



Annual Governance Statement

Annual Governance Statement 2017-18

1. Scope of Responsibility

- 1.1 Bridgend County Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.2 The Council has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the exercise of its functions in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.
- 1.3 The Council also has a duty under the Well-being of Future Generations (Wales) Act (WFGA) 2015 to carry out sustainable development, including setting and publishing well-being objectives that are designed to maximise its contribution to achieve each of the well-being goals and take all reasonable steps to meet those objectives.
- 1.4 In discharging its overall responsibilities, the Council is responsible for ensuring that it has proper arrangements for the governance of its affairs and a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.
- 1.5 The Council reviewed its Code of Corporate Governance and adopted the Delivering Good Governance in Local Government Framework, developed by the Chartered Institute of Public Finance and Accountancy (CIPFA, 2016) and the Society of Local Authority Chief Executives (SOLACE). This statement explains how the Council has complied with the Governance Framework and meets the requirements of the Accounts and audit (Wales) Regulations 2014.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems, processes and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to make appropriate use and prevent loss of public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all risk; the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and manage their impact.
- 2.3 The following paragraphs summarise the governance framework and the system of internal control, which has been in place within the Council for the year ended 31 March 2018. The description of the arrangements in place is built around the core principles set out in the Council's Code of Corporate Governance.

2.4. The Governance Framework



3. Review of Effectiveness

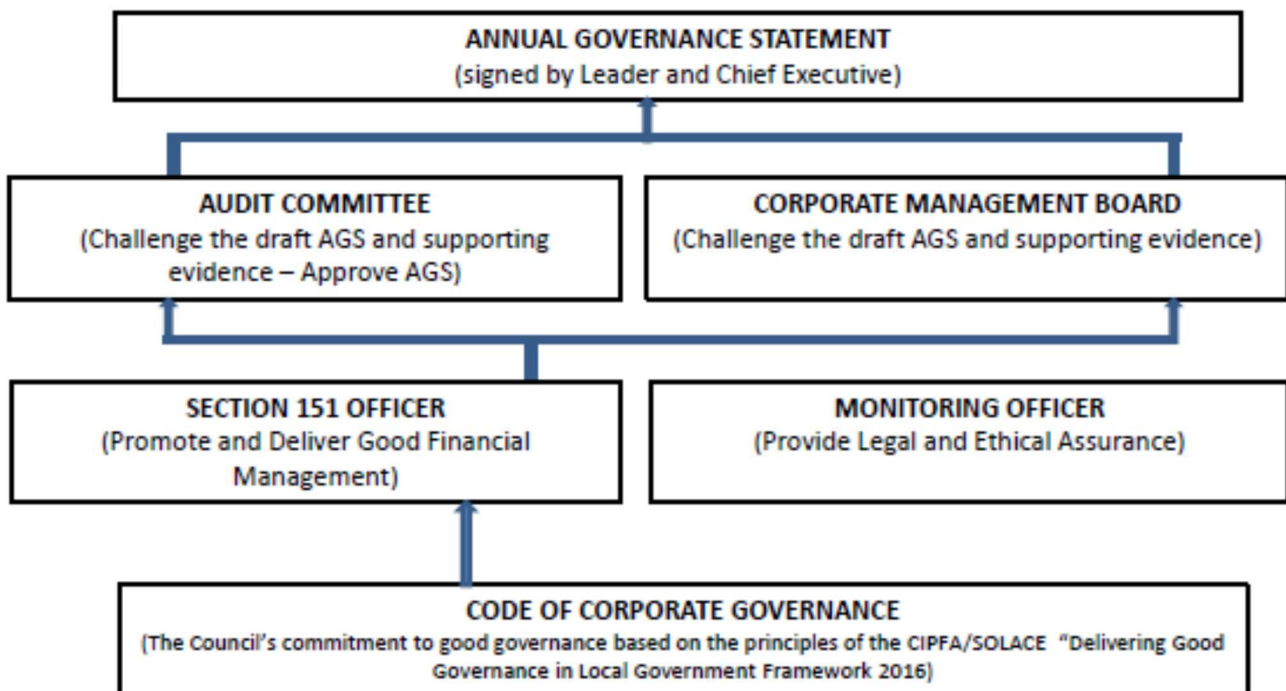
3.1 The control environment comprises the Council's policies, procedures and operational systems and processes in place to:

- Establish and monitor the achievement of the Council's objectives;
- Facilitate policy and decision making;
- Ensure the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During 2017-18, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. Debtors, Council Tax, Housing Benefit, Treasury Management etc.) or generally in the reviews undertaken in respect of Directorate systems. In addition, during the year the South West Audit Partnership on behalf of the Bridgend & Vale Internal Audit Shared Service, carried out an audit of the Council's governance framework as part of the Healthy Organisation Review. On the basis of the audit work undertaken during the year and taking into account all available evidence, the Head of Internal Audit has concluded that "a reasonable assurance level can be applied to standards of internal control at Bridgend CBC for the period stated". The Annual Opinion Report of the Head of Internal Audit for the period April 2017 to March 2018 is available here:

<https://democratic.bridgend.gov.uk/ieListDocuments.aspx?CId=132&MId=2981&Ver=4>

3.2 The Council has responsibility for annually reviewing the effectiveness of its governance framework, including the system of internal control. This is informed by the work of Internal Audit and chief officers within the Council who have responsibility for the development and maintenance of the internal control environment. The Council also draws assurance on its governance arrangements from independent sources and in particular Internal Audit, External Audit and other external regulators. Roles within the Corporate Governance Framework are set out below:



3.3 The following elements are key to the Council in monitoring and reviewing its governance:

- The Constitution, is kept under continual review and sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. It also includes the Codes of Conduct for both members and employees. Whilst the Constitution is required by statute, its content is not fully prescribed. The Council is satisfied that it is consistent with statute, regulations and guidance.
- The Cabinet (as Executive) who are responsible for considering overall financial and performance management. The Cabinet is also responsible for key decisions based on the information provided to them through comprehensive officer reports.
- The Scrutiny function which holds the Cabinet to account. In total there are four Scrutiny Committees. The Corporate Overview and Scrutiny Committee is responsible for maintaining an overview of the Authority's financial performance including value for money. This Committee also co-ordinates the Scrutiny Forward Work Programme and prioritises the work of the three Subject Overview and Scrutiny Committees. The Subject Overview and Scrutiny Committees do not have any specific remits which enable each committee to deal with any topic that is allocated. Scrutiny Committees establish Research and Evaluation panels (including the review of budget proposals); they undertake reviews of specific areas of Council operations and make recommendations to Cabinet for improvement.
- The Audit Committee which provides the focus for reviewing the effectiveness of the system of internal control. Much of this work is primarily based upon reviewing the work of Internal Audit and receiving reports from the Council's external auditors. The Committee met regularly throughout the year and provided independent assurance to the Council in relation to the effectiveness of the risk management framework, internal control environment and governance matters.

- Regulatory Committees (e.g. Licencing, Development Control) are in place to determine matters as defined within the Council's Constitution;

3.4 Requirements of the Local Government (Wales) Measure 2011 included:

- the election of the Chairperson of the Audit Committee by the Audit Committee itself rather than by an appointment by Council;
- the requirement that Audit Committee must have at least one lay-member, a professional representative with no connections to the Council that is able to assist in the role of the Audit Committee. The number of lay-members required to support the committee is being kept under review;
- the appointment of a Head of Democratic Services

4.0 Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

4.1 The Council has a clear vision, that is, always to act as “One Council working together to improve lives” and is available here: <https://www.bridgend.gov.uk/media/2267/1-corporate-plan-2016-2020-reviewed-for-2017-2018.pdf>

4.2 The Council is committed to the sustainable development principle and the five ways of working provided by the Well-being of Future Generations (Wales) Act 2015. The Council has appointed a Cabinet Member for Well-being and Future Generations. The Council has integrated well-being planning into its corporate and business planning process, as well as incorporated it into the Performance Management Framework.

4.3 Elected members are provided with training in accordance with the Elected Member Learning and Development Strategy which is approved by Council. Topics include code of conduct, declarations of interest and other subjects which clarify the behaviours of elected members. Some training particularly relating to regulatory functions has been identified as “essential” to ensure that Elected Members have a full understanding of their role before they make key decisions.

4.4 During 2017/18 an Ethics Review was undertaken as part of the 2017/18 Internal Audit Risk Based Plan. The work undertaken provided reasonable assurance on the control environment as the Council have key aspects in place to enable them to operate in an ethical manner. However there are areas which could be improved further.

4.5 Conduct of Members is governed by the Members Code of Conduct. The Public Services Ombudsman for Wales monitors complaints and the standards reflect Welsh Government Public Service Values. The Council's Standards Committee can consider alleged breaches of the Code of Conduct. There has not been a referral to the Standards Committee in Bridgend for a number of years. The Monitoring Officer utilises the local resolution protocol approved by the Public Services Ombudsman for Wales.

4.6 All Committees have clear terms of reference that set out their roles and responsibilities and work programmes. The Audit Committee, through its work programme, provides assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

4.7 The Audit Committee helps raise the profile of internal control and risk management within the Council. This enhances public trust and confidence in the financial governance of the Council.

4.8 The Council takes fraud, corruption and maladministration very seriously and has the following procedures and policies in place, which aim to prevent or deal with such occurrences;

- Anti-Fraud and Bribery Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- HR policies regarding the disciplining of staff involved in such incidents
- Corporate Complaints Policy
- Social Services Representations & Complaints Procedure
- Financial Procedure Rules
- Contract Procedure Rules

4.9 The Code of Conduct and Secondary Employment Policy for Officers requires employees to disclose any personal interest which may conflict with their duties and seek approval for secondary employment.

5. Principle B – Ensuring openness and comprehensive stakeholder engagement

- 5.1 The Council makes a large amount of information available to its citizens in an open way. Information can be obtained through the Council website and many other publications. The Freedom of Information Act requires the provision of a Publication Scheme. The Scheme has been approved by the Information Commissioner's Office who is responsible for ensuring compliance with the legislation. The Scheme provides a guide to the information routinely made available to the public. Not all the information the Council publishes is detailed in the Publication Scheme. Information that is not published can be requested by making a FOI request. The Council considers all requests under the provisions of the legislation.
- 5.2 All Council meetings are open to the public except where exempt items are discussed. The criteria for exempt information is set out in legislation. All public agendas, reports and minutes are available on the Council's website. Work Programmes with agreed timescales for report, submission, approval by Legal and Finance, publication and distribution aid decision making at a strategic level. This ensures a corporate check on the impact of decisions and also probity both in legal and financial authorisations. The Council implemented a webcasting facility in 2016 which provides live streaming and an archive facility. The number of webcast viewers is monitored and the results are reported to the Democratic Services Committee. Meetings are identified which are considered to be of key public interest and suitable for webcasting. Members of the public and "expert" witnesses can participate by speaking at Overview and Scrutiny Committees similar to arrangements already in place for Development Control Committee.
- 5.3 The Council is committed to understanding and learning from the views of the public and using their feedback to help shape services and policies. There is a consultation and engagement toolkit in place to help managers to ensure consultation activities are robust as well as following legal guidance (Gunning's principles) and Participation Cymru's National Principles for Public Engagement in Wales that have been adopted by the Council. The planning and decision-making processes are designed to include consultation with stakeholders.
- 5.4 The Council has a protocol for the use of Social Media and is available here <https://www.bridgend.gov.uk/my-council/customer-services/our-social-media-policy> The aim of this is to be clear about how the Council will engage with users and manage expectations.
- 5.5 The Authority has made significant steps in its use of the Welsh Language and has implemented the majority of the standards. The Council is negotiating with the Welsh Language Commissioner in relation to implementing the few remaining standards.
- 5.6 The Council has a Citizens' Panel made up of over 1,700 residents aged 16 or over from across the county borough. The panel members agree to take part in several surveys a year on a range

of issues relating to Council services and policies. The Citizens' Panel has helped the Council to understand residents' opinions about the services it provides so as to help improve things in the future. The panel is currently representative of residents aged 25 and over. The consultation team has key performance indicators in place to increase representation of 16-24 year olds, Welsh speakers and disabled residents, as well as indicators to increase representation across each ward to a minimum 1 per cent.

- 5.7 Social media is used to promote services and engage with the public. Targeted paid advertising and Q&A sessions/debates are undertaken to raise awareness of and drive responses to consultation exercises, and to capture citizens' feedback. The use of social media has been successfully used as part of the "Shaping Bridgend's Future" consultation. In line with its commitment to the Welsh Language Standards, the Council introduced bilingual social media accounts in December 2017.
- 5.8 Increasingly, surveys are being made available on desktop, tablet and mobile formats to increase the likelihood of residents responding. The Council has a database of over 1,650 residents who are interested in receiving HTML emails regarding key consultations within the Borough.
- 5.9 Citizens' Panel members and residents who opt to receive key consultation updates are sent engagement details on projects that may be of interest to them. Bridgend Business Forum members, the Youth Council and the Bridgend Equality Forum are all invited to share their views (when relevant) to improve representation.
- 5.10 There is regular communication with staff through managerial arrangements which is supplemented by Bridgend's, Bridgend's emails and staff newsletter as well as updates by the Chief Executive.
- 5.11 HR officers have a monthly timetable of meetings on organisational restructures as well as ad hoc issues to which local and regional trade union officers are invited. Cabinet members are invited on a bi-monthly basis. The model is successful in maintaining good relationships with both trade unions and employees respectively.
- 5.12 The Council operates both a Corporate Complaints Procedure and a Social Services Representations & Complaints Procedure which helps to identify areas where service quality is not satisfactory, and to take action to improve where relevant. Complaints can be made electronically, in writing and, for Social Services, can also be made verbally. The Council has set target times for responding to all complaints received to ensure that the complaint is dealt with in a timely manner and to ensure accountability. Both the operation of the Corporate Complaints Policy and report on Social Services Representations are reported annually to Cabinet.
- 5.13 The Public Services Ombudsman for Wales reports on each Council in Wales on the number of complaints received and investigated. In July 2017 the Council received its Annual Letter for 2016-17. The letter noted an increase in the number of complaints received, 44 in 2016-17 compared to 38 in 2015-16. The comparative figure for the local authority average was 39 for 2016-17 (41 for 2015-16). Two investigations were commenced by the Ombudsman in 2016-17. The Annual Letter noted that Children's Social Services was the biggest single area of complaints, followed by Housing. One S16 report was issued upholding the complaint, 4 complaints were settled by early resolution, 10 were closed after initial consideration, 18 were premature and 9 out of jurisdiction.
- 5.14 The Council is one of four statutory members of Bridgend Public Services Board (PSB), whose role is to sustain and improve the economic, social, environmental and cultural well-being of Bridgend County by engaging and working collaboratively and strengthening joint working across the county's public services. The Board also includes "Invited Participants". The work of

the PSB can be found at Public Services Board - Bridgend County Borough Council: <https://www.bridgend.gov.uk/my-council/council-priorities-and-performance/bridgend-public-services-board/>

- 5.15 In 2017 to 2018 the PSB used the Wellbeing Assessment published in April 2017 to develop four wellbeing objectives which are included in the Wellbeing Plan for Bridgend County. The Plan will be published in May 2018. During the year the PSB has developed a partnership structure comprising of 5 sub boards. The boards are responsible for ensuring wellbeing objectives are met. Each board will report progress to PSB at least twice a year.

6 Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits

- 6.1 The Council's Corporate Plan sets out three corporate priorities - the long term outcomes that the Council wants to achieve. These priorities, reviewed each year, are the Council's improvement objectives under the Local government (Wales) Measure 2009 and wellbeing objectives under the Well-being of Future Generations (Wales) Act 2015. The Plan has also embedded the Council's wellbeing statement, required by the Act, into the document, and sets out how our priorities link to the seven national wellbeing goals.
- 6.2 The vision, principles and improvement priorities set out in the Corporate Plan give the direction for the development of Directorate Business Plans. The Corporate Plan identifies a number of indicators, which are aimed at measuring the success of our outcomes and evidence our joined up working with citizens and partners, as well as providing a measure of performance. These are reported to the Corporate Performance Assessment (CPA) panel on a regular basis and subject to scrutiny on a bi-annual basis. An annual report on the Council's performance is also produced for the general public.
- 6.3 Alongside the Corporate Plan, the Council approved a Medium Term Financial Strategy (MTFS) for the period 2017-18 to 2020-21 available here: <https://www.bridgend.gov.uk/media/2233/budget-book-2017-to-18-and-medium-term-financial-strategy.pdf>. The MTFS provides an integrated planning and financial framework for the next four years, including the detailed budget strategy for the next financial year. This enables the Council to align its financial resources with its new priorities. Quarterly budget monitoring reports are submitted to Cabinet and to the Corporate Overview Scrutiny Committee.
- 6.4 The Council works collaboratively with a number of partners providing joint services to maximise efficiencies and improve outcomes for our citizens. Key collaborations include: Shared Regulatory Service, Central South Consortium, HALO, Awen, Coychurch Crematorium and Western Bay. Connections are now being made with colleagues in the Cwm Taff region in light of the consultation on the potential health board boundary change which could result in Bridgend County moving to Cwm Taf University Health Board. These partnerships are initially monitored by those elected members appointed by Cabinet / Council to represent the Council's interests on the outside body.
- 6.5 The Corporate Overview and Scrutiny Committee also receive reports from Council partners which enable Elected Members to monitor the governance arrangements and the outcomes being delivered. The Council is leading on the joint scrutiny of the Cardiff Capital Region City Deal, with terms of reference for the Committee yet to be agreed. The Council is also working with the Centre for Public Scrutiny (CfPS) to develop the effectiveness of its scrutiny of the Public Services Board.
- 6.6 During 2017-18 the Council consulted on a range of issues engaging with the public on the goal of delivering sustainable services which included Shaping Bridgend's Future, Public Service

Board and Remodelling Childrens Services. The Shaping Bridgend's Future consultation included a presence at community events and an online survey among other activities which captured the views of the public on how the Council aims to change particular areas of service delivery and the financial consequences of doing so.

7.0 Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

- 7.1 In the Medium Term Financial Strategy 2017-18 to 2020-21, 7% of budget reductions identified over the 4 year period were identified as coming from collaboration and service transformation. Council agreed that collaboration should focus on projects which have the potential to generate the greatest benefit, make a clear contribution to the Council's corporate priorities and result in a clear service benefit. In the recently published consultation Green Paper "Strengthening Local Government, Delivery for People", the Welsh Government sets out its ambitions for local government. It presents options which could lead to larger and more sustainable local authorities in Wales which could deliver effective and sustainable public services going forward. Whilst the authority is already operating collaboratively in a number of these service areas, the Council continues to explore areas where joint working can be progressed and awaits the outcome of the consultation, which could lead to mergers between authorities and lead to the creation of fewer local authorities which are larger, stronger and more powerful.
- 7.2 The budget approved for 2017-18 included savings proposals of £5.852 million (2.71% of net service budgets). However, at year end, £1.840 million of these proposals were still not realised, but the expenditure associated with them had in some instances been offset by vacancy management and other savings elsewhere within the budget. The impact of this is that there is still a recurrent pressure on 2018-19 budgets which will need to be addressed by implementing the proposals or identifying and delivering alternatives. Future monitoring reports will review achievement against these targets in addition to current year budget reductions.
- 7.3 The Council operates a category management approach to procurement. This strategic approach enables the authority to focus and organise procurement resources on specific areas of spend. Category specialists are able to focus their time and conduct in depth market analysis to fully leverage procurement decisions on behalf of the Council. The results can be significantly greater than traditional transactional-based purchasing methods. The corporate procurement unit also utilises and promotes collaborative frameworks.
- 7.4 The Committee Administrative system is used to automate many of the administrative duties in respect of elected members and the formal decision making process. The system aids decision making, enables the tracking of actions and monitoring of decisions and provides a web-based decision register.
- 7.5 The asset management plan and capital strategy plan ensures investment is linked to strategic objectives and outcomes. The capital strategy demonstrates that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It also sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. Strong links exist between the capital planning process, regeneration and asset management planning. The capital planning process is an integral part of the MTFs and links with the revenue budget planning process to ensure that options for the most cost effective service provision are properly considered. The Council will revise its capital strategy during 2018-19 to

reflect the requirements of CIPFA's recently revised Prudential Code for Capital Finance in Local Authorities.

- 7.6 The Council has a range of projects and programmes in progress to support the delivery of the improvement priorities to support changes throughout the Council. The Corporate Programme Management Board (PMB) oversees the implementation of those programmes and projects, including the School modernisation programme, remodelling of Adult and Children's services, Digital Transformation and strategic collaboration projects such as the City Deal to deliver change. Projects and programmes have their own governance arrangements and these are documented in a project initiation document or terms of reference.
- 7.7 The Remodelling Social Care Programme Boards remain. Work has been completed in both Children's and Adult Social Care to make sure that there is one point of contact for people who require our help in line with the new way of working laid down by the Social Services and Wellbeing (Wales) Act to provide information, advice and assistance.
- 7.8 In Adult Social Care the assessment framework, has been changed in line with the Act, in order to improve the outcomes for people who need care and support, whilst also reducing the numbers of people who require long term support.
- 7.9 The new Multi-Agency Safeguarding Hub (MASH) will see staff from adult and children's social care, South Wales Police, education, housing, substance misuse, probation, health, early help services and the Wales Community Rehabilitation Company working together in partnership to provide effective safeguarding services for children, young people and adults. Coinciding with the implementation of the Social Services and Well Being (Wales) Act 2014, the Bridgend MASH will enable earlier, higher-quality information sharing, analysis and decision-making to take place.
- 7.10 Outcome / performance measures are set and used to assess intended outcomes as per the Corporate Plan and in line with available resources. These are monitored throughout the year via CPA and Scrutiny. Quarterly financial monitoring is reported to Cabinet and Scrutiny.

8.0 Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

- 8.1 The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear. It operates a Leader and Cabinet system which:
- The Council sets the overall budget and appoints the Leader of the Council. The Leader appoints members of the Cabinet and announces the Deputy Leader and the portfolio of Cabinet Members, details of which are published on the website;
 - In the case of executive functions which are not exercised by Cabinet as a whole, functions may be discharged by: -
 - a committee of the Cabinet;
 - an individual member of the Cabinet;
 - an officer;
 - an area committee;
 - joint arrangements; or
 - another local authority

Clear arrangements are in place to record decisions made by Cabinet Members and officers under delegated powers.

- 8.2 There is a Standards Committee to promote and maintain high standards of conduct by Town and Community Councillors and County Borough Councillors, lay members, co-opted members and Church and Parent Governor Representatives.
- 8.3 The Council aims to ensure that members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities as outlined in their job/role descriptions. New members and staff are provided with an induction to familiarise them with protocols, procedures, values and aims of the Council.
- 8.4 The Council's Chief Executive (as Head of Paid Service) leads the Council's officers and chairs the Corporate Management Board (CMB). The Corporate Director, Operational and Partnership Services is also the Monitoring Officer appointed under Section 5 of the Local Government and Housing Act 1989. The Head of Finance has been nominated as the Council's Section 151 Officer, as required by the 1972 Local Government Act, and carries overall responsibility for ensuring that the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The Corporate Director, Social Services and Wellbeing is statutory Director for Social Services, as defined by the Local Authority Social Services Act 1970, which outlines the six core responsibilities across all the Social Services functions, including ensuring that the Council has proper safeguards to protect vulnerable children and adults. The Corporate Director – Social Services and Wellbeing holds line management responsibility for the social care functions for children and adults which enables the new ways of working laid down by the Social Services and Wellbeing (Wales) Act 2014 to continue to be embedded within the service. The Corporate Director – Education and Family Support is the Chief Education Officer, as prescribed by the Education Act 1996 and statutory Director for Children and Young People, as defined by the Children Act 2004.
- 8.5 Organisational structures in respect of Member responsibility and Directorate portfolios are contained within the constitution and are available on the BCBC website. The Council has adopted the WLGA model of role descriptions for all committee Member and Chairpersons, including the Audit Committee. These have been adapted to reflect the specific roles undertaken in the Council, which enables members to better understand their role and identify any further support or training that they may require to carry out their duties effectively. This will increase the ability of Audit Committee members to analyse, monitor and challenge the effective performance of the Council.
- 8.6 There is an Elected Member Learning & Development Strategy 2017-22, which provides a framework for supporting elected members in the roles that they are required to undertake. The Strategy helps members to develop and strengthen their ability to be confident and effective political and community leaders and can be found here: <https://democratic.bridgend.gov.uk/documents/s13931/171129%203%20Elected%20Member%20Learning%20Development%20Strategy%20Appendix%201.pdf?LLL=0>: Council has agreed to work towards achieving the WLGA Charter for Member Support in September 2018.
- 8.7 The Member Development Programme is regularly reviewed to ensure that any training activities are appropriate, relevant and timely. In 2017-18, training was provided for Elected Members on the WFG Act 2015, enabling Members to consider the WFG Act in the scrutiny and making of decisions. Elected Members also received training on performance management to help them take a whole systems approach in accordance with the Council's performance management framework when discharging their scrutiny duties. In addition, the Council encouraged attendance at the WAO event "The role of scrutiny in relation to the WFG Act". All Elected Members were offered training on Treasury Management to assist them in scrutinising the Annual Treasury Management Strategy of the Council. The effectiveness of member

training in relation to school performance data has been recognised by Estyn, which noted that training provided to elected members increased their understanding. Members have a key role to play in safeguarding children and adults at risk. Members have been able to access training to further their understanding of their responsibilities in relation to safeguarding children and adults. The training considered safeguarding within the context of the Social Services & Wellbeing (Wales) Act 2014.

- 8.8 The Council takes a pragmatic approach to delegation of powers for decision making, enabling lower level decisions to be subject to “calling to account” but not “call in” by scrutiny. The scheme is reviewed in detail regularly, updated to reflect any changes in legislation and to the corporate structure and is published to the intranet. The Authority is informed of any changes that have been made using Bridgenders messages. Delegated powers and limits are clearly set out as are the use of sub delegations enabling effective and timely decision making. The Councils Scheme of Delegation has now been published on the BCBC website to provide greater transparency of the Council’s decision making processes.
- 8.9 The Corporate Plan and the Medium Term Financial Strategy (MTFS) set out a significant change agenda that will have an impact on how the Council’s priorities are taken forward, and the way in which services will be delivered in the future. The Workforce Plan recognises that the Council’s ability to meet these challenges will depend on strong leadership, management of change and effective planning and deployment of employees’ skills and expertise against the backdrop of a reducing workforce.
- 8.10 The following workforce priority areas have been identified within the Plan and actions are set and monitored on an annual basis to progress these:
- Implementing new organisational structures and change to affect new ways of working
 - Maximising skills and performance of the existing workforce to allow greater flexibility
 - Developing responses to recruitment and retention issues
 - Supporting the Council in reducing levels of sickness absence and supporting the health and wellbeing of employees
- 8.11 Officer performance is reviewed through the Council’s Employee Appraisal process, which provides a framework for employees and managers to discuss work performance and behavior, as well as learning and development needs
- 8.12 The corporate learning and development provision comprises targeted face to face training and a range of learning resources available on the Corporate Learning and Development Website. Training for managers to assist them fulfil their line management responsibilities has been prioritised. This commitment is further evidenced through the provision of externally funded accredited training (at level 4 and 5) which has been made available to all managers.
- 8.13 The Corporate Health and Safety policy, protocols and guidance are developed in consultation with stakeholders and regularly reviewed to ensure they remain in line with statutory duty, current best practice and reflect the needs of the organisation. The Health and Safety policy is approved by Cabinet.

9.0 Principle F – Managing risks and performance through robust internal control and strong public financial management

- 9.1 All decisions made by the Cabinet are taken on the basis of written reports, including assessments of the legal, financial, and equalities implications. Consultation (including with ward members when appropriate) is a routine part of the process.

- 9.2 The decision-making process is monitored by four Overview and Scrutiny Committees, which support the work of the Council as a whole. The Council's constitution provides for the Chairs of these committees to be appointed based on the political balance of the elected members forming the Council. The members of a Scrutiny Committee can "call in" a decision that has been made by the Cabinet but not yet implemented. They may recommend that the Cabinet reconsider the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and on the development of policy.
- 9.3 Other decisions are made by Cabinet Members individually or by officers under delegated powers. The authority to make day-to-day operational decisions is detailed within the Schemes of Delegation.
- 9.4 Policies and procedures that assist the governance of Council's operations include those set out under the Governance Framework. All managers have responsibility to ensure compliance with these policies.
- 9.5 The Council has developed a robust approach to the management of risk. The Corporate Risk Management Policy is aligned with Directorate Business Plans and the Council's performance management framework. All risks identified are assessed against the corporate criteria.
- 9.6 Risks are viewed from both a Service and Council-wide perspective which allow the key risks to be distilled in the Corporate Risk Register. Key corporate risks are monitored at the highest level within the Council, including Cabinet, Senior Management Team, Programme Management Board, CPA Overview and Scrutiny Committees and Audit Committee. The Council's approach ensures that key risks are considered when determining Council priorities, targets and objectives and are incorporated in Directorates' Business Plans. The main risks facing the Council that were identified during 2017-18 are set out in the Council's Corporate Risk Register which can be accessed here:
<https://democratic.bridgend.gov.uk/documents/s14781/Schedule%20B%20-%20Corporate%20Risk%20Assessment.pdf>
- 9.7 In 2017, the Council reviewed and simplified its Performance Management Framework to reflect the Council's current practice, in particular, the "one council" approach, and make it more meaningful for the users. The reviewed Performance Management Framework is accessible here: <https://www.bridgend.gov.uk/media/2281/bcbc-performance-management-framework-2017-version.pdf>.
- 9.8 The Corporate Performance Assessment (CPA) is undertaken on a quarterly basis and is attended by Cabinet Members, CMB, and Heads of Service. The purpose of the CPA is to oversee the Council's performance as defined by the Corporate Plan, challenging areas of poor performance and risks to delivery, whilst also identifying service improvement opportunities and associated resource implications. When necessary, the CPA may monitor progress against relevant national and collaborative initiatives.
- 9.9 The Council has a Corporate Health and Safety Steering group comprising elected members, directorate health and safety champions and trade unions. Health and safety objectives are incorporated into all corporate and directorate business plans and linked to the Corporate objectives. Directorates are required to maintain risk registers of current significant risks within their services.
- 9.10 The Council is committed to demonstrating due regard to the Equality Act 2010 and the Public Sector Equality Duty. It published its Strategic Equality Plan 2016-2020 on 1 April 2016. The plan outlines the Council's approach to ensuring equality of opportunity for customers, citizens, residents and visitors and seeks to ensure that Bridgend County Borough is a fair and welcoming place to be. The plan has been written based on what we know about our services

and on the views and needs of Bridgend County Borough citizens and the people who use them. The Council has a duty to publish Strategic Equality Plan annual reports with the most recent going to Cabinet Equalities Committee in March 2018. The annual reports review and reflect on previous work and outline progress made by the Council on each of its equality objectives and themes. Heads of Service and Senior Service Managers are responsible for ensuring the actions in the Strategic Equality Action Plan are achieved. Updates are provided to the Cabinet Equalities Committee and to the Bridgend Equality Forum. Committee and Council reports requiring a policy decision are supported by equality impact assessments.

10.0 Principle G – Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

- 10.1 Annual council meet in May of each year to establish Committees, their size and allocation of seats based on political balance. Terms of reference and each committees decision making powers are set out in the Councils Constitution.
- 10.2 The Corporate Plan and Annual Report is published annually on the Council's website, is approved by Members through the normal democratic process, is communicated to staff and is available in key public buildings for citizens to read. Performance data is also published on the Web, to support the Council's achievements in delivering its improvements for the year. Notifications for the Corporate Plan and the Annual Report are published on the website and the local gazette annually.
- 10.3 The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. In particular, the Financial Procedure Rules, Contract Procedure Rules and the scheme of delegation provide the framework for financial control. The Section 151 Officer has responsibility for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration. As part of its performance management framework, the Council links the strategic planning process with the budget process and ensures alignment between them, facilitating the allocation of resources to corporate priorities. This work informs the production of the statutory annual Statement of Accounts.
- 10.4 The Council's Performance Management Framework continues to guide the Council's integrated Corporate, business and financial planning and performance management processes and practice. The Framework is structured around the "Plan, Do, Review, Revise" model. In 2017-18, Cabinet and CMB led the development of the Council's new Corporate Plan 2018-2022, the MTFs for the next four years, and directorate business plans to implement the Corporate Plan and the MTFs. Members and officers were part of that process. While holding Cabinet and CMB to account, the Council's Scrutiny Committees provided challenge, scrutiny and recommendations.
- 10.5 The Council continues to improve and strengthen its performance management arrangements to make them fit for purpose, including further development of the Corporate Performance Assessment (CPA), which has been recognised by the WAO Corporate Assessment as "positive practice Service specific challenges (sort of "mini CPA")", championed by the Chief Executive, were introduced during the year. Those "mini CPAs", focusing on service specific performance and issues, have proved to be effective in driving service improvement. Chairpersons of the Council's Scrutiny Committees joined the CPA panel, adding a new dimension to the self-assessment process.
- 10.6 Social Services is a regulated service area and there is an annual programme of inspection carried out by the Care Inspectorate Wales (CIW). In addition, regular performance review

meetings are held with CIW which ensure regulatory requirements are met and that significant service developments, challenges, workforce, performance and consultation activity is discussed.

- 10.7 There was an inspection of children's social care during January/February 2017, which focused on how children and families are empowered to access help and care and support services and on the quality of outcomes achieved. The inspection also evaluated the quality of leadership, management and governance arrangements in place to develop and support service delivery. A report to Cabinet in July 2017 included the findings and an action plan to progress the recommendations and is available here:
<https://democratic.bridgend.gov.uk/documents/s12385/1a%20CSSIW%20Inspection%20of%20Childrens%20Services%203%203.pdf>
- 10.8 The Statutory Director of Social Services annual report 2016-17 was submitted to CIW, who confirmed that the annual report was people friendly, balanced and thorough and that BCBC was reaping the benefits of transformation and remodelling social care. CIW recognised the challenges of the MTFs and the potential boundary change.
- 10.9 Internal Audit completed a programme of reviews in accordance with the Annual Audit Plan for 2017-18. As part of the normal audit reporting process, recommendations to address any issues that could impact upon the system of internal control were made and agreed with the relevant chief officers. The internal audit arrangement enables the Chief Internal Auditor to provide an opinion on the internal control, risk management and governance arrangements. In addition, Internal Audit undertakes fraud investigation and is proactive in fraud detection work. This includes reviewing the control environment in areas where fraud or irregularity has occurred. Any significant weaknesses in the control environment identified are reported to senior management, the Audit Committee and Cabinet as appropriate.
- 10.10 Internal Audit also provides independent and objective assurance. It undertakes a continuous audit of Council services that are assessed and prioritised according to relative risk. This risk assessment draws upon the corporate and service risks identified as part of the Service planning process. During 2017-18, in carrying out its duties, Internal Audit worked to the Public Sector Internal Audit Standards (PSIAS). The PSIAS is applicable to all areas of the United Kingdom public sector and is based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework. In accordance with the Public Sector Internal Standards the Internal Audit Shared Service underwent an external assessment, which was agreed by the Council's Audit Committee. Following a procurement exercise, CIPFA were commissioned to undertake the assessment which commenced at the end of January 2017 and concluded in February 2017. The outcome of the assessment was reported to the Council's Audit Committee on 27 April. It indicated that the assessment had identified no areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity. A number of recommendations were made and all have now been actioned.
- 10.11 The Head of Internal Audit has found that Bridgend County Borough Council is committed to the principles of good governance and as a result has adopted a formal Code of Corporate Governance (COCG) for the last seven years. In 2017-18, the Council's financial management arrangements were found to be conforming to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 10.12 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. (The Auditor General's audit work for 2017-18 is yet to be completed.)

- 10.13 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
 - 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
- 10.14 The Auditor General's overall conclusion is that 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.
- 10.15 The Auditor General's **Annual audit letter**, which formed part of his Annual Improvement Report 2016-17 about the Council confirmed that "the Council complied with its responsibilities relating to financial reporting and use of resources".
- 10.16 Headline findings of the Auditor General's Annual Improvement Report about the Council is accessible here: <http://www1.bridgend.gov.uk/media/484852/bridgend-annual-improvement-report-2016-eng.pdf>. The Action Plan for any identified improvement issues is set out in Appendix A. In addition the 2018 Audit Plan considered by Audit Committee in April 2018 is available here: <https://democratic.bridgend.gov.uk/documents/s15237/457A2018-19%20BCBC%202018%20Audit%20Plan%20Final.pdf> and sets out a number of identified areas of risk which have been considered by WAO as significant and therefore require special audit consideration.

12. Significant Future Challenges

- 12.1 Across the whole of the United Kingdom, local councils are facing unprecedented challenges following reduced Government funding and increased demands on essential services. Between 2017-18 and 2020-21, the Council is expecting to have to make budget reductions of £32.8 million. Budget cuts of this scale present a significant challenge that will require the Council to make many difficult decisions about which services can be maintained and which cannot. It will mean that "business as usual", however well managed, will not be enough. The challenge will be to consider alternative delivery models for services across the Council and this will be essential to mitigate the impact of cuts and assist in continuing to provide priority services. It is necessary to ensure that the control environment, including governance and risk management, remains robust, proportionate and as efficient and effective as possible.
- 12.2 The Council remains unwavering in its commitment towards improving and finding ways of delivering local services, providing better outcomes for residents and achieving savings that will ensure they can deliver a succession of balanced budgets.
- 12.3 During the year, either specific reviews (e.g. Debtors, Council Tax, Housing Benefit, Treasury Management etc.) or general reviews were undertaken in respect of Directorate systems. Due to resourcing issues within Internal Audit, the number of audit days delivered fell short of those proposed. In order to partly address this, audit work was commissioned from the South West Audit Partnership who undertook an Ethics Review and a Healthy Organisation Review focusing on five of the eight corporate themes (Governance, Risk Management, Commissioning & Procurement, Programme & Project Management and Information Management). This review

indicates an overall High Assurance opinion, although SWAP were unable to form a conclusion on Information Management as they were not provided with the evidence needed to complete their work at the time of the Audit. Based on the internal audit work carried out for the year 2017-18, the Head of Internal Audit concluded that the Council's framework of governance, risk management and control is considered to be reasonable and that "there are no significant cross cutting internal control weaknesses identified which would have an impact on the Council's Annual Governance Statement".

13. Certification of Annual Governance Statement

Steps to address and mitigate the matters referred to the Action Plan below will be taken to further enhance our governance arrangements.

Signed:

Chief Executive Officer 

Date 30.5.18

Leader of the Council 

Date 30 05 18

Action Plan for any Identified improvement issues identified from 2016-17

Identified from	Issue and Description	Progress
2016-17 – Corporate Performance	The Performance Management Framework was to be reviewed to incorporate the requirements of the WFG(Wales) Act 2015	The revised Performance Management Framework which incorporated the requirements of the WFG (Wales) Act 2015 was approved and adopted by Cabinet in October 2017
2016-17 – Corporate Performance	It was identified there was a need to promote the new Code of Corporate Governance and WFG (Wales) Act 2015 to ensure they underpin everything the Council does	The new Code was approved and adopted by Cabinet. Training on the Act to Members was provided. Training to Officers has been planned and an e-learning module is being developed.
2016-17 – Democratic Services	To improve transparency and access to Council information, an exercise was to be undertaken to update and publish the Cabinet Forward Work Programme on the website. The scheme of delegation was also to be published	The Council has published its Forward Work Programme 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.
2016-17 – CIPFA Delivering Good Governance in Local Government Framework 2016	The working group producing the Annual Governance Statement would work together to review the Council's Code of Corporate Governance to reflect the CIPFA new principles 2016	A review of the Code of Corporate Governance and its Governance Framework was undertaken and approved and adopted by Cabinet in June 2017.
2016-17 – WAO Financial Resilience Report	Council recognised that it needed to put measures in place to respond to the recommendations within the Financial Resilience Report and ensure that financial planning arrangements were strengthened with more robust savings, delivery plans and implementation timescales.	Budget Reduction Proposals are reviewed by Directors and the S151 Officer prior to the start of the financial year to ensure they are still deliverable within the timescales agreed. Directors provide information on any issues or risks preventing achievement, and any action that can be taken to mitigate potential non-achievement. These proposals are then monitored as part of the formal budget monitoring process and reported accordingly, with action taken where necessary to prevent overspend.

Audit Committee – April 2018	The 2016-17 Housing Benefit subsidy audit identified a number of processing issues which affected the accuracy of the subsidy claim. The main issues were in relation to the recording of rent (increases/services charges) and the treatment of earned income and occupational pensions.	Identified errors were immediately corrected with overpayments recovered where permitted by the Housing Benefit regulations, and underpayments paid accordingly. Further actions are planned for 2018-19, in order to improve accuracy.
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Action Plan for any recommended or identified areas for improvement for 2017-18

Identified from	Issue and description	Progress within the year
May 2017 – WAO Good Governance when determining Significant Service Changes Report	The Council should resolve how it will embed the sustainable development principle into decision-making	Elected Members have been offered training for the WFG (Wales) Act 2015 to ensure that sustainable development is included in all aspects of decision making. An e-learning package is being finalised, which will enable officers to undertake a sustainable development assessment to support the decision making process.
May 2017 – WAO as above	The Council should clearly set out how the impact of service changes will be monitored at the point of decision, with a clear set of criteria and a detailed options appraisal process considered when producing Council's decision reports	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.
May 2017 – WAO as above	That the Scrutiny Forward Work Programme is not easily accessible on the website and that the website search function for officer and member decisions was not working properly There were no links to items pre 2014. This limits transparency and access arrangements.	A scrutiny mini-site has been created which includes its Forward Work Programme and can be accessed here: https://www.bridgend.gov.uk/my-council/democracy-and-elections/overview-and-scrutiny-committees/forward-work-programme/ The Corporate website is being redesigned and will be relaunched. As part of this process improvements will be made to the search facilities which will increase transparency and access.

Audit Committee April 2017 (Committee resolution)	Committee considered the Internal Audit Outturn Report, including the Head of Audit's annual opinion and in doing so, expressed its concern at the vacancy rate of 50% and that it wished to consider the review of resources in internal audit at a future meeting as part of setting the Internal Audit Plan.	This action was completed in November 2017 with a report presented to the Audit Committee.
Audit Committee April 2017 (Committee resolution)	Committee considered it needed to exercise caution in approving the Audit Plan and expressed concern at the lack of staff resources in Internal Audit could have on achieving the set targets. The seriousness of the situation had been recognised by the Service and an amended draft Internal Audit Strategy and draft Annual Risk Based Audit Plan for 2017-18 was to be brought to the next meeting of the Committee taking account of the concerns raised.	With the exception of the IASS Charter which is scheduled for the Audit Committee meeting to be held in April 2018 the actions have been completed.
WAO Corporate Assessment	The Corporate website has received a 1 star rating, with work needed to upgrade and redesign and website.	The Corporate website is being redesigned The new website is planned to be launched to the public in the late spring of 2018.
2017-18 Chief Executive	Identified the need to ensure that key policies and procedures are subject to a regular review process and / or in line with statutory timescales	