

Annual Governance Statement



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1 Foreword

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. It has a duty under the Local Government and 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 have in place effective governance for securing these requirements.

In discharging this overall responsibility, the Council must put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk. It is necessary that our communities and those that use and pay for services, those who deliver 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.

The Local Government and Elections (Wales) Act 2021 requires councils to undertake an annual assessment of performance, and answer the following questions:

- Is the Council exercising its functions effectively?
- Is the Council using its resources economically, efficiently and effectively?
- Does the Council have effective governance in place for securing the above?

The Council's [annual self-assessment](#) has been published and sets out responses to the questions above for the 2023-24 financial year - the self-assessment for 2024-25 will be reported in autumn 2025. The self-assessment confirms that the Council has good governance in place. This statement sets out the Council's assessment of its governance for 2024-25.

The Cabinet and Corporate Management Board are confident that the governance arrangements operated effectively in supporting the Council in meeting its obligations and responsibilities. There are always opportunities to make improvements, and these are set out within this statement and will be addressed during the forthcoming year.



Cllr John Spanswick
Leader of the Council



Mark Shephard
Chief Executive

2 Governance Framework

What is Corporate Governance?

The Council has a key role in governing and leading our community. Effective local government relies on public confidence in Elected Members and Council Officers. 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 2025.

It also sets out how the Council has responded to governance issues identified during 2024-25 and actions to be undertaken during 2025-26 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).



Maesteg Town Hall

The Council's Governance Responsibilities

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

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

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

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

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

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

The Council's evaluation against these seven principles is detailed in the Code of Corporate Governance, highlighting the actions that demonstrate good governance and the evidence that supports these actions.

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

The Council's Governance Framework

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

The system of internal control is a significant part of that framework and is designed to make appropriate use of, 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.

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.

Decision Making and Responsibilities

The Council consists of 51 elected 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 under delegated powers. It also contains the rules and protocols by which the Council, Members and officers operate.

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 introduced:

- 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; and
- Powers to facilitate voluntary mergers of principal councils.

The Act continues to have a wide-ranging impact on the organisation, powers, performance measurement and governance of the Council. From May 2022 the composition of the Governance and Audit Committee changed, and one-third of its members are required to be lay members, including the Chair of the Committee. For the Council the Governance and Audit Committee now comprises 8 elected

members and 4 lay members. Responsibilities assumed by the Committee include:

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

Role of the Governance and Audit Committee

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

- Review, scrutinise and issue reports and recommendations in relation to the Council's financial affairs.
- Review, scrutinise and issue reports and recommendations on the appropriateness of the Council's risk management, internal control, arrangements to secure value for money and corporate governance arrangements.
- To consider the report on the annual risk assessment, any interim reports and the Corporate Risk Management Policy.
- Oversee the Council's internal and external audit arrangements (including the performance of external providers of Internal Audit) and review its financial statements.
- To approve the Internal Audit Charter.
- To approve the risk-based internal audit plan and to approve significant interim changes to the risk-based internal audit plan.
- To consider and approve the Head of Internal Audit's annual report and opinion, a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale and approve necessary remedial action.
- To be responsible for ensuring effective scrutiny of the Treasury Management function, 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 Code of Corporate Governance.
- To review and approve the Annual Statement of Accounts and appropriateness of the accounting policies and whether they have been followed correctly, and to consider whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To review and consider reports from the External Auditor on the Council's performance, financial probity and corporate governance, and to receive reports from other external regulators as appropriate.
- 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.

3 Corporate Governance Arrangements

Bridgend County Borough Council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. The arrangements the Council has for Corporate Governance is set out below.

1	Bridgend County Borough Council Code of Corporate Governance	The Council's Code of Governance provides a public statement that sets out the way in which the Council meets and demonstrates compliance with the CIPFA Governance principles.
2	The Governance Framework	The Council's Code is underpinned by a Governance Framework which comprises the policies, procedures, behaviours and values by which the Council is governed and controlled.
3	The Annual Governance Statement	The Annual Governance Statement provides assurances regarding the Council's Governance arrangements, together with identifying areas of future focus and improvement. The purpose of the Annual Governance Statement is to report publicly on the extent to which the Council complies with its Code of Corporate Governance. It identifies those areas which have been identified as needing improvement following self-assessment.
4	Annual Governance Statement Action Plan	The Council continues to review the areas for improvement identified within the Governance statement which are monitored through the Annual Governance Statement Action Plan.

4 Governance Assessment

Sources of assurance for the Governance assessment are set out below.

Assurance required	Sources of assurance	Assurances received
Delivery of Corporate Plan priorities	Corporate Plan Directorate Business Plans Service Plans Corporate Performance Framework Corporate Plan Delivery Plan Panel Performance Assessment	Corporate Self-Assessment report
Services are delivered economically, efficiently and effectively	Quarterly Performance monitoring at Cabinet/Corporate Management Board Corporate Overview and Scrutiny Committee	Corporate Self-Assessment report Scrutiny Committees and reviews Annual Self-Assessment of the Governance & Audit

	Regulatory Tracker.	Committee Audit Wales thematic reviews
Management of risk	Risk Management Framework	Governance and Audit Committee review of risk Audit Wales external challenge
Effectiveness of internal controls	Constitution and Scheme of Delegation, including contract procedure rules and financial procedure rules Strategic Leadership Team – Cabinet & Corporate Management Board	External audit reports Internal audit reports
Community engagement & public accountability	Forward Work Programme Complaints Policy Participation and Engagement Strategy	Community Engagement Feedback Ombudsman Reports
Procurement processes	Contract Procedure Rules	Value for money
Roles & responsibilities of Members & Officers	Head of Paid Service Monitoring Officer & S151 Officer	External Inspections eg Estyn, Audit Wales, Care Inspectorate Wales.
Standards of conduct & behaviour	HR Policies & procedures Members' Code of Conduct Officers' Code of Conduct	Complaints and compliments received
Training & development of Members & Officers	Corporate Learning & Development Plan Member Development Plan	Staff survey Performance Development Reviews – appraisal process
Compliance with laws & regulations, internal policies & procedures	Constitution Council Policies Welsh Language Standards Health & Safety Policy Internal Audit reports Whistleblowing Policy Anti-Fraud and Bribery Strategy Anti Money Laundering Policy Anti-Tax Evasion Policy	External Audit reviews Internal Audit reviews Independent external reviews – Estyn, Care Inspectorate Wales.

Audit Wales have undertaken and reported on a number of reviews during the year and these have been reported to the Governance and Audit Committee. The key outcomes of the reviews are set out below.

Report	Key outcomes
Financial Sustainability Review – Bridgend County Borough Council (August 2024)	<p>The purpose of this report was to provide assurance that councils have proper arrangements to support their financial sustainability and to explain councils' financial position and the key budget pressures and risks to their financial sustainability.</p> <p>Overall, the audit found that the Council understands its financial position with good arrangements to support its financial sustainability which it flexes and adapts but is at the early stage of developing its long-term approach.</p> <p>Two recommendations were put forward in the report, and these were :-</p> <ul style="list-style-type: none"> • To strengthen the Council's approach to financial sustainability, the Council should develop a savings plan across the timescale of the Medium Term Financial Plan, to clearly show how the funding gap will be addressed or clearly communicate the challenge where this is not possible. • The Council should strengthen its arrangements to ensure the impact of its financial position and Medium Term Financial Plan on communities and on the delivery of its well-being objectives is reported to members to enable them to monitor and address any impacts.
Review of Decision Making Arrangements – Bridgend County Borough Council (September 2024)	<p>The purpose of this report was to gain assurance that the Council has proper decision-making arrangements to secure value for money in the use of its resources.</p> <p>Overall, the audit found that the Council generally has proper decision-making arrangements in place but weaknesses in forward planning and pre-decision scrutiny are undermining their effectiveness.</p> <p>Five recommendations were proposed :-</p> <ul style="list-style-type: none"> • The Council should ensure that its published forward work programme for committees is accessible, comprehensive, and covers a longer time frame than the current 4-month period to give more opportunity for robust pre-decision scrutiny and provide greater transparency around the decision-making process for both Members and the public. • The Council should ensure that its scheme of delegation is updated, to mitigate the risk of decisions being taken without the proper authority. • The Council should ensure that there is clarity on the role of scrutiny in the decision-making process. The lack of clarity on the role of the Overview & Scrutiny committees, particularly in relation to pre-decision scrutiny is limiting Overview & Scrutiny committees' ability to contribute fully and effectively to the decision-making process. • The Council should ensure that it provides greater transparency regarding the remit of the different Overview & Scrutiny committees. Naming the Overview & Scrutiny committees 1, 2

	<p>and 3 does not help with transparency of the remit of the committees, particularly from a public perspective. It is also a potential barrier to encouraging public involvement in the scrutiny process.</p> <ul style="list-style-type: none"> • The Council should ensure that Members receive, and are encouraged to access, a relevant training programme to ensure they are well equipped to understand and undertake their role. This should include focussed training for specific roles, e.g. chairing skills.
Setting of Wellbeing Objectives – Bridgend County Borough Council (September 2024)	<p>The purpose of this report was to assess the extent to which Bridgend County Borough Council has acted in accordance with the sustainable development principle when setting its well-being objectives.</p> <p>The audit found the Council has applied the sustainable development principle when setting its well-being objectives, but there are opportunities to build on how it involves citizens and how it intends to work with partners.</p> <p>There were three recommendations :-</p> <ul style="list-style-type: none"> • The Council should ensure that it covers the full range of statutory requirements when developing its next well-being statement, including: <ul style="list-style-type: none"> • how it considers it has set well-being objectives in accordance with the sustainable development principle; and • how it proposes to ensure resources are allocated annually for the purpose of taking steps to meet its well-being objectives. • The Council should build on its current approach to engagement by considering ways to: <ul style="list-style-type: none"> • draw on citizens' views to inform the development of the Well-being objectives at an early stage; and • ensure that it is involving the full diversity of the population. • The Council should clearly set out in the corporate plan how it intends to work with partners to support the delivery of its well-being objectives.

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 Business 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; or
- 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 Council has seen increasing uncertainty and risk, particularly in relation to the current economic climate and the financial challenges the Council faces. 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.

The Council has in place Risk Management policies and guidance used by all departments. This 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.

Changes at a corporate level places risk upon the Council. A new Chief Executive has been appointed and will take up his role in July 2025. There may be an impact on the Council as the new Chief Executive settles in the role over the forthcoming period.

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 of functions also provides the framework for financial control. The Section 151 Officer is responsible for establishing a clear framework for the management of the Council’s financial affairs and for ensuring that arrangements are made for their proper administration.

The Council’s ability to deliver savings and contain its expenditure within its overall budget is well established. However, the Council faces significant challenges in the future in the face of uncertain funding levels and cost pressures, the ongoing impact of the cost-of-living crisis and the conflict in the Ukraine. The Council estimates that it will need to generate approximately £40 million of savings over the period 2025-26 to 2028-29. The Medium-Term Financial Strategy has taken account of known cost pressures and priority areas in line with the Corporate Plan and undertaken extensive consultation to ensure a robust process. To ensure greater involvement of stakeholders in the development of the Medium Term Financial Strategy a three week consultation ‘Time To Talk’ was undertaken between 6 January 2025 and 26 January 2025, the emphasis of which was to seek citizen’s views on how we should address the budget situation. It was recognised that the budget planning for 2025-26 was still extremely difficult, and the Council is facing even more cost pressures than experienced in previous years. The results were collated and used to further inform final decisions on the Medium Term Financial Strategy. The Medium Term Financial Strategy can be found on the Council’s website [here](#). Welsh Government has given no indication of funding levels for future years. Given this uncertainty, the Council has developed detailed budgets for 2025-26 but can only make assumptions for future years 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. Arrangements in place to demonstrate good financial control include established budget planning procedures and regular budget monitoring reports to Cabinet and Corporate Overview 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.

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.

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. In its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*) CIPFA stated that the Annual Governance Statement should include the overall conclusion of an assessment of the organisation's compliance with the principles of the FM Code. Also, that where there are outstanding matters or areas for improvement, these should be included in the action plan. The Regional Internal Audit Service undertook a review of the Council's compliance with the FM Code during 2024-25 and provided an audit opinion of Substantial Assurance, and that a number of strengths and areas of good practice were evident.

The Council's assessment of its compliance with the 19 Standards outlined in the FM Code for 2024-25 identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2025-26. These actions are included in the Annual Governance Statement Action Plan for 2025-26 and are to:

- Review and update the Council's Financial procedures and policies as required e.g. Financial Procedure Rules, Financial Scheme for Schools, Fees and Charges Policy, to reflect changing circumstances and processes as a result of the challenging financial climate;
- Provide additional training to full Council and schools, as required, on Budget Management, Capital Strategy and Earmarked Reserves;
- Continue to develop budget reduction proposals for the full life of the MTFS and a high level of monitoring of achievement of existing reductions; and
- Try to improve and widen the reach of the budget consultation process to ensure more meaningful, and specific responses.

Progress against these are included in Section 6 – Improving Governance.

5 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 2024 the External Auditor gave an unqualified audit opinion on the financial statements for 2023-24. Audit Wales also audit a number of grant claims and in the year completed 5 audits of grants and returns. 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.

Internal Audit is a statutory requirement within Local Government. The Council's internal audit is undertaken by the Regional Internal Audit Service, a partnership shared service between Bridgend County Borough Council, Merthyr Tydfil County Borough Council hosted by the Vale of Glamorgan Council.

The Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2024-25 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. 86% of the agreed plan has been achieved indicating good internal audit coverage across all service areas. The weaknesses that have been identified are service specific. Audit opinions have been presented to Governance and Audit Committee throughout the year as summarised below.

Audit Opinion	Number	%
Substantial assurance	10	23
Reasonable assurance	29	68
Limited assurance	4	9
No assurance	0	0
Total	43	100

91% of Internal Audit opinions issued were positive which provided a good level of assurance on the effectiveness of the control environment; there were no 'No Assurance' opinions issued.

All of the 6 audits that were deferred from 2023-24 have been completed. There are 3 planned audits ongoing at the end of 2024-25 and a further 4 have been deferred to the 2025-26 audit plan. All recommendations made to improve governance, risk management and control during 2024-25 have been accepted by operational management and are at various stages of implementation. Progress on implementation of agreed Internal Audit recommendations and the progress of completion of the Internal Audit Plan was reported quarterly to Governance and Audit Committee.

The Governance and Audit Committee also receives a regulatory tracker twice-yearly. This was introduced to cover all regulators and all completed inspections and their recommendations for the Council. The tracker focuses on amber and red rated recommendations, being adequate and unsatisfactory rated recommendations, whilst the Subject and Overview Scrutiny Committees receive the report to include all recommendations irrespective of rating.

6 Improving Governance

A number of significant issues were identified in the Council's 2023-24 Annual Governance Statement. The progress made on the significant issues is shown below:

6.1 Progress on issues raised in 2023-24 that were addressed in 2024-25

Issue	Governance Principle	What the issue was	Outcome of actions taken
Medium to long term financial management	F	The impact of budget reductions is no longer sustainable through top-slicing of budgets, and the focus will need to turn to reductions in service delivery and the potential for the Council to cease providing some services.	<p>The budget setting process was completed at the Council meeting on 26 February 2025. Meetings were held with political groups in December enabling them to comment on the proposals as they were at that time.</p> <p>Two focused meetings were held with Budget Research Evaluation Panel in December looking at Education / Schools and Social Care and Wellbeing.</p>
Recruitment	E	Difficulties remain in certain areas for recruitment of staff.	There has been continued improvement with the recruitment of Childrens Social Workers as result of efforts by the service. The service will need to develop longer term proposals over the next 12 months. Some of the principles need to be considered by other areas that are experiencing difficulty in recruiting. This includes alternatives such growing their own via apprentices or graduates.
Decarbonisation (carried forward from 2023-24)	D	Whilst the Council has in place a Decarbonisation 2030 strategy, it has not fully identified the resources needed to implement the strategy nor how partners may help to deliver the strategy ambitions.	The Carbon Trust have been commissioned to review our progress towards the 2030 zero carbon objective, governance arrangements linked to this task and to provide a high level cost for the objective. The first draft of their report was presented to Subject Overview and Scrutiny Committee 3 on the 7th April 2025. Officers will now review the report and scrutiny feedback and in due course present a report to Cabinet with changes to the action plan and governance on the 2030 journey. Of note the broad cost of £59.2 million pounds to implement proposed initiatives has highlighted the scale of the task and high level of Welsh government financial support that will be needed.

Issue	Governance Principle	What the issue was	Outcome of actions taken
Use of performance information (service user perspective)	C	The Council's needs to ensure that performance information enables senior leaders to understand the service user perspective and to plan services accordingly.	We are participating in the new Welsh Council's Performance Information Community of Practice aimed at enhancing the quality of performance information (particularly focused on responding to the Audit Wales criticisms across Wales) and providing opportunities to review performance management arrangements, share best practice, and collaborate on data development. The National Resident Survey (WLGA/Data Cymru) ran in the Autumn and findings will now be analysed.
Improved Financial Management	G	The Council's assessment of its compliance with the 19 Standards outlined in the FM Code for 2023-24 identified that the Council could demonstrate compliance with all of the Standards, but that further actions could be taken to enhance compliance during 2024-25	<p>The revised Finance Procedure Rules were agreed by Cabinet and noted by Council in January 2025.</p> <p>The budget continues to be closely monitored and reported to Cabinet on a quarterly basis. More briefings for members have also been provided</p> <p>A series of social media posts were put out in the Autumn to raise awareness of the Council's budget position and explain how the money is spent in year. This preceded the full budget consultation which was completed in January 2025</p>
Digital Strategy	D	An Audit Wales review found weaknesses in the Council's strategic approach to managing and delivering its digital strategy. The Council's digital strategy 2020-24 is not expressed as a set of timebound measurable objectives and milestones. In the absence of clear objectives and measure of success, the Council cannot easily understand whether it is achieving its intended outcomes and value for money. The review also found that the Council has not consulted with all stakeholders, nor has costed the delivery of its digital strategy or savings achievable.	<p>The draft Digital Strategy is now complete and has taken account of the issues raised by Audit Wales together with the key priorities for the Council going forward.</p> <p>A consultation process on the document will start in May 2025</p>

6.2 Issues raised in 2024-25 that will be addressed in 2025-26

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 2024-25 will be addressed in 2025-26 with the links to the [Governance Principles](#) on page 5:

Issue	Governance Principle	What the issue was	Proposed actions to address issue
Value for Money	G	Update the Socially Responsible Procurement Strategy	<p>The Council has a Socially Responsible Procurement Strategy for 2021-2024, aimed at supporting the foundational economy, supporting implementation of the Council's 2030 Decarbonisation Strategy and the circular economy, maximising the delivery of social value and community benefits, and delivering value for money whilst considering the whole life cost, amongst others.</p> <p>The Strategy is being updated following the implementation of the Procurement Act 2023 to demonstrate how the Council will continue to secure value for money and manage demand. This will be finalised by the Autumn 2025. The strategy will be accompanied by a Development Plan with key milestones. This will be reviewed annually by CMB/CCMB.</p>
Waste	E	Transfer of Waste Service back to Council	The Waste Service arrangements will transfer back into the Council in July 2027. This project will be resource intensive and a number of officers will be involved from across the Council. An Internal Governance Board and a Waste Transition Board have been established to ensure the project is delivered on time and within the budget envelope.
Financial Management and Sustainability	E	Provide additional training to full Council and Governance and Audit Committee Members as required on Budget Management, Capital Strategy, Treasury Management and Earmarked Reserves.	<p>A wide range of financial training has previously been provided to members, but to ensure members, including new members, maintain and develop their understanding of key financial issues, it is important to provide training on a regular basis.</p> <p>Member briefings will be provided on subjects such as the medium term financial strategy, budget</p>

Issue	Governance Principle	What the issue was	Proposed actions to address issue
			<p>monitoring, treasury management and earmarked reserves as needed.</p> <p>The Local Management of Schools Officer provides a dedicated Finance training session to new School Governors. There is also a planned Professional Development training session scheduled for Summer 2025 covering 'Managing a Deficit Budget' which will be available for Head teachers, Governors and School Finance Officer.</p>
Monitoring Financial Performance	E	A full review of Budget Research and Evaluation Panel (BREP), including its terms of reference, is undertaken at the start of the financial year.	<p>The Regional Internal Audit Service (RIAS) undertook an audit of 'Budget Savings 2023/24' and published its final report in April 2024. The RIAS provided an audit opinion of Substantial Assurance. One of the low level recommendations, which were agreed by the Chief Officer – Finance, Housing and Change, and will be implemented going forward:</p> <p>In line with the recommendations accepted by Cabinet, a full review of BREP, including its terms of reference, is undertaken at the start of the financial year.</p> <p>In addition, the structure of the Scrutiny committees has been amended this year. This will result in COSC taking the lead on the budget scrutiny process.</p>
Recruitment	E	Difficulties remain in certain areas for recruitment of staff.	Targeted recruitment continues in certain key areas, with bespoke recruitment packages being developed as appropriate. We continue to work regionally and nationally to develop solutions that will not destabilise the job market

These issues will be monitored via a detailed action plan during 2025-26, 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.

7 Assurance Statement

Governance arrangements have effectively supported the Council through the reporting period. Decisions are subject to effective external and internal scrutiny and where weaknesses are found, action plans are put in place and monitored. Based on this, subject to the above issues being resolved, we can provide an overall reasonable assurance that Bridgend County Borough Council's governance arrangements remain fit for purpose.

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

Signed: _____ Date: October 2025
(Leader)

Signed: _____ Date: October 2025
(Chief Executive)