Meeting of:	**CABINET**
Date of Meeting:	**22 SEPTEMBER 2026**
Report Title:	**CORPORATE TRANSFORMATION GOVERNANCE AND OPERATING MODEL**
Report Owner / Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION** **CABINET MEMBER – FINANCE AND TRANSFORMATION**
Responsible Officer:	**DANIEL TAYLOR, HEAD OF TRANSFORMATION AND DIGITAL**
Policy Framework and Procedure Rules:	**Corporate Plan, Medium Term Financial Strategy, the emerging Bridgend 2040 Transformation Strategy, the Constitution and Scheme of Delegation of Functions.**
Executive Summary:	**This report seeks Cabinet approval of the proposed Corporate Transformation Governance and Operating Model, including an advisory Transformation Board (TB) and a Transformation Portfolio Office (TPO).** **The model will provide a single corporate view of significant change, improve prioritisation and resource control, and establish the basis for the Council's corporate change method, the 'Bridgend Way'. Corporate Overview and Scrutiny Committee (COSC) endorsed the approach on 7 September 2026 with minimal amendments. Its challenge has strengthened the final proposal, particularly on constitutional authority, empowerment, proportionality, corporate prioritisation, performance, capital governance, workforce engagement and schools. Formal decisions will remain with Cabinet, Council or authorised officers.**

1. Purpose of Report

1.1 To seek Cabinet approval of the Corporate Transformation Governance and Operating Model and the Transformation Board Terms of Reference at **Appendix 1**.

1.2 To report the outcome of pre-decision scrutiny and explain how COSC's observations have influenced the final proposal.

2. Background

2.1 The Council is delivering an increasing volume of significant service change, major programmes and enabling work informed by the Corporate Plan, the Medium Term Financial Strategy, service demand and complexity, and other drivers.

2.2 While many transformation projects and programmes have effective local governance arrangements, the Council lacks a corporate view of and means to govern the overall portfolio of transformation work, through which to oversee and manage priorities, cumulative risks and dependencies, and direct scarce organisational capacity towards the work of greatest value.

2.3 The proposed model helps address the gap identified through the Panel Performance Assessment (PPA), which found that the Council should strengthen its strategic and corporate capacity to manage and deliver transformation, maintain or improve performance and measure impact.

2.4 The initial proposition was tested with the Leader, the Cabinet Member for Finance and Transformation, the Chief Executive, Corporate Directors, Heads of Service, Transformation and ICT Group Managers and selected officers. The overall response was very positive. The testing and subsequent advice strengthened the proposal by clarifying the Transformation Board’s role and composition and the respective roles of Corporate Management Team (CMT), the Transformation Portfolio Office (TPO) and Senior Responsible Officers (SROs).

2.5 The Corporate Overview and Scrutiny Committee considered the proposed model on 7 September 2026, supported the report and endorsed the overall approach with minimal amendments. Members welcomed the one Council approach, the connection between transformation and performance, the emphasis on retaining organisational capability and the proposed cross-party oversight. They also sought assurance about constitutional roles, empowerment, proportionality, prioritisation and de-prioritisation, capital governance, resources, workforce and trade union engagement, and support for schools. These matters have informed the final proposal and Terms of Reference and are set out in more detail at **Appendix 2**.

3. Current situation / proposal

3.1 The proposal is to establish a single, connected governance and operating model for significant transformation across the Council. Its purpose is to provide a corporate view of the overall portfolio so that priorities, risks, dependencies, capacity and benefits can be managed more consistently, while retaining service ownership and proportionate governance for individual initiatives. For strategic grouping and reporting, the portfolio will be organised around the three Bridgend 2040 outcome areas: People, Place and Prosperity. Information will be captured once and reused across project, programme, portfolio, performance and Member reporting wherever possible.

3.2 For the purposes of this model, transformation means deliberate, coordinated change to services, systems, operating models or ways of working that is intended to create measurable value for residents and communities. This definition distinguishes transformation from routine service delivery and minor improvement activity and will guide which initiatives are considered for inclusion in the corporate transformation portfolio.

Governance structure, roles and authority

3.3 A Transformation Board will be established as an advisory and oversight forum chaired by the Leader. Membership will be determined by the Chair and will initially comprise the Leader, three other Cabinet Members, the leaders of the opposition political groups and the Chief Executive. The Monitoring Officer and Section 151 Officer will attend in an advisory capacity. The Chair may invite relevant SROs, officers, partners or advisers for particular items. The proposed Terms of Reference are at Appendix 1.

3.4 The Board will provide political oversight, strategic direction, assurance and constructive challenge. It may make recommendations to Cabinet, Council, CMT or an authorised officer, supported by an agreed corporate portfolio, timely information, direct challenge to SROs and clear escalation of barriers, risks and resource conflicts. It will not approve business cases, allocate budgets, commission expenditure, direct officers, amend the policy framework or exercise executive, Council or delegated officer functions.

3.5 Formal decisions will remain with Cabinet, Council, CMT, statutory officers and other authorised bodies or officers in accordance with the Constitution, Scheme of Delegation of Functions, Financial Procedure Rules and Contract Procedure Rules. Advice from the Board will not fetter the discretion of any formal decision-maker. Any recommendation requiring formal action will be referred promptly through the appropriate constitutional route.

3.6 CMT will act as the corporate portfolio board. Supported by the TPO's corporate analysis, stocktake and pipeline development, it will determine entry to and prioritisation within the corporate transformation portfolio, identify potential priorities proactively across all services, oversee strategic risks and dependencies, manage corporate capacity, receive SRO reports, and take decisions within existing officer responsibilities and delegations.

3.8 Where an initiative is both transformational and capital-funded, the Transformation Board and the Monthly Finance meeting will apply different assurance lenses without creating dual ownership. The Monthly Finance meeting comprises the Leader, Cabinet Member for Finance and Transformation, Chief Executive, Section 151 Officer and members of CMT as necessary. There will be one SRO, one business case, one delivery plan, one risk register and one version of performance information. Transformation governance will consider the case for change, strategic alignment, organisational readiness, delivery confidence and the realisation of intended service outcomes and benefits. The Monthly Finance meeting will provide oversight of affordability, funding, capital classification, procurement, expenditure, forecasts, slippage and compliance with the Council's financial framework.

3.8 Where an initiative is both transformational and capital-funded, two governance routes will apply different assurance lenses without creating dual ownership: the Transformation Board and Capital Programme Board. There will be one SRO, one business case, one delivery plan, one risk register and one version of performance information. Transformation governance will consider the case for change, strategic alignment, organisational readiness, delivery confidence and whether intended service outcomes and benefits are being realised. The Capital Programme Board will consider affordability, funding, capital classification, procurement, expenditure, forecasts, slippage and compliance with the Council's financial framework.

3.9 Projects subject to both transformation and capital oversight will be supported by a joint protocol between the TPO and the finance and capital programme function, including a shared corporate project record, integrated business-case information, aligned reporting dates and definitions, and clear escalation thresholds. The 'Bridgend Way' will incorporate relevant capital requirements into its gateways. Transformation endorsement will not constitute authority to incur capital expenditure, and consideration through the Monthly Finance meeting will not constitute approval of the wider transformation proposition. Further detail is set out at Appendix 2.

Transformation Portfolio Office and the Bridgend Way

3.10 Led by the Head of Transformation and Digital, the TPO will be the Council's centre for portfolio management, transformation standards, insight and proportionate assurance. It will support CMT, connect SROs and delivery boards with CMT and the Transformation Board, and use corporate evidence to identify and develop potential transformation priorities and the future pipeline. It will not own service outcomes or replace delivery teams.

3.11 The TPO will develop and maintain the Council's corporate method for managing change, the 'Bridgend Way'. Covering portfolio entry, project and programme disciplines, practical tools, delivery and assurance standards, benefits transition and evaluation, its requirements will be tiered by strategic significance, cost, benefit, risk, complexity, scope and organisational exposure.

3.12 The TPO will coordinate governance papers for the model, produce and quality-assure highlight and portfolio reports, maintain the portfolio and strategic risk register, and challenge programme and project reporting. A detailed report on the 'Bridgend Way' will be presented back to COSC, subject to Cabinet approval of this model.

3.13 Working with the Council's Corporate Performance Team, the TPO will ensure that performance evidence informs potential priorities and realised benefits transfer into business-as-usual arrangements. With Finance, it will support viability assessment, proportionate financial modelling and analysis of affordability and financial performance across initiatives and the portfolio.

Assurance and performance

3.14 CMT will decide what enters the portfolio and how corporate change capacity is deployed, based on proportionate evidence of viability, strategic fit, anticipated value, affordability, risk and organisational capacity.

3.15 Portfolio performance will combine relevant corporate and service indicators with controls for time, cost, scope, quality, risk, dependencies, capacity and readiness. Value measures will include financial and non-financial benefits, cost avoidance, productivity, resident and service outcomes, whole-life cost and cost-benefit ratio where appropriate.

3.16 The TPO will provide CMT and the Transformation Board with management assurance on delivery confidence and portfolio control, independent of day-to-day delivery. This will complement, not replace, internal or external audit, Scrutiny, statutory officer advice, technical assurance or the role of the Governance and Audit Committee.

3.17 SROs and delivery governance will own benefits plans during delivery. At transition or closure, continuing benefits will pass formally to named business-as-usual owners.

Implementation and reporting

3.18 Subject to Cabinet approval, implementation will begin immediately and be phased, with the governance structure intended to be operational from October 2026. The Transformation Board will be established under the approved Terms of Reference and its membership confirmed by the Chair. A Council-wide stocktake will establish the initial transformation portfolio and pipeline, the TPO will be established and the cycle of meetings scheduled.

3.19 CMT will normally consider the portfolio monthly and the Transformation Board will normally meet every six weeks. Meetings and formal decision routes will be scheduled so that advisory consideration does not create avoidable delay. Urgent matters will proceed directly through the appropriate existing constitutional or delegated route, with the Board informed as appropriate.

3.20 The portfolio will be prioritised against strategic fit, public value, affordability, anticipated benefits, delivery confidence, risk, dependencies and organisational capacity. The same criteria will support decisions to decline, defer, pause, re-scope, de-prioritise or stop activity where evidence is insufficient, benefits reduce, costs or risks increase, delivery becomes unviable, capacity is unavailable or a higher-value priority emerges. Reporting will focus on portfolio health, decisions, interventions, benefits and SRO accountability and will reuse existing information wherever possible.

3.21 After six months, the Head of Transformation and Digital will review the model and report to CMT, the Transformation Board and COSC. The review will assess governance effectiveness and empowerment, pace, proportionality and duplication, portfolio visibility, prioritisation and de-prioritisation, resource allocation, delivery confidence, benefits discipline, risk and capacity, workforce engagement, support for school-related transformation, the continuing suitability of the Board's membership and quoracy, and whether the benefits achieved justify the resource and governance cost.

Workforce engagement and schools

3.22 Implementation of the 'Bridgend Way' will include clear, accessible communications, proportionate engagement with staff and recognised trade unions, and development of a network of transformation champions. The TPO will help programmes identify workforce implications and plan engagement and consultation at the appropriate stage. Existing consultation and collective bargaining arrangements will remain unchanged. This will connect corporate governance with frontline experience, service improvement opportunities and practical delivery. The model will also support school-related transformation where the Council has relevant responsibilities, influence, resources or dependencies, without altering the statutory responsibilities or delegated powers of governing bodies and headteachers.

Risks, ownership and escalation

3.23 The principal implementation risks are insufficient capacity or pace, an incomplete portfolio stocktake, inconsistent adoption and unnecessary duplication or bureaucracy. These will be managed through phased implementation, proportionate requirements, reuse of existing information, clear roles and escalation routes, engagement with services and the six-month review.

3.24 Risks will remain owned by the relevant SRO, accountable officer or governing body. Material risks, dependencies or resource conflicts will be escalated through the TPO to CMT and, where appropriate, the Transformation Board. Any response requiring formal approval, additional budget or another formal decision will follow the appropriate constitutional route.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Wellbeing of Future Generations implications and connection to Corporate Wellbeing Objectives

5.1 The proposal supports the sustainable development principle by improving how the Council chooses, shapes and oversees significant change. Its contribution against each of the five ways of working is set out below:

5.1.1 **Long term:** The model will help the Council look beyond immediate pressures when deciding where to focus its transformation effort. Bringing significant change into one portfolio will provide a clearer view of future demand, financial sustainability, organisational capacity and the lasting benefits and consequences of decisions.

5.1.2 **Prevention:** A more connected and integrated approach to considering transformation work will support more proactive preventative work.

5.1.3 **Integration:** The model will help the Council consider transformation activity as a whole and understand how proposed changes affect different services, communities and well-being outcomes. This should reduce isolated decision-making and help align change with the Council's wider objectives and commitments.

5.1.4 **Collaboration:** Significant change often depends on different services, professional disciplines and partner organisations working together. The model will provide a clearer basis for that shared effort, while retaining clear responsibility for decisions and delivery.

5.1.5 **Involvement:** The governance model will expect individual transformation initiatives to involve residents, service users, staff, Members and other stakeholders in ways appropriate to the change, so that proposals are informed by the people who use, deliver or are affected by services.

5.2 Taken together, these arrangements will support the Council's well-being objectives and corporate priorities by helping it direct limited capacity towards change that delivers better and more sustainable outcomes for People, Place and Prosperity.

6. Climate Change and Nature Implications

6.1 The establishment of the governance model has no significant direct climate or nature implications. It will, however, provide a more consistent route for considering decarbonisation, climate resilience, biodiversity and wider environmental effects when transformation initiatives enter the portfolio and as they are developed, delivered and evaluated.

6.2 Individual initiatives will remain responsible for completing any proportionate environmental assessment required and for identifying relevant benefits, adverse effects and mitigations.

7. Safeguarding and Corporate Parent Implications

7.1 The establishment of the governance model does not directly change safeguarding services, responsibilities or procedures. The Council's duty to safeguard and promote the well-being of children, young people and adults at risk, and to ensure effective safeguarding practice across Council and commissioned services, will continue to apply to all transformation activity.

8. Financial Implications

8.1 A total of £1.6 million of recurrent Digital and Transformation revenue funding was approved by Council in February 2026 as part of the Medium Term Financial Strategy 2026-27 to 2029-30.

8.2 The TPO will be supported by the Head of Transformation and Digital, dedicated portfolio capacity and relevant existing corporate functions. Recruitment will focus on building and retaining the Council's own programme, portfolio, digital, data and delivery capability. Specialist external support may be commissioned where necessary, subject to normal approvals, but the operating model is intended to retain knowledge and capability within the Council.

8.3 The timely establishment of sufficient TPO and wider delivery capacity is a key dependency. Deployment of the approved funding will proceed through the Council's normal workforce, procurement, financial and delegated decision-making arrangements.

8.4 The model does not provide authority to incur expenditure beyond approved budgets or to transfer funding between initiatives. Any proposal requiring additional expenditure, borrowing, budget variation or use of reserves will be considered through the appropriate financial and constitutional process.

9. Recommendations

9.1 Cabinet is recommended to:

a) approve the Corporate Transformation Governance and Operating Model set out in this report and its immediate mobilisation;

b) approve the establishment of the Transformation Board as an advisory and oversight forum, its membership, and approve its Terms of Reference at Appendix 1;

c) note that the Transformation Board will not exercise Executive, Council or delegated officer functions and that all formal decisions will remain with the appropriate body or officer in accordance with the Council's Constitution, Scheme of Delegation of Functions, Financial Procedure Rules and Contract Procedure Rules;

d) note that a review of the model will be undertaken after six months, with the outcome reported back to CMT, the Transformation Board, Cabinet and COSC.

Background documents

None