

# Annual Governance Statement



**Bridgend County Borough Council**  
Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



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## 1 Foreword

### “One Council working together to improve lives”

**This is the Council’s vision as stated in the [Corporate Plan](#) for 2018-2023 reviewed for 2022-23, which also sets out what our long-term well-being objectives are so that amongst all of the complexity of increased demand and reduced resources we can keep a clear focus on what is really important for our communities.**

We want to contribute to a place where people want to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, enjoy good health and a sense of well-being and independence.

It is necessary to ensure that our communities and those that use and pay for our services, those who deliver our services, and our partners and suppliers, have confidence in our governance arrangements. They must be assured that our services are provided effectively and efficiently and delivered on a consistent basis, that public money is safeguarded and properly accounted for and that decisions are taken transparently and lawfully. This is especially the case given the challenges arising in recent years, particularly the unprecedented impact of the Coronavirus pandemic, the ongoing implications of the exit from the European Union and the ramifications arising from the current conflict in Ukraine. Additional measures were in place to ensure the Council maintains proper governance throughout these unprecedented events, and they continue to be monitored and strengthened as we go forward.

The Council also has a duty to set well-being objectives under the Well-being of Future Generations (Wales) Act 2015 and the Local Government Elections (Wales) Act 2021 to make arrangements and keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and to ensure its governance is effective for securing these performance requirements.

Our governance arrangements operate effectively in supporting the Council in meeting its challenges and responsibilities and have continued to do so in the current uncertain times. Improvements are continually being made and opportunities to do so going forward have been identified. These will be monitored during 2022-23 to ensure that the necessary improvements are made.



Cllr Huw David  
Leader of the Council



Mark Shephard  
Chief Executive

## 2 Governance Framework

### What is Corporate Governance?

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

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

### What this Statement tells you

This Statement describes the extent to which the Council has complied with its Code of Corporate Governance and the requirements of the Accounts and Audit (Wales) Regulations 2014 and the Accounts and Audit (Wales) (Amendment) Regulations 2018 for the year ended 31 March 2022.

It also sets out how the Council has responded to governance issues identified during 2021-22 and actions to be undertaken during 2022-23 following an annual review of the Governance Framework.

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



*Porthcawl Town*

## The Council's Governance Responsibilities

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

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

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

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

The Council's Code of Corporate Governance sets out its commitment to, and responsibility for, ensuring that there is a sound system of governance in place. The [Code](#) and [Governance Framework](#) is on the Council's website or can be obtained from the Section 151 Officer.

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

Bridgend County Borough Council Code of Governance (2017)	
The Council's Governance Principles are based on the following:	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B	Ensuring openness and comprehensive stakeholder engagement
C	Defining outcomes in terms of sustainable economic, social and environmental benefits
D	Determining the interventions necessary to optimise the achievement of the intended outcomes
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
F	Managing risks and performance through robust internal control and strong public financial management
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability



<sup>1</sup> Well-being of Future Generations (Wales) Act 2015

## The Council's Governance Framework

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

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

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

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



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

- The Council is one of ten Councils jointly delivering the Cardiff Capital Region City Deal (CCRCD), which has in place joint Scrutiny and Cabinet arrangements to ensure governance in

its implementation. The CCRCD aims to raise economic prosperity, job prospects and improve digital and transport connectivity and is a significant investment into the South Wales economy. The Council is committed to contributing to the delivery of these objectives across the region to ensure that the community and business within the Borough can benefit from this investment.

- The Local Government and Elections (Wales) Act provides Ministers with the powers to establish Corporate Joint Committees covering the four functions of economic wellbeing, transport, strategic planning and school improvement. The Welsh Government's South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Deal region and provided that the three core functions (economic wellbeing, transport and strategic planning) would be conferred on the South East Wales CJC on the 28 February 2022. However, in January 2022 the Welsh Government laid amendment regulations to change the date on which the three core functions will be conferred on the South East Wales CJC from 28 February 2022 to 30 June 2022. Cardiff Capital Region Cabinet has put in place steps to enable the transition to a Corporate Joint Committee by the required deadline.
- The Council works closely with Health and there is in place regional arrangements managed by the Cwm Taf Regional Partnership Board. The Regional Safeguarding Board and Regional Partnership Board provide leadership across the region for safeguarding and integrated planning of health and social care services though the Adoption Service continues to operate on the previous 'Western Bay' footprint.
- The Council is a participant in a number of shared services, with other local authorities, such as the Shared Regulatory Services with Cardiff and the Vale of Glamorgan Councils, and Central South Consortium, a joint education service for five local authorities. These are governed by joint committees which comprise elected members from each of the local authorities. The Council also is a partner in the Regional Internal Audit Shared Services with Vale of Glamorgan, Rhondda Cynon Taf and Merthyr Tydfil Councils.

## Decision Making and Responsibilities

**Following the Local Democracy and Boundary Commission for Wales' Review of the Electoral Arrangements of the County Borough of Bridgend in 2019, and the Local Government Elections in May 2022 the Council now consists of 51 elected Members (a reduction of 3 members), with an elected Leader and Cabinet who are supported and held to account by Scrutiny Committees.**

The Council's constitution sets out how the Council operates, how decisions are made and the procedures for ensuring that the Council is efficient, transparent and accountable to local people. It contains the basic rules governing the Council's business and sets out a list of functions and decisions exercisable by officers. It also contains the rules and protocols by which the Council, Members and officers operate.



Through the Constitution, along with the Member's Code of Conduct, Standards Committee and role of Internal Audit, the Council operates with **integrity**, **ethical values** and within its **legal** powers. The Model Welsh Constitution, which was commissioned at the request of the All-Wales Monitoring Officer Group to take into account the new legislative requirements placed on local authorities under the Local Government and Elections (Wales) Act 2021, will be presented to Council subsequent to the Annual

General Meeting. The new model, when adopted, ensures a greater degree of consistency in approach across local authorities.

All Council and Committee meetings' agendas, papers and minutes can be viewed on-line and pre-pandemic all meetings were open to the public unless exempt or confidential matters were being discussed. Since the pandemic meetings have been held virtually and recorded and placed on the Council's website for the public to access. The Council's forward work programme contains information about all matters that are likely to be the subject of a decision taken by full Council or Cabinet during the forthcoming period. They also include information regarding Scrutiny Committees. To further enhance **openness** and **comprehensive stakeholder engagement** the Council has a Citizen's Panel, which takes part in surveys on a range of issues. The Council also uses social media to promote services and engage with the public and makes information available in a range of formats to maximise the opportunity for information sharing and to enable residents to communicate with the Council.

## Local Government and Elections (Wales) Act 2021

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

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

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

The Act is having, and will continue to have, a wide-ranging impact on the organisation, powers, performance measurement and governance of the Council, including changes to the composition and terms of reference of the Governance and Audit Committee. New responsibilities, some of which the Committee has already started to assume, include:

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

In addition, from May 2022 the composition of the Governance and Audit Committee has changed, and there is a requirement for one-third of its members to be lay members, and for the Chair of the Committee to be a lay member. For Bridgend this means that the Committee will comprise 8 elected members and 4 lay members.



## Role of the Governance and Audit Committee

The **Governance and Audit Committee** provides independent assurance on the Council's internal control environment. It is a statutory Committee and consists of 8 Councillors and 4 Lay Members. Its main functions are:

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



*Garw Valley*

### 3 Assessing Performance

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

During 2021-22 the Council was still managing the impact of the Covid-19 pandemic, and trying to move into the recovery and renewal phase. The governance arrangements and processes that the Council had put in place during the earlier stages of the pandemic were continually reviewed and amended to ensure it could continue to support residents and businesses during these difficult and challenging times.

#### The Corporate Plan

The Corporate Plan 2018-23, updated for 2022-23, agreed in February 2022 sets out the Council's vision: '**One Council working together to improve lives**'. The Plan defines the Council's three priority well-being objectives and its organisational values and principles that underpin how it will work to deliver its priorities. The Council defines its purpose to 'contribute to a place where people love to live, work, study and do business, where people have the skills and qualifications they need to improve their life chances, and enjoy good health and a sense of well-being and independence'.



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

Well-being Goal	Well-being Objective		
	Supporting a successful sustainable economy	Helping people and communities to be more healthy and resilient	Smarter use of resources
A prosperous Wales	✓		✓
A resilient Wales			✓
A healthier Wales	✓	✓	✓
A more equal Wales	✓	✓	✓
A Wales of cohesive communities	✓	✓	✓
A Wales of vibrant culture and thriving Welsh language	✓	✓	
A globally responsible Wales	✓		✓








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


















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

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

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

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

5 Ways of Working	Long term	Prevention	Integration	Collaboration	Involvement
<b>Our Principles</b>					
To support communities and people to create their own solutions and reduce dependency on the Council.					
To focus diminishing resources on communities and individuals with the greatest need.					

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

**Welsh language** – Wales has two official languages, Welsh and English, and services and information should be equally available in both. The Council’s internal business language is English, but all the services and information we provide for local people will be equally available in either language.

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

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

The Council’s values, or the **FACE** of the Council are:

- **F**air – taking into account everyone’s needs and situations
- **A**mbitious – always trying to improve what we do and aiming for excellence
- **C**itizen-focused – remembering that we are here to serve our local community
- **E**fficient – delivering services that are value for money

## Covid-19

The UK was first put into lockdown on 23 March 2020 in an unprecedented step to attempt to limit the spread of coronavirus. During the summer of 2020 some of the rules were relaxed but subsequent lockdowns were put into place over the remainder of that year to deal with significant surges in cases from new strains of the virus, in order to protect lives and support the NHS. NHS Wales developed very detailed plans and strategies in preparation for the Covid-19 vaccination programme and from December 2020 the Pfizer BioNTech vaccine was launched, just in advance of the rollout of the Oxford AstraZeneca vaccine in January 2021. Since then a total of almost 7 million doses of first, second and booster vaccinations have been provided to adults and young people.

The Council has continued to adapt to new ways of working throughout this period, and learned from, and built on, some of the new practices that were put into place during the initial lockdown period. These changes have impacted upon governance and decision making processes and continue to be reviewed as we enter the recovery and renewal phase. A report was presented to Cabinet in September 2021 on the Future Service Delivery Model for the Council which outlined the challenges that the pandemic had provided the Council with, and plans for future service delivery going forward, including the guiding strategic principles, potential benefits and challenges, and other influencing factors. A key principle was that the Council's model would align with Welsh Government's goal of 30% of our workforce being agile and working from home, at any given point, by 2024. The model is to be taken forward by a cross-cutting project board.

Covid-19 restrictions have been removed in Wales from 18 April 2022, . However, businesses, employers and other organisations must continue to undertake a specific coronavirus risk assessment and take reasonable measures to minimise exposure to, and the spread of, coronavirus. As a consequence, and in line with the adopted strategic principles, many of the Council's staff continue to work from home. The Council is working on the interim phase of the Future Service Delivery Model currently and, since late 2021, has enabled service areas to return to the office, subject to an approved business case, which sets out the benefits of the proposal along with a risk assessment of the health and safety considerations of that return. In addition, where staff are experiencing well-being issues, they are able to book a desk in advance for a period of time, and work has recently been completed on the development of a digital Booking App for this process to replace the previous manual process. In March 2022 the Civic Offices re-opened for the first time in 2 years, to enable members of the public to attend in person to deal with their specific queries. However, the focus is on using this mechanism to signpost customers to online services and to support them through this, in order to safeguard the good work and opportunities that arose whilst the Civic Offices were closed.

Office-based staff are equipped to work at home either with laptops and telephone facilities installed on the laptops, or on home computers linked to the Council's corporate network. The Council significantly increased its infrastructure ability to enable all who could work from home to do so. This included providing multiple accessibility platforms to enable access. The capacity of back end storage has been increased and the security of the network remains at a high level. The ICT Service Unit are audited and accredited on an annual basis to comply with the Public Services Network Code of Connection (PSN CoCo). During the Coronavirus pandemic and the conflict in Ukraine the National Cyber Security Centre advised all government organisations to be on high alert to the threat of cyberattacks. The Council's ICT service are progressing towards Cyber Essentials Plus certification to complement the current PSN CoCo.

At the start of the pandemic a number of services, including schools, were closed, although the Council continued to maintain a significant number of essential services running, particularly the provision of social care services for vulnerable adults and children and waste collection services. Services that were closed included cultural venues, leisure centres, community recycling centres and day services. During the year, as lockdown restrictions initially eased, a number of these reopened, but with social

distancing measures in place, or were provided differently. Schools adapted to provide blended learning and during full lockdown, online learning, with most pupils being taught via their home computers. Those pupils eligible for free school meals have been provided with weekly food parcels, delivered to their homes, and funding was secured to enable digitally excluded pupils to continue to learn from home.

During 2021-22 all Council committee meetings were held virtually via Microsoft Teams and recorded and uploaded to the Council's website following the meeting. This enables full and transparent decision making and includes procedures for enabling Members to vote on key decisions. Going forward, work is scheduled to be undertaken on the Council Chamber and in a number of Committee rooms to enable hybrid meetings to take place. In January 2021, as the latest lockdown came into place, CMB introduced a specific CMB Gold meeting to discuss Covid related issues, outside of their regular CMB agenda. This was supplemented by a Covid Silver Group, consisting of Heads of Service, some group managers and other key officers, to consider more of the operational implications of the pandemic. The Covid Silver Group escalates any decisions required and any recommendations made to CMB. As the crisis has reduced both groups have continued to meet but have widened their coverage to include other non-Covid related strategic issues which benefit from a cross-directorate perspective.

Part of the national response to the impact of the pandemic has been to provide additional financial support to the economy and individuals, including the distribution of business grants, business rates relief, winter fuel payments and self-isolation payments, all of which have been administered by the Council. This is in addition to a number of social care workforce payments, intended to financially recognise and reward the hard work and commitment of social care staff, both those working for the Council and those in independent and private settings, who provided essential care to the most vulnerable citizens during the Covid-19 pandemic. This has required staff to focus on administering, managing and paying a large volume of grants in short timescales. During the financial year there have been a number of different grants and schemes funded by Welsh Government, but managed and administered by the Council, including:

<b>Grant</b>	<b>Amount paid out</b>
NDR Covid Grants January 2022	£1,945,780
Hardship Fund (including loss of income)	£14,682,415
Self-isolation payments	£1,736,750
Social Care Workforce Payments	£3,600,905
Statutory Sick Pay top-ups	£181,849
Winter Fuel Payments	£1,720,400
Economic Resilience Fund	£451,500
<b>TOTAL</b>	<b>£24,319,599</b>

Each of these grants has had different criteria, different awards processes (automatically paid or application process) and different funding amounts. This has required a coordinated effort between the taxation section, regeneration team, ICT, payroll, Finance and the social services department, often within very short timescales, at the same time ensuring that public funds are used appropriately and that control mechanisms are in place to safeguard the funding.

All have required new processes to be put in place to administer them, including digital changes to enable applications to be submitted online, system changes, cash management and accounting processes to be considered. We have used knowledge acquired from previous grant rounds to improve and automate our processes for the more recent grants, improving efficiency, reducing delays and avoiding fraud and duplication. The new winter fuel payments are highly automated and require much less staff input than the initial grants the Council had to administer.

Other services have had to think differently about how they could continue to provide services during the lockdown period. Most service areas have had to adapt and many employees have been able to work in a different and more agile way. There is a significant challenge to the organisation moving forward in ensuring that many of the new ways of working that have worked well continue to do so. Other services have had to reconsider how they continue to deliver to the public over time. One example is the provision of free school meals, which initially was provided through a 'packed lunch' style arrangement, which pupils collected from specific locations. This subsequently changed to a food parcel delivery service to pupils' homes, and then in October 2021, as a result of feedback from parents, new arrangements were put into place and food payment vouchers were issued to the parents and carers of children eligible for free school meals.

In addition to the business grants, Welsh Government has continued to provide a number of specific grants to meet the additional costs of Local Authorities as a result of the pandemic, for costs in general and targeted at specific areas, such as adult social care, free school meals, homelessness and personal protective equipment. Costs are collated across the Council to enable these grants to be drawn down, the majority of which are claimed against the Welsh Government Hardship Fund. There is also the impact of lost income from fees and charges, which creates an additional pressure. The Council has claimed and received the following amounts:

<b>Welsh Government Hardship Fund</b>	<b>Claimed £000</b>	<b>Paid £000</b>	<b>Disallowed £000</b>
Additional expenditure	14,748	14,682	66
Loss of income	1,762	1,762	0
<b>Total</b>	<b>£16,50</b>	<b>£16,444</b>	<b>£66</b>

Cost pressures and loss of income not covered by Welsh Government have created additional pressures on the Council budget, so the Council established a specific earmarked reserve at the end of 2019-20 to enable it to mitigate any non-funded Covid related costs in both 2020-21 and beyond. In addition, in recognition that the WG Hardship Fund is ending on 31 March 2022, a budget pressure of £1 million was approved by Council for 2022-23 as part of the Medium Term Financial Strategy 2022-23 to 2025-26 to meet ongoing budget pressures, both in respect of additional cost pressures and ongoing loss of income.

Over the past year the Council has continued to respond to the Covid-19 pandemic by continuing to make payments in advance of supply where appropriate, maintaining management fee levels for some of our key providers during the pandemic, and when necessary increasing the number of BACS payments made per week to ensure funding reached supplier accounts more quickly. Introducing more streamlined methods of payment were also used, to minimise the time taken to process payments into the Council's Finance system and release payments to recipients.

In recent months the Council has experienced additional costs not only as a result of the pandemic, but also rising costs resulting from Brexit, increases in inflation not seen for over a decade, and more recently the impact of the war in the Ukraine. The impact is being felt in food and energy prices, amongst others. These have resulted in a so-called Cost of Living crisis and will only get worse once the increase in National Insurance contributions come into effect from April 2022. It is unclear what the longer term consequences of these will be, or how they will be managed. However, it seems inevitable that a large number of businesses and individuals will find themselves in financial difficulties and may go out of business or require additional financial support, despite the various support schemes that have been put in place over the last 2 years. Town centre businesses are likely to continue to struggle as staff continue to work from home, either on a permanent or part-time basis, thus impacting on the footfall in these main retail areas.

## Inspections

In March 2019 Estyn inspected Bridgend's local government education services. Following the inspection Estyn identified four recommendations to further improve Bridgend's provision of education services to children and young people. Following the inspection, the Council developed a post-inspection action plan (PIAP) to ensure the areas for improvement identified within the Estyn report would be addressed. The Council (supported, where appropriate, by Central South Consortium) have continued to work to address all of the recommendations from the Inspection. The Council conducts regular monitoring to ensure that progress is made and that next steps for improvement are identified and understood by all officers.

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

## Annual Improvement

Audit Wales<sup>2</sup>, our External Auditor, assesses the Council's arrangements for delivering continuous improvement and subsequent performance, the results of which are published in their [Annual Audit Summary 2021](#). In February 2022 they reported that the 'Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021'. The Summary also states that in August 2021 he concluded that 'the Council has maintained a strong financial position during the pandemic and has strengthened its Medium Term Financial Strategy'.

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

Report	Key outcomes
At Your Discretion – Local Government Discretionary Services, April 2021	<p><b>Whilst not specific to Bridgend, this review looked at how Councils define their services and look to protect essential services when dealing with reductions in funding. Audit Wales focused on how Councils define services, the systems and processes they have used to review services and how robust and comprehensive these are.</b></p> <p>The Key Facts arising from the review were:</p> <ol style="list-style-type: none"> <li>1. Defining whether a service is discretionary or statutory can be complicated and does not reflect the important work of councils</li> <li>2. Despite providing essential services that people depend on, councils have had to make difficult choices on what to protect in responding to over a decade of austerity</li> </ol>

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



	<p>3. Service review processes help councils make tough choices but do not always draw on all key data - Citizens are willing to get involved in helping shape and run services, but councils are neither effectively nor consistently involving them in decisions</p> <p>4. Councils are not confident that they can continue to deliver all their services in the face of rising and complex demand</p> <p>5. COVID-19 offers an opportunity to reevaluate and reset the role and value of local government - COVID-19 has demonstrated the importance of Councils as key leaders in our communities who provide essential services and a safety net for people across Wales. Also, Councils need to build on their response to COVID-19 and take the opportunity to transform the way they provide services and interact with communities</p>
<p><b>Review of the Council's Arrangements to Become a 'Digital Council' – Bridgend County Borough Council, September 2021</b></p>	<p><b>The review was undertaken to enable Audit Wales to understand if the Council has effective arrangements to support its ambitions of becoming a digital council. This included exploring how the Council has learned from its shift to more digital working as a result of the pandemic.</b> Their findings from the review were:</p> <p>"The Council has begun to put arrangements in place to support its digital ambitions but needs to strengthen its plans for delivering them".</p> <p>They reached this conclusion because:</p> <ul style="list-style-type: none"> <li>• the Council has a new digital strategy which would benefit from reflecting the impact of the pandemic and emerging national policy direction;</li> <li>• the Council set up a Board to oversee delivery of its digital strategy, which has provided fresh impetus, but there is scope to strengthen some governance arrangements; and</li> <li>• the Council has not yet determined the resource requirements needed to deliver the strategy and there is scope to further instil a corporate culture for change.</li> </ul>
<p><b>Financial Sustainability Assessment – Bridgend County Borough Council, August 2021</b></p>	<p><b>This review followed the national summary report 'Financial Sustainability of Local Government as a result of the COVID-19 Pandemic', published in October 2020, and concluded phase 2 of Audit Wales' financial sustainability assessment work during 2020-21, which has resulted in a local report for each of the 22 principal councils in Wales.</b> Their key findings from the review were:</p> <ul style="list-style-type: none"> <li>• The Council has maintained a strong financial position during the pandemic, and has strengthened its Medium Term Financial Strategy</li> <li>• The immediate impact of COVID-19 on the Council's financial sustainability has been mitigated by additional Welsh Government funding</li> <li>• The Council has strengthened its Medium Term Financial Strategy to better reflect medium-term budget pressures and forecast changes in demand for services</li> <li>• There are no apparent risks to the Council's financial sustainability in relation to its use of useable reserves which continue to be at a comparatively high level</li> <li>• In recent years, the Council has consistently underspent its annual budget and expects to underspend again in 2020-21</li> <li>• The Council has a track record of delivering the majority of its in-year planned savings. However, in common with other councils, identifying and delivering future savings will be more challenging</li> </ul>

	<ul style="list-style-type: none"> <li>The Council has a positive liquidity ratio placing it in a good position to meet current liabilities.</li> </ul> <p><b>In September 2021 Audit Wales compiled and published a national report on financial sustainability, capturing the key themes and challenges from the individual local authority review, and outlining four steps that could help to improve council's financial sustainability, namely:</b></p> <table border="1"> <tr> <td><b>Financial Strategies</b></td> <td>Understand short, medium and long-term challenges and clearly set out the overall priorities for the council's finances</td> </tr> <tr> <td><b>Reserves</b></td> <td>Plan your approach to, and use of, reserves to ensure that it supports longer-term financial sustainability</td> </tr> <tr> <td><b>Performance against budget</b></td> <td>Know what's realistic for services to achieve and then understand and act on areas of consistent overspends</td> </tr> <tr> <td><b>Savings Delivery</b></td> <td>Understand what is realistic for services to deliver on savings or cost reductions and act on areas that do not consistently deliver planned savings</td> </tr> </table>	<b>Financial Strategies</b>	Understand short, medium and long-term challenges and clearly set out the overall priorities for the council's finances	<b>Reserves</b>	Plan your approach to, and use of, reserves to ensure that it supports longer-term financial sustainability	<b>Performance against budget</b>	Know what's realistic for services to achieve and then understand and act on areas of consistent overspends	<b>Savings Delivery</b>	Understand what is realistic for services to deliver on savings or cost reductions and act on areas that do not consistently deliver planned savings
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## Managing Risk

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

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

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

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

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

## Financial Management

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

The Council's ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of uncertain funding levels and cost pressures, and the long term impact of Brexit, the pandemic and the current conflict in the Ukraine. The Council estimates that it will need to generate approximately £21 million of savings over the period 2022-23 to 2025-26. The Medium-Term Financial Strategy has taken account of known cost pressures and priority areas in line with the Corporate Plan and undertaken extensive consultation to ensure a robust process. To ensure greater involvement of stakeholders in the development of the Medium Term Financial Strategy an eight week consultation 'Shaping Bridgend's Future' was undertaken between 20 September and 14 November 2021, the emphasis of which was on what the public felt worked well during the pandemic, and where we need to continue to make changes or improvements as we recover from the pandemic to ensure that the Council is able to deliver sustainable and effective services for the next five to ten years. Due to social distancing requirements, the budget consultation was pre-launched on social media prior to the live survey date and the consultation itself focused more on online, social media and interactive engagement methods. Communication took place through a wide variety of methods, including surveys, social media, online engagement sessions, online Frequently Asked Questions as well as videos, radio adverts and media releases. To gather the views of young people the consultation team attended a Bridgend Youth Council meeting and promoted the consultation amongst learners, staff and parents at Bridgend secondary schools and Bridgend College. The Medium Term Financial Strategy can be found on the Council's website [here](#). For the first time in a number of years Welsh Government has given all-Wales indicative funding levels for the next two financial years, but no indications of likely funding for Bridgend. Given this uncertainty, the Council has developed detailed budgets for year one of the Strategy with indicative budgets thereafter based on a range of funding scenarios.

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

The Council follows the CIPFA Code on Treasury Management and Welsh Government's Guidance on Local Authority Investments to ensure that funds invested are secure, accessible when necessary and attract an appropriate return and any borrowings needed are in line with the Council's Treasury Management Strategy, as approved by Council. During the Coronavirus pandemic reliance on Treasury Management advice has been crucial, and increased levels of cash movements has meant a continued

focus has been needed on managing cash flows in as secure a manner as possible. 2021-22 did not see the same level of grant funding for businesses as a result of Welsh government Covid grants as was seen at the start of the pandemic in March and April 2020, and the market uncertainty as a result. The Council has been able to invest monies across its wider investment options in line with the Council's [Treasury Management Strategy](#) and enable it to reduce its reliance on the Debt Management Office, though this remains a key investment option for the Council.

CIPFA issued a revised Treasury Management Code of Practice in December 2021, with full implementation from 2023-24. CIPFA also issued a new edition of the Prudential Code for Capital Finance in Local Authorities in December 2021. The Code requires local authorities to determine a Capital Strategy, to be approved by Council, which demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. A significant change in the Code is that, to comply with the Code, an authority must not borrow to invest primarily for financial return. The Code does not require existing commercial investments, including property, to be sold. However it does set out that authorities that have a need to borrow should review options for exiting their financial investments for commercial purposes. The Council is unlikely to invest for commercial purposes but will focus on delivering schemes that meet its service objectives. New indicators have been included on affordability, and a 'Liability Benchmark' replaces the prudential indicators on gross debt and the capital financing requirement. The [Capital Strategy 2022-23](#) has been revised to reflect the changes in the Prudential Code. The Strategy continues to evolve to provide a robust, medium to long term capital plan for the Council.

## Compliance with the CIPFA Financial Management Code of Practice

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

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

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

Whilst the 2020-21 financial year was a shadow year for compliance with the FM Code, the Council did make an assessment of current compliance with the 19 Standards outlined in the FM Code. The assessment identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2021-22. These actions were included in the Action Plan for 2021-22 and were to review the Financial Procedure Rules, Code of Corporate Governance and to continue to support professional development. Progress against these are included in Section 5 – Improving Governance.

## 4 Audit Assurance

### Audit and Audit Assurances

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

In 2021 the External Auditor gave an unqualified audit opinion on the financial statements 2020-21.

Audit Wales also audit a number of grant claims and in the year completed 7 audits of grants and returns. Two claims were qualified, including Housing Benefit due to a few errors and a further grant was qualified as a result of an increase in costs on the scheme and authorisation of an invoice not in line with the Council's policies and procedures.

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

The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2021-22 is:

***“Reasonable Assurance”***

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

As described earlier in the Annual Governance Statement the way the Council has had to operate during 2021-22 has been severely affected by the COVID 19 pandemic. Many staff have worked remotely, and systems & processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of COVID 19 and remote working to ensure adequate controls and governance arrangements remained in place.

The pandemic did have some impact on the delivery of the internal audit plan for 2021-22 and a limited number of audits were deferred due to the pressures on some service areas. These audits will be carried out in 2022-23. The Internal Audit coverage was still sufficient for the Head of Audit to be able to give an opinion.

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

For most of the financial year there continued to be interim arrangements in place to cover the statutory position of the Council's Section 151 Officer/Head of Finance. However, a permanent appointment was made during the year and the successful applicant took up post in December 2021. The postholder is an experienced Section 151 Officer from a neighbouring Welsh local authority and has brought a raft of experience and knowledge to the role. In addition, the finance section has been undergoing a restructure during most of the financial year to make permanent a number of temporary positions and

to provide more resilience in certain areas. It also enabled the team to update staffing requirements following changes to working practices over recent years. The structure was implemented from 1 January 2022 and most positions are now filled on a permanent basis. Where necessary staff have been undergoing training and development in their new roles and this will continue going forward to ensure that staff have the correct skills for their new roles.



*Bridgend Bus Station*

## 5 Improving Governance

A number of significant issues were identified in the Council's 2020-21 Annual Governance Statement. The progress made on the significant issues is shown below:

Issue	Governance Principle	Action	Update
Implementing the Local Government and Elections (Wales) Act 2021	A	<p>The Council will need to implement measures to comply with the Act. This will include for example changes to the composition and terms of reference of the Governance and Audit Committee from May 2021, the establishment of Corporate Joint Committees, wider performance review and self-assessment, and the introduction of measures to establish public participation. The Council will consider the Welsh Government Commencement Orders and subordinate legislation and will put in place processes for implementing the required changes.</p>	<p>Council received a report on 20 January 2021 outlining the main provisions of the Act together with an Action Plan to ensure that the Council is prepared for the various elements of the Act as they come into force. A report was presented to Council on 20 October 2021 seeking approval for changes to the membership of the Governance and Audit Committee (GAC) to take effect following the Annual Meeting of Council on 18 May 2022. The GAC received an information report outlining those changes on 11 November 2021. The GAC has also assumed some of its new responsibilities under the Act, including review of the Complaints process. Discussions are taking place with the Cardiff Capital Region City Deal (CCRCD) Regional Cabinet on the preferred delivery model and governance arrangements for the statutory Corporate Joint Committee (CJC) and this will be taken forward over the coming months. A task and finish group has been established to establish systems to enable the Council to embed and report on a</p>

			<p>culture of self-assessment, as required under the Act, and work is underway with directorates to ensure a consistent and thorough approach is in place. CMB have received a number of reports and have agreed a consistent approach to scoring and making judgements.</p>
Financial Sustainability	F	<p>External funding to support additional pressures will be sought where possible from Welsh Government via the Hardship Fund. Earmarked reserves will be reviewed and maintained to support specific Covid-19 costs arising as a result of local decisions, in addition to provision to meet other unfunded pressures such as reductions in council tax income and additional costs of council Monthly claims have been made to the WG Hardship fund for additional Covid related expenditure since the start of the financial year, along with quarterly claims for loss of income. WG has announced that the Hardship Fund will continue until the end of the financial year. Most claims to date have been paid in full, with only minor amounts disallowed. The Council's Covid Recovery Fund continues to meet the costs of local decisions, such as free car parking, which are approved by Cabinet. This tax support. Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances.</p>	<p>Monthly claims have been made to the WG Hardship fund for additional Covid related expenditure since the start of the financial year, along with quarterly claims for loss of income. WG announced that the Hardship Fund would continue until the end of the financial year, after which time Council would need to meet any additional costs from within their 2022-23 settlement. Most claims to date have been paid in full, with only minor amounts disallowed. The Council's Covid Recovery Fund continues to meet the costs of local decisions, such as free car parking, which are approved by Cabinet. This reserve, along with all other earmarked reserves are reviewed on a quarterly basis. Council received its Provisional Local Government Settlement in December 2022 and due to the significantly higher than anticipated increase in Aggregate External Finance, was able to make provision for a number of pressures going forward, including to meet any ongoing costs arising from</p>



			the pandemic. WG has provided indicative all-Wales increases in funding for 2023-24 and 2024-25 to provide some level of certainty for local authorities going forward. However, the current economic circumstances, and unforeseen increases in inflation and other costs, will place further pressures on local authorities going forward and this will need close monitoring during 2022-23.
Review of Financial Procedure Rules	F	Last updated in 2017, needs review and update to reflect current practices, especially with agile and home working arrangements.	The review of the Financial Procedure Rules is complete, following a thorough review by officers across the Council, and a report was taken to Council in November 2021 to approve the revised version and include them in the Council's Constitution. Council approved their inclusion in the Constitution also in November 2021.
Review of Code of Corporate Governance and associated schedule	A	Last updated in 2017, needs review to ensure it reflects current governance framework.	A review of the Code of Corporate Governance was undertaken in the second half of the financial year. Following an initial review it was determined that a more robust review would be undertaken, so this will now be completed in the new financial year.
To continue to support professional development	E	To assess skills needs as part of the finance restructure and support continuing professional development at all levels where considered necessary. Also to consider other training to both finance and non-finance staff, as well as Elected Members.	The finance restructure was implemented on 1 January 2022 and all vacant posts advertised and filled. Where a training need has been identified it has been provided through a combination of formal external training, plus in-house training. A plan for Members' training is in place for the 2022-23

			financial year, which is to follow the Local Government Elections in May 2022. This includes Financial Awareness training and Treasury Management specific training, which will be supported by our Treasury Management Advisors.
Digital / management and control of ICT assets with new ways of working	A	Change control processes – including patch management for all devices and applications across the ICT landscape. Use of Configuration Management Database (CMDB) to store information about hardware and software assets. Independent Audit assessments reviewing the management of the ICT infrastructure inclusive of devices and software.	Processes are in place to ensure that any changes are implemented in a systematic approach for the management of all changes. Ensuring that no unnecessary changes are made, all changes are documented, with an aim that services are not unnecessarily disrupted and resources are used efficiently, providing the relevant levels of protection for the ICT infrastructure inclusive of devices and software. The Digital transformation Board meets bi-monthly and is developing a full programme of projects to improve the way we deliver services to citizens and drive efficiencies and enhance people's jobs.
Cyber Fraud	F	Staff procedures and guidance through IT security policies, e.g. Six Simple Rules, Data Protection training. Corporate blocks on online file storage. Port control and encryption of USB devices. Public Services Network / Certification accreditation.	Training in place alongside physical controls across the IT infrastructure with regards file storage and external USB devices. The ICT Service Unit are audited and accredited on an annual basis to comply with the Public Services Network Code of Connection (PSN CoCo). During the Coronavirus pandemic and the conflict in Ukraine the National Cyber Security Centre advise all government organisations to be on high alert to the threat of

			cyberattacks. BCBC ICT are progressing towards Cyber Essentials Plus certification to compliment the current PSN CoCo.
Impact on the Social care sector of the Covid-19 pandemic and the ending of the hardship funding to the sector	C	A market stability plan is in development to mitigate the impact on older people's care homes of the pandemic and ensure that there continues to be sufficiency of quantity and quality of provision in Bridgend.	Market Stability reporting is a specific regulatory requirement, which is being undertaken across the Cwm Taf Morgannwg region and coordinated by the regional commissioning unit. The Market Stability Report will be considered by the Health Board and Councils in Cwm Taf Morgannwg, including Bridgend County Borough council, in July 2022.
GDPR issues with new ways of working	A	A Bridgend's message was circulated in September 2020 on data protection and working from home. It provided guidance on issues such as communicating securely, keeping software up to date, ensuring no personal data is compromised, only using the Council's approved technology. The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate) continues to meet quarterly ensuring information security remains a top priority during this time. All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.	The Information Governance Board continues to meet quarterly and all staff and Members are required to undertake the mandatory DPA / UKGDPR e-learning module.
Workforce issues / wellbeing	E	Develop HR policies to support future working arrangements. Develop and implement additional actions to support a wellbeing culture across the organisation. Improve communications to help staff	A new hybrid working policy is being developed and discussions are ongoing with trade union representatives. Meanwhile work is progressing on the practical arrangements to

		access information relating to Covid-19 and recovery.	<p>ensure that staff can book desks and meeting rooms for periods where they will need to work from an office location.</p> <p>Staff wellbeing remains a high priority and is featured in weekly staff messages, a corporate wellbeing group has been established and dedicated support has been provided in response to specific needs.</p>
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Based on a review of the governance framework, and an assessment of compliance with the CIPFA Financial Management Code, the following significant issues identified in 2021-22 will be addressed in 2022-23 with the links to the [Governance Principles](#) on page 5:

Issue	Governance Principle	What the issue is	Proposed Actions to address issue
Self-Assessment	F	The Local Government and Elections (Wales) Act 2021 requires a local authority to demonstrate that it is keeping under review the extent to which it is fulfilling the 'performance requirements' of the Act, including consulting and reporting on performance annually.	The requirement to introduce a comprehensive 'self-assessment' of the Council's performance is progressing satisfactorily. The first Corporate Performance reporting and meeting of 2022/23, reflecting on quarter 4 performance of 2021/22, introduced self-assessment across all Directorates on Key question one, 'performance and outcomes'. It is anticipated that the process will evolve and continue to improve, additionally focussing on key question 2, 'use of resources', and also utilising the Annual Governance Statement to demonstrate effective reporting and assessment of governance. A series of workshops are planned in June and July 2022 to progress this, with the aim

			of reporting comprehensively on the Council's performance based on a process of consistent self-assessment, in September 2022.
Corporate Joint Committees (CJCs)	A	To ensure the Council's interests are safeguarded through the establishment of Corporate Joint Committees, which will assume responsibility for economic well-being, transport and strategic planning.	The interim arrangements to establish a Corporate Joint Committee [ CJC ] for these areas of service has been progressed by the Cardiff Capital Region and reported to Cabinet .
Financial Sustainability	F	The ongoing financial pressure from the pandemic, the exit from the European union and the current conflict in Ukraine, leading to unanticipated inflationary increases and a cost of living crisis for residents.	Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances. Earmarked reserves will be reviewed and maintained to support specific pressures. Benefits and support payments, such as council tax support, winter fuel payments and cost of living payments will be publicised widely and paid promptly.
Commissioned / Contracted Services	F	As a result of the economic challenges facing all sectors, through rising prices, supply chain issues and staffing issues there is a danger that our partners / commissioned services / contractors may not continue to be viable, which could disrupt services significantly and place additional pressure on the Council.	There is increasing evidence that both our existing contractors and those tendering for work, are reflecting significantly increased costs in their submissions . The Council will need to respond to this proportionately and responsibly , recognising the very real pressures but managing the impact on the Council's contractual position and resources effectively, but at the same time ensuring that essential Council services are maintained. Additionally, the significant workforce issues impacting on our ability to recruit and retain staff in many parts of the Council are compromising our ability to deliver services effectively , and reducing our capacity and resilience, a whole series of initiatives are

			being implemented to help mitigate the impact and address the most acute issues.
Review of Code of Corporate Governance and associated schedule	A	Ensuring that the Code of Corporate Governance is kept up to date is crucial to ensure it is fit for purpose.	Last updated in 2017, needs review to ensure it reflects current governance framework. Work commenced on this during 2021-22 but this will be completed and ratified in 2022-23.
Member Development	E	There is likely to be a cohort of new Members following the Local Government Elections in May 2022, who will require significant investment in their development to enable them to undertake their roles in the most professional and informed manner.	The Member Induction Programme 2022-23 to support new and returning elected members was presented to Council on 9 February 2022. In addition to the ongoing Elected Members Learning and Development Programme, a Training Needs Analysis Questionnaire will be compiled and distributed during December 2022 – January 2023. All Members' responses will be analysed and, from this, the ongoing Programme will be developed and presented to the Democratic Services Committee.
Impact on the Social care sector of the Covid-19 pandemic and the ending of the hardship funding to the sector	C	The Covid-19 pandemic has had a significant impact on the Social Care sector. Short term hardship funding has helped to support the sector, but the ending of this funding will have an impact moving forward.	A market stability plan has been developed to ensure that there are clear plans to deliver sufficiency of quantity and quality of provision in Bridgend.
GDPR issues with new ways of working	A	Remote working demands a different security stance than working in centralised offices and the Council must ensure that it remains compliant with data protection laws.	As the Hybrid Policy is implemented additional guidance will be developed on issues such as communicating securely, keeping software updated, safeguarding personal data and the need to use the Council's approved technology.  The Council has strict ICT and Data Protection Act (DPA) policies and the Information Governance Board (with representation from each Directorate)

			<p>continues to meet quarterly ensuring information security remains a top priority during this time.</p> <p>All staff and Elected Members are also required to undertake the mandatory DPA e-learning module.</p>
Hybrid Meetings	A	As we move towards a hybrid way of working, to ensure that proper governance arrangements are in place to support hybrid committee meetings.	A Multi-location Meetings Policy will be presented to Council for approval.

These issues will be monitored via a detailed action plan during 2022-23, with the responsible officer and deadline for implementation identified for each action and reported to Cabinet/Corporate Management Board and to the Governance and Audit Committee.

## 6 Assurance Statement

Controls that were put into place at the start of the Covid-19 pandemic have either been formalised as part of new ways of working, or the Council has reverted to pre-pandemic methods now we have moved into the recovery and renew phase. Given these arrangements no significant internal control or governance issues have arisen, and the Council continues to have in place appropriate internal control and governance arrangements.

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

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

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Leader)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Chief Executive)

