

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

31 January 2018

REPORT OF CHIEF EXECUTIVE

ANNUAL IMPROVEMENT REPORT (AIR) 2016-17 - BRIDGEND COUNTY BOROUGH COUNCIL

1. Purpose of Report

- 1.1 To introduce the report of the Auditor General to Council (**Appendix A**).

2. Connection to Corporate Improvement Objectives / Other Corporate Priority

- 2.1 The Wales Audit Office (WAO) report assesses whether or not the Council meets its continuous improvement duties under the Local Government (Wales) Measure 2009, taking account of a range of audit, regulatory and inspection work reported during 2016-17.

3. Background

- 3.1 The Local Government (Wales) Measure 2009 requires the Auditor General to undertake a forward-looking annual improvement assessment and to publish an annual improvement report for each improvement authority in Wales.
- 3.2 For 2016-17, the Auditor General undertook improvement assessment work at all councils under three themes: governance, use of resources, and improvement planning and reporting. For some councils, local risk-based audits were also carried out.
- 3.3 The Wales Audit Office undertook the following individual projects under the above mentioned themes for Bridgend County Borough Council during 2016-17:
- Good governance when determining service changes (the full report is attached as **Appendix B**)
 - Annual audit letter 2015-16, under the Public Audit (Wales) Act 2014
 - Savings planning
 - Corporate assessment follow up
 - Annual improvement plan audit
 - Annual assessment of performance audit

A summary of the findings for each project is set out in Exhibit 1 (pp. 6-90 of the attached report).

- 3.4 The report also includes a summary of the national studies the WAO undertook during the year (Exhibit 2, pp. 14-16), with recommendations that require all local authorities to address.

4. Current situation / proposal

4.1 The overall conclusion of the AIR is positive, as follows:

The Council is meeting its statutory requirements in relation to continuous improvement, and that based on the work carried out by the WAO and relevant regulators the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2017-18.

4.2 Headline findings under each project are summarised below:

Good governance when determining service changes

Findings – “the Council has clear priorities that shape its decisions on significant service change and it seeks to learn and improve its arrangements, but there is scope to improve the accessibility of some information”.

The Auditor General did not make any formal recommendations but made three proposals for improvement:

P.1. the Council should improve the availability and accessibility of information relating to decision-making on significant service change, including, for example, publishing Forward Work Programme(s) that cover Cabinet and Council business.

P.2 the Council should resolve how it will embed the sustainable development principle into decision-making.

P.3 the Council should clearly set out how the impact of service change will be monitored at the point of decision.

Annual audit letter 2015-16

Finding – “the Council complied with its responsibilities relating to financial reporting and use of resources”.

The Auditor General did not make any formal recommendations nor proposals for improvement.

Savings planning

Finding – “whilst the Council has a sound financial planning framework underdeveloped savings plans may not fully support future financial resilience”.

The Auditor General did not make any formal recommendations but made one proposal for improvement:

P.1 - Strengthen financial planning arrangements by ensuring that savings proposals are:

- fully developed;
- clearly identified over the period of the MTFP; and
- include realistic delivery timescales prior to inclusion in the annual budget.

Corporate assessment follow up

Finding – “the Council has responded effectively to the issues we raised in the Corporate Assessment and has either fully implemented our proposals for improvement or has made progress against them”.

The Auditor General did not make any formal recommendations nor proposals for improvement.

Annual improvement plan audit

Finding – “the Council has complied with its statutory improvement planning duties”.

The Auditor General did not make any formal recommendations nor proposals for improvement.

Annual assessment of performance audit

Finding – “the Council has complied with its statutory improvement reporting duties”.

The Auditor General did not make any formal recommendations nor proposals for improvement.

- 4.3 The Council has responded positively to the issues raised by the WAO and has been taking action to address each area that requires improvement as follows.

Good governance when determining service changes

- P.1 - The Council has published its Forward Work Programmes for Cabinet, Council and Scrutiny on its website for the period 1 Jan 2018 – 30 April 2018. The programmes are scheduled for review on a quarterly basis to cover those topics being considered by Cabinet and Council during the subsequent 4-month period. Further work is being undertaken to harmonise procedures for the Scrutiny work programmes.
- P.1 - The Council is redesigning its website to improve availability and accessibility of information. The new website is planned to be launched to the public late spring 2018, depending on a successful test with internal stakeholders.
- P.2 - The Council has revised its Corporate Report Template to include a paragraph relating to the implications of the Wellbeing of Future Generations Act, and has developed a Well-being of Future Generations Assessment Form. The paragraph will summarise any potential impacts identified during the completion of the Well-being of Future Generations Assessment form. The revised template will be implemented from 1 April 2018 onward. Training of the senior officers in the Wellbeing of Future Generations Act and the use of the assessment form will be undertaken before the implementation date.
- P.3 - The Well-being of Future Generations Assessment Form ensures that the five ways of working and the seven Wellbeing Goals are considered as part of the decision making process. Use of the revised template will enable any

potential impacts of service changes to be identified and proposals to maximise any positive impacts or minimise any negative impacts to be provided as necessary.

Savings planning

P.1 - The Council has the following in response to the proposal of strengthening financial planning arrangements in relation to savings:

- As part of the MTFS planning process, directorates are required to submit implementation plans with their budget proposals. This includes information on:
 - The amount of saving to be realised in each financial year;
 - Key milestones, including any consultation periods and cabinet reports;
 - Timeline of key stages; and
 - Risks to achievement.
- These are then reviewed again prior to the start of the financial year, and any issues flagged.
- During the financial year, the Authority monitors budget reductions against targets and report to Cabinet during the quarterly monitoring reports. Directors are tasked with identifying mitigating actions or seeking alternative reduction proposals to offset the shortfalls.
- In cases where the achievement of the saving is out of the directorate's control, there is a corporate MTFS Contingency Fund in place which the S151 Officer can use to provide short term cover, prior to the directorate seeking alternative proposals going forward, or meeting the budget reduction in full.

5. Effect upon Policy Framework& Procedure Rules

5.1 There is no effect upon the Policy Framework and the Procedure Rules.

6. Equality Impact Assessment

6.1 No equality impact assessment has been undertaken as the Auditor General's Annual Improvement Report is essentially a retrospective assessment of the Council's performance.

7. Financial Implications

7.1 There are no financial implications in this report.

8. Recommendation

8.1 That Council notes the Annual Improvement Report and the Good Governance when Determining Significant Service Changes report produced by the WAO.

Darren Mepham
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Background documents

None