended by over 40 people, re-writing of adverts, promotion of vacancies and working in the borough, improvements to online website, and improving the application/ new starter experience. Steady increase of applications and appointed candidates indicates positive impact of the above.	AMBER	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/ Deputy HoS	Jun-23	Bronze and silver 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 Early Help and Safeguarding Board meeting. With the change of directorates the Social Services Improvement Board will monitor early help performance from Q1 of 2024/25 onwards. New delivery date 31/03/2025	AMBER	Open

Name of Audit / regulator	Report issued	Oversight and Date	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2023-24	RAG Q4	Open/ Closed
			PR8 - Ensure children are not placed in unregistered services and must continue its efforts to identify suitable, registered placements	GM Commissioning	Continuous	<p>A Children and Young People Commissioning Strategy has been developed and approved by Cabinet in April 2024. 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.</p> <p>Meadow's View children's home is open and in-house provision is being used optimally to meet needs.</p> <p>Children are only placed in unregistered services in exceptional circumstances and when this does happen the arrangements are closely monitored and reported to CIW.</p> <p>A priority in the commissioning strategy are the developing sufficient residential provision in the County Borough to meet needs and ensure the Council is well placed to meet the requirements of the eliminating profit legislation being progressed by Welsh Government. Business Cases are being progressed for consideration by the Regional Partnership Board.</p> <p>A second priority is development of sufficient foster carers to meet needs of care experienced children and prevent escalation of needs to residential care. There has been a net loss of foster carers in the last year but significant efforts through Foster Wales Bridgend in the areas of marketing, recruitment and support to foster carers to support an improved position.</p> <p>A key element of the Commissioning Strategies has been the updating of the Placement Sufficiency Strategy – which is a standalone document with the key findings included in the above strategies – as required</p>	AMBER	Open
Audit Wales, Springing Forward – Strategic Workforce Management	Oct-22	COSC	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	The current budget position has meant that all services have had to review how they deliver in the future, it is envisaged that this will be the immediate workforce priority. Whilst we have developed some revised data, we are continuing to grow this to support directorate requirements. Revised delivery date September 2024.	AMBER	Open
Transformational Leadership Programme Board – Baseline governance Review – Cwm Taf Morgannwg Regional Partnership Board	Aug-22	SOSC2	<p><b>R4 Risk Management</b></p> <p>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.</p>	Head of Regional Commissioning Unit	ongoing	There remains uncertainty over any additional resource to implement further faster (noting Allied Health Professional funding being received) and recognition that there exists an ever-increasing financial challenge the need to accelerate the rebalancing of the health and care system, ensuring that existing resources are utilised most effectively and stive towards the Further Faster ambitions remains. Effective transformation of our existing model of care including engagement, understanding resistance to change, create a learning environment that studies each change and is flexible to respond to new knowledge and data is needed.	AMBER	Open
			<p><b>R5 Regional Commissioning Unit</b></p> <p>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.</p>	Head of Regional Commissioning Unit	2023-24	<p>Additional Capacity Secured - Director for Integration post commenced Nov 2023</p> <p>Capital planning officer post commenced October 2023.</p> <p>NEST Co-ordinator / Children and young people Commenced March 2024.</p> <p>3x Capital Project manager roles (Funded through Integrated Care Capital Resource for 2 year fixed term), Currently being shortlisted expected in post by June 2024 (Note one post to focus on digital/assistive tech development).</p> <p>New delivery date 31/12/2024</p>	AMBER	Open
			<p><b>R6 Use of Resources</b></p> <p>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</p>	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. Exploring both the maximum potential of a Section 33 structure and the practicalities of a formal public sector Joint Venture agreed as the best options for further exploration as part of the enablers within the Integrated Pathways implementation Programme. New delivery date 31/03/2025	AMBER	Open

Name of Audit / regulator	Report issued	Oversight and Date	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2023-24	RAG Q4	Open/ Closed
			<p><b>R7 Regional Workforce Planning</b> 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.</p>	Head of Regional Commissioning Unit	ongoing	<p>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. 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.</p> <p>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.</p>	AMBER	Open
CIW, Performance Evaluation Inspection of Children's Services	May-22	SOSC2 Nov 2022	PR3 - Placement sufficiency and support	HoS/GM Placeme	Mar-23	<p>Meadows View (assessment and emergency residential provision) has been registered and opened.</p> <p>Radical reform funding from WG has also been granted for us to establish a Placement Support team for fostering and residential care and this project is underway. This funding is short term so it is anticipated there will be challenges in recruiting to short term contracts.</p> <p>In house fostering numbers have reduced during the year as numbers leaving have exceeded new recruits which is a cause for concern. Foster carer retention.</p> <p>The regional children's programme board has an accommodation workstream which is driving the development and bids for associated funding for specialist provision. Business justification case has been developed for additional in-house residential provision which will be submitted to the Regional Capital Board for consideration.</p> <p>New delivery date 31/03/2025 - Welsh Government have now introduced their Eliminating Profit Bill. There are significant risks for the Local Authority in identifying suitable placements for children currently accommodated in for-profit providers. Should these providers exit the market, there would be a significant shortage of placements for these children in Bridgend and across Wales.</p>	RED	Open
Audit Wales, Review of Arrangements to Become a 'Digital Council'	Jun-21	COSC	P1 The Council could improve its digital strategy	Martin Morgans	Dec-23	The new digital strategy is currently being developed and will be completed by December 2024. Audit Wales have recently conducted a separate Digital Strategy Review which was published in April 2024, and these findings and recommendations will be used to support the development of the new strategy.	AMBER	Open
			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 2022-23, a part of which relates to improving communication with staff and members. Following on from the review, work is now ongoing to improve internal comms. This is being informed by feedback from the recent staff survey and from staff focus groups which should take place over the summer. This work will be complete by October 2024	AMBER	Open

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Name of Audit / regulator	Report issued	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2023-24	RAG Q4	Open/ Closed
Page 77  CIW Inspection Report on Foster Wales Bridgend	Jan-24	R1 Childrens views to be actively sought following placement endings.	Group Manager Placement and Provider Services	Mar-24	End of placement process reviewed and updated with changes to WCCIS form to be implemented. Consultation with team 6th March has taken place and the form will be live on WCCIS w/c 22nd April.	BLUE	Closed
		R4 Foster care agreements and safer caring agreements are in place, but these are not completed thoroughly.	Group Manager Placement and Provider Services	Mar-24	Safer Care procedure has been drafted in line with E book purchased consultation took place 6th March with the team and the updated forms are now live on WCCIS, training taking place in May 2024.	BLUE	Closed
		R6 When foster carers have been subject to safeguarding concerns, delays have occurred in completing annual reviews and presenting these to foster panel.	Group Manager Placement and Provider Services	Feb-24	Timescales have been addressed with team managers and individual performance addressed.	BLUE	Closed
		R8 Demand on the service is high and many foster carers are often asked to care for more children than they are approved for. Additional resources are provided to try to support these arrangements. However, these are routinely used with carers who look after children with complex needs, without robust consideration of the impact and risks involved.	Group Manager Placement and Provider Services	Jun-24	Addressed via matching procedure and process above, coupled with placement planning meetings being a form on WCCIS to enable monitoring of compliance.	BLUE	Closed
		R11 The service is reviewing how they can improve monitoring of children's personal outcomes.	Group Manager Placement and Provider Services	Feb-24	Discussions have taken place with the performance teams and information can be obtained regarding placement endings for children in foster care to contribute to quality of care reports. The End of Placement report has been amended to include a box to record outcomes for the child achieved within the placement.	BLUE	Closed
		R13 Several policies and procedures have been updated prior to inspection, to reflect the changes needed. The service is not currently operating in line with these policies and procedures which is impacting children's outcomes	Group Manager Placement and Provider Services	Mar-24	Policy Officer has attended fostering team meeting to outline the SSWB page on the intranet and how to access updated policies and procedures. A Team meeting took place on 6th March to go through policy and procedure facilitated by Team Managers to give opportunity for team members to raise any queries or questions. Forms have been developed on WCCIS and reports regularly produced to enable Team Managers to have oversight of compliance and address with individuals where there are performance issues.	BLUE	Closed
		R18 Not all prospective foster carers have received the information and training they require prior to their assessment	Group Manager Placement and Provider Services	n/a	1 General carer highlighted during inspection which was an anomaly. In other cases, these are kinship carers subject to court timescales.	BLUE	Closed

Name of Audit / regulator	Report issued	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2023-24	RAG Q4	Open/ Closed
CIW Bryn Y Cae Residential Home Priority Action Notices	Mar-23	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	Complete	BLUE	Closed
Audit Wales, Performance Management Review	Feb-23	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 and completed for all Corporate Plan performance indicators and wherever possible evidence of the calculation is being added to the performance management system. A PI audit process has been developed and agreed at CPA.	BLUE	Closed
		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, roles and responsibilities. This will allow time for better analysis. Performance team have worked with COSC during 2023-24 to improve the way performance information is reported, using graphs, tables and summary presentations, including greater analysis. Broader information point has already been addressed through self-assessment.	BLUE	Closed
CIW Improvement Check Children's Social Care Services	Nov-22	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	Bridgend Exploitation panel in place consisting of 15 key agencies meetings monthly hearing 10-15 cases at panel each month. The regional approach is currently being agreed, and a pan Wales exploitation exchange and best practice forum is being developed to support the work around exploitation.	BLUE	Closed
Audit Wales, Springing Forward – Strategic Workforce Management	Oct-22	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	Complete - Strategic Workforce Plan approved at Cabinet on 19th September 2023.	BLUE	Closed
Audit Wales, Springing Forward - Asset Management	Oct-22	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.	Justin Kingdon	Sep-23	The compliance picture has improved significantly over the past year for the Big 5 areas of statutory compliance. This now stands at over 94%, this will improve further with the introduction of the Integrated Works Management System (IWMS) that is currently being procured and will give us an ability to have a live view of compliance across the estate and an ability to monitor the position more effectively.	BLUE	Closed

Name of Audit / regulator	Report issued	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2023-24	RAG Q4	Open/ Closed
Page 79  Transformational Leadership Programme Board – Baseline governance Review – Cwm Taf Morgannwg Regional Partnership Board	Aug-22	<b>R1 Strategic planning and applying the sustainable development principle.</b> 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	Community Pathways Implementation - The aim of the programme is to implement a target model of integrated community care services consistently across the region, insisting of Urgent Community Response and Population Health Management Pathways, and a Clinical Navigation Hub. Pathway development will be underpinned by progress on enablers including streamlined governance, finance and outcomes, digital and engagement. The Health and Social Care Regional Integration Fund (the RIF) is a 5-year fund to deliver a programme of change from April 2022 to March 2027. It builds on the learning and progress made under the previous Integrated Care Fund (ICF) and Transformation Fund (TF) and seeks to create sustainable system change through the integration of health and social care services. Key features and values of the Fund include; • A strong focus on prevention and early intervention • Developing and embedding national models of integrated care • Actively sharing learning across Wales through communities of practice • Sustainable long-term resourcing to embed and mainstream new models of care • Creation of long-term pooled fund arrangements • Consistent investment in regional planning and partnership infrastructure The RIF is a key lever to drive change and transformation across the health and social care system and in doing so will directly support implementation of several key pieces of policy and legislation over the longer term. October 2023 Update - A model focussing on two pathways Urgent and emergency care and population health management have been agreed that aligns the efforts of 6 Goals of UEC, ACD and RIF. Regional work streams have been aligned to new national specifications and identified 'transformation resource' (RIF) to support local leadership, facilitate change and disseminate learning. By aligning programmes and core resources will support longer terms sustainability.	BLUE	Closed
HM Inspectorate of Probation, inspection of youth offending services in Bridgend	Jun-22	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	Complete - The Prevention and Diversion Panel has been in place since January 2024 and is now an established partnership approach to agreeing the out of court disposal that will most effectively meet the needs of the child, victim and community.	BLUE	Closed

Name of Audit / regulator	Report issued	Recommendation / proposal for improvement	Responsible Officer	Delivery Date	Action Update Q4 2023-24	RAG Q4	Open/ Closed
Page 80 CIW, Report of Performance Evaluation Inspection of Children's Services	May-22	PE4 - Strengthen business support for practitioners	GM Bus Support/Bus Change Prog Manager	Mar-23	Complete	BLUE	Closed
		W4 - CSE and CCE – strengthen interventions and mapping	GM Locality Hbs/GM Safeguarding	ongoing	A referral pathway for identifying and assessing exploitation has been developed and a multi-agency panel established. Interactive guidance is being developed by a subgroup of the regional safeguarding board	BLUE	Closed
		W3 - Consistent high quality written records	Policy Officer, GM Placements and Provider Services,	Mar-23	The guidance on the use of chronologies has been included in the revised BCBC Recording procedure. CTM SB has a chronology guidance which is published on their website, links directly to this guidance are also contained within the BCBC SSWB Intranet Policy Webpage. Policy, procedure and guidance review for CSC services continues and is ongoing. Interactive Practice Guide has been reviewed and updated to include a social work toolkit which contains all best-practice practice guides for practitioners to refer back to. Policy framework for CECT team in process of creation.	BLUE	Closed



# Agenda Item 6

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY</b>
<b>Responsible Officer:</b>	<b>STEPHEN GRIFFITHS</b> <b>DEMOCRATIC SERVICES OFFICER – COMMITTEES/ INTERIM SCRUTINY OFFICER</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<b>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.</b>

## **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 comments, as appropriate.

**Background documents**

None.

Number	Date of Committee	Item	Lead	Target Date	Action	Date for action to be brought to GAC.	Response
1.	18 Apr 24	Internal Audit Recommendation Monitoring	Head of RIAS/ Chief Officer - Finance, Housing & Change	Jun 24	The need for the responses and action plans from service managers and directors, where audit reviews identified control issues which meant that only <i>Limited Assurance</i> could be provided, to be brought to the next meeting of the Committee.	Jul 24	<b>ACTIONED</b> - The responses and action plans from service managers and directors will be brought to the meeting of GAC on 19 July 2024.
2.	9 Nov 23	Appointment of a Lay Member	Chief Officer - Finance, Housing & Change/ Head of RIAS	N/A	To recruit a lay member to fill the outstanding position.	Jul 24	<b>ACTIONED</b> - The recruitment process to appoint a lay member to fill the outstanding position is in its final stages, with interviews on 12 July 2024.
3.	6 Jun 24	Regional Internal Audit Service Charter 2024-25	Head of RIAS	Jul 24	As there have been new members on the Committee in recent months and a new lay member appointed shortly, a training session/ workshop will be developed. This will be based around the completed self-assessment of skills and knowledge responses previously circulated by Internal Audit and aspects of the induction session previously delivered.	Jul 24	<b>ACTIONED</b> - The self-assessment of skills and knowledge questionnaire was sent to new members of the committee on 4 July 2024, and the training session/ workshop will be scheduled in September 2024.
4.	6 Jun 24	Forward Work Programme 2024-25	Chief Officer - Finance, Housing & Change/ Group Manager – Chief Accountant		To identify opportunities to deepen Members' understanding of areas of concern, such as Treasury Management.	Jul 24	<b>ACTIONED</b> – A guide to Treasury Management was circulated to Members on 26 June 2024.
5.	6 Jun 24	Audit Wales	Chief Executive/ Chief Officer - Finance, Housing & Change	Jun 24	The need for additional briefings to allow Members to keep up with key developments and lessons (in particular, those at an all-Wales level) identified and reported on by Audit Wales.	Sept 24	<b>ACTIONED</b> - The Chief Officer – Finance, Housing and Change approached Audit Wales to discuss this issue. It was proposed, as a first step, that a representative of Audit Wales attend the training session/ workshop discussed in Item 3. It has been proposed that a further discussion take place at the next liaison meeting to see what they may be able to do going forward.
6.	9 Nov 23	Local Transport Strategy	Corporate Director - Communities	N/A	A Member requested a written response on progress against the 2015 plan.	To be determined	<b>ACTIONED</b> - An update will be shared with Members.

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>AUDIT WALES GOVERNANCE AND AUDIT COMMITTEE REPORTS</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>DEBORAH EXTON DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Council’s external auditors, Audit Wales, undertake a range of financial and performance audit work during the financial year.</b></li> <li>• <b>They publish a number of reports in respect of the audit work undertaken. Some of the reports are national across all local authorities and others are local and specific to Bridgend.</b></li> <li>• <b>Audit Wales also present a quarterly work programme and timetable to the Governance and Audit Committee to outline work completed, audits in progress and those still due to be undertaken.</b></li> <li>• <b>This report provides details of the quarterly update on the Work Programme to the end of June 2024, the Detailed Audit Plan 2024 and the Annual Audit Summary.</b></li> </ul>

## 1. Purpose of Report

1.1 The purpose of this report is to submit to the Committee three reports from Audit Wales.

## 2. Background

2.1 Audit Wales undertakes a programme of work during the year to help the Auditor General discharge his duties under the Public Audit (Wales) Act 2004. The Auditor General’s functions include auditing accounts and undertaking local performance audit work at a broad range of public bodies, alongside conducting a programme of national value for money examinations and studies. The Auditor General also assesses the extent to which public bodies are complying with the

sustainable development principle when setting and taking steps to meet their well-being objectives.

- 2.2 Part 2 of the 2004 Act sets out the powers and duties of the Auditor General to undertake studies in relation to local government bodies in Wales. The most widely used of these provisions is section 41, which requires the Auditor General to undertake studies designed to enable him to make recommendations for, among other things, improving the value for money in the provision of services.
- 2.3 In accordance with Section 89 of the Local Government and Elections (Wales) Act 2021 the Authority is required to keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and ensuring its governance is effective for securing these performance requirements.

### 3. Current situation / proposal

- 3.1 Audit Wales has produced three reports for the Governance and Audit Committee to consider:-
  - **The Audit Wales Work Programme and Timetable - (Appendix A)** - under the Local Government and Elections (Wales) Act 2021, the Auditor General is required to produce a work programme update for each financial year for each principal council covering both his functions and those of 'relevant regulators' (Care Inspectorate Wales and Estyn). At the meeting of the Governance and Audit Committee in July 2021, Audit Wales reported that they will provide an updated version of this report to the Council on a quarterly basis. **Appendix A** is an updated position as at 30<sup>th</sup> June 2024.
  - **Bridgend County Borough Council – Annual Audit Summary 2023 - (Appendix B)** - This is Audit Wales' audit summary for Bridgend County Borough Council. It shows the work completed since the last Annual Audit Summary, which was issued in March 2023. The audit summary forms part of the Auditor General for Wales' duties.
  - **Bridgend County Borough Council – Detailed Audit Plan 2024 - (Appendix C)** - The Outline Audit Plan specifies the Auditor General's statutory responsibilities as the Council's external auditor and to fulfil his obligations under the Code of Audit Practice. It also sets out details of the audit team and key dates for delivering the audit team's activities and planned outputs.

### 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 There are no financial implications arising from this report.

## **9. Recommendation**

9.1 That the Committee notes the Audit Wales Governance and Audit Committee Reports at **Appendix A**, **Appendix B** and **Appendix C**.

## **Background documents**

None

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## Audit Wales Work Programme and Timetable – Bridgend County Borough Council

**Quarterly Update: 30 June 2024**

### Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in April 2023.	June 2024	Complete

### Financial Audit work

Description	Scope	Timetable	Status
<b>Audit of the Council's 2023-24 statement of accounts</b>	We are required to issue a certificate and report on your financial statements which includes an opinion on their 'truth and fairness'. and an assessment as to whether the Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with your financial statements and my knowledge of the Authority.	30 November 2024	Audit planning work is ongoing

Description	Scope	Timetable	Status
<b>The limited assurance audits of Coychurch Crematorium and Porthcawl Harbour 2023-24 accounts</b>	Per the Accounts and Audit (Wales) Regulations 2014 both bodies are classed as smaller bodies, and a limited set of audit procedures is required. Neither body is subject therefore to a full audit.	30 November 2024	Not started
<b>Certification of the Council's 2023-24 grant claims and returns</b>	<p>We are required to certify three grant claims administered by the Council.</p> <ul style="list-style-type: none"> <li>• Housing Benefit Subsidy</li> <li>• National Non-Domestic Rates</li> <li>• Teachers' Pension Return</li> </ul>	Various – November 2024 onwards	Not started

## Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> <li>• Financial position</li> </ul>	Ongoing monitoring of financial position	Ongoing

2022-23 Performance Audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> <li>• Use of performance information – with a focus on service user feedback and outcomes</li> </ul>	February – September 2023	Final report issued 22nd September 2023
<b>Thematic Review – Unscheduled Care</b>	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – October 2023	Reporting from July 2024 onward.
<b>Thematic review – Digital</b>	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	January – September.	Final report issued 19 <sup>th</sup> March 2024
<b>Local project – Review of performance management arrangements</b>	We will review the Council’s performance management arrangements and establish how well they inform the Council of progress in meeting its priorities.	July to October 2022	Final report issued 15 <sup>th</sup> February 2023

2023-24 Performance Audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <p>Setting of Wellbeing Objectives</p>	<p>2023-24</p> <p>Jan to July 2024</p>	<p>Ongoing</p> <p>Drafting</p>
<b>Thematic review – commissioning</b>	<p>A review focusing on how councils' arrangements for commissioning, apply value for money considerations and the sustainable development principle.</p>	<p>March – December 2024</p>	<p>Underway</p>
<b>Thematic review – Financial Sustainability</b>	<p>A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.</p>	<p>March – July 2024</p>	<p>Drafting</p>
<b>Local project</b>	<p>Review of Decision-Making Arrangements to establish whether the Council has put in place proper decision-making arrangements to secure value for money in the use of its resources.</p>	<p>May- October</p>	<p>Underway</p>

2024-25 Performance Audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	On-going	On-going
<b>Thematic review - Staffing resources / pressures in local government</b>	A review of the arrangements that councils have in place to secure appropriate and cost-effective staff resources to support services.	Deferred to 2025-26	Not started
Local project - Review of Decision-Making Arrangements (contd.)	Review of Decision-Making Arrangements to establish whether the Council has put in place proper decision-making arrangements to secure value for money in the use of its resources.	May- October	Underway
Local project - Review of Risk Management Arrangements	A review to assess the Council's Risk Management Arrangements. This review has not yet been scoped.	TBC	Not started

## Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Bridgend County Borough Council
<b>Governance of Fire and Rescue Authorities</b>	Review of systems and effectiveness of governance	September 2023 – August 2024	Fieldwork complete. Publication due August 2024	No. FRA members were given opportunity to share views via a survey
<b>Homelessness</b>	Examining how services are working together to progress the response to homelessness.	TBC	Scoping	TBC
<b>Capital Planning in Local Government</b>	Examining whether capital investment in the asset base in local government is able to keep pace with demand	TBC	Not started	TBC

Study	Scope	Timetable	Status	Fieldwork planned at Bridgend County Borough Council
<b>Financial constraints / discretionary local government services</b>	Examining the potential impacts and councils' decision making processes in the context of the sustainable development principle.	TBC	Not started	TBC

## Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern.

We inspected two local government education services during the summer term, which were Ceredigion and Caerphilly. The reports will be published in late August and early September respectively.

During the summer term piloted our enhanced link visits in Pembrokeshire and Neath Port Talbot. The visits were carried out by three link inspectors visiting the local authorities for two days focusing on two specific aspects of the local authority's work. In Pembrokeshire we looked at the asymmetric timetabling arrangements in 24 of their schools and their approaches to improving attendance. In Neath Port Talbot, the focus was on their support for curriculum development and attendance. We carried out field work in nearly all local authorities on the Implementation of the Additional Learning Needs and Education Tribunal [Wales] Act 2018 in non-maintained settings, primary and secondary schools and all age schools. This review follows on from the year 1 review of the implementation of the ALNET Act in schools, which was published in September 2023. We also carried out field work focusing on 'the impact of poverty in educational attainment, support, provision and transition for early education' in nearly all local authorities.

## Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
<b>Thematic reviews</b>  <b>Community Learning Disability Team (CLDT)</b>	Working jointly with HIW we completed an assurance check inspection in Rhondda Cynon Taff focusing on Community Learning Disability Teams (CLDT). <a href="#">RCT CLDT Joint inspection</a>	2024-25	Published April 2024
	A second single agency <a href="#">assurance check inspection in Blaenau Gwent</a>	March 2024	Published May 2024



CIW planned work 2023-25	Scope	Timetable	Status
	We will continue an annual programme of joint work focusing on CLDT and Community Mental Health Team (CMHT)		
<b>Joint Inspection Child Protection Arrangements (JICPA)</b>	<p>We will complete a further two multi-agency joint inspections in total.</p> <p>The findings from Bridgend County Borough Council - <a href="#">Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023   Care Inspectorate Wales</a></p> <p>Our findings from the <b>Cardiff County Council Cardiff Joint Inspection Report</b></p> <p>The findings from Denbighshire County Council <a href="#">Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023   Care Inspectorate Wales</a></p> <p>The findings from Powys County Council - <a href="#">Joint Inspectorate Review of Child Protection Arrangements (JICPA): Powys 2023   Care Inspectorate Wales</a></p>	<p>April 2023 – April 2024</p> <p>June 2024</p> <p>7 May 2024</p> <p>Feb 2024</p> <p>October 2023</p>	<p>Delivery national report due to be published September 2024</p> <p>Published</p> <p>Published</p> <p>Published</p> <p>Published</p>

CIW planned work 2023-25	Scope	Timetable	Status
<b>Performance review of Local Authorities</b>	<u>We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity   Care Inspectorate Wales</u>	Ongoing	Ongoing
	<u>How we inspect local authority services and CAFCASS Cymru</u>		
	<u>We are currently reviewing our Code of Practice and will be publishing shortly.</u>		Review
	Inspection of Flintshire County Council children and adult services in February 2024 - <u>Inspection report for Flintshire County Council's adults and children's services published   Care Inspectorate Wales</u>	22 Feb 2024	Published
	We published <u>Monmouthshire County Council children's services Inspection report PEI   Care Inspectorate Wales</u>	2 May 2024	Published
	We published <u>Pembrokeshire - Improvement check inspection Improvement-check Pembrokeshire-county-council-adult services</u>	13 June 2024	Published
We undertook a PEI in Swansea adult service in May 2024	11 July 2024	Publication due	
<b>Her Majesty's Inspectorate of Probation – Youth Offending Inspection</b>	We supported the delivery of HMIP's Youth Offending Services Inspection in Denbighshire and Conwy. <u>A joint inspection of youth justice services in Conwy &amp; Denbighshire (justiceinspectors.gov.uk)</u>	8 May 2024	Published

## Audit Wales national reports and other outputs published since June 2023

Report title	Publication date and link to report
A465 Section 2 – update	<a href="#">June 2024</a>
Community Pharmacy data matching pilot	<a href="#">May 2024</a>
Governance of National Park Authorities	<a href="#">April 2024</a>
Supporting Ukrainians in Wales	<a href="#">March 2024</a>
From firefighting to future-proofing – the challenge for Welsh public services	<a href="#">February 2024</a>
Betsi Cadwaladr University Health Board – board effectiveness follow up	<a href="#">February 2024</a>
Local Government Financial Sustainability Data tool update uses data from the draft 2022-23 accounts	<a href="#">January 2024</a>
Planning for sustainable development – Brownfield regeneration	<a href="#">January 2024</a>
Corporate Joint Committees – commentary on their progress	<a href="#">November 2023</a>
Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales	<a href="#">November 2023</a>
Failures in financial management and governance and losses incurred – Harlech Community Council	<a href="#">November 2023</a>

Report title	Publication date and link to report
Putting out the false alarms: Fire and Rescue Authorities' responses to Unwanted Fire Signals	<a href="#">October 2023</a>
Covering teachers' absence – follow-up (letter to the Public Accounts and Public Administration Committee)	<a href="#">October 2023</a>
NHS workforce – data briefing	<a href="#">September 2023</a>
Income Diversification for National Park Authorities in Wales	<a href="#">September 2023</a>
Approaches to achieving net zero across the UK	<a href="#">September 2023</a>
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	<a href="#">September 2023</a>
NHS finances data tool – to 31 March 2023	<a href="#">September 2023</a>
Public interest reports – Ammanford Town Council and Llanferres Community Council	<a href="#">September 2023</a>
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	<a href="#">August 2023</a>
'Cracks in the Foundations' – Building Safety in Wales	<a href="#">August 2023</a>
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	<a href="#">June 2023</a>

## Audit Wales national reports and other outputs (work in progress / planned)<sup>1, 2</sup>

Title	Indicative publication date
Local government digital strategy review – national summary	July 2024
Local government use of performance information, outcomes and service user perspective – national summary	July 2024
NHS finances data tool – to 31 March 2024	July 2024
Affordable housing	August 2024
Active travel (report and data tool)	August / September 2024
Findings from GP registration data matching pilot	September / October 2024
National Fraud Initiative – bi-ennial report	October 2024
Cancer services	October 2024
NHS workforce planning (national messages)	Autumn 2024

<sup>1</sup> We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

<sup>2</sup> Our [Annual Plan 2024-25](#) also lists work in progress, some of which has since been published, or work planned to start during 2024-25. [Our work programme for 2023-2026](#) – also provides some additional detail about certain topics and will continue to inform our work programme planning for 2025-26.

Title	Indicative publication date
Unscheduled care (national messages – patient flow in hospital and delayed discharge)	Autumn 2024
Financial management and governance in town and community councils	Autumn 2024
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	Pan-public sector review – autumn 2024  NRW to be confirmed (scoping)
Welsh Government capital and infrastructure investment	Late autumn 2024
Challenges for the cultural sector	By end of 2024 (local reporting)
New Velindre Cancer Centre	Early 2025
Findings from sustainable development examinations (statutory report under the WFG Act)	By early May 2025
The senior public service	Scoping underway, delivery planned early summer
Rebalancing care and support	To be confirmed (scoping)
Tackling NHS waiting lists (local audit work at health boards)	To be confirmed (local work at each Health Board started in May 2024)
Access to education for children with Additional Learning Needs	To be confirmed (scoping)

Title	Indicative publication date
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
Support for business	To be confirmed (starting in 2024-25)
Support for bus and rail services	To be confirmed (starting in 2024-25)
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	To be confirmed (starting in 2024-25)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (starting in 2024-25)

## Good Practice Exchange events and resources

Title	Link to resource
<b>Sgwrs a Paned with Alex Swift: Re-Defining Our Lives: Towards a Social Understanding of Neurodiversity</b>	You can book a place <a href="#">here</a> .
<p><b>Audit Committees: Effective practices and a positive impact</b></p> <p>Good governance arrangements are a critical part of how public service organisations function effectively and deliver value for money services for the citizens and communities of Wales. Audit Committees are one of the foundation stones that support good governance. With significant current and future pressures on public sector finances, there is an increasing need for effective practices and a positive impact. Audit Committees play a vital role in this. This event provides an opportunity to share experiences, learn, and network with peers across the public sector in Wales.</p>	<p>9<sup>th</sup> October 2024, 10:30 – 15:30 Conwy Business Centre</p> <p>You can book a place <a href="#">here</a>.</p> <p>The resources from our event in Cardiff on 22 May are <a href="#">available here</a>.</p>





## Bridgend County Borough Council

### Annual Audit Summary 2023

This is our audit summary for Bridgend County Borough Council. It shows the work completed since the last Annual Audit Summary, which was issued in April 2023. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

## About the Council

### Some of the services the Council provides



#### Key facts

The Council is made up of 51 councillors who represent the following political parties:

- Labour 27
- Bridgend County Independents 13
- Democratic Alliance 7
- Independent 3
- Conservative 1

The Council spent £342.4 million on providing services<sup>1</sup> during 2022-23<sup>2</sup>.

<sup>1</sup> We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

<sup>2</sup> Source: 2022-23 Statement of Accounts

## Key facts

As at 31 March 2023, the Council had £102.3 million of useable financial reserves<sup>3</sup>. This is equivalent to 29.9% of the Council's annual spending on services<sup>4</sup>.

Bridgend has 7% of its 88 areas considered to be within the most deprived 10% of areas in Wales. This is the 12th lowest of the 22 unitary councils in Wales<sup>5</sup>.

The population of Bridgend is projected to increase by 7% between 2023 and 2043 from 149,000 to 159,000, including a 2% decrease in the number of children, a 1% increase in the number of the working-age population and a 30% increase in the number of people aged 65 and over<sup>6</sup>.

## The Auditor General's duties

### We completed work during 2022-23 to meet the following duties

- **Audit of Accounts**  
Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.
- **Value for money**  
The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.
- **Sustainable development principle**  
Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

<sup>3</sup> We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

<sup>4</sup> Source: 2022-23 Statement of Accounts

<sup>5</sup> An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

<sup>6</sup> Source: [Stats Wales, Population Projections](#)

## What we found

### Audit of Bridgend County Borough Council's 2022-23 Accounts

Each year we audit the Council's financial statements.



**To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.**

#### For 2022-23:

- the draft statements were presented for audit on 18 July 2023. This was before the deadline of 31 July 2023 set by the Welsh Government.
- the quality of the draft statements presented for audit was good.
- the Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 26 January 2024, after the deadline agreed with the Welsh Government of 30 November 2023. The audit was delivered later than in previous years mainly due to the impact of new auditing standard requirements. These were covered in our audit plan agreed with Officers and considered by the Governance and Audit Committee on 9 November 2023.
- the Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- a small number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Governance and Audit Committee in our Audit of Financial Statements Report in January 2024.
- in addition to the Auditor General's responsibilities for auditing the Authority's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- the Auditor General issued the certificate confirming that the audit of accounts for 2022-23 has been completed.

## Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. We produced the following reports from our assurance and risk assessment work:

Use of performance information –service user perspective and outcomes – we looked at the service user perspective and outcome data provided to senior leaders, and how this information is used. We found that the Council's performance information does not enable senior leaders to understand the service user perspective and progress towards intended outcomes, restricting their ability to understand the impact of the Council's services and policies.

## Digital Strategy Review

During 2022-23, we examined the Council's strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources. What we found: There are weaknesses in the Council's approach to developing and delivering its digital strategy.

## Local project – Review of Performance Management Arrangements

We looked at the Council's performance management arrangements, meaning the structures and mechanisms the Council has put in place to monitor its progress towards meeting its wellbeing objectives. We found that the Council's performance management arrangements do not consistently enable it to effectively evaluate and manage its performance such as weaknesses in performance information and analysis.

## Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.

## Planned work for 2023-24

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our planned work for 2023-24 includes:

- Assurance and risk assessment
- Thematic review – financial sustainability
- Thematic review – commissioning
- Local review – decision-making

The Auditor General is independent of government and was appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

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## Bridgend County Borough Council – Detailed Audit Plan 2024

Audit year: 2024

Date issued: June 2024

Document reference: 4309A2024

This document is a draft version pending further discussions with the audited and inspected body. Information may not yet have been fully verified and should not be widely distributed.



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.



# About Audit Wales

## Our aims and ambitions

### Assure



the people of  
Wales that public  
money is well  
managed

### Explain



how public  
money is being  
used to meet  
people's needs

### Inspire



and empower  
the Welsh  
public sector to  
improve



Fully exploit  
our unique  
perspective,  
expertise and  
depth of insight



Strengthen our  
position as an  
authoritative,  
trusted and  
independent  
voice



Increase our  
visibility,  
influence and  
relevance



Be a model  
organisation for  
the public sector  
in Wales and  
beyond

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# Introduction

I have now largely completed my planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



**Adrian Crompton**

Auditor General for  
Wales

## Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and the proper preparation in accordance with accounting requirements.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- Certifying a return to Welch Government which provides information about Bridgend County Borough Council to support preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary)
- the audit of the annual returns for Coychurch Crematorium Joint Committee and Porthcawl Harbour Authority; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

There have been no limitations imposed on me in planning the scope of this audit.

## Performance audit work

I must satisfy myself that the Council:

- has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. I do this by undertaking an appropriate programme of performance audit work each year.
- is acting in accordance with the sustainable development principle when setting and taking steps to meet their well-being objectives.

My work programme is informed by specific issues and risks facing the Council and wider local government in Wales. I have also taken account of the work that is being undertaken or planned by other external review bodies and by internal audit.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

My performance audit work is designed to comply with auditing standards set out by the International Organisation of Supreme Audit Institutions (INTOSAI). This is a global

umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

# Your audit at a glance



## My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

### Significant financial statement risk

- Risk of Management Override


### Other areas of audit focus

- Valuation of Pension Fund Net Liability
- Valuation of Land and Buildings
- Senior Officer Remuneration



## My performance audit will include:

- Assurance and Risk Assessment
- Review of Decision-Making arrangements
- Review of Risk Management arrangements

 <b>Materiality</b>	
Materiality	£5.461m
Reporting threshold	£0.273m

# Financial statements' materiality



## Materiality £5.461 million

My aim is to identify and correct material misstatements, that is, those that might otherwise mislead the user of the accounts.

Materiality is calculated using:

2023-24 gross expenditure (estimated as £5.461 million based on 2022-23 actual expenditure of £546 million). This will be updated on receipt of the 2023-24 draft financial statements.

Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality i.e. £0.273 million).



## Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

Remuneration disclosures £1,000

Related party disclosures £10,000 for Individuals interests

# Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

## Exhibit 1: significant financial statement risks

Significant risk	Our planned response
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team will: <ul style="list-style-type: none"><li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li><li>• review accounting estimates for bias;</li><li>• evaluate the rationale for any significant transactions outside the normal course of business;</li></ul>

My audit planning work is continuous, if any further significant financial statement risks are identified during the remainder of the planning work, these will be reported to you accordingly.



# Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

## Exhibit 2: other areas of focus

Audit risk	Our planned response
<p><b>Valuation of pension fund net liability</b></p> <p>The Local Government Pension scheme (LGPS) and pension fund liability as reflected in the financial statements are material estimates.</p> <p>The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.</p> <p>The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability (at 31 March 2023 for example, the liability was in fact a surplus, primarily due to higher interest rates).</p> <p>There are also several legal cases potentially impacting on the valuation of the net liability.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• evaluate the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary’s work;</li> <li>• assess the competence, capabilities and objectivity of the actuary who carried out the valuations;</li> <li>• assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;</li> <li>• test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;</li> <li>• assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor’s expert) and undertaking any additional procedures required; and</li> <li>• assess whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.</li> </ul>

Audit risk	Our planned response
<p><b>Valuation of land and buildings</b></p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates.</p> <p>Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations.</p> <p>Assets are required to be revalued every five years, but values may also change year on year, and there is a risk that the carrying value of assets reflected in the accounts could be materially different to the current value of assets as at 31 March 2024, particularly in the current economic environment.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• review the information provided to the valuer to assess for completeness;</li> <li>• evaluate the competence, capabilities and objectivity of the professional valuer;</li> <li>• test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; and</li> <li>• test the reconciliation between the financial ledger and the asset register.</li> </ul>
<p><b>Senior Officer Remuneration</b></p> <p>Even though there are no significant changes in senior officers for 2023-24, remuneration paid to senior officers continues to be of high interest and is material by nature. Therefore, even low value errors in the disclosure could result a material misstatement.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• ensure that remuneration disclosed is consistent with supporting evidence; and</li> <li>• ensure that amounts paid are consistent with those approved by the Council.</li> </ul>

# Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

## Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	May - June 2024	June 2024
Audit of financial statements work: <ul style="list-style-type: none"><li>• Audit of Financial Statements Report</li><li>• Opinion on the Financial Statements</li></ul>	July - November 2024	November 2024

# Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

## Exhibit 4: key dates for delivery of planned outputs

<p><b>Assurance and risk assessment</b></p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p>	<p>Ongoing</p>
<p><b>Local project work – Review of Decision-Making Arrangements</b></p>	<p>Our objective for this audit is to gain assurance that the Council has proper decision-making arrangements to secure value for money in the use of its resources. The audit will seek to answer the overall question: Has the Council put in place proper decision-making arrangements to secure value for money in the use of its resources?</p>	<p>May to October 2024</p>
<p><b>Local project work - Review of Risk Management Arrangements</b></p>	<p>A review to assess the Council’s Risk Management Arrangements. This review has not yet been scoped.</p>	<p>Timescales for this project will be discussed with the Council and detailed within the specific project brief produced for each audit.</p>

# Certification of grant claims and returns, and statutory audit functions

## Certification of grant claims and returns

I have also been requested to undertake certification work on Bridgend County Borough Council's grant claims, which I anticipate will include Housing Benefits, Teachers' Pensions, NDR and pooled budget returns.

## Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee below. If I do receive questions and objections, I will discuss potential audit fees at the time.

# Fee and audit team

In January 2024, we published our [Fee Scheme](#) for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4%, as a result of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be £384,654.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Council.

## Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and include timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

## Exhibit 5: breakdown of audit fee

Audit area	Proposed fee for 2024 (£) <sup>1</sup>	Actual fee for 2023 (£)
Audit of financial statements <sup>2</sup>	230,754	216,874
Performance audit work <sup>3</sup>	112,450	105,686 <sup>4</sup>
Grant certification work <sup>5</sup>	39,794	37,400
Other financial audit work <sup>6</sup>	1,656	1,556
<b>Total fee</b>	<b>384,654</b>	<b>361,516</b>

<sup>1</sup> The fees shown in this document are exclusive of VAT, which is not charged to you.

<sup>2</sup> Payable November 2023 to October 2024.

<sup>3</sup> Payable April 2024 to March 2025.

<sup>4</sup> This is an estimate as our 2023-24 performance audit work is ongoing.

<sup>5</sup> Payable as work is undertaken.

<sup>6</sup> The audit of the annual returns for Coychurch Crematorium and Porthcawl Harbour Authority

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

**Exhibit 6: my local audit team**

Name	Role	Contact details
Anthony Veale	Engagement Director (Financial Audit)	<a href="mailto:anthony.veale@audit.wales">anthony.veale@audit.wales</a>
Gary Emery	Engagement Director (Performance Audit)	<a href="mailto:gary.emery@audit.wales">gary.emery@audit.wales</a>
David Williams	Audit Manager (Financial Audit)	<a href="mailto:david.williams@audit.wales">david.williams@audit.wales</a>
Sara-Jane Byrne	Audit Manager (Performance Audit)	<a href="mailto:sara-jane.byrne@audit.wales">sara-jane.byrne@audit.wales</a>
Lucy Herman	Audit Lead (Financial Audit)	<a href="mailto:lucy.herman@audit.wales">lucy.herman@audit.wales</a>
Samantha Clements	Audit Lead (Performance Audit)	<a href="mailto:samantha.clements@audit.wales">samantha.clements@audit.wales</a>

The only know threat to our independence which I need to bring to your attention relates to Lucy Herman, the Financial Audit Lead who is related to an employee of the Council. Our compliance and Ethics department has already undertaken a detailed review and has concluded that the possibility of this relationship impacting on our audit of the financial statements is remote. However, we have taken appropriate steps to minimise risks by allocating work appropriately and ensuring additional review is undertaken where required.

I can confirm that my other team members are all independent of the Council and your officers.

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD\* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

## Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

## Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

## Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring






\* QAD is the quality monitoring arm of ICAEW.



# Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies, and to support those bodies in continuing to improve the services they provide to the people of Wales.

## Visit our website to find:

	our <a href="#">Good Practice</a> work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our <a href="#">newsletter</a> which provides you with regular updates on our public service audit work, good practice, and events.
	our <a href="#">publications</a> which cover our audit work completed at public bodies.
	information on our <a href="#">forward performance audit work programme 2023-2026</a> which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various <a href="#">data tools</a> and <a href="#">infographics</a> to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



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Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

# Agenda Item 8

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>PROGRESS UPDATE ON LIMITED ASSURANCE OPINIONS ISSUED BY INTERNAL AUDIT</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER FINANCE, HOUSING AND CHANGE AND HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>CARYS LORD - CHIEF OFFICER FINANCE, HOUSING AND CHANGE ANDREW WATHAN – HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<b>Members of Governance and Audit Committee have requested a written response on the progress of the implementation of recommendations made in Limited Assurance Internal Audit reports issued during 2023/24.</b> <b>The report outlines the current position in relation to this.</b>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to present Members of the Governance and Audit Committee with a progress report on action taken to address issues identified in Limited Assurance reports issued by Internal Audit.

## **2. Background**

- 2.1 At a previous Governance and Audit Committee meeting Members asked for a written response to be provided to Committee on the progress of the implementation of recommendations made in Limited Assurance Internal Audit reports issued during 2023/24. Respective Directors were asked to provide updates for their service areas which were to be collated and reported back to Committee.
- 2.2 In accordance with the agreed Internal Audit Plan for 2023/24, the Regional Internal Audit Service undertook a variety of audits across all service areas. The objective of

each audit was to provide assurance or otherwise, on the adequacy of the internal control environment, governance arrangements and risk management processes in place within the area being audited and to minimize fraud or error. The auditors identify what key controls should be in place and then test the systems for compliance based on the evidence identified.

- 2.3 A balanced report was produced at the conclusion of each audit that identified strengths and weaknesses against each of the key controls which should be in place. Where weaknesses were identified, an action plan was agreed with the relevant manager to implement any audit recommendations made to minimise the risk of a control not being in place. This was included within the audit report. Depending on the number of weaknesses identified and whether the risk was deemed to be high, medium or low, a corresponding audit opinion on the level of assurance would have also been included within the report.
- 2.4 Audit opinions issued during 2023/24 were *Substantial*, *Reasonable* and *Limited*. Table 1 below summarises how these opinions are determined and Table 2 details the opinions made in 2023/2024 across these categories. There were no “*No Assurance*” opinions issued.

<b>Table 1 - Audit Assurance Category Code</b>	
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

<b>TABLE 2: Range of IA Opinions issued</b>		
	<b>2023/24</b>	
<b>Opinion</b>	<b>Total</b>	<b>%</b>
Substantial	<b>10</b>	<b>24%</b>
Reasonable	<b>25</b>	<b>61%</b>
Limited	<b>6</b>	<b>15%</b>
No Assurance	<b>0</b>	<b>0</b>
<b>Total</b>	<b>41</b>	<b>100%</b>

### 3. Current situation / proposal

3.1 A summary of why the 6 audits were deemed to have **Limited Assurance** was reported into Governance and Audit Committee previously. These audits related to:

- School Vehicles
- Security & Access to Council Buildings
- Adult Placement / Shared Lives
- St Mary's Catholic School
- Procurement Tender Evaluation & Award
- Recycling & Waste Management

3.2 The Corporate Director - Education, Early Years and Young People attended the June meeting of this Committee to update Members with regards to the schools' vehicle report.

3.3 **Appendix A** to this report includes updates in relation to the following :

- Security & Access to Council Buildings
- Adult Placement / Shared Lives

3.4 The remaining three reports referred to in 3.1 above were issued in March 2024. A Management Action Plan has been received by the Internal Audit Service for each of these reports and the recommendations have been accepted. As per the agreed process, Internal Audit will now review the progress against the Management Action Plan. If the opinion remains Limited Assurance at this point the report will be referred to Governance and Audit Committee.

3.5 Governance and Audit Committee also requested an update on those reports where there are outstanding actions. The first of these related to Cyber Security. This matter has been reported to Governance and Audit Committee and the Corporate Overview Scrutiny Committee in the past year. Ongoing progress is being made and Internal Audit continue to review and advise on this matter.

3.6 The other issue which has not already been addressed in this report relates to home to work mileage in council vehicles. **Appendix B** provides an update on this outstanding recommendation.

### 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 There are no direct financial implications arising from this report however the Council needs to ensure it has appropriate and adequate controls in place to ensure sound financial management, compliance with legislation, its policies and procedures, and fraud and error are minimised.

## **9. Recommendation**

- 9.1 It is recommended that the Committee note the progress report on action taken to address issues identified in Limited Assurance reports issued by Internal Audit.

## **Background documents**

None

## Limited Assurance Reports – Updates

## Security and Access to Council Buildings

Item No.	Recommendation outstanding	Action to date	Action(s) to be completed	Date for completion
1	A review of the access levels currently allocated is undertaken and staff are only given access to the buildings required for their roles.	A review of the central corporate electronic access system has been undertaken to ensure buildings not in use or where access is not required has been undertaken.  Where known, access permissions have been changed.	A process will be established whereby iTrent will require managers to identify staff working locations in order that access can be restricted.  A system allowing this data to be collected and collated for all existing staff will be implemented. On completion of this exercise all existing access records will be updated/restricted.	January 2025
2	A copy of the existing contract is obtained or an up to date contract is put in place with the provider of the security services which complies with Council Contract Procedure Rules.	A reactive keyholding arrangement is in place.  Steps are being taken to review and renew this arrangement in line with CPRs.	Review scope of works for this keyholding arrangement to ensure a new compliant contract is in place.	January 2025
3	Leavers access to council buildings is removed promptly on receipt of the Trent	Leavers identified via the Trent system are now	On-going annual audit of the system will be undertaken to ensure all	Initial exercise completed.

	report and a reconciliation is undertaken at least annually.	removed promptly.	leavers access permissions are removed.	Ongoing annual reviews.
4	Using the expiry date option on the access system is investigated and if viable is consistently used with realistic end dates.	Instructions provided to the access control system administrators to ensure the expiry date system option is used and no more than 12 months access is provided to any temporary or agency staff member.	A review of all staff access control expiry dates to be completed to ensure consistency and to establish an appropriate review period.	Initial recommendation completed.  Further review and changes to be made during 24/25
5	Clear and regular instructions are provided to Managers about the collection of ID cards for Agency and Shared Service staff as well as BCBC staff.  A clear place of return is also identified and all staff notified of this.	The Personnel Authorisation Form and Termination Checklist has been amended to ensure managers and leavers understand where they are to leave / hand in their cards at termination of employment.	Reminder to all managers to ensure the Termination checklist is completed and specifically that access cards are collected and handed back to the Digital Office.	Initial recommendation completed.  Frequent messaging to managers via the Bridgend System to be implemented in September and repeated at regular frequencies as required.
6	The number of System Administrator are regularly reviewed and updated to ensure only a limited number of staff can amend access rights to buildings.	Following an initial review of system administrators resulting in a reduced number of administrators from 22 down to 6.	A process of regular administrator reviews will be undertaken to ensure only a limited number of staff can amend access rights.	Initial recommendation completed.  On-going quarterly reviews established.



## Adult Placement / Shared Lives

Item No.	Recommendation outstanding	Action to date	Action(s) to be completed	Date for completion
1	In line with the Regulations, actions are taken by Bridgend County Borough Council to ensure that individuals are supported to safely manage their finances	An additional post has been funded by BCBC in the finance safeguarding team to enable BCBC to undertake the role of appointee. The new post holder commenced June 24.	No outstanding actions	Completed
2	Budgetary approval should be built into the process of paying hosts by Bridgend County Borough Council. This will ensure spending is within approved delegated limits and provide officers within the process a level of protection through an adequate segregation of duties	The Group Manager now authorises host payments in accordance with delegated approval limits. Bridgend County Borough Council to ensure processes are transparent and understood by all officers.	No outstanding actions	Completed

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## Outstanding Issues - Update

## Home to work mileage in Council Vehicles

Item No.	Recommendation outstanding	Action to date	Action(s) to be completed	Date for completion
1	A corporate policy is developed in relation to the use of Council vehicles	Work on this issue has not yet commenced due to capacity issues	A corporate project team consisting of staff from relevant Directorates, HR and the Unions to develop a policy that addresses the council vehicle use.	April 2025
2	Where there is a possible requirement to take a vehicle home, a business case should be presented and authorised at the appropriate level.	Work on this issue has not yet commenced due to capacity issues	A corporate project team consisting of staff from relevant Directorates, HR and the Unions to develop a policy that addresses the council vehicle use.	April 2025

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>PORThCAWL HARBOUR RETURN 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The preparation of the Porthcawl Harbour Return is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018)</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Porthcawl Harbour Return has been completed and reviewed by Internal Audit.</b></li> <li>• <b>The Return is produced in accordance with International Financial Reporting Standards.</b></li> <li>• <b>The Harbour achieved a balanced position as at 31 March 2024.</b></li> <li>• <b>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.</b></li> </ul>

## 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 2023-24, 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 2023-24 requires certification by the responsible finance officer and approval by the Governance and Audit Committee, by 31 May 2024, 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 reapproved by 31 July 2024 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 2022-23 Statement of Accounts, which were certified by the Auditor General for Wales on 26 January 2024, there has been a consequential impact on the preparation of the 2023-24 Statement of Accounts and Annual Returns. As a result the Council was unable to meet the 31 May 2024 deadline and, in line with the requirements of the Regulations, a Regulation 10 notice was published advising of this. The signed Porthcawl Harbour Return will be passed to Audit Wales once approved by the Committee.
- 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 further approval. The audit of the Return is unlikely to be completed by 31 July 2024 so a further Regulation 10 notice will be published 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 2024 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 2024. Income of £309,572 included fees, primarily for boat berthing/mooring, and Council funding. The main items of expenditure are staffing costs (£85,834) 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 2024 was £2,716,226.
- 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 2023-24 at **Appendix A**.

**Background documents**

None

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# Minor Joint Committees in Wales Annual Return for the Year Ended 31 March 2024

## Accounting statements 2023-24 for:

Name of  
Committee:

PORTHCAWL HARBOUR

	Year ending		Notes and guidance
	31 March 2023 (£)	31 March 2024 (£)	
<b>Statement of income and expenditure/receipts and payments</b>			
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	159,079	211,448	Total amount of income received/receivable in the year from levy/contribution from principal bodies.
3. (+) Total other receipts	99,907	98,124	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	(87,836)	(85,834)	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, taxable allowances, PAYE and NI (employees and employers), pension contributions and termination costs. Exclude reimbursement of out-of-pocket expenses.
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	(57,632)	(110,220)	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).
<b>Statement of balances</b>			
8. (+) Debtors	0	0	<b>Income and expenditure accounts only:</b> Enter the value of debts owed to the Committee at the year-end.
9. (+) Total cash and investments	0	0	<b>All accounts:</b> 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	0	0	<b>Income and expenditure accounts only:</b> Enter the value of monies owed by the Committee (except borrowing) at the year-end.
11. (=) Balances carried forward	0	0	<b>Total balances should equal line 7 above:</b> Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	2,829,744	2,716,226	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 2024, that:

	Agreed?		'YES' means that the Committee:	PG Ref
	Yes	No*		
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> <li>• effective financial management during the year; and</li> <li>• the preparation and approval of the accounting statements.</li> </ul>	√		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>	√		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>	√		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>	√		Has given all persons interested the opportunity to inspect the committee'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>	√		Considered the financial and other risks it faces in the operation of the Committee 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>	√		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 Committee.	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>	√		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>	√		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 statement and/or the Annual Governance Statement

1. Section 42 (1) of the Harbours Act 1964 sets out that statutory harbour undertakings, such as local authorities that have functions of maintaining, improving or managing a harbour (harbour authorities) are required to prepare an annual statement of accounts relating to harbour activities. Section 42 (3) of the Act states that this requirement is not met by the preparation of accounts that covers matters in addition to harbour activities. The Council's external auditors have advised that the inclusion of the harbour's activities within the Council's Statement of Accounts will not suffice and that a standalone annual statement of accounts for the harbour authority is required. This return is to comply with that requirement, in line with external audit guidance.


2. Porthcawl Harbour is not run as a separate venture within the Council's accounts, it is within the Communities Directorate budget and does not have its own separate bank account, consequently there are no separate cash balances or reserves held for this facility. The Harbour is currently run through a small subsidy provided by the Council, to offset the difference between expenditure on staff, maintenance and other running costs, and income generated through berthing fees and contributions to utility costs.

3.  
In terms of the return, the following provides additional detail in respect of the Statement of Income and Expenditure:  
Row 2 – This is the amount of income that is provided by the Council towards any shortfall between income and running costs – this is a subsidy by the Council. It also includes accounting adjustments in respect of depreciation of the facility plus a share of corporate overheads.  
Row 3 – This is the total income generated from berthing fees and other miscellaneous sales and contributions.  
Row 5 – This is the total amount charged to the accounts in respect of depreciation of the facility, and is offset in full in Row 2.  
Row 6 – This is the total of running costs such as staffing, utilities and maintenance costs.

\* Include here any additional disclosures the Committee considers necessary to aid the reader's understanding of the accounting statement 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><b>Certification by the RFO</b></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 2024.</p>	<p><b>Approval by the Committee</b></p> <p>I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:</p>
<p><b>RFO signature:</b></p> 	<p><b>Minute ref:</b></p> <p><b>Chair signature:</b></p>
<p><b>Name:</b> Carys Lord</p>	<p><b>Name:</b></p>

Date: 27.06.24

Date:

## Annual internal audit report to:

Name of  
Committee:

PORHCAWL 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 2024.

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 the Committee)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	X				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.	X				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 Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	X				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.	X				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.	X				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.			X		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.	X				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 the Committee)
	Yes	No*	N/A	Not covered**	
8. Asset and investment registers were complete, accurate, and properly maintained.	X				The Harbour is recorded on the Council's asset register.
9. Periodic and year-end bank account reconciliations were properly carried out.	X				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.	X				Centralised main accounting audit performed regularly, and no relevant issues identified.

**For any risk areas identified by the 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 Committee)
	Yes	No*	N/A	Not covered**	
11.					
12.					
13.					

\* 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 Committee (including preparation of the accounts) or as a member of the Committee during the financial years 2022-23 and 2023-24. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: Nathan Smith – Assistant Audit Manager

Signature of person who carried out the internal audit:



Date: 27.06.2024

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>TREASURY MANAGEMENT OUTTURN REPORT 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>Paragraph 22.8 of the Financial Procedure Rules notes that the Governance and Audit Committee is responsible for ensuring effective scrutiny of the Treasury Management policies and practice. This report supports this scrutiny function.</b>
<b>Executive Summary:</b>	<p><b>The report provides an update of Treasury Management activity for the year 1 April 2023 – 31 March 2024.</b></p> <p><b>As at 31 March 2024 the Council had £96.87 million of long term debt, £2.74 million of Salix (interest free debt) £5 million of short term borrowing, £12.97 million of other long term liabilities and £50 million of investments. The overall net debt position is £67.58 million.</b></p> <p><b>The average interest rate for debt was 4.78% (including £5 million of short-term borrowing but excluding Salix borrowing which is interest free). For investments during the year, it was 4.50%.</b></p> <p><b>The Council has a manageable maturity structure of borrowing, with its current debt repayable at various points over the next 30 years, the first known repayment being due in 2024-25.</b></p> <p><b>The Council has complied with the Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services Code of Practice and Welsh Government Investment Guidance.</b></p>

## 1. Purpose of Report

- 1.1 The purpose of this report is to update the Governance and Audit Committee on the treasury management activities for the 2023-24 financial year.

## **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 CIPFA Code), which requires the Council to approve a Treasury Management Strategy before the start of each financial year, and, as a minimum, a semi-annual and annual treasury outturn report. The CIPFA 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 throughout this report. Welsh Government (WG) guidance issued in November 2019 on Local Authority Investments 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 CIPFA 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 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 CIPFA 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 2023-24 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 1 March 2023.

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 At the commencement of the 2023-24 financial year the rate of UK inflation (CPI) was at 8.7%. Over the year there was a steady decline in the figure, standing still between months on a few occasions with a slight upturn of 0.1% between November 2023 and December 2023, finally ending the year at 3.2%. This still, however, exceeded the Bank of England's target of 2%
- 3.1.2 At the start of the financial year the interest rate was 4.25%. The Bank of England's Monetary Policy Committee (MPC) then increased Bank Rate to 5.25% in August 2023 with a 3-way split in the Committee's voting as the UK economy appeared resilient in the face of the dual headwinds of higher inflation and interest rates. Bank Rate was however maintained at 5.25% through to March 2024. The vote at the March 2024 MPC meeting was 8-1 in favour of maintaining rates at this level, with the single dissenter preferring to cut rates immediately by 0.25%. Although financial markets shifted their interest rate expectations downwards with expectations of a cut in June, the MPC's focus remained on assessing how long interest rates would need to be restrictive in order to control inflation over the medium term.
- 3.1.3 In response to an improving outlook for credit markets, in January 2024 Arlingclose moved away from its previous temporary stance of a 35-day maximum duration and increased its advised recommended maximum unsecured duration limit on all banks on its counterparty list to 100 days.

### **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 funding from 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 Prudential Code for Capital Finance in Local Authorities and CIPFA's Treasury Management in the Public Services Code. 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 has complied with the full requirements of both codes during the period to 31 March 2024.

### **3.3 Treasury Management update for year 1 April 2023 to 31 March 2024**

- 3.3.1 The Council has complied with its legislative and regulatory requirements during 2023-24. The Treasury Management Strategy 2023-24 was approved by Council on 1 March 2023. The half year report was presented to the Governance and Audit Committee on 9 November 2023.

3.3.2 A summary of the treasury management activities is shown in the Treasury Management Outturn report to 31 March 2024 at **Appendix A**. The Council's external debt and investment position at 31 March 2024 is shown in Table 1 below, and more detail is provided within the Appendix within Section 3: External Debt and Investment Position, Section 4: Borrowing and Section 5 Treasury Investments. As with the previous year, no long-term borrowing has been taken out in 2023-24 and no debt rescheduling has been undertaken as there has been no opportunity to make significant savings. However, should the opportunity arise to reschedule any loans at a preferential rate, this would be done.

Generally, the Council has experienced favourable cash flows which have continued to provide surplus funds for investment and the balance on investments held at 31 March 2024 was £50.00 million, with an average interest rate of 5.02%. During the end of the year the Council had to borrow short term for cashflow purposes. The total balance of investments has decreased compared to those at 31 March 2023, when the balance held was £74.50 million, at an average interest rate of 2.55%.

**Table 1: Council's external debt and investment position as of 31 March 2024**

<b>Investments for Treasury Purposes</b>	<b>Principal as at 31/03/2023 £m</b>	<b>Principal as at 31/3/2024 £m</b>	<b>Average Rate 31/3/2024 %</b>
<b>External Long Term Borrowing</b>			
Public Works Loan Board	77.62	77.62	4.70
Lender's Option Borrower's Option	19.25	19.25	4.65
Salix Loans (interest Free)	3.06	2.74	NIL
<b>Short Term Borrowing</b>	NIL	5.00	6.6
<b>Total External Long Term Borrowing</b>	<b>99.93</b>	<b>104.61</b>	<b>4.78*</b>
<b>Other Long Term Liabilities</b>			
Private Finance Initiative**	13.90	12.97	
Other Long Term Liabilities	0.23	-	
<b>Total Other Long Term Liabilities</b>	<b>14.13</b>	<b>12.97</b>	
<b>Total Gross Debt</b>	<b>114.06</b>	<b>117.58</b>	
<b>Investments for treasury management purposes</b>			
Debt Management Office	7.50	NIL	NIL
Local Authorities	53.00	44.00	5.22
Money Market Funds (instant access)	NIL	0.00	NIL
Banks	14.00	6.00	3.57
<b>Total Treasury Investments</b>	<b>74.50</b>	<b>50.00</b>	<b>5.02</b>
<b>Net Debt</b>	<b>39.56</b>	<b>67.58</b>	

\* Excluding Salix loans which are interest free

\*\* (PFI) arrangement for the provision of a Secondary School in Maesteg 10 years remaining term

3.3.3 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 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, therefore, 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 recently, with an expectation that they may rise further, thus the lender could still exercise this option in the future.

- 3.3.4 The Total Other Long Term Liabilities figure of £12.97 million at 31 March 2024 is represented by the Council's Private Finance Initiative (PFI) arrangement for the provision of a Secondary School in Maesteg. At 31 March 2024 there were no Other Long-Term Liabilities.
- 3.3.5 Both the CIPFA Code and Welsh Government 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. Schedule A 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 are no long-term investments (original duration of 12 months or more) outstanding as at 31 March 2024. All investments at 31 March 2024 are 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 2023-24 set out in the Council's Treasury Management Strategy compared to the actual at 31 March 2024 are shown in the Appendix 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 and attached **Appendix A**.

## **9. Recommendations**

- 9.1 It is recommended that the Governance and Audit Committee:
- Note the treasury management activities for the 2023-24 financial year.
  - Note the Treasury Management Indicators for the period ending 31 March 2024 against those approved in the Treasury Management Strategy 2023-24.

## **Background documents**

None



# Treasury Management Outturn Report to 31 March 2024

## 1.0 INTRODUCTION

Treasury management activities are the *'management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.'* (Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice (2021) (CIPFA TM Code).

The definition of 'Investments' includes:

- Treasury Management investments (held for the prudent management of financial affairs), and
- non-Treasury Investments, undertaken as part of a Capital Strategy either in the course of provision of services; or made for commercial reasons purely to make a financial gain. These are managed outside of normal treasury management activity.

The Council carries out its treasury management function in accordance with the CIPFA TM Code and the legal obligation under the Local Government Act 2003 to have regard to both the CIPFA TM Code and Welsh Government Guidance.

The Council has an integrated Treasury Management Strategy where borrowing and investments are managed in accordance with best professional practice, which is assessed either from internal expertise or consultation with our external advisers. The Council will look to borrow money if needed to either meet short term cash flow needs or to fund capital schemes approved within the capital programme. Therefore, any actual loans taken are not generally associated with particular items of expenditure or assets.

The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Section 151 Officer. The Governance and Audit Committee are responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies and regular reports will be presented to the Committee for their consideration.

## 2.0 ECONOMIC CONTEXT

At the start of the 2023-24 financial year the rate of UK inflation (CPI) was at 8.7%. Over the year there was a steady decline in the figure, standing still between months on a few occasions with a slight upturn of 0.1% between November 2023 and December 2023, finally ending the year at 3.2%. This was still above the Bank of England's 2% target. The latest core measure of CPI i.e. excluding food and energy, rose by 4.7% in the 12 months to March 2024.

The UK economy entered a technical recession in the second half of 2023, as growth rates of -0.1% and -0.3% respectively were recorded for July 2023 to Sept 2023 and October 2023 to December 2023. Over the 2023 calendar year GDP growth only

expanded by 0.1% compared to 2022. Of the recent monthly data available, the Office for National Statistics reported a rebound in activity with the economy expanding 0.2% in January 2024. The forecast from the first Quarter of 2024 (January 2024 to March 2024) predicted growth of 0.6%, in June 24 this figure turned out to be higher at 0.7%. While the economy may somewhat recover in Q1 2024, the data suggests that prior increases in interest rates and higher price levels are depressing growth, which will continue to bear down on inflation throughout 2024.

Labour market data provided a mixed message for policymakers. Employment and vacancies declined, and unemployment rose to 4.3% May to July 2023. The same month July 2023, saw the highest annual growth rate of 8.5% for total pay (i.e. including bonuses) and 7.8% for regular pay growth (i.e. excluding bonuses). Thereafter, unemployment began to decline, falling to 3.9% (3mth/year) in January 2024 and pay growth also edged lower to 5.6% for total pay and 6.1% for regular pay, but remained above the Bank of England's forecast at that point.

Having begun the financial year at 4.25%, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 5.25% in August 2023 with a 3-way split in the Committee's voting as the UK economy appeared resilient in the face of the dual headwinds of higher inflation and interest rates. Bank Rate was maintained at 5.25% through to March 2024. The vote at the March MPC meeting was 8-1 in favour of maintaining rates at this level, with the single dissenter preferring to cut rates immediately by 0.25%. Although financial markets shifted their interest rate expectations downwards with expectations of a cut in June, the MPC's focus remained on assessing how long interest rates would need to be restrictive in order to control inflation over the medium term.

In the Bank's quarterly Monetary Policy Report released in August 2023 the near-term projection for services price inflation was revised upwards, goods price inflation was widespread across products, indicating stronger domestic inflationary pressure with second-round effects in domestic prices and wages likely taking longer to unwind than they did to emerge. In the February 2024 quarterly Monetary Policy Report the Bank's expectations for the UK economy were positive for the first half of 2024, with a recovery from the mild recession in second half of 2023 being gradual. Headline CPI was forecast to dip below the 2% target quicker than previously thought due to declining energy prices, these effects would hold inflation slightly above target for much of the forecast horizon.

Following this MPC meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% remains the peak in Bank Rate and that interest rates will most likely start to be cut later in the second half of 2024. The risks in the short-term are deemed to be to the downside as a rate cut may come sooner than expected, but then more broadly balanced over the medium term.

Sentiment in financial markets remained uncertain and bond yields continued to be volatile over the year. During the first half of the year, yields rose as interest rates continued to be pushed up in response to rising inflation. From October they started declining again before falling sharply in December as falling inflation and dovish central bank attitudes caused financial markets to expect cuts in interest rates in 2024.

When it emerged in January that inflation was stickier than expected and the Bank of England and the US Federal Reserve were data dependent and not inclined to cut rates soon, yields rose once again, ending the period some 50+ basis higher than when it started.

Over the financial year, the 10-year UK benchmark gilt yield rose from 3.44% to peak at 4.75% in August, before then dropping to 3.44% in late December 2023 and rising again to 3.92% (28th March 2024). The Sterling Overnight Rate (SONIA) averaged 4.96% over the period to 31st March.

In response to an improving outlook for credit markets, in January 2024 Arlingclose moved away from its previous temporary stance of a 35-day maximum duration and increased its advised recommended maximum unsecured duration limit on all banks on its counterparty list to 100 days.

Earlier in the period, S&P ratings agency revised the UK sovereign outlook to stable and upgraded Barclays Bank to A+. Moody's also revised the UK outlook to stable, Handelsbanken's outlook to negative, downgraded five local authorities, and affirmed HSBC's outlook at stable while upgrading its Baseline Credit Assessment. Fitch revised United Overseas Bank (UOB) and Bank of Montreal (BMO) outlooks to stable.

In the final quarter of the financial year, Fitch revised the outlook on the UK sovereign rating to stable from negative based on their assessment that the risks to the UK's public finances had decreased since its previous review in October 2022, the time of the mini- budget.

Heightened market volatility is expected to remain a feature, at least in the near term, and credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.



### 3.0 EXTERNAL DEBT AND INVESTMENT POSITION

The Council’s external debt and investments at 31 March 2024 is set out in Table 1 below. The Council held £99.61 million of Long Term Borrowing comprising:

- Public Works Loan Board (PWLB - UK government) at fixed rates and duration
- Lender’s Option Borrower’s Option (LOBO) which may be rescheduled ahead of their maturity of 22 July 2054 (no call was made in January 2024)
- £2.74 million of Salix interest-free loans

The Council borrowed £5 million for short-term cash flow purposes, for a period of 2 months, from 22nd March 2024.

As at 31st March 2024 the Council had £50 million of investments for treasury management purposes and £4.99 million of investments for commercial purposes.

**Table 1: Council’s external debt and investment position as of 31 March 2024**

Investments for Treasury Purposes	Principal as at 31/03/2023 £m	Principal as at 31/03/2024 £m	Average Rate 31/03/2024 %
<b>External Long Term Borrowing</b>			
Public Works Loan Board (PWLB)	77.62	77.62	4.70
Lenders Option Borrowers Option (LOBO)	19.25	19.25	4.65
Salix Loans (Interest Free)	3.06	2.74	NIL
<b>Short Term Borrowing</b>	NIL	5.00	<b>6.6</b>
<b>Total External Borrowing</b>	<b>99.93</b>	<b>104.61</b>	<b>4.78*</b>
<b>Other Long Term Liabilities</b>			
Private Finance Initiative**	13.90	12.97	
Other Long Term Liabilities	0.23	-	
<b>Total Other Long Term Liabilities</b>	<b>14.13</b>	<b>12.97</b>	
<b>Total Gross Debt</b>	<b>114.06</b>	<b>117.58</b>	
<b>Investments for treasury management purposes</b>			
Debt Management Office	7.50	NIL	NIL
Local Authorities	53.00	44.00	5.22
Money Market Funds (instant access)	NIL	NIL	NIL
Banks	14.00	6.00	3.57
<b>Total Treasury Investments</b>	<b>74.50</b>	<b>50.00</b>	<b>5.02</b>
<b>Net Debt</b>	<b>39.56</b>	<b>67.58</b>	

Investments for Commercial Purposes	Fair Value as at 31/03/2024 £m	Actual return 31/03/2024 £m
Investments	4.990	0.459

\* Excluding Salix loans which are interest free and Short Term borrowing

\*\* (PFI) arrangement for the provision of a Secondary School in Maesteg 10 years remaining term

The current profile of repayment of the Council's long-term debt is set out in the Liability Benchmark chart below. The table assumes that the Public Works Loan Board and Lender's Option Borrower's Option loans will be repayable on their maturity date. However, although shown as maturing in 2054 the £19.25 million of Lender's Option Borrower's Option loans may be rescheduled at their next maturity date of 22 July 2024.

PWLB lending criteria requires that the Council does not invest purely for financial return if it wishes to access any new PWLB borrowing. The CIPFA TM Code sets out that it is not prudent for local authorities to invest for financial return.

All borrowing by the Council is as a single pool of debt rather than having loans specific to individual schemes. Where a Council finances capital expenditure by debt, it must put aside revenue to repay that debt in later years, known as Minimum Revenue Provision (MRP). The MRP set aside for 2023-24 was £6.5 million, including MRP on supported and unsupported borrowing and the PFI for Maesteg School.

### Liability benchmark

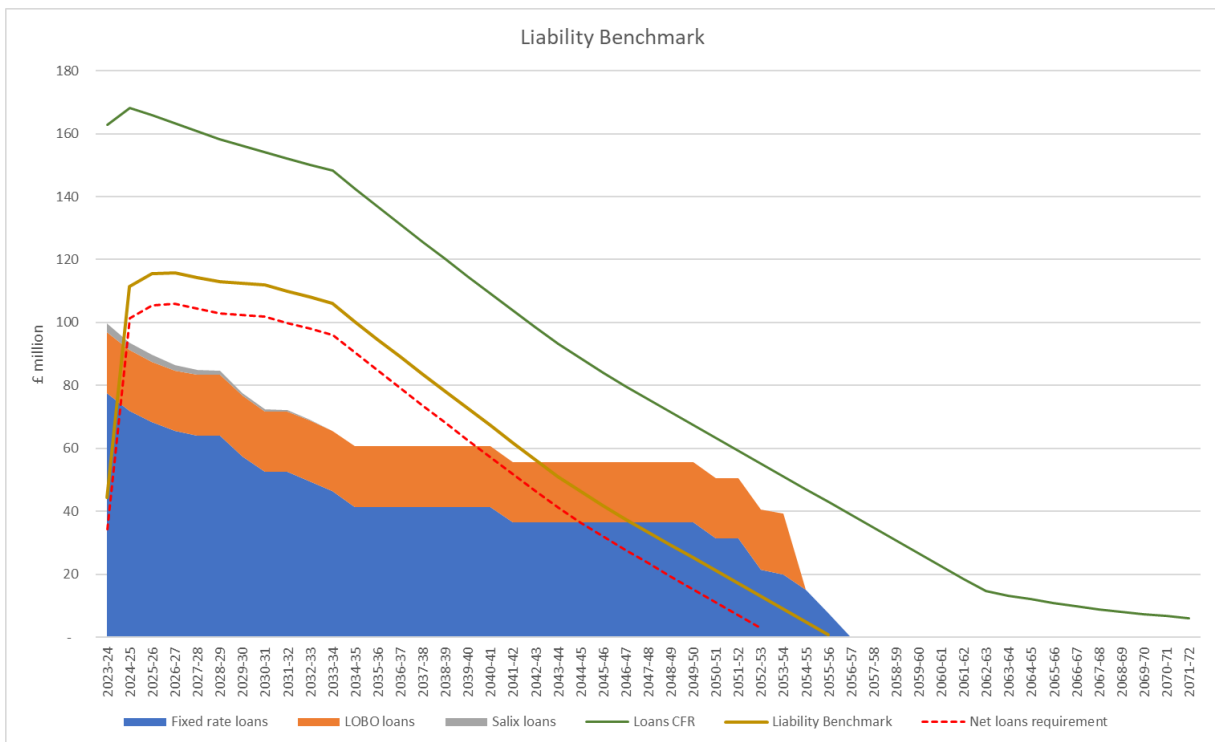
The liability benchmark is a tool which helps to assess the lowest level of borrowing the Council needs, taking into account available cash resources to fund capital expenditure in the short term. A minimum level of investments is factored into the calculation, set at £10 million, which are held as reasonably liquid to ensure the Council has available cash resources to meet day-to-day cash flow requirements. Forecast borrowing needs are based on capital expenditure estimates and available useable reserves. The underlying need to borrow to fund capital expenditure (known as the Capital Financing Requirement or CFR) is the amount of capital expenditure which is not funded via grants, capital receipts or contributions from revenue and earmarked reserves.

Table 2 below shows the Capital Financing Requirement and the calculation of the liability benchmark. It is important to note that the graph is based on the current approved capital programme and the borrowing associated therewith. Any new schemes which require debt financing will increase the CFR and loans requirement.

**Table 2: Liability benchmark**

	31 March 2023 actual £m	31 March 2024 estimate (TMS) £m	31 March 2024 actual £m	31 March 2025 forecast £m	31 March 2026 forecast £m
Capital Financing Requirement	176.21	184.81	175.72	183.26	179.66
Less: Other debt liabilities	(13.90)	(12.97)	(12.97)	(15.12)	(13.90)
<b>Loans Capital Financing Requirement</b>	<b>162.31</b>	<b>171.83</b>	<b>162.75</b>	<b>168.14</b>	<b>165.77</b>
Less: Balance Sheet Resources	(139.06)	(84.14)	(128.35)	(66.81)	(60.25)
Plus: Liquidity allowance	10.00	10.00	10.00	10.00	10.00
<b>Liability Benchmark</b>	<b>33.25</b>	<b>97.69</b>	<b>44.40</b>	<b>111.33</b>	<b>115.51</b>

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its **current** capital plans while keeping treasury investments at the minimum level to manage day-to-day cash flow.



It is forecast that the Council may need to consider borrowing long term in 2024-25 although this is based on a number of assumptions including the forecast capital programme expenditure and the level and use of reserves.

The Section 151 Officer will monitor and update the liability benchmark assumptions on an on-going basis and report any significant changes within the treasury management monitoring reports to Cabinet, Governance and Audit Committee and Council as appropriate. This could be as a result of changes in the level of usable reserves at year end, slippage within the Capital Programme or changes within the working capital assumptions which may affect the Council’s need to take new long-term borrowing.

#### 4.0 BORROWING

As at 31 March 2024 the Council held £99.61 million of Long-Term Borrowing, £96.87 million of which is fixed long term loans as part of its strategy for funding previous years’ capital programmes.

The Council has previously raised the majority of its long-term borrowing from the Public Works Loan Board (PWLB). This was the source of funding the last time the Council took long-term borrowing of £5 million in March 2012. The Council will however consider long term loans from other sources including banks, pension funds and other local authorities if appropriate. The Council will also investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA TM Code.

The Council has loans from PWLB maturing within the next 3 financial years that it will need to repay. As noted above the Council may need to take out new borrowing, which may in part replace these maturing PWLB loans. The value of the loans due to be repaid over the next 3 years is shown in Table 3.

**Table 3: Value of PWLB maturing debt**

	2024-25 £ million	2025-26 £ million	2026-27 £ million
Value of maturing debt	5.580	3.709	2.790

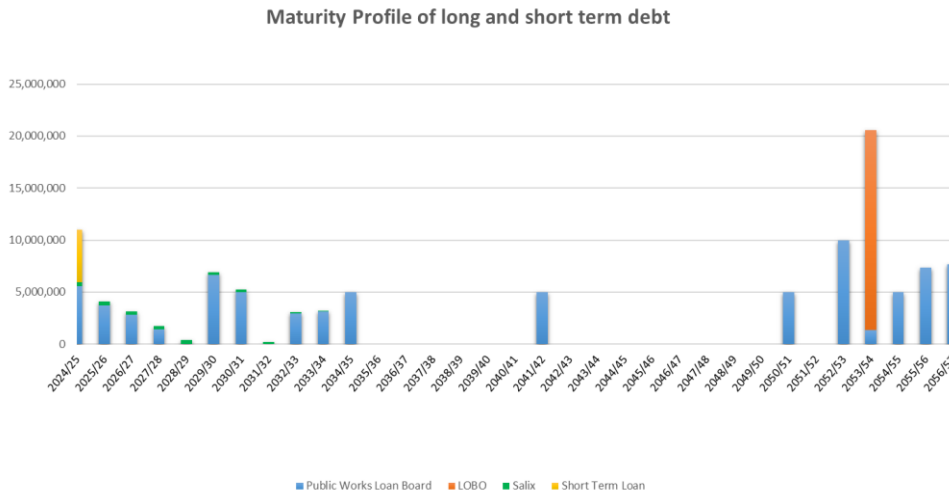
### **Maturity structure of borrowing**

The maturity structure of borrowing indicator is set to control the Council's exposure to refinancing risk with respect to the maturity of the Council's external borrowing. The limits are set to avoid having large amounts of debt maturing in a short space of time, and is the amount of projected borrowing maturing in each period as a percentage of total projected borrowing. Where the maturity date of borrowing is unknown, as in the case of LOBO loans, the maturity should normally be determined by reference to the earliest date at which the lender can require repayment. The £19.25 million of LOBO loans has therefore been included in the 'Under 12 months' category. The table also includes short-term borrowing of £5 million in March 2024.

**Table 4: Maturity Structure of Borrowing**

Maturity structure of borrowing	Upper limit	lower limit	£ million	As at 31 March 2024
Under 12 months	50%	0%	24.64	23.56%
12 months and within 24 months	25%	0%	8.74	8.35%
24 months and within 5 years	25%	0%	6.20	5.93%
5 years and within 10 years	40%	0%	15.50	14.82%
10 years and within 20 years	50%	0%	13.14	12.56%
20 years and above	60%	25%	36.38	34.78%

As can be seen from the table the maturity structure remains within the limits approved as part of the Treasury Management Strategy 2023-24. The following chart provides the maturity profile of the Council's long-term debt.



None of the LOBO loans have had to be repaid during the period to 31 March 2024. All the LOBO loans are subject to the lender having the right to change the rate of interest payable during the financial year at either of two trigger points in January and July, with the Council having the right to refuse the change, triggering early repayment and the need to re-finance. This is a manageable risk should repayment be needed during the current financial year as the Council has sufficient funds available in the short term, though would need to consider future borrowing to replace the repaid loans, in line with net loans requirement and liability benchmark in Table 2.

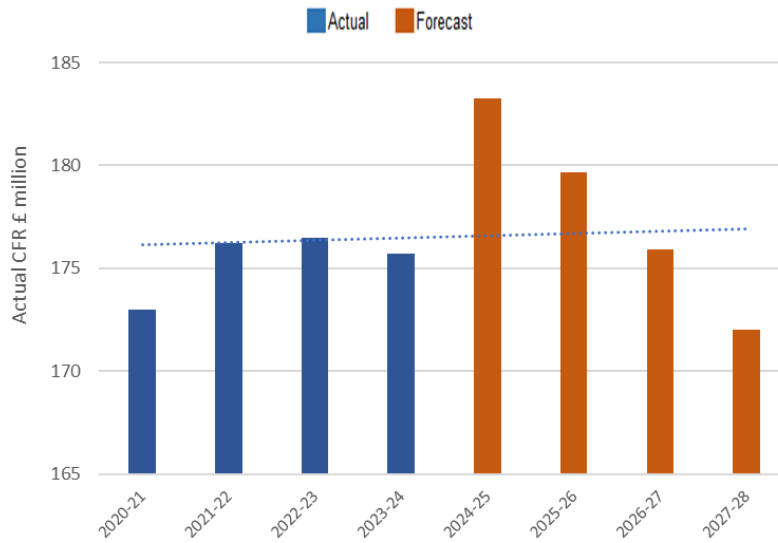
**Table 5: LOBO loans**

Commencement date	Loan value £m	Potential repayment date	Option frequency	Full term maturity
22 January 2004	4.00	22 July 2024	6 months	22 January 2054
22 January 2004	5.00	22 July 2024	6 months	22 January 2054
22 January 2004	10.25	22 July 2024	6 months	22 January 2054

In accordance with the Treasury Management Strategy, the Council is internally borrowing, which is when it uses temporary cash balances it holds in the short term instead of undertaking external borrowing. The level of internal borrowing as at 31 March 2024 was £58.14 million. This is shown by the Council’s Capital Financing Requirement (CFR) net of its external level of debt including other long term debt liabilities. The Council’s CFR as at 31 March 2024 was £175.72 million, external borrowing £104.61 million and other long term debt liabilities of £12.97 million, which is the PFI Maesteg School scheme.

The chart below shows the trend in the CFR based on **current** capital commitments within the approved capital programme. The CFR is anticipated to increase in the current year assuming capital expenditure is incurred as currently anticipated. The CFR in future years shows a reduction, however, this is on the assumption of no new schemes which require debt financing. If new schemes requiring debt financing are added, the CFR will continue to increase.

**Capital Financing Requirement Trend**



**5.0 TREASURY INVESTMENTS**

The Council holds treasury investments as a result of temporary cash balances arising from its day-to-day activities. The management of the day-to-day cash requirements of the Council is undertaken in-house with advice from Arlingclose, the Council’s Treasury Management advisors. This may involve temporary borrowing to meet cash-flow needs or temporary lending of surplus funds. Investment balances can fluctuate daily and arise as a result of a range of circumstances, including timing differences of revenue and capital cash flows, reserves and other balances held for future use.

Investments are made in institutions approved by Council as part of its Treasury Management Strategy and in accordance with investment guidelines issued by the Welsh Government. As part of the Markets and Financial Instruments Directive II, the Council elected for ‘professional’ status, which covers national and regional governments and public bodies. The categories of investments the Council can invest in can be changed with any proposed changes being presented to Council for approval.

Treasury investments are made primarily on the basis of ensuring security of the funds invested, whilst managing liquidity, and only then considering a commensurate return on the investment. As at 31 March 2024 the Council held £50 million of investments, with a weighted average return of 5.02.% (£64.50 million at 4.35% as at 31 December 2023). Table 6 below shows the investment profile as at 31 March 2024.

**Table 6: Investments by counterparty type**

Investment Category	Balance 1 April 2023	Investments made in period	Investments repaid in period	Balance 31 March 2024	Weighted interest rate 1 April 2023 to 31 March 2024
	£m	£m	£m	£m	%
Government DMO	7.50	349.90	(357.40)	0.00	5.04
Local Authorities	53.00	44.00	(53.00)	44.00	4.30
Money Market Funds	-	129.60	(129.60)	NIL	4.98
Banks (fixed maturity dates)	3.00	27.00	(30.00)	NIL	4.92
Banks (instant access/notice accounts)	11.00	71.70	(76.70)	6.00	3.89
<b>TOTAL</b>	<b>74.50</b>	<b>622.20</b>	<b>(646.70)</b>	<b>50.00</b>	<b>4.50</b>

The following should be noted:

- During the period to 31 March 2024 all investments made were in line with the approved counterparties within the Treasury Management Strategy.
- Investments are diversified over a number of organisations across different sectors, demonstrating a diversified investment portfolio.
- All investments are in sterling and are rated A- and above as per the approved criteria or with a public body.
- The weighted average rates are for all investments made during 1 April 2023 to 31 March 2024.

The overall interest receivable from treasury investments for the period 1 April 2023 to 31 March 2024 was £5.108 million. Although interest rates are expected to have reached their peak, the returns on new investments may vary as there will be a time lag on the overall average rates for existing investments until historic investments mature and monies are reinvested. The Council will continue to take a cautious approach to investing to ensure as its primary concern the security of any investments made. The risk of default for investments held is considered negligible.

All investments longer than 364 days will be made with a cautious approach to cash flow requirements and advice from the Council's Treasury Management advisors will be sought as necessary. The Treasury Management Strategy 2023-24 reduced the maximum duration for new investments to local authorities from 25 years (as grouped with other government agencies) to 2 years. All investments as at 31 March 2024 were short term of less than one year duration.

**Table 7: Sums invested for periods longer than a year**

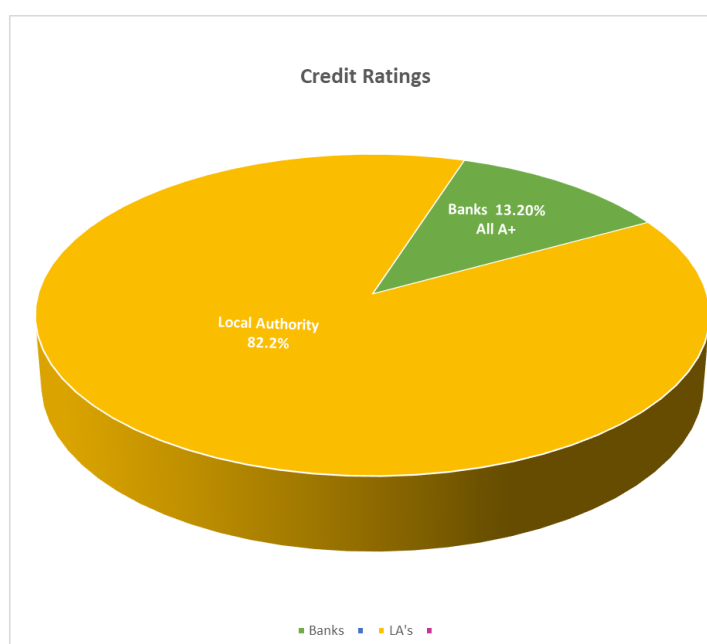
Price risk indicator	TMS 2023-24 £m	Actual £m	Full term maturity
Limit on principal invested beyond financial year end	15	NIL	NIL

The below table details the Council’s investments by counterparty and maturity profile.

**Table 8: Investments by maturity**

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	Deposits maturing after 12 months £m	TOTAL £m
Government DMO	-	-	-	-	-	-
Local Authorities	-	5.00	4.00	35.00	-	44.00
Money Market Funds	-	-	-	-	-	-
Banks	6.00	-	-	-	-	6.00
<b>Total</b>	<b>5.50</b>	<b>7.00</b>	<b>18.00</b>	<b>34.00</b>	<b>-</b>	<b>50.00</b>

The pie chart below summarises the distribution of the Council’s investments by credit ratings. Most local authorities do not have credit ratings but are considered secure investment counterparties. Although the council did not have deposits with the Government DMO at 31 March 2024 it did use the facility during the period. The DMO is the UK government and rated AA.





## 6.0 INTEREST RATE EXPOSURES

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 below.

The following Table is based on investments at 31 March 2024.

**Table 9: Interest Rate Exposure**

Interest rate risk indicator	£ million
One year revenue impact of a 1% rise in interest rates	(0.307)
One year revenue impact of a 1% fall in interest rates	0.500

It is important to note that this is an indicator, not a limit. It is calculated at a point in time on the assumption that maturing loans and investments would be replaced at rates 1% higher or lower than they are currently, and that the treasury investment and borrowing portfolios remain unchanged over the next 12 months, which in practice is not the case. The figure for the 1% fall in interest rates indicator is not the same figure as the 1% increase (but reversed) as the borrowing relates to variable LOBO loans where it is assumed that the lender would only exercise their option if there was an increase in interest rates. All other borrowing does not have a rate reset in the next year and is with the PWLB at fixed rates.

A comparison of interest expenditure and income due for the period 1 April 2023 to 31 March 2024 is shown below.

**Table 10: Interest**

	01 April 2023 – 31 March 2024 £ million
Interest expenditure payable on long term borrowing	4.528
Other Interest expenditure payable	1.353
Total Interest Payable	5.881
Interest income received in period	(5.108)
Net interest cost	0.773

## 7.0 NON-TREASURY INVESTMENTS

The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activities include investments in subsidiaries and investments in property. A schedule of the Council's existing non-treasury investments (currently limited to owned property) is set out in Table 11 below. Recent PWLB guidance requires that local authorities should review their investment portfolio if they wish to secure PWLB borrowing but does not require the local authority to sell existing investment assets. This category covers non-financial assets held primarily or partially to generate a profit, primarily investment property. These assets are valued on an annual basis to reflect market conditions and the current value at the time they are valued, otherwise known as Fair Value, which provides security of their value and continued benefit to the Council.

**Table 11: Non-treasury investments**

<b>Non-treasury investments</b>	<b>£ million</b>
Bridgend Science Park - Units 1 & 2	3.170
Waterton Cross Land	0.560
Brynmenyn Industrial Estate Plot 53	0.675
Village Farm Plots 32,119 & 120	0.385
Tyrewise Bridgend	0.200
<b>Total at Fair Value</b>	<b>4.990</b>
<b>Annual return 2023-24</b>	<b>0.459</b>

The Council considers that the scale of its investment properties is proportionate to the resources of the Council as the investment represents less than 1% of its total long-term assets. In addition, the value of these investments has increased from the previous year.

In accordance with Welsh Government Investment Guidance, these are be classified as non-treasury investments.

Schedule A – Credit Rating Equivalence Table

Credit Rating Equivalence Table

	Description	Fitch		Moody's		Standard & Poor's	
		Long	Short	Long	Short	Long	Short
<b>INVESTMENT GRADE</b>	Extremely strong	AAA	F1+	Aaa	P-1	AAA	A-1+
	Very strong	AA+		Aa1		AA+	
		AA		Aa2		AA	
	Strong	AA-	Aa3	A+	A-1		
		A+	A1	A			
		A	A2	A-	A-2		
	Adequate	A-	A3	P-2	BBB+		
		BBB+	Baa1	P-3	BBB	A-3	
		BBB	Baa2		BBB-		
<b>SPECULATIVE GRADE</b>	Speculative	BBB-	F3	Baa3	Not Prime (NP)	BBB-	
		BB+	B	Ba1		BB+	
		BB		Ba2		BB	
	BB-	Ba3		BB-		B	
	Very speculative	B+	B1	B+			
		B	B2	B			
		B-	B3	B-			
	Vulnerable	CCC+	C	Caa1		CCC+	
		CCC		Caa2		CCC	
		CCC-		Caa3		CCC-	C
CC		Ca		CC			
	C		C				
Defaulting	D	D	C		D	D	

## Schedule B – Arlingclose Economic &amp; Interest Rate Forecast – May 2024

	Current	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.75	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	5.25	5.25	5.00	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00
Downside risk	0.00	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00
Central Case	5.40	5.30	5.15	4.80	4.30	3.80	3.30	3.05	3.10	3.10	3.15	3.15	3.15
Downside risk	0.00	0.50	0.50	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.50	0.75	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.04	3.95	3.85	3.75	3.60	3.50	3.40	3.40	3.40	3.40	3.45	3.50	3.55
Downside risk	0.00	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.50	0.75	0.85	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.10	4.05	4.00	3.85	3.75	3.70	3.70	3.70	3.70	3.75	3.80	3.80
Downside risk	0.00	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.50	0.75	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.60	4.50	4.40	4.35	4.25	4.25	4.20	4.20	4.20	4.20	4.25	4.30	4.35
Downside risk	0.00	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.50	0.75	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.20	4.10	4.00	3.95	3.85	3.85	3.80	3.80	3.80	3.80	3.85	3.90	3.95
Downside risk	0.00	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

- The Bank of England is now biased towards reductions in Bank Rate, and the upcoming data will determine the timing of the start of the easing cycle and its extent. The UK economy started the year stronger than expected, and wage growth, core and services inflation remain high, so there remains uncertainty around the start of the cycle, but it will be a surprise not to see one cut this summer.
- In May, the MPC continued its dovish tilt. Another committee member, Dave Ramsden joined Swati Dhingra in voting for a rate cut. For the remaining seven members the focus remains on the persistence of inflation, specifically in wages and services.
- UK GDP growth rebounded in Q1 2024 after the technical recession in H2 2023. Survey data suggests that this recovery continued in April, but the UK economy remains relatively weak, with GDP only 0.2% higher in Q1 compared to a year ago and consumer spending barely growing.
- Employment has started to decline, although vacancy levels stabilised suggesting that demand for new labour remains relatively resilient. Anecdotal evidence suggests lower pay growth, and we expect unemployment to rise, which will lead to some deterioration in consumer sentiment. Household and business spending will therefore

remain relatively soft. Stronger demand in Q1, however, raises some upside risks to this view.

- Inflation rates will move lower over the next 12 months. The headline CPI rate for April will be at or below the 2% target. There are upside risks from geo-political issues and now stronger domestic activity. With policymaker fears around the persistence of underlying inflationary pressure, particularly services inflation, we believe Bank Rate will remain unchanged until August and initially reduce slowly.
- The MPC minutes suggest that some committee members may not need to see much more evidence on falling inflation before changing their minds, so there is certainly a chance of an earlier rate cut in June.
- We expect that the continuation of restrictive monetary policy will bear down on activity and will require substantial loosening in 2025 to boost activity and inflation.
- Global bond yields will remain volatile and investors' positioning for the timing of US monetary loosening will continue to influence movements in gilt yields. Moreover, there is a heightened risk of fiscal policy, credit events and/or geo-political events causing substantial volatility in yields.

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>ANNUAL CORPORATE FRAUD REPORT 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER FINANCE, HOUSING AND CHANGE AND HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>SIMON ROBERTS – SENIOR FRAUD INVESTIGATOR AND JOAN DAVIES – DEPUTY HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Annual Corporate Fraud Report 2023-24 summarises the work undertaken in respect of counter fraud by the Council’s Fraud Department and the Regional Internal Audit Service.</b></li> <li>• <b>It provides an update to the Governance and Audit Committee on the arrangements in place to manage the risk of fraud.</b></li> <li>• <b>The ongoing measures the council has in place to reduce fraud are shown in this report.</b></li> <li>• <b>The report provides an update on the National Fraud Initiative.</b></li> <li>• <b>The report provides details on the monetary value of any fraud or error identified throughout 2023-24.</b></li> </ul>

## 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 2023-24 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 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 money 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, or 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 Council during 2023-24.
- 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, significant improvements have been made to the fraud webpages on the Council's internet site allowing members of the public and staff to refer various types of fraud directly to the Fraud Department. These webpages also contain a wealth of



information for staff and members of the public to peruse relating to fraud and the work of the department. Fraud awareness training sessions also continue to be 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. This is a biennial exercise co-ordinated in Wales by Audit Wales whereby data is extracted from the Council's systems and reports. This data is then matched against data submitted from other bodies such as other Local Authorities, the 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. A total of 264 frauds or errors were identified in respect of Bridgend equating to £23,067.31 of recoverable funds. This sum was mostly attributable to council tax reduction or housing benefit matches. The exercise also resulted in the cancellation of 228 blue badges, where the holder was deceased, generating an estimated Cabinet Office saving of £148,200. 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 2022 for review in 2023. A total of 263 possible frauds or errors were identified equating to £110,897.05 of potentially 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 the Regional Internal Audit Service and the Council's Senior Fraud Investigator, including internal investigations, council tax reduction (CTR) investigations and blue badge investigations.
- 3.6 Council Tax Reduction and incidental housing benefit savings of £53,006.10 were achieved as a result of fraud investigations concluded during 2023-24. The fraud department also provides assistance to the DWP throughout their investigations where information and advice is given in respect of the Housing Benefit and Council Tax Reduction that has been claimed. During 2023-24 Housing Benefit savings of £55,687.26 and CTR savings of £11,555.65 were achieved as a result of these DWP investigations and the assistance provided.
- 3.7 Joint working was also undertaken during 2023-24 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.
- 3.8 The Council 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,

were used to form the current Fraud Strategy and Framework. This has ensured 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. Recommendation(s)**

9.1 It is recommended that the Committee note the Annual Corporate Fraud Report 2023-24, the measures in place, the work being undertaken to prevent and detect fraud and error and the update on the National Fraud Initiative.

#### **Background documents**

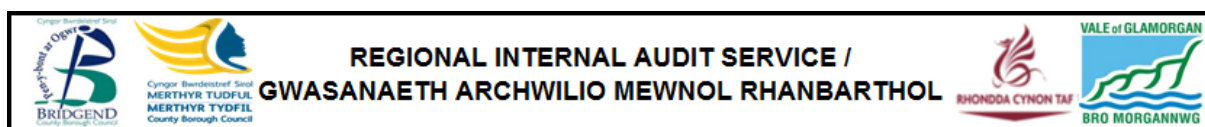
None



# ANNUAL CORPORATE FRAUD REPORT

## 2023-24

**Simon Roberts – Senior Fraud Investigator**  
**Joan Davies – Deputy Head of RIAS**  
**July 2024**



## Section 1 – Introduction

- 1.1 This report was prepared by the Council's Senior Fraud Investigator in conjunction with the Regional Internal Audit Service (RIAS).
- 1.2 The challenge presented to councils by fraud is significant. 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 latest figures from the government estimate that the cost of fraud and error against the public sector is at least £33bn a year. During the pandemic alone, criminals specifically targeted the public sector and local authorities, resulting in additional losses in the region of around £13bn. The Annual Fraud Indicator 2023, produced by Crowe Clark Whitehill, states that fraud in local government increased from an estimated £7.8bn in 2017, to £8.8bn in 2021-2022. 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 3.2 million incidents of fraud recorded between 2022-2023.
- 1.3 The impact of fraud should never be underestimated. Fraud leaves the Council with less money 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.
- 1.4 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, or 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.
- 1.5 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. This was reviewed by the Governance and Audit Committee in April 2021 and endorsed by Cabinet in March 2022.
- 1.6 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 2023-24. 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 purchasing 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 to fraud manage that risk.
- 2.4 A detailed fraud risk register has been produced and was presented to the Governance and Audit Committee in April 2021 and approved by Cabinet in March 2022. This provides a robust tool to assist in ensuring resources are targeted correctly. The Fraud Risk Register is 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 Council. 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 an updated version of this policy in April 2023.
- 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. Significant improvements have also been made to the Council's external website to include a wealth of information relating to fraud and guidance on how fraud can be reported to the Council. The website also provides members of the public and staff with the ability to report instances of suspected fraud directly to the fraud department. Reports can also be made via My Account.
- 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 2023-24 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 October 2023 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 and Members' understanding of how fraud may occur, encourage prevention, and promote detection of suspicious activities. This will enable staff and Members 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 to enable data held within the financial systems to be extracted and analysed. This enables 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 2023-24

- 3.1 The National Fraud Initiative (NFI) is included as one of the ongoing measures to reduce fraud. This is a biennial exercise coordinated by the Cabinet Office across the UK, and by Audit Wales in Wales, whereby data is extracted from the Council's systems. This data is 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. across the UK. 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 facilitate the upload of data and user account management and provide 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 Cabinet Office. The resulting matches were released to the Council in January 2023 and are due for finalisation and completion during October 2024. Initially a total of 7,192 matches across areas including housing benefit, council tax reduction scheme, payroll, blue badges, creditors, and licencing were identified. A further 266 matches were released later in 2023.
- 3.4 A review of 4,326 of these data matches during the accounting year 2023-24 has so far resulted in 264 frauds or errors being identified with a value of £23,067.31; all of which is recoverable. Table 1 summarises the results and more details are provided in **Annex 2**.

**Table 1 – National Fraud Initiative Data Matching Exercise Results 2023-24**

Type	Fraud/ Error Number	Fraud/ Error Value	Recoverable	NFI Projected Savings*
Housing Benefit	3	£4,467.03	£4,467.03	£3,967.77
Council Tax Reduction Scheme	33	£18,600.28	£18,600.28	£8,008.44
Blue Badge	228	£0.00	£0.00	£148,200.00
<b>Total</b>	<b>264</b>	<b>£23,067.31</b>	<b>£23,067.31</b>	<b>£160,176.21</b>

\*Refer to paragraph 3.7

- 3.5 The exercise also resulted in the cancellation of 228 blue badges, where the holder was deceased, generating an estimated Cabinet Office savings figure of £148,200 based on potential lost revenue from parking charges and congestion charges (where applicable) as per Cabinet Office methodology.
- 3.6 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 are due for release in January 2025.
- 3.7 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 Council and cannot be reflected in bottom line savings. **Annex 3** provides a summary of the Cabinet Office methodology.

### Single Person Discount (SPD)

- 3.8 The NFI also produce an annual exercise relating to SPD, generated from the Council Tax system. These matches highlight where there may be more than one adult at a property currently in receipt of SPD.
- 3.9 In total 1,681 households were produced for review during 2023. The review of these data matches resulted in 263 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 2023**

Type	Fraud/ Error Number	Fraud/ Error Value	Potentially Recoverable	NFI Projected Savings
Single Person Discount	263	£110,897.05	£110,897.05	£171,088.89

- 3.10 Further SPD data was extracted and forwarded to the NFI in December 2023 and these matches were released for review in January 2024. In total a further 1,872 matches have been produced for investigation during 2024 and work has commenced on these.

## Section 4 – Counter Fraud & Corruption Work

- 4.1 Internal Audit is a statutory requirement within Local Government. The Council's internal audit provision is undertaken by the Regional Internal Audit Service, a partnership shared service between Bridgend County Borough Council, Rhondda Cynon Taf County Borough Council (up to 31<sup>st</sup> March 2024), Merthyr Tydfil County Borough Council hosted by the Vale of Glamorgan Council.
- 4.2 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.

- 4.3 The Head of Internal Audit provides an annual report, which gives an overall opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control based on the audit work undertaken during 2023-24.
- 4.4 The Head of Internal Audit’s annual opinion for 2023-24 was “Reasonable Assurance” with no significant cross-cutting control issues identified that would impact on the Council’s overall control environment. The annual opinion was considered at the Governance and Audit Committee on 6<sup>th</sup> June 2024. This opinion statement is also included with the Council’s Annual Governance Statement.
- 4.5 Suspected frauds can be referred directly to Internal Audit for review during the year. This work can be generated in several ways, for example by whistleblowing, complaint referrals, by Managers who may have concerns over a certain issue or as a result of an audit review.
- 4.6 In respect of suspected fraud one matter was referred to Internal Audit for review during 2023-24 which related to the failure to declare a business interest. A fact-finding exercise was undertaken and fraud was not proven. However, areas for improvement within the Council’s processes were identified and a recommendation was made to improve the controls and mitigate the identified risks within existing systems.

**Table 3 – Counter Fraud & Corruption Work**

Counter Fraud & Corruption Work	Outcome
Failure to Declare a Business Interest	Fraud not proven, areas for improvement identified and a recommendation made and agreed to improve controls to mitigate risks.

- 4.7 As a result of the current cost of living crisis, there has been an increase in the number of scams in existence. 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

- 4.8 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.
- 4.9 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 2023-24.

**Table 4 – Source of Referrals 2023-24**

Source of Referrals	2023-24
NFI	7
Benefit/Taxation Staff	23
HBMS* data match	1
Department of Work and Pensions (DWP)	2
Claim Review	12
Anonymous (letter/telephone/email)	43
Verify Earnings and Pensions (VEP) alerts**	5
Other organisation/department	2
BCBC Website	13
<b>Total</b>	<b>108</b>

\*DWP Housing Benefit Matching Service

\*\*A data match with HMRC

- 4.10 A proportion of the referrals received related to DWP benefits or housing benefits, and consequently these were forwarded to DWP's Single Fraud Investigation Service (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, Employment and Support Allowance or Universal Credit
  - 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.
- 4.11 During 2023-24 the Council's Fraud Investigation department referred 37 cases to the DWP; the DWP do not provide feedback on the outcome of specific referrals.
- 4.12 Table 5 illustrates a breakdown of the types of allegations of council tax reduction / benefit fraud that were referred to the Fraud Investigation department during the period 2023-24.

**Table 5 – Type of Allegation 2023-24**

Type of Allegation	2023-24
Undeclared income	24
Undeclared increase in income	13
Undeclared capital/savings	9
Living together	27
Non-residency	13
Discrepancy – non-dependant	7
Discrepancy – household occupants (e.g., SPD*)	2
Other (e.g., DLA**/Tax Credits/Contrived)	13
<b>Total</b>	<b>108</b>

\*Single person discount      \*\* Disability Living Allowance

- 4.13 During 2023-24, 61 cases were closed. The closure categories are detailed in Table 6 below.

**Table 6 – Reason for Closure 2023-24**

Reason for closure	2023-24
No fraud	6
Not investigated	40
Fraud proven*	15
<b>Total</b>	<b>61</b>

\*i.e., sufficient evidence to instigate legal proceedings

- 4.14 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).
- 4.15 Table 7 below provides the Council Tax Reduction and incidental housing benefit savings that have been achieved as a result of the fraud investigations concluded during 2023-24.

**Table 7 – Savings Achieved 2023-24**

Savings	2023-24
CTR excess reduction	£31,684.47
Future CTR saving	£11,129.26
Housing Benefit	£10,191.37
<b>Total</b>	<b>£53,005.10</b>

- 4.16 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.
- 4.17 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.

4.18 Table 8 illustrates the penalties and fines issued in the relevant period. It also provides information on the number of successful prosecutions in 2023-24:

**Table 8 – Successful Sanctions 2023-24**

Successful sanctions	2023-24	Amount
Prosecutions	1	N/A
Penalties	12	£8,688.05
Fines	1	£70.00
<b>Total</b>	<b>14</b>	<b>£8,758.05</b>

4.19 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. The fraud department provides assistance to the DWP throughout their investigations. Information and advice is given in respect of the Housing benefit and CTR that has been claimed. During 2023-24 Housing benefit savings of £55,687.26 and CTR savings of £11,555.65 were generated as a result of these DWP investigations.

#### **CTR Prosecutions 2023-24**

4.20 One CTR investigation undertaken by the Senior Fraud Investigator has been prepared for prosecution with a court date set for July 2024. A further joint working investigation, undertaken by the Senior Fraud Investigator alongside the DWP, led to a successful prosecution in 2023-24. This investigation involved both CTR and Housing Benefit and further details in respect of the outcome of this prosecution is provided in point 5.1.

#### **Blue Badge Misuse**

4.21 The Council's Fraud Department undertakes work on blue badge misuse and, during 2023-24, twenty reports were received. Seventeen of these reports involved people dishonestly displaying another person's badge or using a badge that they were not entitled to. One report related to a badge that had been altered to show a false expiry date and two related to badges being used that had previously been reported as lost or stolen, and subsequently were cancelled and no longer valid for use. Lack of evidence in these cases resulted in seventeen being closed, with no

further enforcement action taken. Three were taken forward for further investigation and, of these, two cases were closed following an official warning letter being issued to the badge holder. One case is ongoing with a view to preparing the case for review by the Council's legal team. This could lead to the case being put forward for prosecution.

- 4.22 Specialist training was provided to the Council's Civil Enforcement Officers and Parking Manager in May 2023. This will now 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 work jointly with the Parking Services Department to conduct regular enforcement days and fraud drives within the County 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.
- 4.23 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. Blue Badge training events, organised and paid for by Welsh Government, have been arranged across Wales in 2024. Invitations will be sent to local authorities for both Parking Services and Fraud Investigation teams to attend, allowing them to refresh their knowledge in this area of work.
- 4.24 The Fraud Department consists of two members of staff to include the Senior Fraud Investigator and one Fraud Investigator. The team is responsible for dealing with fraud issues across the council and therefore has limited capacity. Despite this however, the team continues to produce positive results and savings for the council.

## **Section 5 – Joint Working & Partnerships**

- 5.1 Bridgend County Borough Council became part of a joint counter fraud initiative with SFIS in April 2019. During 2023-24 the council has referred a number of cases to SFIS. Of these:
- One case is still currently ongoing.
  - One case was the subject of a joint prosecution by The Crown Prosecution Service (CPS) in December 2023. The court imposed on the defendant a 12-month community order and 15 days rehabilitation activity requirement and ordered them to pay £85 costs, £80 fine, and a £114 victim surcharge.

During 2023-24 SFIS has referred a number of cases to the Council. Of these:

- One case was closed due to lack of evidence.
- One case is currently being assessed by The Crown Prosecution Service (CPS) with a view to the case being put forward for prosecution action.

- 5.2 The Council 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 2023-24 and various training sessions have also been arranged and provided to the group, by relevant organisations throughout this period.
- 5.3 The Council 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 Council 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 has been fully considered and integrated into the current 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 Senior Fraud Investigator 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.

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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 Council’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.



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Annex 2

National Fraud Initiative Data Matching Exercise Results Breakdown 2023-24

NFI	Type / Area	NFI	Frauds/Errors	Fraud/Error Amount	Recoverable	NFI Projected Savings
2	Housing Benefit Claimants to Student Loans	Yes	2	£3,540.47	£3,540.47	£1,987.59
47.1	Housing Benefit Claimants to Taxi Drivers	Yes	1	£926.56	£926.56	£1,980.18
			<b>3</b>	<b>£4,467.03</b>	<b>£4,467.03</b>	<b>£3,967.77</b>
170	Blue Badge Parking Permit to Blue Badge Parking Permit	Yes	1	£0.00	£0.00	£650.00
172.1	Blue Badge Parking Permit to DWP Deceased Persons	Yes	227	£0.00	£0.00	£147,550.00
			<b>228</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£148,200.00</b>
436	Council Tax Reduction Scheme to Payroll	Yes	2	£7,193.56	£7,193.56	£1,651.65
436.1	Council Tax Reduction Scheme to Pensions	Yes	21	£7,671.08	£7,671.08	£2,440.68
440.1	Council Tax Reduction Scheme to Pensions	Yes	7	£761.71	£761.71	£544.50
446	Council Tax Reduction Scheme to Council Tax Reduction Scheme	Yes	1	£1,787.22	£1,787.22	£1,090.65
482	Council Tax Reduction Scheme to DWP Deceased	Yes	2	£1,186.71	£1,186.71	£2,280.96
			<b>33</b>	<b>£18,600.28</b>	<b>£18,600.28</b>	<b>£8,008.44</b>
		<b>Totals</b>	<b>264</b>	<b>£23,067.31</b>	<b>£23,067.31</b>	<b>£160,176.21</b>
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.

Annex 4

Single Person Discount 2023

NFI	Type / Area	NFI	Frauds/Errors	Fraud/Error Amount	Recoverable	Cabinet Office Projected Savings
801	Council Tax to Electoral Register (SPD)	Yes	168	£96,954.29	£96,954.29	£130,939.52
802	Council Tax rising 18s (SPD)	Yes	95	£13,942.76	£13,942.79	£40,149.37
		<b>Totals</b>	<b>263</b>	<b>£110,897.05</b>	<b>£110,897.08</b>	<b>£171,088.89</b>
	<b>Colour Coding:</b>					
	Recoverable by BCBC over an undefined period.					
	Cabinet Office projected savings during financial year (SPD saving based on 2 years).					
<b>Data Match</b>	<b>Basis of Calculation of Estimated Savings</b>					
Council Tax SPD	Annual value of the discount cancelled multiplied by two years					

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>19 JULY 2024</b>
<b>Report Title:</b>	<b>FORWARD WORK PROGRAMME 2024-25</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>DEBORAH EXTON DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	There is no impact on the policy framework and procedure rules.
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Governance and Audit Committee has a number of core functions and responsibilities within its remit.</b></li> <li>• <b>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.</b></li> <li>• <b>To enable the Committee to provide this assurance and to ensure it is covering its range of responsibilities, a Forward Work Programme (FWP) is presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary.</b></li> <li>• <b>The updated Forward Work Programme (FWP) for 2024-25 is at Appendix A.</b></li> <li>• <b>Committee is requested to approve the updated FWP or request changes for future meetings.</b></li> </ul>

## 1. Purpose of Report

1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2024-25.

## 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 updated Forward Work Programme for 2024-25 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 scheduled meeting, to be held on 26 September 2024.

<b>Proposed Agenda Items – 26 September 2024</b>	
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports
3	Statement of Accounts 2023-24 (unaudited)
4	Draft Annual Governance Statement
5	Internal Audit Progress Reports
6	Internal Audit Recommendation Monitoring Report
7	Governance and Audit Committee Annual Report
8	Updated Forward Work Programme

3.3 The unaudited Statement of Accounts 2023-24 and Draft Annual Governance Statement have been postponed until the September meeting due to a slight delay in closing the accounts beyond the end of June anticipated timescale.

3.4 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 2024-25.

**Background documents**

None



GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2024-25	26 September 2024	28 November 2024	30 January 2025	24 April 2025
<b>Standing Items</b>				
Governance and Audit Committee Action Record	✓	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	✓	✓	✓	✓
Updated Forward Work Programme	✓	✓	✓	✓
<b>Annual Accounts</b>				
Statement of Accounts 2023-24 (unaudited)	✓			
Porthcawl Harbour Return 2023-24 (unaudited)				
Going Concern Assessment				
Audit Enquiries Letter				
Audit Wales Audit of Accounts Report <i>(included with Audited Statement of Accounts Report item)</i>		✓		
Audited Statement of Accounts <i>(including final Annual Governance Statement)</i>		✓		
Porthcawl Harbour Return (audit letter)		✓		
<b>Governance</b>				
Draft Annual Governance Statement	✓			
Half Year Review of the Annual Governance Statement		✓		
Code of Corporate Governance				✓
Audit Wales Annual Audit Plan <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>				✓
Annual Audit Summary <i>(included in Audit Wales Governance and Audit Committee Reports item)</i>			✓	
<b>Internal Audit Reports</b>				
Annual Internal Audit Report 2023-24				
Internal Audit Shared Service Charter				✓
Internal Audit Annual Strategy and Audit Plan 2024-25				
Self Assessment of the Governance and Audit Committee			✓	
Internal Audit Progress Reports	✓	✓	✓	✓
Internal Audit Recommendation Monitoring Report	✓	✓	✓	✓
Governance and Audit Committee Annual Report	✓	✓		
<b>Treasury Management</b>				
Treasury Management Outturn Report 2023-24				
Treasury Management Half Year Report 2024-25		✓		
Treasury Management Strategy 2025-26			✓	
<b>Risk Assurance</b>				
Corporate Risk Assessment			✓	
Corporate Risk Policy			✓	
<b>Counter Fraud</b>				
Corporate Fraud Report 2023-24				
Anti Tax Evasion Policy (previously considered April 2023, due April 2025)				✓
<b>Performance Related</b>				
Complaints Process		✓		
Regulatory Tracker			✓	
Annual Self-Assessment of the Council's Performance (Corporate Self-Assessment)				✓

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